



Committee: BUDGET AND PERFORMANCE PANEL

Date: MONDAY, 20TH JULY 2020

Venue: THIS WILL BE A VIRTUAL MEETING

Time: 6.10 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on Wednesday, 17th June 2020 (previously circulated).

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

4. **Declaration of Interests**

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. **COVID-19 Financial Impact (June)** (Pages 3 - 15)

(report published on 17th July 2020).

ADMINISTRATIVE ARRANGEMENTS

(i) **Membership**

Councillors Adrian Duggan (Chair), Tim Dant (Vice-Chair), Roger Dennison, Debbie Jenkins, Jack O'Dwyer-Henry, Anne Whitehead, David Whitworth, Jason Wood and Joanna Young

(ii) Substitute Membership

Councillors Gina Dowding, Colin Hartley, Tricia Heath, Cary Matthews and Stewart Scothern

(iii) Queries regarding this Agenda

Please contact Stephen Metcalfe, Democratic Services - email sjmetcalfe@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support email democraticsupport@lancaster.gov.uk.

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

Published on Friday, 10th July 2020.

BUDGET AND PERFORMANCE PANEL

**COVID-19 Financial Impact (June 2020)
20 July 2020**

Report of Chief Finance Officer

PURPOSE OF REPORT

The purpose of this report is to provide Budget & Performance Panel with an update on the current financial position in line with the Council's June's MHCLG submission.

This report is public

OFFICER RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the Cabinet briefing dated 30 June 2020 and attached appendices, making any comments and recommendations considered necessary.

1.0 COVID-19 FINANCIAL IMPACT (JUNE 2020)

- 1.1 The briefing attached at **Appendix 1**, was presented to Cabinet on 30 June 2020 details the potential effect of the COVID-19 pandemic on the financial position of the Council in line with June's MHCLG submission and sets out scenarios (worse and best case) together with their potential implications for Council's finances in 2020/21.
- 1.2 Budget and Performance Panel are asked to consider the Cabinet briefing 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.

LEGAL IMPLICATIONS

As set out in the relevant appendices.

FINANCIAL IMPLICATIONS

As set out in the relevant appendices.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:

As set out in the relevant appendices.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

Contact Officer: Paul Thompson
Chief Finance Officer
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E-mail: pthompson@lancaster.gov.uk
Ref: N/A

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	30 June 2020
Report of	Chief Finance Officer		
Purpose of Report			
The COVID-19 pandemic has had a significant effect on the financial position of all Local Authorities. Given the high level of uncertainty around a number of key variables this report aims to provide Cabinet with an update on the current financial position in line with June's MHCLG submission and set out scenarios (worse and best case) and their potential implications for Council's finances in 2020/21.			
Key Decision (Y/N)	N	Date of Notice	
		Exempt (Y/N)	N

Report Summary

The briefing provides Cabinet with an update on the current financial position in line with June's MHCLG submission and sets out scenarios (worse and best case) and their potential implications for Council's finances in 2020/21.

Recommendations of Councillors

That Cabinet

- (1) Considers the details of the briefing outlining the potential impact on the Council's finances resulting from the COVID-19 pandemic.

Relationship to Policy Framework

The Council's budget represents, in financial terms, what it is seeking to achieve through its Policy Framework. Any significant revisions or amendments to the budget as a result of the COVID-19 pandemic, or any other event may well impact how the Council delivers its services and achieves its stated outcomes and priorities

Conclusion of Impact Assessment(s) where applicable

Climate None undertaken	Wellbeing & Social Value None undertaken
Digital None undertaken	Health & Safety None undertaken
Equality None undertaken	Community Safety None undertaken

Details of Consultation

No direct consultation has been undertaken

Legal Implications

Legal Services have been consulted, but at this stage there are no legal implications arising

Financial Implications

The Financial Implications are set out in the report

Other Resource or Risk Implications

None arising at this point

Section 151 Officer's Comments	
The s151 Officer has written this report in his role as Chief Finance Officer	
Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no comments	
Contact Officer	Paul Thompson
Tel	01524 582603
Email	pthompson@lancaster.gov.uk
Links to Background Papers	

1. Introduction

- 1.1 This briefing provides Cabinet with an update on the current financial position in line with June's MHCLG submission and sets out scenarios (worse and best case) together with the potential implications for Council's finances in 2020/21 & 2021/22.

2. General Fund Revenue Budget Projections 2020/21

- 2.2 Table 1 summarises our current estimates of the impact of COVID on the Council's General Fund budget. At this stage, it is based on the best estimates from budget holders. Best- and worst-case scenarios have been developed and these will be monitored over the next few months and, as more information becomes available, the range between these estimates is expected to narrow.

Table 1

	Worst Case	Best Case	Worst Case Notes	Best Case Notes
Budget Efficiencies not delivered	297	276		
Income losses	7,398	5,413	Assumed levels of income losses provided by budget holders	Most incomes 25% better than worst case. Planning, Building Control and Land Charges 50% better. Museums and Platform at worst case.
Savings	-1,508	-1,529	Assumed levels of savings provided by budget holders	
Additional Expenditure	1,252	605	Foodbank costs have reduced from £1.5M to £0.560M reflect reduced demand.	Assumed that food bank expenditure to utilise vulnerable funding and reserve commitment.
Reserves Commitments	2,486	2,065	Incorporates Council reserves commitments as well as PRT3 outturn figure £321K and Teams costs £165K	Incorporates Council reserves commitments as well as outturn figure £100K surplus and Teams costs £165K
Council Tax Losses	242	242	Assuming 2.5% loss	Assuming 2.5% loss as best case.
Business Rates Losses	803	201	Assuming 10% loss	Assuming 2.5% loss at best case.
Government COVID funding	-2,114	-3,114	Assumes £0.5M additional government funding early July	Assumes additional £1.5M government funding early July
Changes from deferring reserve expenditures	-1,046	-641	Projects adjusted to reflect Cabinet steer 18/05/20	Several projects delayed by six months therefore

				requiring only half the budget.
Remove contribution to GF balances	-226	-226		
Total COVID Impact on Overspend	7,584	3,494		

- 2.3 Table 2 below provides a simple reconciliation between June and May's MHCLG returns with commentary on the movements. The most significant are the application of Cabinet's £1.046M savings through the deferral of several growth areas, the reduction in estimated foodbank costs and the application of additional Government support.

Table 2

	Worst	Best	Comments
May COVID Impact	9,177	4,623	
Movements			
Deferral Savings Applied	-1,046	0	Worst: Cabinet Steer (18th May applied) Best: Executive Team estimates retained
Additional Income Losses	459	372	Share of increase forecast losses
Savings	-245	-186	Reduced level of savings
Cost Pressures	-582	285	Worst: Reduction in foodbank cost Best: Addition of ICT costs
Reserve	321	-100	Outturn (- Surplus) +deficit
Funding	-500	-1,500	Additional government funding applied
June COVID Impact	7,584	3,494	

- 2.4 Predicting what the final impact of COVID-19 on the Council's finances might be is **extremely** difficult as it is dependent on several factors and variables such as how long restrictions will last for and how quick or slow the recovery will be. There is also the longer-term impact on how the lockdown has changed people's habits around shopping, transport and exercise etc. and how these are to be reflected.

3. Impact on the Council's Reserves

- 3.1 Table 3 below shows the impact of the above scenarios on the Council's level of usable reserves based on most recent reporting.

Table 3

Impact on Reserves 2020/21				
Scenarios				
	Worst Case		Best Case	
	£M		£M	
Forecast Reserves at 31/03/2021	-16,369		Forecast total level of Reserves (Council 26th Feb 2020)	
Less Unusable Reserves	-2,465		These are reserves held for specific purposes as such the Council is unable to use these for general expenditure	
Forecast Usable Reserves at 31/03/2021 prior to COVID 2020/21 impact	-13,904		The level of reserves the Council available to the Council	
COVID Impact	7,584		3,494	Information taken from Worst/ Best Case scenario's
Usable Reserves after COVID Impact	-6,320		-10,409	
Included in the figures above is the following required Minimum Level of Reserves			The Local Government Act 2003 places explicit requirements on the s151 Officer to consider and report on the adequacy of the Council's reserves.	
General Fund	-1,500		-2,500	The s151 Officer would recommend a temporary reduction in the Councils minimum level of reserves below that originally calculated as part of the 2019/20 budget process
Business Rates Retention	-2,500		-5,000	
Total Minimum Level	-4,000		-7,500	
Forecast Usable Level of Reserves (exceeds Minimum Level 31/03/21)	-2,320		-2,909	This excludes the minimum level of reserves and is the level of reserves available to meet operational needs

- 3.2 As the Council's s151 Officer I am legally required to consider the adequacy of the Council's reserves. The current assessment, undertaken as part of the 2020/21 budget, recommended that £2.5M be retained within Unallocated Balances. Also, the Council's Reserves Strategy advises that a further £5.005M, held with the Business Rates Retention Reserve to support the budget over the medium term should business rates income fall to safety net levels, should also be retained.
- 3.3 As can be seen from table 3 above should the COVID impact reflect more closely the worst-case scenario these minimum levels will need to be revisited.

- 3.4 Table 4 extends the modelling into 2021/22. It is included to bring in the potential longer term effects of the pandemic **but should be treated with extreme caution** as the further into the future the modelling is extended the larger the number of variables and the greater the level of uncertainty attached to each. It is, however, based on the best information and financial intelligence available at this time.

Table 4

Impact on Reserves 2021/22					
Scenarios					
	Worst Case		Best Case	Worst Case Notes	Best Case Notes
	£M		£M		
Opening Usable Level of Reserves (etc Minimum Level) 1st April 2021	-2,320		-2,909		
Revisions to original 2021/22 budget assumptions	645		445	Loss of the following Commercial Income £500K SALC Additional Income £70K Trade Refuse £61K Other Incomes £14K	As per worst case but with Commercial Income loss reduced to £300K
Core fees and charges budget adjustments	1,500		750	Estimated 10% reduction in budgeted figures	Estimated 5% reduction in budgeted figures
Renewable Energy Disregard	-2,000		-2,000	Assumption that the Council will retain the full amount	
Forecast Structural Deficit (Council 26 Feb)	1,558		1,100	Assumption that the deficit has not increased but that no impact on it will be made during 2021/22	Assumption that the deficit has not increased and that £458K reduction will be made during 2021/22
Contribution from Reserves (Growth decisions 2020/21)	1,207		1,207	Indicative figure not fully capturing all the defer/ continue decisions, but any changes are unlikely to be material.	
Prior Year Growth Commitments	150		150	Growth commitments from previous years funded from reserves	
Call on Reserves to Balance 2021/22 Budget	3,060		1,652		
Forecast Operational Level of Reserves (31-03-2022)	740***		-1,257	***We will need to apply funding from our emergency/ minimum reserves to meet this demand	
Minimum Level of Reserves	-4,000		-7,500		
Forecast Level of Useable Reserves including minimum levels	-3,260		-8,757	This is below the advised temporary minimum level	

- 3.5 Consideration has been given to the continuing impact of the pandemic on the original budget assumptions around commercial and additional fees & charges income with potential reductions of between £0.645M & £0.445M reflected in the Worst- and Best-case scenarios. Further consideration has also been given to the pressures placed on the core fees and charges budget with reduction of between 5-10% applied to the model.
- 3.6 In its support for renewable energy Government currently allows Council's to retain 100% of the rates payable for each applicable scheme. In 2019/20 Walney Substation became operational paying the Council approximately £2M in additional rates. For us to be able to retain the full amount we must be sure that it is renewable and that Lancaster City and that neither Lancashire County nor the Government approved the planning permission. Discussions with officers and external advice have so far intimated that it is likely that we will be able to retain the full amount and as such has been included in the modelling at this stage.
- 3.7 Within the current 2021/22 budget there is an underlying structural deficit (£1.558M) and additional growth agreed as part of the 2020/21 budget to be funded from reserves (£1.207M). Although work will be done in 2020/21 through the Funding the Future Strategy to address the structural deficit the current situation makes it unlikely that any meaningful progress will be made and so, as things remain, to balance the budget we would need to draw on reserves.
- 3.8 The modelling does not include potential income from rental, Business Rates or Council Tax growth which could be derived from projects such as Heysham Gateway, Future High Streets, Bailrigg Garden Village or the successful development of the Eden Project. Growth areas were included in the 2020/21 budget to facilitate these areas and so there needs to be a balance between short term immediacy and a longer-term perspective.

4.0 Business Rates & Council Tax

- 4.1 The collection rates for May's Business Rates and Council Tax are detailed in the tables 5 & 6.

Table 5

	Business Rates	Council Tax
Totals to 31st May		
Net Collectable Debit	50,805,593	80,887,829
Forecast to 31 May	9,297,423	16,339,341
Actual to 31 May	8,102,105	15,347,947
(Surplus)/Shortfall	1,195,318	991,394
% (Surplus)/Shortfall	12.86	6.07
% Collected	87.14	93.93
LCC Approximate "share"	40%	12%
Impact	478,127	118,967

Table 6	Business Rates		Council Tax	
	May	April	May	April
% (Surplus)/Shortfall	12.86	11.67	6.07	4.51
% Collected	87.14	88.33	93.93	95.49

4.2 Although accounted for through the Council's Collection Fund and NNDR1 & 3 returns meaning the impact is not felt as quickly both tables do show that pressure being placed on these two significant sources of Council income

4.3 We have had notification that legal opinion supports the view that the COVID outbreak and the impact on the economy and property occupation constitutes a material change in circumstance, that should be reflected in a reduction in rating assessments. As a result, we suspect a large volume of appeals over the coming months. Given this likely increase in appeals consideration will need to be given to the level of balances held within the Business Rates Retention Reserve.

Small Business Grants

4.4 As at the end of June we have successfully distributed over 84% of the grant money totally £29.025M and work is ongoing to track down eligible businesses that have yet to apply. Members should also be aware that ahead of receipt of Government Funding the Council made 558 prepayments totalling £1.4M to eligible businesses.

Discretionary Grants

4.5 Applications for the Council's discretionary grants closed 30th June with nearly 100 business meeting the government guidance receiving payments of £2K. Cabinet and officers are currently examining proposals to further distribute these monies to appropriate businesses.

5.0 Cashflow

5.1 Recent Cashflow forecasts show no immediate short-term borrowing need for the period up to September. However, based on current information there is likely to be a borrowing requirement from period 10 (January 2021).

5.2 The Council's cashflows are monitored daily and forecasts revisited once new information becomes available.

6.0 Update Government Announcement

6.1 The Government announced 2nd July a new funding package for Council's to help address COVID pressures and provide relief for lost income.

<https://www.gov.uk/government/news/comprehensive-new-funding-package-for-councils-to-help-address-coronavirus-p pressures-and-cover-lost-income-during-the-pandemic>

6.2 The headline messages of the announcement are that where income losses are more than 5% of a Council's planned income from sales, fees and charges, Government will provide 75p in every pound lost. The implications are being worked through, but the announcement does provide some clarity.

6.3 Briefings will be provided to Cabinet and Executive Team, with formal reporting aligning to July's MHCLG return and be presented to Budget and Performance Panel in accordance with the agreed timetable.

7.0 Conclusion

7.1 Although the recent Government announcement does provide some clarification, predicting what the final impact of COVID-19 on the Council's finances might be is still **extremely** difficult. It is dependent on numerous factors and variables the majority of which are out of the Council's control, or influence.

7.2 The largest factor impacting the Council's finances is the significant exposure to loss of income from fees and charges. Whilst it appears that Salt Ayre Leisure Centre will remain closed for a while longer we hope to see a significant improvement in other key income areas such as Car Parking. The next few months will be crucial for the Council given the recent easing of restrictions we should be able to get a better understanding of how fast, or slow any recovery will be and how that impacts on the Council's finances.

Appendices

Details of the full of the financial modelling and June's copy of the MHCLG return are appended to this report

Appendix 1. COVID-19 General Fund Revenue Budget Projections 2020-21
Members - June Return (Worst) 30-06-20

Appendix 2. COVID-19 General Fund Revenue Budget Projections 2020-21
Members - June Return (Best) 30-06-20

General Fund Revenue Budget Projections 2020/21

For Consideration by Cabinet

	2020/21 £'000		Options	COVID-19 Adj's £'000	Revised 2020/21 £'000
Revenue Budget/Forecast as at 5 November 2019	17,700			17,700	17,700
Base Budget Changes after Cabinet 15 January					
Increased LCTS & HB Admin Grant	(40)	Cannot Change		0	(40)
Further Job Evaluation Changes	268	Cannot Change		0	268
					228
Council Agreed Budget Proposals:					
A Non-Reserve Savings			Can We Deliver		
Minimum Revenue Provision	-				
Refuse/Recycling (delay of additional round)	(200)		Yes 100%	0	(200)
Inflation Savings	-		Yes 100%	0	-
Increase in Income Achieved - Car Parking	(160)		No	160	0
Increase in Income Achieved - Williamson Park	(17)		No	17	0
Annual non pay inflation uplifts and increase in other incomes					
- Trade Refuse	(29)		No	29	0
- Other Incomes	(7)		No	7	0
- Improved venues management	(51)		No	51	0
- Co-ordinated approach to catering	(12)		No	12	0
- Support Services Efficiencies	(21)		No	21	0
- Reducing general office supplies	(14)		Yes 100%	0	(14)
Total Savings & Efficiencies	(511)			297	(214)
Growth Proposals					
B Non-Reserve Growth			Do We Want to Continue/ Defer/ Stop Cabinet Steer 18/05/20		
Unavoidable					
Job Evaluation	218	Cannot Change	Continue	0	218
Communities & the Environment					
Energy including Phase 1 Solar	36		Continue	0	36
Salt Ayre Boiler Replacement	10		Continue	0	10
Two Electric Refuse Vehicles	46		Defer 6 Mths	(23)	23
Electric Fleet Replacement Programme	31		Defer 6 Mths	(16)	16
Pool Cars	18		Defer 6 Mths	(9)	9
Salt Ayre Leisure Centre	(4)		Defer 6 Mths	2	(2)
Mellishaw Park	37		Defer 6 Mths	(18)	18
Economic Growth & Regeneration					
Development Management	20		Continue	0	20
Planning Policy & Local Plan: Staff	96		Defer 6 Mths	(48)	48
Building Control	77		Defer 6 Mths	(38)	38
Prosperity Skills Wealth Building	55		Continue	0	55
Regeneration	(93)		Defer 6 Mths	46	(46)
Cultural Development					
- Arts, Festivals and Events Development	15		Defer 6 Mths	(8)	8
Property Investment	(383)		Defer 6 Mths	192	(192)
Corporate Services					
Staff Development	50		Defer 6 Mths	(25)	25
Member Training	11		Defer 6 Mths	(6)	6
Digital Strategy MRP	14		Defer 6 Mths	(7)	7
Office of the Chief Executive					
VCSE Miscellaneous Grants	6		Continue	0	6
Total Non Reserve Funded Growth				43	302
C Approved Growth funded from Reserves					
Job Evaluation	293	Cannot Change	Continue	0	293
RCCO Mellishaw Park	240		Defer 6 Mths	(120)	120
D Growth funded from Reserves (Subject to Business Case Approval)					
Digital Strategy	90		Defer 6 Mths	(45)	45
Cultural Development	99		Defer 6 Mths	(50)	50
Economic Prosperity Plan	40		Defer 1 Year	(40)	0
Economic Development	110		Defer 1 Year	(110)	0
Housing Feasibility (Housing Co and PS Stock Survey)	107		Defer 6 Mths	(54)	54
Committee System Investigation	30		Defer 1 Year	(30)	0
Energy Management Hardware and Software	50		Defer 1 Year	(50)	0
CE recruitment and consultant costs	30		Defer 1 Year	(30)	0
Planning Policy & Local Plan: Commissioning Advice	148		Defer 6 Mths	(74)	74
Future High Streets Fund (delivery capacity) (if successful)	76		Defer 1 Year	(76)	0
Canal Quarter	124		Defer 1 Year	(124)	0
Heysham Gateway	279		Defer 6 Mths	(139)	139
Bailrigg Garden Village / Morecambe High Streets	280		Defer 6 Mths	(140)	140
Housing Feasibility Invest to Save	100		Defer 6 Mths	(50)	50
Total Growth	2,356			(1,089)	1,267
Contributions from Reserves re Budget Proposals	(2,096)				(964)
Reserve Savings	0				(1,089)
Revenue Implication of New Capital Schemes	-				0
Contribution to/(from) GF Unallocated Reserve	226		Reverse	(226)	0
General Fund Revenue Budget	17,903			(975)	16,928
E COVID-19 Pressures					
Reduction in Income		Period 2 Full Year Forecast	Sensitivities +10% Nil -10% -25% -50%		
SALT AYRE		1,958	Leave	1,958	
LICENSING		191	Leave	191	
PEST CONTROL		90	Leave	90	
OTHER HEALTH		51	Leave	51	
CAR PARKING		1,775	Leave	1,775	
MARKETS		203	Leave	203	
PUBLIC TOILETS		18	Leave	18	
TRADE REFUSE		250	Leave	250	
WILLIAMSON PARK		513	Leave	513	
NURSERIES		57	Leave	57	
HAPPY MOUNT PARK		58	Leave	58	
GROUND MAINTENANCE		68	Leave	68	
WASTE COLLECTION		64	Leave	64	
PARKS & OPEN SPACES		71	Leave	71	
STREET CLEANING		23	Leave	23	
LEGAL SEARCHES		107	Leave	107	
LEGAL		28	Leave	28	
MUSEUMS		37	Leave	37	
PLATFORM		343	Leave	343	
VIC's		42	Leave	42	
PLANNING FEES		405	Leave	405	
BUILDING REGS		79	Leave	79	
COMMERCIAL PROPERTIES		812	Leave	812	
MUNICIPAL BUILDINGS		48	Leave	48	
LANCASTER BUS STATION		107	Leave	107	
Sub Total		7,398			7,398
SAVINGS					
Casual Staff		(354)	link to above	(354)	
Cost of Sales (Stock)		(386)	link to above	(386)	
Utilities		(313)		(313)	
Other		(320)		(320)	
Pensions Prepayment		(135)		(135)	
Sub Total		(1,508)			(1,508)
F Additional Cost Pressures					
Communities & the Environment					
Housing (Homeless)		50		50	
Housing		20		20	
SALC (inc Foodbank)		647		647	
Customer Services		62		62	
Waste Collection		53		53	
Cremation/Cemeteries		9		9	
Public Realm		66		66	
		907			
Economic Growth & Regeneration					
Other		25		25	
Delayed Projects		0		0	
		25			
Corporate Services					
Borrowing Costs		10		10	
ICT		250		250	
Investment Interest Forgone		60		60	
Sub Total		320			1,252
G Reserve Commitments					
Vulnerable People (Yet to be Allocated)		1,000		1,000	
Local Businesses (Yet to be Allocated)		1,000		1,000	
Teams Contact Centre (Corporate Priorities)		165		165	
Outturn (Surplus)/ Deficit		321		321	
TBC		0		0	
TBC		0		0	
		2,486			2,486
Budget before Core Funding & Reserves	17,903			8,653	26,556
J Core Funding:					
COVID-19 Grant (April)	0			(1,443)	(1,443)
COVID-19 Grant (June)	0			(500)	(500)
COVID-19 Grant (March) carried forward	0			(42)	(42)
Re- Opening High Streets Safely Grant	0			(129)	(129)
Foodbank Support Grant	0			0	0
Revenue Support Grant	(203)			0	(203)
Net Business Rates Income	(8,028)		-10.0%	803	(7,225)
Council Tax Income	(9,672)		-2.5%	242	(9,430)
Resulting Budget Deficit	0			7,584	7,584

Cabinet Steer 18/05/20

Includes possible Green Energy £2M but potential Power station appeal for extended maintenance March - May

General Fund Revenue Budget Projections 2020/21					
For Consideration by Cabinet					
	2020/21 £'000		Options	COVID-19 AdFs £'000	Revised 2020/21 £'000
Revenue Budget/Forecast as at 5 November 2019	17,700			17,700	17,700
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Increase LCTS & HB Admin Grant	(40)	Cannot Change		0	(40)
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					228
Council Agreed Budget Proposals:					
A Non-Reserve Savings			Can We Deliver		
Minimum Revenue Provision	-				
Refuse/Recycling (delay of additional round)	(200)		Yes 100%	0	(200)
Inflation Savings	-		Yes 100%	0	-
Increase in Income Achieved - Car Parking	(160)		No	160	0
Increase in Income Achieved - Williamson Park	(17)		No	17	0
Annual non pay inflation uplifts and increase in other incomes					
- Trade Refuse	(29)		No	29	0
- Other Incomes	(7)		No	7	0
- Improved venues management	(51)		No	51	0
- Co-ordinated approach to catering	(12)		No	12	0
- Support Services Efficiencies	(21)		Yes 100%	0	(21)
- Reducing general office supplies	(14)		Yes 100%	0	(14)
Total Savings & Efficiencies	(511)			276	(235)
Growth Proposals			Do We Want to Continue/ Defer/ Stop		
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Unavoidable					
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Salt Ayre Boiler Replacement	10		Defer 6 Mths	(5)	5
Two Electric Refuse Vehicles	46		Continue	0	46
Electric Fleet Replacement Programme	31		Continue	0	31
Pool Cars	18		Continue	0	18
Salt Ayre Leisure Centre	(4)		Continue	0	(4)
Mellishaw Park	37		Continue	0	37
Economic Growth & Regeneration					
Development Management	20		Continue	0	20
Planning Policy & Local Plan: Staff	96		Continue	0	96
Building Control	77		Defer 6 Mths	(38)	38
Prosperity Skills Wealth Building	55		Continue	0	55
Regeneration	(93)		Continue	0	(93)
Cultural Development					
- Arts, Festivals and Events Development	15		Defer 1 Year	(15)	0
Property Investment	(383)		Continue	0	(383)
Corporate Services					
Staff Development	50		Defer 6 Mths	(25)	25
Member Training	11		Defer 6 Mths	(6)	6
Digital Strategy MRP	14		Continue	0	14
Office of the Chief Executive					
VCSE Miscellaneous Grants	6		Continue	0	6
Total Non Reserve Funded Growth				(107)	153
C Approved Growth funded from Reserves					
Job Evaluation	293	Cannot Change	Continue	0	293
RCCO Mellishaw Park	240		Continue	0	240
D Growth funded from Reserves (Subject to Business Case Approval)					
Digital Strategy	90		Defer 6 Mths	(45)	45
Cultural Development	99		Defer 1 Year	(99)	0
Economic Prosperity Plan	40		Defer 6 Mths	(20)	20
Economic Development	110		Defer 6 Mths	(55)	55
Housing Feasibility (Housing Co and PS Stock Survey)	107		Continue	0	107
Committee System Investigation	30		Defer 6 Mths	(15)	15
Energy Management Hardware and Software	50		Defer 6 Mths	(25)	25
CE recruitment and consultant costs	30		Defer 18 Mths	(30)	0
Planning Policy & Local Plan: Commissioning Advice	148		Continue	0	148
Future High Streets Fund (delivery capacity) (if successful)	76		Continue	0	76
Canal Quarter	124		Continue	0	124
Heysham Gateway	279		Defer 6 Mths	(139)	139
Bairrigg Garden Village / Morecambe High Streets	280		Continue	0	280
Housing Feasibility Invest to Save	100		Continue	0	100
Total Growth	2,356			(535)	1,821
Contributions from Reserves re Budget Proposals	(2,096)				(1,667)
Reserve Savings	0				(535)
Revenue Implication of New Capital Schemes	-				
Contribution to/(from) GF Unallocated Reserve	226		Reverse	(226)	0
General Fund Revenue Budget	17,903			(591)	17,312
E COVID-19 Pressures					
Reduction in Income		Period 2 Full Year Forecast	Sensitivities +10% Nil -10% -25% -		
SALT AYRE		1,958	-25%	1,469	
LICENSING		191	-50%	96	
PEST CONTROL		90	-50%	45	
OTHER HEALTH		51	-50%	26	
CAR PARKING		1,775	-25%	1,331	
MARKETS		203	-25%	152	
PUBLIC TOILETS		18	-25%	14	
TRADE REFUSE		250	-25%	188	
WILLIAMSON PARK		513	-25%	385	
NURSERIES		57	-25%	43	
HAPPY MOUNT PARK		58	-25%	44	
GROUNDS MAINTENANCE		68	-25%	51	
WASTE COLLECTION		64	-25%	48	
PARKS & OPEN SPACES		71	-25%	53	
STREET CLEANING		23	-25%	17	
LEGAL SEARCHES		107	-50%	54	
LEGAL		28	-25%	21	
MUSEUMS		37	Leave	37	
PLATFORM		343	Leave	343	
VIC's		42	-25%	32	
PLANNING FEES		405	-50%	203	
BUILDING REGS		79	-50%	40	
COMMERCIAL PROPERTIES		812	-25%	609	
MUNICIPAL BUILDINGS		48	-25%	36	
LANCASTER BUS STATION		107	-25%	80	
Sub Total		7,397			5,413
SAVINGS					
Casual Staff		(354)	link to above	(266)	
Cost of Sales (Stock)		(386)	link to above	(290)	
Utilities		(313)		(209)	
Other		(320)		(427)	
Pensions Prepayment		(135)		(135)	
Sub Total		(1,508)			(1,326)
F Additional Cost Pressures					
Communities & the Environment					
Housing (Homeless)		50		50	
Housing		20		20	
SALC (inc Foodbank)		647		647	
less use of surplus council tax support funding		(600)		(600)	
less use of vulnerable people reserve		(47)		(47)	
Customer Services		62		62	
Waste Collection		53		53	
Cremation/Cemeteries		9		9	
Public Realm		66		66	
		260			
Economic Growth & Regeneration					
Other		25		25	
		25			
Corporate Services					
Borrowing Costs		10		10	
ICT		250		250	
Investment Interest Forgone		60		60	
		320			605
G Reserve Commitments					
Vulnerable People (Yet to be Allocated)		1,000		1,000	
Local Businesses (Yet to be Allocated)		1,000		1,000	
Teams Contact Centre (Corporate Priorities)		165		165	
Outturn (Surplus)/ Deficit		(100)		(100)	
TBC		0		0	
TBC		0		0	
		2,065			2,065
Budget before Core Funding & Reserves	17,903			6,165	24,069
J Core Funding:					
COVID-19 Grant (April)	0			(1,443)	(1,443)
COVID-19 Grant (June)				(1,500)	(1,500)
COVID-19 Grant (March) carried forward				(42)	(42)
Reopening High Streets Safety Grant	0			(129)	(129)
Foodbank Support Grant	0			0	0
Revenue Support Grant	(203)			0	(203)
Net Business Rates Income	(8,028)		-2.5%	201	(7,827)
Council Tax Income	(9,672)		-2.5%	242	(9,430)
Resulting Budget Deficit	0			3,495	3,495