



Committee: CABINET

Date: TUESDAY, 17 MARCH 2020

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Tuesday, 11 February (reconvened on 18 February) 2020 (previously circulated).

3. Items of Urgent Business Authorised by the Leader

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. Declarations of Interest

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

Councillors 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, Councillors 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, Councillors 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. Public Speaking

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. Delivering Our Ambitions Quarter 3 2019-20 (Pages 3 - 19)

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of Director of Corporate Services

7. Lancaster High Streets Heritage Action Zone (Pages 20 - 32)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Report of Director for Economic Growth and Regeneration

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds, Alistair Sinclair and Anne Whitehead

(ii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email ebateson@lancaster.gov.uk.

(iii) Apologies

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

KIERAN KEANE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on Monday 9 March, 2020.

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	17 March 2020
Title	Delivering Our Ambitions Quarter 3		
Report of	Director of Corporate Services		
Purpose of Report			
To provide members with an update on performance, projects and resources during the third quarter of 2019-20 (October - December 2019).			
Key Decision (Y/N)	N	Date of Notice	N/A
Exempt (Y/N)	N		

Report Summary

The appendices to this report provide information on performance, projects and resources.

Recommendations of Councillor Anne Whitehead

- (1) That Cabinet consider the update on performance, projects and resources for quarter 3 2019-20.

Relationship to Policy Framework

Performance, project and resource monitoring provides a link between the Council Plan and operational achievement, by providing regular updates on the impact of operational initiatives against strategic aims.

Conclusion of Impact Assessment(s) where applicable

Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

The content of this report has no impact in itself.

Details of Consultation

No specific consultation around this report.

Legal Implications

No legal implications directly arising from this report.

Financial Implications

No financial implications directly arising from this report.

Other Resource or Risk Implications

No other implications directly arising from this report.

Section 151 Officer's Comments

The s151 Officer has contributed to this report and has no additional comments he wishes to draw to Members attention

Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no further comments.	
Contact Officer	Dan Bates, Director of Corporate Services
Tel	01524 582138
Email	dbates@lancaster.gov.uk
Links to Background Papers	

1.0 Introduction

- 1.1 The appendices to this report provide information on the council's progress against its priorities, via updates on performance, projects and resources.

2.0 Performance Scorecard

- 1.1 Appendix A contains an update on performance against key success measures.
- 1.2 As Cabinet and the Council's priorities continue to develop, success measures will be updated accordingly to align with the priorities.

3.0 Project Updates

- 3.1 **Appendix B** contains the project highlight report. The corporate reporting of projects will use a 'Red', 'Amber' or 'Green' status to show each projects progress. For any project not reporting a 'Green' status, brief notes of why this is the case will be included on the report where this information is available.

4.0 Financial Monitoring

- 4.1 All portfolio holders are required to examine their revenue budgets regularly and reports are submitted to Cabinet and Budget & Performance Panel for review. In order to enable portfolio holders to meet this requirement Financial Services continually reviews and refreshes how it presents the Council's Corporate Monitoring information. Portfolio holder budget packs have been developed and distributed 27 January 2020 to enable discussions with their relevant budget holders. Further detailed appendices in relation to the Council's Housing Revenue Account (HRA), Capital Projects and Reserves have been provided this quarter.
- 4.2 In an attempt to aid understanding Members should note that where **projected variances** values are presented with brackets () this reflects a negative, or adverse movement from the budgeted position. Conversely, projected variances accompanied with a + sign represents a positive, or favourable movement from the budgeted position.

General Fund Revenue Summary Position

- 4.3 As at the end of Quarter 3 (Q3) December 2019 we are currently projecting a year end overspend against budget of **£321K** (Q2 £252K). This amount equates to approximately **2%** of the Council's approved Net Revenue Budget of **£15.397M**. Officers are working to address this, however should an overspent position remain at the year-end it would need to be met from the Council's unallocated reserves.

General Fund Service Analysis

- 4.4 A summary of the Q3 revenue position for the main service accounts of the Council is set out in table 1 below. **Appendix C: General Fund Service Analysis (Q3)** covers this information in more detail and provides summary explanations for variances +/- £30K.

Table 1 Quarter 3 Financial Monitoring – Service Analysis

Service	Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Q3 Projected Outturn 2019/20 £'000	Q3 Year End Projected Variance 2019/20 £'000
Communities and Environment	5,670	1,694	5,321	349
Economic Growth and Regeneration	4,748	3,747	4,958	(210)
Corporate Services	5,991	(1,725)	6,254	(263)
Central Services	1,385	1,154	1,316	69
Other Items	(572)	(731)	(306)	(266)
Net Recharges to Housing Revenue Account	(1,097)	0	(1,097)	0
RMS Capital Charges (now Housing Revenue Account)	(114)	0	(114)	0
Other Financing	(75)	0	(75)	0
Total	15,937	4,139	16,257	(321)

Communities and Environment £349K (Favourable)

- 4.5 Communities and Environment account for roughly half of the Council's salaries paid to employees. Staff turnover savings of £219K are contributing to the corporate target of £518K. However, this has been supplemented by the use of agency staff in some areas and within Housing the staff savings are linked to externally funded schemes. Levels of car parking income are approximately £137K above budget and the Council has seen an increase of £65K in Disabled Facilities Grant income.

Economic Growth and Regeneration (£210K) (Adverse)

- 4.6 Additional commitments to Planning Inspector Fees around the Local Plan has made a significant contribution to the forecast overspend (£146K). Significant variances include increases in cost for works in default (£70K) to properties in the Morecambe and Carnforth areas.

Corporate Services (£263K) (Adverse)

- 4.7 At the start of the year Legal Services saw a net increase in locum costs (£55K) to provide cover for a number of staff vacancies. These vacancies have now been filled and no further expenditure is forecast in this area. In addition there has been a significant reduction in search fee income (£21K) against the budgeted position. Revenues & Benefits have seen a significant reduction in the recovery of both housing benefit overpayments (£50K) and legal costs (£128K). In all of these areas officers have undertaken reviews and have made revisions to the 2020/21 budgets to better reflect the revised circumstances.

Central Services (£69K) (Adverse)

- 4.8 This is made up of a number of minor variances such as costs incurred due to the postponement of the Chief Executive recruitment (£14K) and an unbudgeted subscription payment (£10K).

Other Items (£115K) (Adverse)

- 4.9 The loss of a capital receipt due to finance the capital programme has increased the Council's Minimum Revenue Provision (£64K). However, contributions from reserves to fund the Deputy Chief Executive and Interim Head of Legal Services posts (£144K & £25K) are no longer required.

General Fund Subjective Analysis

- 4.10 A summary of the Q3 revenue position for the main service accounts analysed across the Council's subjective headings is set out in table 2 below. **Appendix D: General Fund Subjective Analysis** covers this information in more detail.

Table 2 Quarter 2 Financial Monitoring – Subjective Analysis

Subjective	Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
Employees	22,616	14,690	21,964	+652
Premises Related Exp	6,026	5,353	6,126	(100)
Transport Related Exp	1,321	995	1,328	(7)
Supplies and Services	13,415	11,706	14,690	(1,275)
Transfer Payments	28,027	13,694	27,667	+360
Support Services	146	(45)	144	+2
Capital Charges	17	0	17	0
Capital Financing Costs	2,946	1,477	2,946	0
Appropriations	163	1	269	(106)
Income	(55,310)	(43,731)	(55,463)	+153
Capital Financing Inc	(2,145)	0	(2,145)	0
Sub Total	17,223	4,140	17,543	(321)
Net Recharges to Housing Revenue Account	(1,097)	0	(1,097)	0
RMS Capital Charges (now Housing Revenue Account)	(114)	0	(114)	0
Budget Correction (reversed within core funding)	(75)	0	(75)	0
Sub Total	(1,286)	0	(1,286)	0
Grand Total	15,937	4,140	16,257	(321)

Employee Expenses £652K (Favourable)

- 4.11 This amount is offset by the corporate turnover provision of £518K and externally funded posts attracting income of £156K giving a true adverse variance of £22K. It should be noted though that phase 1 of the Communities and Environment restructure is now complete and £61K redundancy costs have been accounted for without the necessity to call upon the reserve.

Supplies & Services £1,275K (Adverse)

- 4.12 The majority of this is made up from large variances which are matched by additional income received from the government. These include Housing and Homelessness grant spend £310K, Future High Streets bid funding £188K and Community Housing Fund £189K. The remaining large variances include works in default to dangerous buildings £86K and spend against the Local Plan £152K.
- 4.13 It should be noted that the above analysis focuses on net expenditure. The funding of this expenditure arises predominantly from two sources, council tax and business rates. It is anticipated, at this stage, that business rates income will exceed budget despite the impact of the recent shutdown for planned maintenance of one of the Heysham Nuclear Power station reactors and the potential for an appeal against their rateable value.

Housing Revenue Account Summary Position

- 4.14 As at the end of Q3 we are currently projecting a year end underspend against budget of £305K (Q2 £199K). A summary of the Q3 revenue position for the HRA is set out in table 3 below. **Appendix E: Housing Revenue Account Service Analysis** covers this information in more detail and provides summary explanations for variances +/- £30K.

Table 3 Quarter 2 Financial Monitoring – HRA Service Analysis

		Original Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
	Policy & Management	1,294	857	1,251	+43
	Repairs & Maintenance	4,870	3,622	4,856	+14
	Welfare Services	(161)	(220)	(156)	(5)
	Special Services	147	164	165	(18)
Housing Revenue Account	Miscellaneous Expenses	554	233	439	+115
	Income Account	(14,321)	(10,506)	(14,466)	+145
	Capital Charges	5,674	0	5,674	0
	Appropriations	847	0	836	+11
	Gain/Loss on Asset Sales	0	0	0	0
	Gain/Loss on Asset Sales(Move)	0	0	0	0
		(1,097)	(5,850)	(1,401)	+305
	Net Recharges to General Fund	1,097	0	1,097	0
	Housing Revenue Account Budget	0	(5,850)	(304)	305

Miscellaneous Expenses £115K (Favourable)

- 4.15 Work undertaken by officers to improve rent collection levels has seen a significant reduction in the contribution to the Council's Provision for Bad Debt (**£108K**).

Income Account £145K (Favourable)

- 4.16 The on-going work to address void numbers and turnaround times has seen additional dwelling rents (**£115K**) and Service Charges (**£21K**). In addition, proactive income management (and support) has led to a reduction in legal action providing savings in legal and court costs.

Capital Projects (General Fund & Housing Revenue Account)

- 4.17 At Q3 we are currently projecting a year end slippage against budget of **£5.774M** (General Fund **£5.529M** and HRA **£0.245M**). Summary details for both the General Fund and HRA are set out in table 4 below. **Appendix F General Fund Capital Projects and Appendix G HRA Capital Projects** provide further information and summary commentary.

Table 4 Quarter 3 Financial Monitoring – Capital Projects

	Budget 2019/20 £	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
Communities and Environment	2,243	(1,104)	456	+1,787
Economic Growth and Regeneration	4,703	1,556	1,039	+3,664
Corporate Services	286	153	208	+78
Central Services	0	0	0	0
Total General Fund	7,232	605	1,703	5,529
Total Housing Revenue Account	4,758	2,228	4,513	245
Grand Total	11,990	2,833	6,216	5,774

Communities and Environment £1,787K (Favourable)

- 4.18 Significant re profiling of expenditure has occurred in relation to Salt Ayre Solar Farm (£360K) and RMS vehicle replacement (£1,296K) pending the exploration of replacement with electric equivalents.

Economic Growth and Regeneration £3,664K (Favourable)

- 4.19 Several schemes have been reprofiled and form part of the 2020/21 Capital Programme, these included 1 Lodge Street (£357K), Lancaster Town Hall Phase 3 (£484K), Lancaster Town Hall Lift (£622K) and Heysham Gateway Tank demolition (£487K).

Reserves and Balances

- 4.20 We are currently projecting the Council's combined level of reserves to increase to **£18.454M** against the budgeted balance of **£17.964M**. Table 5 Quarter 3 Financial Monitoring – Reserves provides summary details for both Unallocated and Earmarked Reserves. **Appendix H: Reserves Projected Outturn** provides further detailed analysis.

Table 5 Quarter 3 Financial Monitoring - Reserves

Reserves Projected Outturn as at Q3							
	Actual Opening Balance on Reserves at 1.4.19	Budgeted Revenues Contributions (to) and from Reserves	Budgeted Capital Contributions from Reserves	Budgeted Closing Balance on Reserves	Projected Outturn Revenue Contributions	Projected Outturn Capital Contributions	Projected Outturn Balance on Reserves
	31 March £			31 March £			31 March £
Unallocated Balances	(5,713,800)			(5,713,800)			(5,713,800)
Total Earmarked Reserves	(14,843,300)	1,482,900	1,110,000	(12,250,400)	1,515,600	588,000	(12,739,700)
Total Combined Reserves	(20,557,100)			(17,964,200)			(18,453,500)

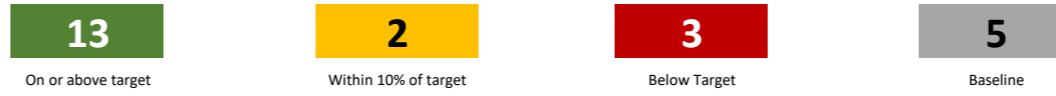
- 4.21 General Fund Unallocated Balances are forecast to remain unchanged from the budgeted position of **£5.714M**. However, if the current level of overspend is maintained this would impact the reserve reducing the balance to **£5.392M**. The Council's Earmarked Reserves are showing a projected balance of **£12.740M**, an overall increase against budget (**£12.250M**) of **£0.490M**. This is a result of current projections showing a reduction in budgeted contributions to Revenue and Capital expenditure.
- 4.22 The use of the Council's reserves to manage fluctuations in expenditure and income will be key to the delivery of the Council's stated priorities and outcomes over the next 4 years and will be kept under review by Officer and Members.



Lancaster City Council

Delivering Our Ambitions 2019/20: Quarter 3 Performance Scorecard

Quarter 3 - Overall Performance



Performance Information		Quarter 3		Quarter 4		End of Year 2018/19		High Low Neutral	Year 2019/20						Trend
		Target	Actual	Target	Actual	Target	Actual		Quarter 1		Quarter 2		Quarter 3		
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%	94.67%	70%	98.48%	70%	98.87%	High is Good	70%	100%	70%	89%	70%	97.56%	
Green: Meets target. 80 of 82 applications were determined within time or within a mutually agreed timeframe. Without extensions of time, the figure would be 74.39%.															

A1.2	Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	70%	94.25%	70%	98.77%	70%	98.39%	High is Good	70%	99.44%	70%	97.50%	70%	97.87%	
Green: Meets target. 138 of 141 applications were determined within time or within a mutually agreed timeframe. Without extensions of time, the figure would be 85.82%.															

A1.3	Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	60%	100%	60%	100%	60%	100%	High is Good	60%	100%	60%	90%	60%	100%	
Green: Meets target. All 11 applications were determined within time or within a mutually agreed timeframe.															

A1.4	Number of empty properties brought back into use	15	13	15	15	60	60	High is Good	15	15	15	12	15	16	
Green:															

Clean, Green and Safe Neighbourhoods

A2.1	Number of fly tipping reports actioned within 5 days	125	207	125	192	500	1,103	High is Good	125	249	125	194	125	223	
Green: 223 service requests were closed down within the 5 day SLA. This represented 50.3%.															

A2.2	Percentage of household waste recycled (Quarter Behind)	45%	39%	45%	33.2%	N/A - End of year figures will be reported next quarter		High is Good	45%	34.30%	45.00%	37.70%	45.00%	38.70%	
Red: Recycling rates in line with expectations. Still to early to monitor the full impact on the decision to collect Pots, Tubs, Trays from kerbside.															

A2.3	Kilogrammes of residual waste per household (Quarter Behind)	87.17	81	87.17	80	N/A - End of year figures will be reported next quarter		Low is Good	87.17	71	87.17	86.1	87.17	86.6	
Green															

A2.5	Diesel Consumption - Council Vehicle Fleet (Litres)	121,728	117,001	121,728	113,490	486,912	467,892.5	Low is Good	121,728	117,004.0	121,728.0	118,659.0	121,728.0	116,105.0	
Green: Ongoing quarterly reduction in fuel consumption															

A2.6	Cost/M2 spent on energy across corporate buildings (Quarter Behind)	Baseline	£3.35	Baseline	£5.62	Baseline	£17.33	Low is Good	Baseline	£4.37	Baseline	£4.52	Baseline	£3.81	
Baseline: This is against £4.71 for the same period last year. A reduction in cost/m2 is expected alongside the reduction in consumption shown below.															

Performance Information		Quarter 3		Quarter 4		End of Year 2018/19		High Low Neutral	Quarter 1		Quarter 2		Quarter 3		Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual		Target	Actual	Target	Actual	Target	Actual	
A2.7	Amount of energy usage in council buildings (Gas/KWH) (Quarter Behind)	Baseline	682,533	Baseline	1,764,381	Baseline	5,902,551	Low is Good	Baseline	2,401,663	Baseline	1,447,865	Baseline	792,857	
Baseline:															

A2.8	Amount of energy usage in council buildings (Electricity/KWH) (Quarter Behind)	Baseline	566,849	Baseline	616,911	Baseline	2,406,226	Low is Good	Baseline	645,832	Baseline	675,503	Baseline	719,210	
Baseline:															

Healthy and Happy Communities

A3.1	Number of people statutorily homeless	25	12	25	5	100	41	Low is Good	25	4	25	5	25	5	
Green															

A3.2	Number of Disabled Facilities Grants completed	50	78	50	104	200	387	High is Good	50	97	50	88	50	73	
Green: The average no of grants completed per month in 2017/18 was 19. The average no of grants completed per month at the end of Q3 2018/19 is 32.															

A3.3	Number of properties improved	25	38	25	42	100	122	High is Good	50	133	50	61	50	45	
Green: This figure includes 34 category 1 hazards resolved.															


A3.4	Percentage of premises scoring 4 or higher on the food hygiene rating scheme	90%	91%	90%	91%	90%	91%	High is Good	90%	90%	90%	90%	90%	90%	
Green: Too early to draw conclusions from the slight drop in Q2. Number of 4 or 5 rated premises has grown, but so has the total number of rated premises.															

A3.5	Percentage of high risk food hygiene inspections completed	100%	75%	100%	93.3%	100%	93.30%	High is Good	100%	83%	100%	93%	100%	67%	
Red: Access issues and the Christmas period have caused some delays to completing 3/9 high risk inspections due within the quarter. The outstanding visits are due to be completed within the next week.															

A3.6	Total number of admissions to Salt Ayre Leisure Centre	230,000	193,561	197,740	224,089	737,740	848,792	High is Good	185,000	209,041	184,435	249,041	185,000	216,963	
Green															

A3.7	Time taken to re-let council houses (Days)	38	25.68	38	23.07	38	23.07	Low is Good	38	19.15	38.00	26.39	38.00	23.99	
Green: Performance regarding relet time continues to meet the target set.															

Performance Information		Quarter 3		Quarter 4		End of Year 2018/19		High Neutral Low	Quarter 1		Quarter 2		Quarter 3		Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual		Target	Actual	Target	Actual	Target	Actual	
A Smart and Forward - Thinking Council															
A4.2	Average number of days of sickness absence per full time employee	1.75	2.2	1.8	1.9	7.0	7.6	Low is Good	1.75	1.74	1.75	2.10	1.75	2.40	
Red															
A4.3	Occupancy rates for all commercial properties (including estate shops)	100%	96.60%	100%	95.60%	100%	95.60%	High is Good	100%	95.80%	100%	90.60%	100%	90.10%	
Amber: The level of occupancy has decreased by 0.5%. In negotiations with potential tenants for two of the larger vacant units and are optimistic about that accommodation being leased out early in the new financial year. Over 90% occupation represents a good level of occupation in this economic climate.															
A4.4	Average time taken to process new Housing Benefit and Council Tax claims (Days)	23	40	23	32.76	23	32.76	Low is Good	23	14.3	23	11.71	23	14.83	
Green:															

 <i>Promoting City, Coast & Countryside</i>	Corporate Projects Update Q3 and monthly updates for January 2020	Key															
	* Reporting Frequency: M = Monthly, Q = Quarterly, S = Semi-annually, A = Annually	<table border="1"> <tr> <td>R</td> <td>Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken</td> <td>C</td> <td>Complete</td> </tr> <tr> <td>A</td> <td>Amber – The project is at risk of failing to meet its agreed plan, costs or benefits unless action is taken</td> <td>N</td> <td>Not Started</td> </tr> <tr> <td>G</td> <td>Green – The project is on track to meet its agreed plan, costs or benefits</td> <td>H</td> <td>On hold</td> </tr> <tr> <td>X</td> <td>No data available</td> <td></td> <td></td> </tr> </table>	R	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	C	Complete	A	Amber – The project is at risk of failing to meet its agreed plan, costs or benefits unless action is taken	N	Not Started	G	Green – The project is on track to meet its agreed plan, costs or benefits	H	On hold	X	No data available	
R	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	C	Complete														
A	Amber – The project is at risk of failing to meet its agreed plan, costs or benefits unless action is taken	N	Not Started														
G	Green – The project is on track to meet its agreed plan, costs or benefits	H	On hold														
X	No data available																

A Thriving and Prosperous Economy

Ref. No.	Project Name	*	Date of update	Status
CE03	Williamson Park Adventure Playground	Q	7/01/20	G
CE04	Williamson Park - Event and Conference Venue	Q	7/01/20	R
CE07	LATCo = Commercial Waste		N/A	N
EGR13	Heysham Gateway - Site Improvement Works	Q		X
EGR19	Eden Project North	Q	24/12/19	G
EGR26	Future High Street Funding	M	3/02/20	G
EGR28	Heritage Action Project (New project)	Q	N/A	N

Clean, Green and Safe Neighbourhoods

Ref. No.	Project Name	*	Date of update	Status
EGR01	Canal Quarter phase 1	M	24/12/19	G
CE11	Climate Change / Zero Carbon Plus	Q		X
CE12	White Lund (New Project)	Q	N/A	N
EGR14	Solar Farms	M		X
EGR23	VIC Review	Q	7/01/20	A

Healthy and Happy Communities

Ref. No.	Project Name	*	Date of update	Status
CE01	Council Housing New Build	S	15/01/20	A
CE05	LATCo = Salt Ayre Leisure Centre	M	2/12/19	H
EGR05	Bailrigg Garden Village Masterplanning	Q		X
CE06	LATCo = Housing Company	S	N/A	N
EGR27	Lune Flood Protection, Caton Road	Q	6/01/20	G

A Smart and Forward-Thinking Council

Ref. No.	Project Name	*	Date of update	Status
CS01	People and Values	Q	24/12/19	G
CS12	High Capacity Fibre Cable Network Provision	Q	4/12/19	G
CS14	Agile working	Q	6/01/20	A
CS17	Digital Strategy	M	31/01/20	G
CS18	Risk Management Strategy / Overhaul and Implementation	Q	18/12/19	A
CS29	Procure to Pay (P2P)	M	05/02/20	A
CS31	Social Value, including procurement strategy	Q		X
CS33	Outcomes Based Budgeting	Q		X

Comments and Issues (further details available by clicking the hyperlinks above)

CE01 – The scheme is currently stalled. The original Carnforth schemes were withdrawn on advice. Conversations with stakeholders are due during the next reporting period.

CE04 – This project remains not started due to officer capacity. Discussions are underway around resources and potential external assistance.

CE05 – This project is on hold pending a decision from a cabinet report due in April 2020.

CS14 – The agile pilot room is now open and in use but opened 1 month later than originally planned. The ongoing project will therefore run 1 month behind the original schedule, however this will not affect the benefits that can be achieved. The project will be re-baselined.

CS18 – This project has an agreed action plan and timescales for completion. Work is underway to source an external trainer in order to comply with the timescales planned and boost resource availability.

EGR23 – The project is stalled until a decision on whether the Council wishes to proceed with the project as it was originally scoped or apply for a development grant from the National Lottery Heritage Fund which would allow more significant changes. The museum development programme is included as a growth item in the budget process.

CS29 – The Programme Board considered the monitoring information which accompanied the project update report. Testing for Kofax integration is underway and there has been an increased number of suppliers quoting purchase order numbers on invoices, which allows auto matching. Some service areas need to be fully engaged before the desired improvements will be seen.

QUARTER 3 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2019/20

	Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000	
Communities and Environment					
	CCTV	32	3	67	(35)
Business Support	Corporate Safety	65	41	65	0
	Service Support	417	435	453	(36)
	White Lund Depot Vehicle Maintenance	(14) (37)	0 100	(40) (26)	+26 (11)
Customer Involvement & Leisure	Customer Services	600	457	604	(4)
	Leisure	33	(14)	32	+1
	Salt Ayre	387	357	481	(94)
	Environmental Health	1,127	756	1,040	+87
Public Protection	Emergency Planning	61	47	61	0
	Housing Standards	100	(372)	89	+11
	Licensing	(86)	(64)	(63)	(23)
	Safety	67	(20)	22	+45
	GF Housing	(26)	(26)	(26)	0
Housing Services	Home Improvement Agency	(84)	(506)	(160)	+76
	Housing Options	286	(535)	230	+56
	Strategic Housing	317	137	271	+46
	Cemeteries	191	169	189	+2
	Grounds Maintenance	(262)	(138)	(298)	+36
Public Realm	Household Waste Collection	2,004	1,242	1,997	+7
	Markets	(141)	(97)	(139)	(2)
	Parking	(1,973)	(1,468)	(2,110)	+137
	Parks	1,171	893	1,188	(17)
	Public Conveniences	163	153	159	+4
	Public Realm Highways	71	42	71	0
	Street Cleaning	1,232	938	1,201	+31
	Trade Waste Williamson Park	(486) 455	(1,010) 174	(497) 460	+11 (5)
		5,670	1,694	5,321	+349
Economic Growth and Regeneration					
	Building Control	112	126	182	(70)
Planning & Place	Conservation & Environment Development Control	48 (431)	16 (127)	48 (416)	0 (15)
	Local Plan	561	511	707	(146)
Economic Development	AONB	22	(20)	17	+5
	Economic Development	777	303	778	(1)
	Marketing & Comms	253	179	253	0
	Grants	216	138	216	0
	The Platform	80	(20)	78	+2
	Tourism & Events	490	351	488	+2
	Museums	553	407	546	+7
	Highways	0	0	0	0
Property, Investment and Regeneration	Regeneration	756	1,053	767	(11)
	Sea Defence & Land Drainage	435	259	427	+8
	Property	920	601	901	+19
	Building Cleaning	(44)	(30)	(34)	(10)
		4,748	3,747	4,958	(210)
Corporate Services					
Corporate Accounts	Central Expenses	1,044	(1,177)	1,044	0
Democratic	Democratic	1,040	607	1,042	(2)
Finance	Finance	1,136	831	1,116	+20
HR	HR	564	444	584	(20)
ICT	ICT	1,285	1,125	1,289	(4)
Internal Audit	Internal Audit	179	119	151	+28
Legal	Legal	386	356	476	(90)
Revenues & Benefits	Revenues & Benefits	357	(4,030)	552	(195)
		5,992	(1,725)	6,254	(262)
Central Services					
Chief Executive	Executive Team	1,040	631	971	+69
	Grants to other bodies	345	523	345	0
		1,385	1,154	1,316	+69
Other Items					
	New Homes Bonus	(1,672)	(2,441)	(1,672)	0
	Revenue Funding of Capital	864	0	864	0
	Minimum Revenue Provision	1,559	0	1,599	(40)
Other Items	Interest Payable	1,100	1,477	1,100	0
	Interest Receivable	(187)	(146)	(202)	+15
	Notional Charges	0	378	0	0
	Contributions to Reserves	(95)	1	(95)	0
	Contributions from Reserves	(2,141)	0	(1,900)	(241)
		(572)	(731)	(306)	(266)
	Net Recharges to Housing Revenue Account	(1,097)	0	(1,097)	0
	RMS Capital Charges (now Housing Revenue Account)	(114)	0	(114)	0
	Budget Correction (reversed within core funding)	(75)	0	(75)	0
General Fund Revenue Budget		15,937	4,139	16,257	(320)
Core Funding :	Revenue Support Grant	(200)	(152)	(200)	0
	Net Business Rates Income	(6,341)	12,198	(6,341)	0
Council Tax Requirement		9,396	16,185	9,716	(320)

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 3 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS

		Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
Employees	Direct Employee Expenses	22,192	13,337	21,053	+1,139
	Indirect Employee Expenses	424	1,353	911	(487)
	Cleaning and Domestic Supplies	419	310	415	+4
	Energy Costs	674	440	683	(9)
	Fixtures and Fittings	1	0	1	0
	Grounds Maintenance Costs	1,843	1,473	1,843	0
	Operational Bldgs Allocation	104	53	104	0
Premises Related Exp	Other Premises Costs	121	42	121	0
	Premises Insurance	141	887	140	+1
	Rates	1,243	1,273	1,263	(20)
	Rents	84	85	84	0
	Repair and Maintenance	1,066	587	1,161	(95)
	Water Services	330	203	311	+19
	Car Allowances	38	21	35	+3
	Contract Hire Operating Leases	50	48	53	(3)
Transport Related Exp	Direct Transport Costs	1,126	816	1,128	(2)
	Other Transport Costs	5	0	5	0
	Public Transport	18	23	22	(4)
	Transport Insurance	84	87	85	(1)
	Catering	55	44	63	(8)
	Clothing Uniform and Laundry	80	61	81	(1)
	Communications and Computing	1,394	1,449	1,490	(96)
	Contribution to Provisions	200	0	200	0
Supplies and Services	Equip Furniture and Materials	1,919	1,196	2,049	(130)
	Expenses	576	453	602	(26)
	General Office Supplies	319	302	321	(2)
	Grants and Subscriptions	1,544	1,122	2,006	(462)
	Miscellaneous Expenses	1,476	1,849	1,647	(171)
	Services	5,852	5,230	6,231	(379)
Transfer Payments	Housing Benefit	28,027	13,694	27,667	+360
Support Services	Recharges Exp	146	(45)	144	+2
Capital Charges	Amortisation of Def Chgs	0	0	0	0
	Depreciation	17	0	17	0
Capital Financing Costs	Interest Payments	2,946	1,477	2,946	0
Appropriations	Appropriations	163	1	269	(106)
	Customer Fees and Charges	(16,063)	(13,236)	(15,700)	(363)
Income	Government Grants	(31,638)	(23,994)	(32,090)	+452
	Interest	(283)	(184)	(298)	+15
	Other Grants and Contributions	(1,617)	(1,142)	(1,704)	+87
	Recharges Inc	(5,709)	(5,175)	(5,671)	(38)
Capital Financing Inc	Capital Related Income	(2,145)	0	(2,145)	0
	Net Recharges to Housing Revenue Account	(1,097)	0	(1,097)	+0
	RMS Capital Charges (now Housing Revenue Account)	(114)	0	(114)	0
	Budget Correction (reversed within core funding)	(75)	0	(75)	0
GRAND TOTAL		15,937	4,140	16,257	(321)

Notes:

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2. Expenditure is expressed as a positive figure
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QUARTER 3 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2019/20

		Original Budget 2019/20 £'000	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
Housing Revenue Account	Policy & Management	1,294	857	1,251	+43
	Repairs & Maintenance	4,870	3,622	4,856	+14
	Welfare Services	(161)	(220)	(156)	(5)
	Special Services	147	164	165	(18)
	Miscellaneous Expenses	554	233	439	+115
	Income Account	(14,321)	(10,506)	(14,466)	+145
	Capital Charges	5,674	0	5,674	0
	Appropriations	847	0	836	+11
	Gain/Loss on Asset Sales	0	0	0	0
	Gain/Loss on Asset Sales(Move)	0	0	0	0
		(1,097)	(5,850)	(1,401)	+305
Net Recharges to General Fund		1,097	0	1,097	0
Housing Revenue Account Budget		0	(5,850)	(304)	305

Notes:

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3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 3 FINANCIAL CAPITAL MONITORING - SERVICE ANALYSIS 2019/20

	Working Budget 2019/20 £	Q3 Actual 2019/20 £'000	Projected Outturn 2019/20 £'000	Projected Variance 2019/20 £'000
Communities and Environment				
Solar Installation Phase 1 SALC	360	0	0	+360
Business Support				
Purchase Of Vehicles	1,389	93	94	+1,295
Vehicle Maintenance Unit Plant	75	73	73	+2
Customer Involvement & Leisure				
SALC additional enhancements	152	124	152	0
SASC Developer Partnership	0	(33)	0	0
Public Protection	0	0	0	0
Housing Services				
Disabled Facilities Grants	0	(1,386)	0	0
Beech Avenue Play Area	21	28	21	0
Cable Street Car Park Extension	4	1	4	0
Public Realm				
Electric Vehicle Charging Points	0	(4)	0	0
Far Moor Playing Fields Scheme	70	0	0	+70
Half Moon Bay Car Park Extension	60	0	0	+60
Happy Mount Park Footpaths	112	0	112	0
	2,243	(1,104)	456	+1,787
Economic Growth and Regeneration				
Planning & Development				
MAAP - Improving Morecambes Main Streets	174	0	0	+174
S106 payments to Lancs County Council	70	0	0	+70
Economic Development				
1 Lodge Street Urgent Structural Repairs	358	1	1	+357
Artle Beck Improvements	0	0	(5)	+5
Cable Street Christmas Lights	24	0	0	+24
Canal Quarter	550	252	252	+298
Canterbury Avenue Flood Relief	0	(1)	0	0
Caton Road Flood Relief Scheme	505	1,197	505	0
Caton Road/Kingsway - Bridge End Depot	0	1	1	(1)
Coastal Revival Fund - Morecambe Co-op	0	(24)	0	0
Dukes Playhouse	0	2	2	(2)
Edward Street Dance Studio	109	9	23	+86
Energy Efficiency Works	311	0	0	+311
Happy Mount Park	0	0	0	0
King Street Properties	0	(7)	0	0
Lancaster City Museum	142	0	0	+142
Lancaster District Empty Homes Partnersh	77	4	4	+73
Lancaster Square Routes Project	5	(18)	0	+5
Property, Investment and Regeneration				
Lancaster Town Hall	485	1	1	+484
Lancaster Town Hall Steps	40	44	44	(4)
LTH Second Lift & Associated Works	622	0	0	+622
LTH Banqueting Suite Ceiling	0	5	5	(5)
Morecambe Winter Gardens	0	(97)	0	0
Other Cemeteries	132	79	79	+53
Palatine Hall	122	0	0	+122
Palatine Recreation Ground - Veterans Cl	125	0	11	+114
Queen Victoria Memorial	250	81	81	+169
Royal Albert PF – Pavilion	82	0	7	+75
Rylands Park - Rylands House	32	26	29	+3
Slyndale Culvert	0	(6)	0	0
Strategic Monitoring Baywide	0	0	(3)	+3
Tank demolition & removal - Heysham Gate	487	(1)	0	+487
Wave Reflection Wall Construction	0	5	0	0
Williamson Park - Ashton Memorial	0	2	2	(2)
Williamson Park - Butterfly House	0	0	0	0
Williamson Park - Café/shop	0	1	0	0
Works To Properties-Amenity Improvements	1	0	0	+1
	4,703	1,556	1,039	+3,664
Corporate Services				
Corporate Accounts	0	0	0	0
Democratic	0	0	0	0
Finance	0	0	0	0
HR				
PRG Grant	0	(40)	0	0
ICT				
Application System Renewal	19	12	15	+4
I.S. Desktop Equipment	82	93	93	(11)
I.T.Strategy	185	88	100	+85
Internal Audit	0	0	0	0
Legal	0	0	0	0
Revenues & Benefits	0	0	0	0
	286	153	208	+78
Central Services				
Chief Executive	0	0	0	0
	0	0	0	0
GRAND TOTAL	7,232	605	1,703	5,529

Notes:

- Income is expressed as a negative figure in brackets
- Expenditure is expressed as a positive figure
- Projected Variances are expressed as negative () for adverse and positive + for favourable

Council Housing Capital Programme 2019/20

	2019/20 Original Budget	2019/20 Q3 Actual	2019/20 Projected Outturn	2019/20 Variance (Working v Projected)	Comments (Revised Budget to Projected Outturn)
	£	£	£	£	
EXPENDITURE					
Adaptations	250,000	176,479	320,000	-70,000	Inceased referrals received from Occupational Therapy in the current year in comparison to same period last year & 1 bedroom extension to 6 Ingleton Dr Lancaster has been requested/being progressed.
Energy Efficiency / Boiler Replacement	650,000	462,621	650,000	0	Works to Park House deferred - budget to be used for completion of Bridge House and installation of PV to 21 & 22 Melling House, 38a & 38b Beck View and 3 Hutton View.
Environmental Improvements	615,000	75,347	410,000	205,000	Reduction in works required/budget due to Mainway communal areas not being upgraded until Mainway future feasibility of works known. Large reduction to fencing work being undertaken due to staffing issues. 50% of the team off sick for first 6 month. then left. Other member unable to drive.
External Refurbishment	237,000	126,640	227,000	10,000	Less works required than originally envisaged.
Fire Precaution Works	180,000	7,285	180,000	0	Smoke alarm installations on track to be completed within financial year.
Housing Renewal & Renovation	442,000	253,074	410,932	31,068	The garage site is integral to the proposed new build housing scheme of 22 units at Windermere Road. A decision to proceed with the garages is dependant on the outcome of further public consultation for the larger scheme.
Kitchen / Bathroom Refurbishment	958,000	622,269	889,000	69,000	Original price based on the expected work required. Full inspection identified a reduced number of properties requiring a full plaster knock off. Also, the number of properties is down by about 20 due to being unable to back fill operatives from day2day due to a greater focus on performance on that side of the department.
Lift Replacement	0	50	0	0	
Re-roofing / Window Renewals	1,378,000	504,190	1,378,000	0	
Rewiring	48,000	0	48,000	0	
TOTAL EXPENDITURE	4,758,000	2,227,955	4,512,932	245,068	

Reserves Projected Outturn as at Q3

	Actual Opening Balance on Reserves at 1.4.19	Budgeted Revenues Contributions (to) and from Reserves	Budgeted Capital Contributions from Reserves	Budgeted Closing Balance on Reserves	Projected Outturn Revenue Contributions	Projected Outturn Capital Contributions	Projected Outturn Balance on Reserves
	31 March 2019 £			31 March 2020 £			31 March 2020 £
Unallocated Balances	(5,713,800)			(5,713,800)			(5,713,800)
Earmarked Reserves:							
Business Rates Retention	(6,283,400)			(6,283,400)			(6,283,400)
Planning Fee Income	(74,600)	(14,400)		(89,000)	(14,400)		(89,000)
Canal Quarter	(237,400)	217,400		(20,000)	217,400		(20,000)
Capital Support	(262,200)		77,000	(185,200)		4,000	(258,200)
Economic Growth	(203,500)	329,100	25,000	150,600	551,100		347,600
Elections	(108,800)	108,800			108,800		
Local Plan	(23,700)	23,700					(23,700)
Morecambe Area Action Plan	(27,300)		11,000	(16,300)			(27,300)
Renewals Reserves	(330,400)	(356,900)	582,000	(105,300)	(419,800)	493,000	(257,200)
Welfare Reforms	(349,000)	25,000		(324,000)	25,000		(324,000)
Museums Acquisitions	(16,500)	(3,000)		(19,500)	(3,000)		(19,500)
Amenity Improvements	(29,000)			(29,000)			(29,000)
Corporate Priorities	(2,532,100)	1,135,600	204,000	(1,192,500)	833,800		(1,698,300)
Corporate Property	(371,800)	36,600		(335,200)	36,600		(335,200)
Invest to Save	(1,450,400)	139,800		(1,310,600)	139,800		(1,310,600)
Restructure	(530,700)			(530,700)			(530,700)
Revenue Grants Unapplied	(693,900)	32,200		(661,700)	231,300		(462,600)
Homelessness Support	(101,300)	(6,600)		(107,900)	(6,600)		(107,900)
S106 Commuted Sums - Open Spaces	(44,000)	15,600		(28,400)	15,600		(28,400)
S106 Commuted Sums - Affordable Housing	(897,400)			(897,400)			(897,400)
S106 Commuted Sums - Highways, Cycle Paths etc.	(206,000)	(200,000)	211,000	(195,000)	(200,000)	91,000	(315,000)
Reserves Held in Perpetuity:							
Graves Maintenance	(22,200)			(22,200)			(22,200)
Marsh Capital	(47,700)			(47,700)			(47,700)
Total Earmarked Reserves	(14,843,300)	1,482,900	1,110,000	(12,250,400)	1,515,600	588,000	(12,739,700)
Total Combined Reserves	(20,557,100)			(17,964,200)			(18,453,500)

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	17 March 2020
Title	Lancaster High Streets Heritage Action Zone		
Report of	Director for Economic Growth and Regeneration		
Purpose of Report			
To brief and gain Cabinet approval for delivery of a four-year High Streets Heritage Action Zone (HSHAZ) for Lancaster and complementary project to support St John's Church, North Road.			
Key Decision (Y/N)	Y	Date of Notice	Exempt (Y/N) N

Report Summary

Following a non-binding expression of interest in July 2019, Lancaster was identified as one of 69 successful towns and cities across the country to be nominally awarded a High Streets Heritage Action Zone (HSHAZ), part of the Government's plan to help reshape and renew high streets. The area identified to the north-east of the city is particularly rich in heritage assets but suffers from a range of issues relating to condition, occupancy and footfall which negatively impacts on the city, including linkages with the Canal Quarter. The four-year programme led by Historic England seeks to change perceptions of heritage and the high street, support sustainable economic and cultural growth and restore and enhance local historic character.

In December 2019 further information articulating a £4.603M project and a request for £1.15M funding was provided to Historic England as part of their required Programme Design stage. A final decision by Historic England on whether to offer the city a HSHAZ is anticipated in late March for commencement in April 2020. In anticipation of a positive response this report provides details of the proposed programme and the co-funding requirements.

Additionally, this report also relates to activity with the Churches Conservation Trust to bring forward the restoration and re-use of St John's Church, North Road, identified as grade II* listed and priority A on the national Heritage at Risk register.

Recommendations of Councillors

That Cabinet:

- (1) Subject to the agreement of recommendation (3) agrees to accept an offer of up to £1.15M from Historic England for a Lancaster High Streets Heritage Action Zone and delegates authority to the Director for Economic Growth and Regeneration for the city council to enter into a grant agreement and undertake the role of accountable body.
- (2) Endorses the four-year investment proposal included in the Capital Programme agreed by Council on 26 February 2020 for a £1.15M city council contribution to the Lancaster High Streets Heritage Action Zone.

- (3) Agrees to underwrite £546,125 of unsecured partner contributions from the Council's Reserves and that officers should continue to work with local partners and investigate opportunities for further public funding to secure the balance of funding required to meet the full programme costs.
- (4) Endorses in principle a contribution to a maximum of £500,000 or 20% of full scheme costs, whichever is the lower, in 2022/23 and 2023/24 as included in the Capital Programme agreed by Council to support the repair and beneficial re-use of St. John's Church, North Road and delegates authority to the Director of Economic Growth and Regeneration to enter into a formal offer subject to the approval of a robust business case, capital scheme and wider due diligence by Capital Strategy Group.
- (5) Delegates authority to the Director for Economic Growth and Regeneration to work with partners to bid for, accept and act as the accountable body for complementary funding from Historic England in respect of the Cultural Programme.

Relationship to Policy Framework

The HSHAZ supports the implementation of a number of strategic plans and policies, including:

Council Plan 2018-2022– towards the principles for Shaping the Place and Valuing the Distinctiveness of the district and achieving the ambitions for a Thriving and Prosperous Economy and Clean, Green and Safe Neighbourhoods by transforming the centres, encouraging investment, supporting businesses and delivery quality public realm.

Local Plan – specifically towards policies to support delivery of a thriving and sustainable local economy by promoting the vitality, viability and accessibility of Lancaster city centre and capitalising on heritage and cultural assets (e.g. Policies SO1 and SO4). Policy EN3 Mill Race Heritage Priority Area specifically identifies the area as a heritage priority for the district.

Lancaster District Highways and Transport Masterplan and Movement Strategy – through joint working with the highways authority to deliver towards the 2031 vision for Lancaster centre as a much improved environment with strengthened focus on sustainable travel patterns, including walking and cycling.

Canal Quarter – the emerging Spatial Regeneration Framework focuses on improved movement patterns to the east of the centre and the protection and enhancement of the heritage, arts and cultural qualities of the area of which there is a spatial overlap with the HSHAZ.

Lancaster City Centre Surface Water Management Action Plan – joint working with the flood authority to ensure measures support improvements in managing surface water.

Lancaster Place Story – central theme of connecting and celebrating culture and heritage.

Conclusion of Impact Assessment(s) where applicable

Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

Please see Appendix i) Lancaster HSHAZ Impact Assessment Commentary.

Details of Consultation

The bid was developed in discussion with key partners at Lancashire County Council, Lancaster Business Improvement District (BID) and Lancaster University and further key delivery contributors such as Lancaster Footlights and the Churches Conservation Trust.

Further aspects of programme delivery will be led by the formalised partnership board. The programme provides for multiple opportunities for community engagement through co-design, consultation and involvement.

Legal Implications

Legal Services input will be required with regards to any contractual arrangements for funding, grants or direct works contracts. Appointment of external contractors will need to comply with the Council's contract procedure rules and procurement requirements.

Financial Implications

Details of the funding position are contained in the report and Appendix ii) Lancaster HSHAZ Budget Summary.

The Council's contribution of £1.15m towards the High Streets HAZ is included in the development pool in the five year Capital Programme approved by Council on 26 February and is available for release into the main programme.

The direct programme founding of £2.875m is dependent on confirmation of contributions from Lancashire County Council and Lancaster BID. Historic England may require the Council to underwrite £546,125 of unsecured contributions as a condition of their grant offer. There is currently no budgetary provision for this. Cabinet may approve a contribution from reserves to provide for anticipated expenditure for identified projects in respect of corporate priorities. **The Corporate Priorities reserve currently has an uncommitted balance of £457,600. Cabinet may direct a transfer of a further uncommitted sum of £88,525 from the Restructure reserve to the Corporate Priorities reserve to cover the remaining shortfall.**

The in principle contribution of £500,000 in 2022/23 and 2023/24 towards St John's Church is included in the development pool in the approved Capital Programme. On the approval of a robust business case, capital scheme and wider due diligence by Capital Strategy Group it would be available for release into the main programme

Other Resource or Risk Implications

The programme includes for a fixed-term four-year post, the cost of which will be split between Historic England and the city. Contributions to existing staff time are ineligible. The programme will be led by the regeneration team and require cross-working within the Economic Growth and Regeneration Directorate through the input of the conservation, engineering and cultural teams. The programme will also require officer support through the legal, financial and public realm teams.

Section 151 Officer's Comments

The potential transformational aspects to the area are clearly documented within the report. The project itself aligns to the Council's Priorities and is complementary to other Council schemes within the City such as Canal Quarter. Members will be aware that business rates represents a significant source of funding for the Council and the potential investment in the area may increase business confidence resulting in a higher levels of in business rates and other sources of income retained by the Council.

Council approved £1.650M of capital funding 26 February 2020 for this project which currently sits within its development pool pending approval of the supporting business case by the Council's Capital Strategy Group (CSG).

Although it is uncertain if the Council will be formally requested to underwrite the value of the unsecured contributions (£547K) there is currently no budgetary provision for this. Cabinet is

able to approve the underwriting of this amount and reserve funding could be made available should it be required from the Council's Corporate Priorities reserve. However, our current 4 year projected balance of this reserve shows a shortfall of approximately £89K in 2023/24. This shortfall could be addressed as part of the realignment of current reserves and assessment of balances as part of our year end processes with any proposed transfers being subject to the appropriate level of approval and authorisation.

Having consulted with colleagues and having regard to risk and reward I would support the Officers preferred option.

Monitoring Officer's Comments

The Monitoring Officer can confirm that, in accordance with Part 3 section 7 of the Constitution, Cabinet are able to:-

1. approve any external funding bid that is above the Key Decision threshold and within the Budget & Policy framework; and
2. give approval for the Council to act as the "accountable body".

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Links to Background Papers	
None.	

1.0 Introduction

- 1.1 In December 2018, the Ministry of Housing, Communities and Local Government (MCHLG) announced the Future High Streets Fund, a £675M fund to support the renewal and reshaping of town centres in a way that improves experiences, supports growth and ensures future sustainability. As part of this, £95M was allocated to Historic England for work to support historic high streets in conservation areas.
- 1.2 The High Streets Heritage Action Zone (HSHAZ) programme is a nationwide and place-based initiative designed to secure lasting improvements to our historic high streets for the communities that use them. The funding seeks to support sustainable economic and cultural growth to make historic town centres attractive and engaging places for people to live, work and visit.
- 1.3 The HSHAZ programme was launched in May 2019 and expressions of interest invited by 12 July with bids of up to £2M. A non-binding expression of interest was submitted for an area to the north-east of Lancaster city centre under the delegation of the Director for Economic Growth and Regeneration. On 14 September Lancaster was identified as one of 69 successful towns in England who would continue to a further non-competitive development stage. This followed the July announcement that Morecambe had been selected as one of the first fifty towns to be considered for the larger and core Future High Streets Fund programme.
- 1.4 On 6th December 2019 a second submission was made to Historic England detailing further aspects of Programme Design and requesting £1.15M in funding over four

years to support direct project costs of £2.875M which would further help lever an additional £1.728M in private investment. This is now subject to regional and national review with the outcome anticipated in late March. If successful, and with Cabinet approval, the programme will launch in April 2020 and end on 31 March 2024.

- 1.5 Relating to the above, each HSHAZ will have the opportunity to bid to Historic England for supporting funds towards a Cultural Programme of activity, with further details relating to this to be made available over the coming months.
- 1.5 The Grade II* St John's Church, North Road, is identified as a high priority building on the national Heritage at Risk Register and is central to the HSHAZ area both physically and in terms of its opportunities for placemaking. Due to funding arrangements, it is ineligible for HSHAZ funding and therefore its repair and re-use is identified as a complementary project to the core Lancaster HSHAZ programme.

2.0 Proposal Details

- 2.1 The Lancaster High Streets Heritage Action Zone (HSHAZ) will deliver heritage-led regeneration to shape a sustainable future for an area to the north-east of the city centre. This is an area which has seen low levels of public investment and was selected by officers for its fit to the HSHAZ programme selection criteria and prior near-success with a 2016 bid for a Heritage Action Zone. This area abuts the pedestrian zone and is covered by North Road, Lower Church Street, St Leonardgate and immediate streets and traces the development of the city from its Roman and medieval settlements through its great 18th and 19th century expansion. It is part of the large Lancaster Conservation Area (2013) which covers the historic core of the city. The area is rich in heritage assets but the condition of these is variable with some key assets at risk and / or vacant, some since and even prior to the events of Storm Desmond in December 2015 which badly affected the area. The area is disconnected from the core city centre by the one-way gyratory system and the public realm offers a poor environment for pedestrians, exacerbated by traffic-related issues relating to air quality and safety. These collectively create an environment which is ill-fitting of the city's status as one of England's Heritage Cities.
- 2.2 The four-year programme will deliver a combination of building repair grants, public realm improvements, heritage training and skills opportunities and cultural programming. A key building project includes working with the charitable trust Lancaster Footlights in providing the Grade II listed Grand Theatre with phased support towards essential repair work to the existing building and provision of a new foyer. These works will increase the Grand's on-going and future viability, accessibility and appeal as a well-loved cultural and community asset. Its inclusion was a recommendation of Historic England in response to the HAZ application in 2016. A further 10-15 building owners and businesses will be supported in the appropriate repair, conservation and re-use of buildings to maximise their value as heritage assets and in their contribution to a thriving city centre with a mix of uses. This shall include incorporating flood resilience measures which are sensitive to the historic fabric. Public realm improvements will focus on Lower Church Street and North Road to advantage pedestrians and cyclists, enhancing access to and the setting of key heritage assets such as St John's Church and Centenary Church (vacant former Friary public house) and help better deal with surface water drainage. As part of this the public realm works will seek to improve pedestrian connectivity across the gyratory by means of a toucan crossing on North Road in the vicinity of St John's Church. Planning permission granted for the redevelopment of 47-51 North Road ref. 13/01274/FUL made a requirement for a £17,000 contribution towards this but payment is yet to be fulfilled as to date there has been no wider funding to support delivery. The availability of public realm funding through the HSHAZ should

enable this contribution to be captured and the crossing delivered as part of the wider programme of public realm improvements subject to the approval of the highway authority. Collectively, these works shall improve pedestrian connectivity beyond the pedestrian zone, delivering a safer, distinctive and more welcoming environment to support footfall, trading, community activities and events in the area. These activities will include a bespoke and separately funded complementary Cultural Programme, further details of which will be made available in the spring. The Programme shall involve working with a range of local partners via a separate consortium to increase opportunities for cultural experiences in the city. Each of the national High Street HAZs will be split into three levels of cohorts ranging from one flagship programme per region, mid-sized schemes that can enhance existing cultural programming (in this instance for example, Light Up Lancaster), to a range of smaller pilot activities. Development funding will be awarded in 2020/21 for delivery anticipated across the middle two years of the Programme. Further, a range of capacity building and heritage skill and learning opportunities delivered alongside these will help facilitate and sustain improvements, increasing understanding of the area's heritage. The area and individual project areas are identified in Appendix ii) Lancaster HSHAZ Project Plan.

- 2.3 A summary of direct programme costs is provided in the table below and further detailed in Appendix iii Lancaster HSHAZ Budget Summary. Cost information for the Grand Theatre is well understood based on the approved consents for works. Wider building and public realm costs are based on prior experience of similar conservation-led programme delivery costs and rates and at a level deemed sufficient to beneficially impact on the area. The programme includes for a new full-time fixed term post in the regeneration team who will work with colleagues across the directorate and be the main point of contact for the community.

Activity	Cost
Building investment including phased support to the Grand Theatre, to the maximum value of £0.75M	£1.435M
Public realm improvements	£1.25M
HSHAZ Officer and wider programme delivery and monitoring	£0.15M
Capacity Building and Community Engagement e.g. skills and training	£0.04M
TOTAL	£2.875M

- 2.4 The programme will be led by the city council, working via a formalised partnership with Historic England, Lancashire County Council, Lancaster Business Improvement District (BID) and Lancaster University. Details of partner financial contributions to the project are as per the table below.

Organisation	Indicative Funding Contribution	Status
Historic England	£1,150,000	Pending an offer of grant anticipated in late March.
Lancaster City Council	£1,150,000	Pending approval.
Lancashire County Council	£500,000	Lancashire County Council have confirmed they will need to undertake a commissioning process to identify any possible funding from existing approved budgets for the Lancaster District to support public realm improvements. Contributions to this activity are primarily required in 2021/22 and 2022/23.
Lancaster Business	£50,000	The BID have confirmed £3,875 in 2020/21 subject to board approval with the remainder built into their

Improvement District (BID)		Business Plan for a third five-year term from April 2021 which is subject to a ballot in November 2020.
Lancaster University	£25,000	Contribution confirmed.
TOTAL	£2,875,000	

- 2.5 Historic England guidance anticipated that their funding would in general account for approximately 50% of costs across the programme but the amount of leverage secured by their funding would form part of their value-for-money assessment. At a request of £1.15M, their anticipated contribution is 40% of overall costs. The direct programme funding of £2.875M is anticipated to generate a minimum of £1.728M in additional third-party investment in buildings, bringing a total of £4.603M investment to the area. This includes £1.5M into the Grand Theatre via Lancaster Footlights which shall be generated by fundraising and external bidding, of which £600K has been raised to date prior to any formal fundraising campaign.
- 2.6 In addition to the above, each HSHAZ will be invited to bid for additional support for cultural activity via a consortium of local arts and heritage partners. This is part of a wider national Cultural Programme which is benefiting from funding support from Arts Council England and the National Lottery Heritage Fund. Further details regarding the fund will be made available over the coming months. The city will take an accountable body role and support the consortium, with Lancaster Arts Partnership anticipated to lead activity.
- 2.7 Outside the scope of the Lancaster HSHAZ, St John's Church of North Road is a Grade II* listed building which places it within the top 8% of nationally designated heritage assets. The building is considered as defining of Lancaster's key period of prosperity in the mid to late 18th century and its significance relates to its Georgian influence of design in churches and links with architect Thomas Harrison and local artisan manufacturers Shrigley and Hunt and Gillow and Co. The building has been under the care of the Churches Conservation Trust (CCT) since its closure in 1983 and maintenance responsibility for the deteriorating closed churchyard lies with the city. The building has been vacant since being flooded during the events of Storm Desmond in December 2015 and prior to that used for informal café and performance use.
- 2.8 The CCT have been working closely with the city to address immediate concerns relating to damp and dry rot and protect the building from further loss of historic fabric however the building is now identified as Priority A on Historic England's national Heritage at Risk register. The CCT are ambitious to see the building brought back into beneficial use and have identified it as one of their four national priority projects. The building has the opportunity to be capable of truly beneficial occupation for the first time in almost forty years, supporting the economy through increased footfall, jobs and with a greater role for volunteers, creating research opportunities and opportunities for traditional construction skills development which remain lacking in the area.
- 2.9 Over the coming months, the CCT will be developing a business case and capital scheme for likely delivery within 2022/23 and 2023/24. Indicative costs based on prior experience suggest a budget of £2.73M will be required with a significant element of this for repair and conservation. The CCT have a strong track record of delivering successful schemes and attracting external funding support from organisations such as the National Lottery Heritage Fund to re-purpose churches for a range of uses including commercial and leisure. As Historic England already support the CCT at an organisational level, the building is ineligible for direct support

through the HSHAZ.

- 2.10 The proposal seeks to provide the CCT with in principle £500,000 or 20% of full scheme costs, whichever is the lower, in grant support over 2022/23 and 2023/24 towards a scheme to be developed with the city over the next year. This will include for transforming the churchyard to become a welcoming and much needed green space in the city centre. Final approval of a city contribution will be subject to the production of a robust business plan, capital scheme and delivery plan to be agreed with the Director for Economic Growth and Regeneration. The availability of funding and its co-location with a HSHAZ strengthens the broader funding appeal of the project.
- 2.11 The total funding position over the course of the four years assuming delivery of the HSHAZ and St John's and full partner contributions is as follows:

Organisation	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total £
LCC	132,250	359,625	961,125	197,000	1,650,000
Historic England	115,625	360,000	574,750	99,625	1,150,000
Other HSHAZ partner contributions	8,875	347,875	197,250	21,000	575,000
CCT attributed funds	75,000	200,000	1,600,000	356,045	2,231,045
Indicative minimum private investment by third parties	59,200	68,400	1,543,400	57,000	1,728,000
TOTAL	390,950	1,335,900	4,876,525	730,670	7,334,045

- 2.12 Collectively the Lancaster HSHAZ will ensure that buildings are in good condition, capable of beneficial occupation, offering a range of uses with improved environmental conditions and connectivity for pedestrians across the city centre. This programme will improve Lancaster's offer as a place to live, work, visit and play and change perceptions of the area from being secondary and traffic-dominated to an integral and desirable part of the city centre with animated, distinctive streets offering a broadened range of cultural and community experiences. Further the programme shall maximise the benefits and potential of developments to the north and east of the centre, including recent delivery of c.1,000 student beds in this area and strengthening connections with the Canal Quarter.

3.0 Options and Options Analysis (including risk assessment)

Option 1: Decline any offer of grant from Historic England and decline to support St John's Church (do nothing).

Advantages: City funding and resources can be applied elsewhere.

<p>Disadvantages: Lost opportunity to improve the city's deteriorating historic fabric and support the evolving role of town centres as retail functionality changes. In particular does nothing to assist Lancaster Footlights charitable trust with their ambitions for the Grand Theatre which is a well loved community and cultural asset that operates without subsidy.</p>
<p>Risks: Reputational risk with Historic England and other partners; inconsistent with ambition to promote city's heritage status; negatively impacts on the Grand's delivery of the foyer and the CCT's ambitions to bring St John's into active, beneficial use</p>
<p>Option 2: Accept prospective offer of grant funding from Historic England and commit own resources to meet project needs including commitment to underwrite unsecured partner funds</p>
<p>Advantages: Multiple benefits include that the area's unique historic character is better revealed for communities today and in the future to enjoy; the long-term vitality and sustainability of the local economy is improved; the area is a safer, healthier and more welcoming setting for activity; and, the city as a whole is improved as a cultural and heritage destination supporting community cohesion and wellbeing.</p>
<p>Disadvantages: Requires contributions of city resources and funding. Does nothing to assist St John's Church as the city's most vulnerable heritage asset, including for much needed improvements to the churchyard the maintenance of which is the responsibility of the city.</p>
<p>Risks: There may be a requirement by Historic England for the city to underwrite uncommitted funds from partner organisations. Relevant uncommitted spend would only occur from 2021/22 onwards therefore the risk of this occurring can be mitigated over the forthcoming year by joint working and investigation of alternative funding sources. The maximum sum at risk is £546,125.</p>
<p>Option 3: Accept prospective offer of grant funding from Historic England and commit own resources accordingly, including to support St John's Church and underwrite unsecured partner funds.</p>
<p>Advantages: As per Option 2, but additionally supports the beneficial re-use of the city's most important at risk heritage asset and addresses a key building and space for placemaking within the HSHAZ area. The commitment of funds shall help the CCT business case and applications for wider funding support.</p>
<p>Disadvantages: Requires contributions of city resources and funding as per Option 2. The business case / capital scheme for St John's is as yet not developed but in principle grant support and joint-working with officers shall help drive the best solution and use for this unique space.</p>
<p>Risks: As per Option 2. In respect of St John's, risk is minimised by joint working. The provision of in-principle support now strengthens the CCT's deliverability prospects and the project's attractiveness to other funding bodies.</p>
<p>Option 4: Decline prospective offer of grant from Historic England and to support St John's Church but continue to work with local partners to implement change in the HSHAZ area.</p>
<p>Advantages: Any investment unconstrained by requirements of Historic England.</p>
<p>Disadvantages: The prospects of achieving all the advantages as per Option 3 significantly diminished by the much reduced funds.</p>
<p>Risks: As per Option 1.</p>

4.0 Officer Preferred Option (and comments)

- 4.1 The officer preferred option is Option 3. This is considered to be the most beneficial and holistic approach. Together the HSHAZ programme and St John's project should deliver at least £7.334M of investment in the area when taking into consideration levered private / public investment. Assuming for a maximum city contribution of £1.65M this means that for every £1 of city investment, a further £3.44 will be prospectively levered. If the underwritten element cannot be secured in its entirety, a maximum city contribution of just under £2.2M would still be anticipated to lever £2.34 for every £1 spent.

Lancaster High Streets Heritage Action Zone

Report for Cabinet 17th March 2020

Appendix iii) Conclusion of Impact Assessments.

No formal impact assessments have been undertaken but the following comments are made in respect of the proposals.

Climate

The programme supports the repair and re-use of existing building stock and can help buildings to become available for occupation, more thermally efficient and also improve their resilience to climate change, in particular with respect to flood risk. The design of public realm and highway changes will consider how spaces can be made more resilient to climate change and in particular how sustainable travel modes can be prioritised with an emphasis on cycling and walking.

Equality

The programme will promote improved accessibility within the city centre, with particular consideration of those with mobility and vision impairments. Any changes to the highway network are likely to require an equality impact assessment.

Digital

The programme may be able to enhance future digital connectivity by establishing neutral duct infrastructure as part of public realm improvements.

Wellbeing and Social Value

The programme will provide numerous opportunities for engagement and interaction which will enhance community cohesion. Young people, including students, are a particular focus.

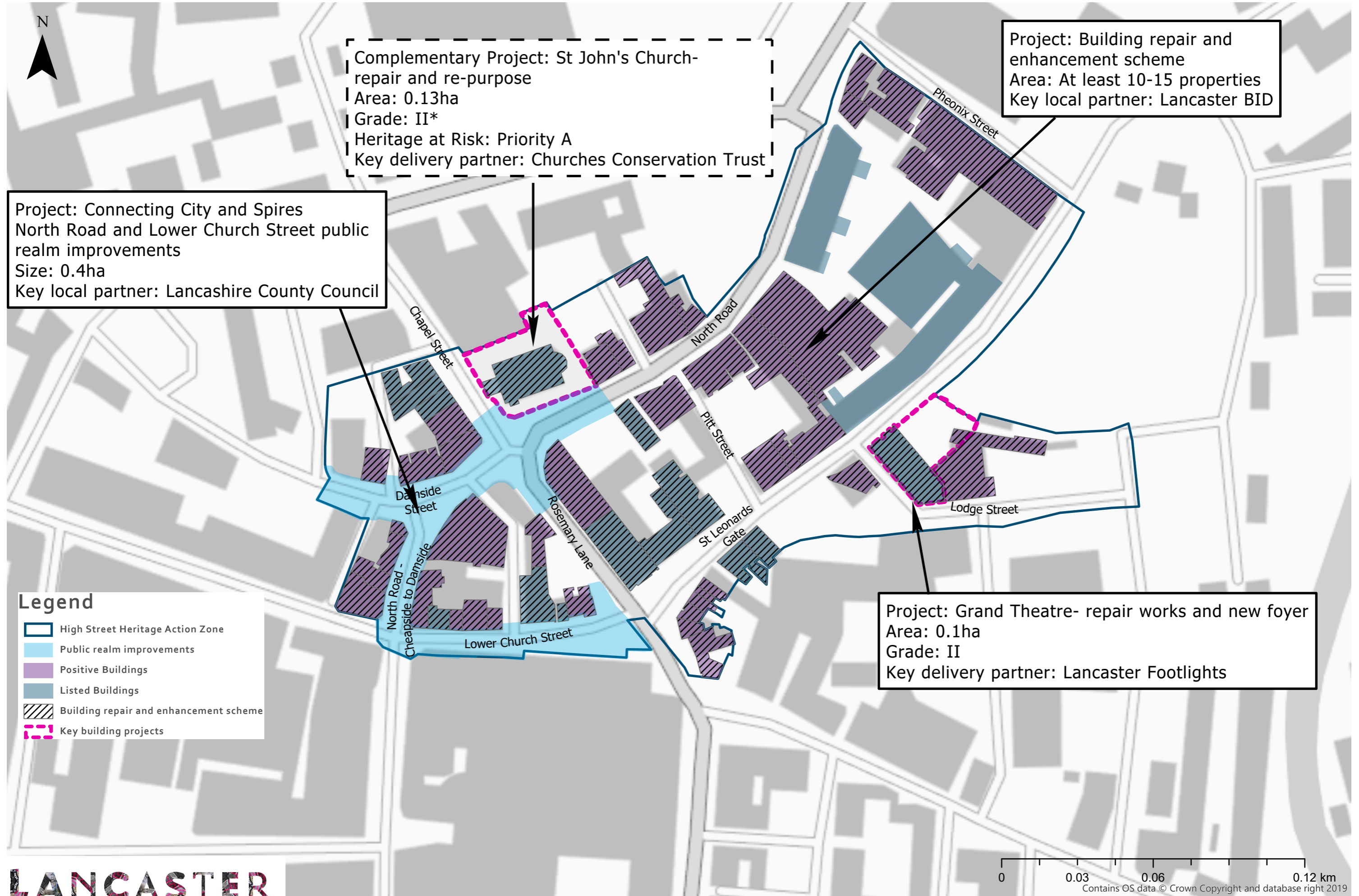
Health and Safety

The programme will require all works to be carried out in accordance with established health and safety practices.

Community Safety

The programme will deliver improvements to buildings and spaces that will directly support and enhance community safety and perceptions of safety.

Lancaster High Street Heritage Action Zone - Project Plan



Lancaster High Streets Heritage Action Zone (HSHAZ)
Proposed Delivery Programme - February 2020

Proposed Project	Delivers	Lead partner working with LCC	Total Eligible Project Works (inc. owner contributions)	Total Eligible Project Costs	Historic England requested contribution	HE Contribution as a % of Total Eligible Cost	Total Project Expenditure by Delivery Year			
							2020/21	2021/22	2022/23	2023/24
Building grants - repair and enhancement scheme	10-15 buildings improved including repairs to the Grand Theatre (phase 1 summer 2020)	Lancaster BID and local building owners / businesses	£1,013,000	£760,000	£352,500	46%	£ 177,750	£ 205,500	£ 205,500	£ 171,250
The Grand Theatre (phase 2 works)	New foyer and plaza - (gap site redevelopment 391sqm new internal floor space)	Lancaster Footlights	£2,150,000	£675,000	£337,500	50%		£ -	£ 675,000	
Public realm - Connecting City and Spires	4,000sqm of public realm improved to a pedestrian priority street / informal street design	Lancashire County Council	£1,250,000	£1,250,000	£375,000	30%	£ 31,250	£ 812,500	£ 406,250	
HSHAZ Officer and general costs	4 year FTE post to facilitate HSHAZ delivery		£135,000	£135,000	£70,000	52%	£ 33,750	£ 33,750	£ 33,750	£ 33,750
Evidence and Admin	Supports all aspects of programme delivery and monitoring		£15,000	£15,000	£5,000	33%	£ 6,000	£ 3,750	£ 2,625	£ 2,625
Community engagement and capacity building	Increased number of participants engaging with heritage and the high street and capacity building in heritage skills	Lancaster University and BID	£40,000	£40,000	£10,000	25%	£ 8,000	£ 12,000	£ 10,000	£ 10,000
TOTAL			£ 4,603,000	£ 2,875,000	£ 1,150,000	40%	£ 256,750	£ 1,067,500	£ 1,333,125	£ 217,625
Profile of Annual Expenditure by % of Total Eligible Project Costs							9%	37%	46%	8%

Complementary Project	Delivers	Lead Partner	Total Indicative Project Costs	Total indicative Expenditure by Delivery Year			
				2020/21	2021/22	2022/23	2023/24
St John's Church - repair work and supporting capital costs	Grade II* Building at Risk brought back into viable use. Skills capacity building.	Churches Conservation Trust	£ 2,731,045	£ 75,000	£ 200,000	£ 2,000,000	£ 456,045

Total indicative investment in HSHAZ Area

£ 7,334,045

Assumptions

The Grand - total project costs are c.£2.25M. The overall HSHAZ contribution is capped at £750K i.e. one-third of total estimated costs with £75K grant anticipated to support general repair in summer 2020. Lancaster Footlights have an existing £600,000 and will achieve the balance through fundraising and grant applications. Depending on progress with this the main capital works will be delivered in 2022 or earlier if possible.

Wider building repair grants - £685,000 available funds excluding c.£75K earmarked for the Grand as above. Assuming a maximum 75% grant intervention rate this equates to £913,000 of eligible project costs plus any non-quantified non-eligible costs. The 75% grant rate will be tested in reference to conservation deficit and current market prices as part of the baseline / on-going programme design work in spring 2020. With an assumption that average eligible project costs will range from c.£65,000-90,000 per property, 10-15 buildings will be improved. As part of on-going programme design work with partners, priorities for grant support will be further determined in consideration of heritage significance, vacancy, prominence of location and current heritage condition.

Public realm - costs based on an average rate of £300/sqm in line with previous high quality LCC public realm schemes but assumes a significant amount of design and project management work can be delivered in-house by LCC and LaCoCo officers.

HSHAZ officer - based on a sliding scale 4 year Grade 4 FTE post likely starting 1 June 2020. Expenditure profile to be updated when appointment is made to reflect annual increments.

Overall expenditure profile: percentage of spend aligns so far as reasonably possible to Historic England requirements for 10:40:40:10 annual split.

St John's Church - indicative costs and profiling to be developed over the coming year.

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