



Committee: BUDGET AND PERFORMANCE PANEL

Date: THURSDAY, 17TH MARCH 2022

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 2nd February 2022 (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. **Delivering Our Priorities: Q3 2021/22** (Pages 3 - 26)

Report of the Director of Corporate Services.

6. **Work Programme Report** (Pages 27 - 29)

Report of Head of Democratic Services.

ADMINISTRATIVE ARRANGEMENTS

(i) **Membership**

Councillors Adrian De La Mare (Chair), Tim Dant (Vice-Chair), Phillip Black, Roger Dennison, Ross Hunter, Joan Jackson, Oliver Robinson, Luke Taylor and

Joanna Young

(ii) Substitute Membership

Councillors Paul Anderton, Mandy Bannon, Abbott Bryning, Geoff Knight and Jason Wood

(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 democracy@lancaster.gov.uk.

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

Published on Wednesday, 9th March 2022.

BUDGET AND PERFORMANCE PANEL

**Delivering Our Priorities Q3 2021/22
17 March 2022**

Report of Director of Corporate Services

PURPOSE OF REPORT

To provide the Panel with an update on performance, projects, and resources during the 3rd Quarter of 2021/22 (October - December 2021).

This report is public

OFFICER RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the Cabinet Report dated 01 March 2022 and attached appendices, making any comments and recommendations considered necessary.

1.0 DELIVERING OUR PRIORITIES 2021/22 - QUARTER 3

- 1.1 The report attached at **Appendix A**, presented to Cabinet on 01 March 2022, provides Members with a view of progress against the Council's agreed priorities for Quarter 3 of the 2021/22 performance monitoring cycle.
- 1.2 Budget and Performance Panel are asked to consider the Cabinet report and attachments in line with their Terms of Reference within the Constitution relating to the monitoring and review of the council's performance.

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

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

Telephone: 01524 582603

E-mail: pthompson@lancaster.gov.uk

Ref: N/A

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	1 March 2022
Report	Delivering Our Priorities: Q3 2021/22		
Report of	Director of Corporate Services		
Purpose of Report			
To provide members with an update on performance, projects, and resources during the first three quarters of 2021/22 (April – December 2021).			
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

That Cabinet

- (1) Consider the update on performance, projects, and resources for Quarter 3 2021/22.

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 Section 151 Officer contributed to this report in his role as Chief Finance Officer.	
Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no further comments.	
Contact Officer	Contact Officer
Tel	Tel
Email	Email
Links to Background Papers	
Appendix A: Highlight Report	

1.0 Introduction

- 1.1 The primary purpose of this report is to present information relating to the council's projects, performance and resources for the period April-December 2021, which can found within the appendices.

2.0 Performance Reporting

- 2.1 The Highlight Report at Appendix A shows a strong level of performance, with services largely now pursuing their substantive activities rather than Covid-19 response requirements. This trend is likely to continue through 2021-22 and into 2022-23, with goals and reporting increasingly aligned to Plan 2030 Priorities and Outcomes.

3.0 Project Reporting

The Highlight Report at Appendix A shows that the vast majority of the council's strategic projects were running to plan at the end of quarter 3. Action is being taken by the projects which are reporting as amber to rectify the issues they are having and get them back on track.

4.0 Financial Monitoring

- 4.1 The 2021/22 Budget and MTF5 2021-2024 approved by Council in February 2021 set a balanced budget for the year based on the assumptions made at that time. The COVID - 19 pandemic continues to create a significant shock to the economy and result in unplanned expenditure and income losses for the Council.
- 4.2 All portfolios are required to examine their revenue budgets regularly and reports are submitted to Cabinet and Budget & Performance Panel for review. To enable Portfolio Holders to meet this requirement Financial Services continually reviews and refreshes how it presents the Council's Corporate Monitoring information.
- 4.3 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.

The following financial appendices accompany the financial monitoring section of this report
 Appendix B: General Fund Service Analysis
 Appendix C: General Fund Subjective Analysis

- Appendix D: HRA Service Analysis
- Appendix E: General Fund Capital Projects
- Appendix F: HRA Capital Projects
- Appendix G: Reserves Projected Outturn
- Appendix H: Approved Savings Monitoring

5.0 COVID - 19

- 5.1 As stated above, the COVID - 19 pandemic has resulted in significant unplanned expenditure and income losses, which are being monitored by each directorate. The Government's Sales, Fees and Charges support scheme finished at the end of June 2021 and all subsequent losses will need to be covered by Council resources.
- 5.1 With regard to economic activity and the potential ongoing impact, the government's own data indicates activity is not expected to return to pre-Covid-19 levels until 2023. The impact of the pandemic led to a 10% fall in economic output over 2020 which is only expected to recover by 4% this year and 7% in 2022/23.

6.0 General Fund Summary Position

- 6.1 Quarter 3 (Q3) monitoring covers the period for April – December 2021. At the end of Q3 (December 2021) we are currently projecting a year end underspend against budget of **£0.073M**. This amount equates to approximately **0.41%** of the Council's approved Net Revenue Budget of **£17.774M**. Members will recall that as part of the 2021/22 budget cycle that Council approved a draw on reserves of **£2.267M** in order to balance the budget. The forecast underspend will reduce this draw to approximately **£2.194M**. In addition this position is at the three-quarter point of the financial year and officers work will continue over the coming months to monitor and forecast the costs and savings associated with both the pandemic and any other emerging budget pressures. In the meantime, arrangements are in place to scrutinise all existing expenditure plans. However, should an underspent position remain at the year-end the call on the Council's unallocated reserves will be reduced.
- 6.2 A summary of the Q3 revenue position for the main service accounts of the Council is set out in table 1 below with commentary on significant variances provided on the following paragraphs.

Table 1 Quarter 3 Financial Monitoring – Service Analysis

	Original Budget 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000
Communities and Environment	6,882	6,882	2,543	7,006	(124)
Economic Growth and Regeneration	4,329	4,329	3,217	4,566	(237)
Corporate Services	6,762	6,762	(170)	7,385	(623)
Central Services	1,059	1,059	774	1,031	+28
Other Items	(104)	(104)	(649)	(1,133)	+1,029
Sub Total	18,928	18,928	5,715	18,855	+73
Net Recharges to Housing Revenue Account	(1,015)	(1,015)	0	(1,015)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	1,516	(139)	0
Revenue Reserve funded items included in above analysis	2,362	5,298	225	3,985	+1,313
Revenue Reserve funded items included in above analysis	(2,362)	(5,298)	0	(3,985)	(1,313)
Sub Total	(1,154)	(1,154)	1,741	(1,154)	0
General Fund Revenue Budget	17,774	17,774	7,456	17,701	+73
Revenue Support Grant	(204)	(204)	(155)	(204)	0
Net Business Rates Income	(7,737)	(7,737)	(5,617)	(7,737)	0
Council Tax Requirement	9,833	9,833	1,684	9,760	+73

Communities and Environment (£0.124M Adverse)

6.3 Significant budget variances including :-

- Termination costs for the Combined Heating and Power unit maintenance contract (-£0.032M) and the non-realisation of feed in tariff credits (-£0.130M).
- Increased transport costs (-£0.285M) due to vehicle R&M and associated hire costs arising from delayed delivery of new fleet plus increased fuel costs (delays to electric-RCV's and roll-out of route optimisation plus unforeseen inflationary increases).
- Net Income losses as a result of the continued closure of nursery shop (-£0.038M).
- Service restructure delayed by continuing pandemic response (-£0.042M), roles transferred from other Directorates (-£0.059M), additional cost of staff to cover continued increase in tonnage, long term absence and temporary shortage of HGV drivers and loaders - household waste collection (-£0.060M), trade waste (-£0.022M), street cleaning (-£0.043M)
- Car parking income net of increased transaction costs (+£0.666M) has far exceeded the pre-pandemic expectancy level of 65%. Further income of (+£0.100M) has been projected for the Castle car park lease surrender which is offset by the loss of management fee and additional costs running costs (-£0.140M)
- A budgeted sales, fees and charges compensation figure of (-£0.379M) is included within the service variance, however the collection is included in Other Items, as detailed below.

Economic Growth and Regeneration (£0.237M Adverse)

6.4 Significant predicted year end variances including:-

- the continuation of the Capita Building Control contract (-£0.116M)
- Business Rates payable (-£0.041M) for former Frankie & Benny's site due to vacated tenant
- Additional planning fee income due to continued high volume of applications received (+£0.220M) offset by additional support for temporary planning officer posts (-£0.119M)
- The use of agency staff to cover the vacant Head of Property Investment and Regeneration (PIR) post (-£0.110M) have created budgetary pressure however, there are a number of areas where salary savings have been identified including the delayed reopening of the VIC's, The Platform and Museums (£+0.034M).
- Further vacancies include Future High Streets vacant post (+£0.033M) and other growth posts not yet recruited to (+£0.062M).
- These pressures have been offset by further staff turnover savings (+£0.354M) however when considered in context the service is predicting an overall salary related overspend

(-£0.046M) which also accounts for the impact of the proposed pay award.

- Further Income losses at The Platform (-£0.217M) and Printrooms (-£0.068M) are estimated.
- A budgeted sales, fees and charges compensation figure of (-£0.074M) is included within the service variance, however the collection is included in Other Items, as detailed below.

Corporate Services (£0.623M Adverse)

6.5 Significant predicted year end variances including:-

- Slippage on the capital programme has reduced forecast interest payments for the year by (+£0.403M)
- A top up payment required to the pension fund (-£0.780M) which will be paid within quarter 4
- The provision for staff turnover target (-£0.481M) is held within Corporate Service whilst the additional costs/savings generated are attributed to the individual services. When taking this into account the whole council salary related position (including agency and consultancy costs as appropriate) is expected to be overspent by (-£0.205M) which can largely be attributable to the impact of the proposed pay award
- An increase in the Council's insurance renewal premium (-£0.160M) has been offset by a corresponding reduced contribution to the insurance provision as the balance is deemed to be at a satisfactory level
- With regard to ICT, the need for additional Microsoft user licences (-£0.013M) and additional mobile phone costs (-£0.044M) resulting from increased agile/ homeworking provide the most significant forecast budget pressures
- Other significant variances relate to vacant posts with Finance (+£0.073M), Human Resources (+£0.072M), Democratic Services (+£0.015M) and Internal Audit (+£0.074M)

Central Services (£0.028M Favourable)

6.6 This variance is attributable to the vacant 'Head of Policy' position offset by the impact of the proposed pay award.

Other Items (£1.029M Favourable)

6.7 Sales, Fees & Charges Compensation (£0.732M credit) As part of the pandemic the government introduced a scheme within 2020/21 which allowed Councils to reclaim a portion of their in-year income losses relating to sales fees and charges. This scheme was extended to 30th June 2021 and as part of the 2021/22 budget setting process, budgets were included as appropriate within the relevant service area and whilst not always detailed in full within the above sections, collectively they amount to £0.455M. During the first quarter, the Council incurred eligible irrecoverable losses of £0.977M (against a predicted irrecoverable loss of £0.722M) for which we are to receive compensation of £0.732M. In addition the Council share of the flood recovery grant regarding Storms Desmond & Eva has been finalised resulting in a credit of +£0.343M.

6.8 Appendix B: General Fund Service Analysis (Q3) covers this information in more detail and provides summary percentage variations for variances +/- £30K.

6.9 The revenue position provided within table 1 above is analysed across the Councils subjective headings is set out in table 2 below.

Table 2 Quarter 3 Financial Monitoring – Subjective Analysis

	Original Budget 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000
Employees	24,831	24,856	15,911	25,567	(711)
Premises Related Exp	5,729	5,728	5,098	5,941	(213)
Transport Related Exp	1,175	1,176	962	1,417	(241)
Supplies and Services	10,418	10,540	8,248	11,855	(1,315)
Transfer Payments	22,027	22,027	13,865	22,027	0
Support Services	130	139	41	111	+28
Capital Charges	17	17	0	17	0
Capital Financing Costs	1,797	1,797	1,445	1,394	+403
Appropriations	532	532	0	508	+24
Income	(47,428)	(47,584)	(39,855)	(49,682)	+2,098
Capital Financing Inc	(300)	(300)	0	(300)	0
Sub Total	18,928	18,928	5,715	18,855	+73
Net Recharges to Housing Revenue Account	(1,015)	(1,015)	0	(1,015)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	1,516	(139)	0
Revenue Reserve funded items included in above analysis	2,362	5,298	225	3,985	+1,313
Revenue Reserve funded items included in above analysis	(2,362)	(5,298)	0	(3,985)	(1,313)
Sub Total	(1,154)	(1,154)	1,741	(1,154)	0
General Fund Revenue Budget	17,774	17,774	7,456	17,701	+73

6.10 Appendix C: General Fund Subjective Analysis covers this information in more detail

7.0 Housing Revenue Account Summary Position

7.1 As at the end of Q3 we are currently projecting a year end overspend against budget of **£0.266M**. A summary of the Q3 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 2 Financial Monitoring – HRA Service Analysis

	Original Budget 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000
Policy & Management	1,718	2,017	1,151	2,013	+4
Repairs & Maintenance	5,790	5,865	1,709	5,951	(86)
Welfare Services	(157)	(157)	(263)	(181)	+24
Special Services	172	172	190	186	(14)
Miscellaneous Expenses	680	680	440	767	(87)
Income Account	(14,672)	(14,672)	(10,544)	(14,572)	(100)
Capital Charges	5,532	5,532	0	5,532	0
Appropriations	417	43	13	50	(7)
Sub Total	(520)	(520)	(7,304)	(254)	(266)
Net Recharges to General Fund	520	520	0	520	0
Housing Revenue Account Budget	0	0	(7,304)	266	(266)

7.2 Significant predicted year end variances including:-

- An anticipated reduction in income (-£0.100M) due to longer re-let times in independent living schemes following knock-in impact from the pandemic
- An increase in council tax payable on void properties due to longer re-let times following knock-on impact from the pandemic (-£0.049M)
- An increase on property insurance premiums (-£0.037M)
- A forecast increase in expenditure on Repairs & Maintenance (-£0.086M) mainly relating to compliancy consultancy

7.3 Appendix D: Housing Revenue Account Service Analysis covers this information in more detail and provides summary percentage variations for variances +/- £30K.

8.0 Capital Projects (General Fund & HRA)

8.1 At Q3 we are currently projecting a year end variance against budget of **£36.138M** (General Fund £35.530M HRA £0.608M) (Q2 General Fund £32.862M and HRA (£047M)). Summary details for both the General Fund and HRA are set out in table 4 below.

Table 4 Quarter 1 Financial Monitoring – Capital Projects

	Original Budget 2021/22 £'000	Working Budget 2021/22 £000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000
Communities and Environment					
Business Support	3,084	2,939	46	1,022	1,917
Customer Involvement & Leisure	2,057	1,614	98	1,436	178
Public Protection	0	0	0	0	0
Housing Services	480	1,230	0	105	1,125
Public Realm	17,424	15,388	(3,031)	230	15,158
Total	23,045	21,171	(2,887)	2,793	18,378
Economic Growth and Regeneration					
Planning & Place	777	871	0	110	761
Economic Development	0	0	0	0	0
Property Investment & Regeneration	17,710	18,217	3,714	3,583	14,634
Total	18,487	19,088	3,714	3,693	15,395
Corporate Services					
HR	0	0	(40)	0	0
ICT	135	235	85	149	86
Corporate Services Development Pool	1,671	1,671	0	0	1,671
Total	1,806	1,906	45	149	1,757
Central Services					
Chief Executive	0	0	0	0	0
Total	0	0	0	0	0
GENERAL FUND - TOTAL	43,338	42,165	872	6,635	35,530
Housing Revenue Account					
Adaptations	300	360	216	360	0
Energy Efficiency / Boiler Replacement	959	969	372	969	0
Kitchen / Bathroom Refurbishment	888	888	0	138	750
External Refurbishment	192	235	43	235	0
Environmental Improvements	360	405	418	1,127	(722)
Re-roofing / Window Renewals	1,093	1,185	341	940	245
Rewiring	54	84	14	84	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	150	150	22	150	0
Housing Renewal & Renovation	1,217	1,350	833	1,015	335
HOUSING REVENUE ACCOUNT - TOTAL	5,213	5,626	2,259	5,018	608
GRAND TOTAL	48,551	47,791	3,131	11,653	36,138

8.2 The following significant budget adjustments have been made up to Q3 to reflect slippage from 2020/21 and subsequent changes approved by Cabinet particularly those in respect of the De-carbonisation project as Salt Ayre Leisure Centre.

GF: (£1.173)M

HRA: £0.413M

8.3 The significant underspending against budget relates principally to General Fund. Of this £5.191M relates to forecast slippage of works into 2022/23. The remainder relates to schemes currently within the Council's Development Pool which have not been progressed. A full review of the Capital Programme has been undertaken as part of the 2022/23 budget process and such schemes have been removed achieving considerable revenue budget savings.

8.4 Appendix F General Fund Capital Projects and Appendix G HRA Capital Projects provide further information and summary commentary.

9.0 Reserves

9.1 The Council's projected reserve position has been updated to reflect the provisional outturn and has seen the Council's opening level of unallocated balances increase to **£7.808M** with the combined level of reserves currently **£33.446M**.

9.2 We are currently projecting the Council's unallocated balances to increase to **£5.614M** from the original budgeted position of **£4.529M**. Overall the combined level of usable reserves is forecast to increase to **£20.360M** against the original budgeted balance of **£15.639M**. 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 1 Financial Monitoring – Reserves

	<----- ORIGINAL BUDGET ----->					<----- PROJECTED OUTTURN ----->				
	31 March 2021	From Revenue	To / (From) Capital	To Revenue	31 March 2022	31 March 2021	From Revenue	To / (From) Capital	To Revenue	31 March 2022
	£	£	£	£	£	£	£	£	£	£
Unallocated Balances	(6,796,000)			2,267,000	(4,529,000)	(7,808,400)			2,194,000	(5,614,400)
Total Earmarked Reserves	(12,885,100)	(1,807,986)	1,113,000	2,470,000	(11,110,086)	(25,637,200)	(2,061,386)	1,104,000	11,848,649	(14,745,937)
Total Combined Reserves	(19,681,100)	(1,807,986)	1,113,000	4,737,000	(15,639,086)	(33,445,600)	(2,061,386)	1,104,000	14,042,649	(20,360,337)

9.3 The increase is a result of a number of factors such as the impact of the backed dated Green Energy Disregard on the 2019/20 balance, inclusion of the 2020/21 surplus and growth in the Business Rates Retention Reserve to reflect current government guidance for the treatment of Collection Fund deficits on the Council's finances. Table 6 Reserves Movement reconciles the movement between the budgeted and forecast closing position.

Table 6 Reserves Movement

		£M
Budgeted Combined Level		15.639
Reserve		
General Fund Unallocated	2021/22 Forecast Underspend	0.073
	2020/21 Actual Surplus	0.695
	2019/20 Impact of backdated Green Energy Disregard	0.317
Business Rates Retention	First year exception Collection Fund deficit	1.180
	Contribution to 2021/22 Collection Fund Deficit	0.558
s106 Commuted Sums	Increase in s106 monies during 2020/21	0.153
	s106 monies received during 2021/22	0.256
Various	Projected use of reserves to finance revenue	1.489
	expenditure during 2021/22 lower than originally forecast due to slippage in project delivery and delays in usage of regeneration feasibility monies set aside	
Projected Combined Level		20.360

- 9.4 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 Officers and Members. The current forecast includes £2.194M to balance the 2021/22 budget with current projections requiring further calls to balance future budgets 2023/24 (£2.165M), 2024/25 (£3.211M) and 2025/26 (£3.997M).

10.0 Collection Fund

Business Rates

- 10.1 Similarly to 2020/21, Central Government has introduced a scheme of enhanced rates reliefs applying to occupied retail, leisure, and hospitality properties. The discounts are 100% for the period April to June reducing to 66% from July. Funds to fully reimburse local authorities for the local share of these enhanced reliefs have been paid on account using a grant under section 31 of the Local Government Act 2003, with a full reconciliation to be carried out at year-end. The Council expects to use £3.424M in respect of 2021/22 which will be credited to the Council's General Fund and held in the Revenue Grants Unapplied reserve to offset any business rates deficit carried forward. An amount of £6.914M is already held in the Revenue Grants Unapplied reserve to offset against the prior year deficit.
- 10.2 The collection rate for Business Rates is currently 76%, which is slightly behind the Q2 profiled position of 78.3%. Based on this level of performance collection would be slightly below the annual target 98.0%.

Council Tax

- 10.3 The number of Local Council Tax Support claimants appear to have stabilised at around 1,300, although this is considerably higher than the position in March 2020. The current collection rate for Council Tax is Q2 82% which is slightly behind the profiled position at 83.8% with current forecasts expected to exceed the annual target of 95.%.


11.0 WRITE OFFS

- 11.1 Table 7 below provides details of the debts have been written off by the Council's Revenues and Benefits service in relation to Council Tax, Business Rates and Housing Benefits Overpayments

Table 7: Write Off's

	Q1	Q2	Q3	Total
Council Tax	39,876	15,565	TBC	55,441
Business Rates	16,117	33,521	TBC	49,638
Housing Benefit Overpayments	61,404	16,565	28,851	106,820
				211,899

- 11.2 Debts are deemed non recoverable after all reasonable recovery steps have been taken and can be written off in accordance with the Council's Debt Management Policy in a number of circumstances such as unable to trace, uneconomical to pursue, insolvency as well as imprisonment and death

 <p>LANCASTER CITY COUNCIL Promoting City, Coast & Countryside</p>	<p>Corporate programmes, projects and performance update – 31st Dec 2021 (Q3)</p>	<p>Status Key</p> <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 or Closed</td> </tr> <tr> <td>A</td> <td>Amber – The project is at risk of failing to meet its agreed plan, timescales, 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, timescales, costs and benefits</td> <td>H</td> <td>On hold</td> </tr> <tr> <td>X</td> <td>No data available / data not requested due to stage</td> <td colspan="2">* Projects in the Concept stage will not usually have updates</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 or Closed	A	Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken	N	Not Started	G	Green – The project is on track to meet its agreed plan, timescales, costs and benefits	H	On hold	X	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates	
		R	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	C	Complete or Closed																
A	Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken	N	Not Started																		
G	Green – The project is on track to meet its agreed plan, timescales, costs and benefits	H	On hold																		
X	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates																			
<p>Priorities Key</p> <table border="1"> <tr> <td>I</td> <td>An inclusive and Prosperous Local Economy (Economy)</td> </tr> <tr> <td>S</td> <td>A Sustainable District (Environmental)</td> </tr> <tr> <td>H</td> <td>Healthy and Happy Communities (Social)</td> </tr> <tr> <td>R</td> <td>A Co-operative, Kind and Responsible Council (Governance)</td> </tr> </table>		I	An inclusive and Prosperous Local Economy (Economy)	S	A Sustainable District (Environmental)	H	Healthy and Happy Communities (Social)	R	A Co-operative, Kind and Responsible Council (Governance)	<p>All projects, programmes and performance figures on this list are reporting quarterly</p>											
I	An inclusive and Prosperous Local Economy (Economy)																				
S	A Sustainable District (Environmental)																				
H	Healthy and Happy Communities (Social)																				
R	A Co-operative, Kind and Responsible Council (Governance)																				

An Inclusive and Prosperous Local Economy (Economy)

Projects

Priority	Project Name	Update	Stage	Updated	Status
I	Heritage Action Project	Programme is making further progress in terms of grant commitments and towards new projects, however, spend to date is still much lower than projected or hoped. Progress with public realm proposals is very challenging due to ongoing uncertainty with regard the wider city centre highway network as a result of advancing the Housing Infrastructure Fund (HIF) programme. As such, there is impending risk of funding loss which officers are seeking to mitigate so far as is possible.	Delivery	18/01/22	A
I S	Lune Flood Protection, Caton Road	The original phase 3 fluvial flood relief scheme is now complete with all outputs now being met. The project team continues with planning and delivery of the follow up phase 3a project to mitigate the wider residual surface water flooding issues including installation of a community pump and water attenuation and storage upstream in the catchment.	Delivery	18/01/22	G
I	Bailrigg Garden Village Masterplanning (part of South Lancaster Growth Catalyst programme)	Consultancy JTP prepared a Vision Masterplan for the Bailrigg Garden Village in two stages of work to Spring last year. Work continued as part of a third stage to further refine the Masterplan informed as appropriate by further engagement and to finalise a Design Code for the main village spine (road) in conjunction with the county council. Officers are preparing reporting to Cabinet on the Vision Masterplan recommending that it should significantly inform work to prepare the Lancaster South Area Action Plan. Work on the spine Design Code should complete in the next few weeks.	Detailed design stage	18/01/22	G
I	Heysham Gateway	A tender process via an approved consultant Framework has been concluded with the firm WSP UK Limited providing the winning bid on balance of price/quality/social value factors. Notifications, including anonymised feedback on scoring / price, were issued to successful and unsuccessful firms initiating a standstill period. Following end of standstill period officers are now seeking: <ul style="list-style-type: none"> Confirmation of delayed formal grant aid offer from Lancashire County Council Formal approval of tender to move on formal contract following provisional award. Initial without prejudice discussions are being undertaken with the consultant team to formalise programme and output plan.	Detailed design stage	18/01/22	G
I H	Palatine Recreation Ground Pavilion	The surveyor has reviewed the site and schedule of works to ensure they are up to date and submitted planning. The contractor has been selected via a partnership framework with Lancashire County Council. An initial site visit has taken place to discuss materials and potential programme of works. This will now be formalised by the contractor for review.	Detailed design stage	13/01/22	G
I H	Lancaster City Museum Boiler	The authorisation to utilise the budget set aside in the capital programme has been sought and approved. This was following extensive research around alternative fuel options. This is a joint project between City and County Councils as the plant serves both the museum and library. Therefore, we are communicating and working with County to ensure there is full understanding. Lancashire County Council are a partner in this project and are undertaking the procurement exercise and surveyor/CDM role. A contractor has been selected and appointed with all contracts signed and orders raised. Work will commence in January.	Detailed design stage	13/01/22	G
S	Canal Quarter	No update is due for this project as it has not yet reached the detailed design stage.	Detailed business case	N/A	X
I	1 Lodge Street Urgent Structural Repairs	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
I	Dalton Square	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
I H	Eden Project North	Planning permission for the proposed scheme was approved on 31 January, which represents the council's full support for the scheme in its pre-construction stage. The council continues to work with partners and central government in securing support for the delivery of the project.	Feasibility	N/A	X

I		R	Council Assets Programme (Palatine Hall, Old Fire Station Development Works)		Concept*		
I	H		Morecambe Co-op Building Renovation		Concept*		
I	H		Museums Redevelopment		Concept*		
I	H		Ryelands Park – Ryelands House		Concept*		

Performance								
			Measure	Q1	Q2	Q3	Q4	Comments
I			% of minor planning applications determined within 8 weeks or agreed time	80.77	67.41	77.64%		The figures for the October to December quarter will include some of the previous backlog of planning applications that were 'out of time'. It includes a significant increase in the volume of determined applications. As a result of the measures put in place following the DM Review, figures for 2022/23 quarters will begin to show an upturn in performance data.
I			% of other planning applications determined within 8 weeks or agreed time	81.43	73.75	82.75%		
I			% of major planning applications determined within 13 weeks or agreed time	81.82	66.67	81.81%		
I			Proportion of total procurement expenditure with local suppliers (quarter behind)	30%	21%	26%		The percentage figure represents a total local expenditure of £1,710,040 during Q3.

A Sustainable District (Environmental)					
Projects					
Priority	Project Name	Update	Stage	Updated	Status
S	Electric Car Club (part of Carbon Neutral Programme)	This project is now complete. A project review report is in the process of being composed.	Completion		C
S	Local Authority Delivery for Green Homes Grant (part of Council Housing Thermal Energy Efficiency)	<p>The Lancaster Project Team as invested significant time and resource to LAD1b and we continue to meet input objectives, promotion, qualifying households, & authorisation of measures, etc. Notwithstanding, outputs – numbers of delivered energy saving measures are below expectations.</p> <p>The consortium delivery measured nationally is good. However, in Lancaster district delivery is slow. Availability of Trustmark is a factor and but also the performance and co-ordination of the principal contractor. Corrective action has been taken and we are promised full delivery within the extended Lad1b duration, March22.</p> <p>We are learning and upgrading hard to treat occupied schemes, successes that will contribute to the delivery at scale in future projects.</p>	Delivery	18/01/22	A
S	Salt Ayre Leisure Centre Decarbonisation (part of Carbon Neutral Programme)	The vast majority of work at the leisure centre reached practical completion on 17th December 2021, with only the final energisation of the primary sub and completion of the solar array required. The full project is on track to be fully completed prior to the delivery deadline of 31st March 2022, however Salix / BEIS have announced additional extensions up to the end of June 2022 for LA's that require it.	Delivery	18/01/22	G
S	Electric Vehicle Charge Points (part of Carbon Neutral Programme)	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
S	Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme)	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
S	Travel Plan (part of Carbon Neutral Programme)	Several large employers already have organisational travel plans in place. The Portfolio holder is chairing a working group consisting of the big employers in the District to look at best practice and consider how by working more closely we can share best practice and have a more strategic approach.	Feasibility	01/02/22	X
S	1 Million Trees	<p>2021/22 funding has supported the recruitment of a project lead at the Lunes Rivers Trusts as part of the wider Lancashire Woodland Connect programme. In conjunction with the Ribble Rivers Trust, computer modelling for riparian woodland prioritisation of the Lune catchment is taking place. 6 planting sites have been located and outreach has started with private land owners. Hedgerow planting with Lancaster University will lead to planting in March 2022.</p> <p>The funding committed by Lancaster City Council has secured additional resourcing and funding from Green Recovery Challenge Fund and the Health and Environmental Action Lancashire (HEAL) project.</p>	Concept	18/01/22	X

Performance							
		Measure	Q1	Q2	Q3	Q4	Comments
S		% of household waste recycled (quarter behind)	34.3%	40.5%	39.2%		This is a quarter behind due to the reporting mechanism from Lancashire County Council. This figure is within a similar range in comparison with the same quarter from the previous year (35.9%).
S		Kg of residual waste per household (quarter behind)	84.0kg	91.8kg	90.1kg		This is a quarter behind due to the reporting mechanism from Lancashire County Council. This figure is within a similar range in comparison with the same quarter from the previous year (84.4kg).
S		Diesel consumption of council vehicle fleet	115,733 ltrs	119,277 ltrs	107,342 ltrs		Litres used decreased compared to both Q1 & Q2, and also represents a significant decrease on the same quarter from the previous year (121,230 ltrs).
S		Cost/m2 energy across corporate buildings (quarter behind)	£2.37	£1.76	£1.78		These figures are a quarter behind so represents the period July-September rather than October-December, and are sensitive to both fluctuating energy costs and seasonal conditions. Q3 in the previous year saw costs of £1.14/m2, 776,000 KWH gas usage, and 546,000 KWH electricity usage. A substantial decrease in gas usage is anticipated following the completion of the Salt Ayre Decarbonisation project. Whilst usage of council assets has changed during 2020 and 2021, assets such as Lancaster Town Hall have not necessarily experienced lower usage throughout. Further decarbonisation proposals for all assets will be progressed subsequently.
S		Gas KWH usage in council buildings (quarter behind)	2,280,000	1,014,000	358,238		
S		Electricity KWH usage in council buildings (quarter behind)	593,000	551,000	760,759		

Healthy & Happy Communities (Social)						
Projects						
Priority	Project Name	Update	Stage	Updated	Status	
H	LATCo - Housing Companies (part of Funding the Future)	<p>Since Q2 reporting, whilst the Business Plan for the LATCo was approved by the Board it has not yet been approved by the Shareholder Committee/Cabinet. Further work is currently being undertaken to revise the Business Plan and address the scope of the LATCo activity which could significantly change depending on the council's preferred option for the delivery of the regeneration of Mainway estate.</p> <p>As part of the budget process, a growth item has been requested to create a new Development Manager post which for the time being will be directly employed by the council. This will alleviate some of the earlier concerns about officer resource capacity assuming a suitable appointment can be made. This post has been approved in the budget process with recruitment expected to take place later this year.</p> <p>The next board meeting is scheduled for Tuesday 25th January.</p>	Delivery	18/01/22	G	
H	Mellishaw Park (part of Homes Programme)	An Expression of Interest (EOI) for an architect to take forward designs to planning stage was released with two shortlisted companies taken forward to the full tender stage. Responses were received in November with a further follow up presentation arranged in November – residents from the site were invited to take part. Whilst both bidders came in above price, a preferred provider was selected, and a meeting is arranged for early January to agree a final schedule for inclusion to ensure the works remain on budget. On-going work continues to understand electricity capacity on the current site, assess upgrading of the current septic tank and liaison with County Council re: an additional parcel of land which could support with recreational space for the residents.	Detailed design stage	21/12/21	G	
S	My Mainway (part of Homes Programme)	The Mainway Project Team continue to work with its consultants Anderton Gables on developing a viable Mainway project. In the last quarter, an in-principle decision was given by cabinet to continue working with County Council colleagues to purchase the former Skerton High School site with discussions continuing into the new year. Presentations have taken place with members in the last couple of months about the project which will help shape the report around the way forward for the Mainway project in the new year.	Feasibility	21/12/21	G	
S	Extra Care Scheme (part of Homes Programme)		Concept*			
I	LATCo - Commercial Trading Services (part of Funding the Future)		Concept*			
R	Outcomes Based Resourcing (OBR) (part of Funding the Future)		Concept*			

Performance							
		Measure	Q1	Q2	Q3	Q4	Comments
	H	Number of people statutorily homeless	12	7	10		Due to issues in securing private rented accommodation there has been an increase in the number of households not housed within 56 days of a relief case being opened.
	H	Number of Disabled Facilities Grants completed	76	76	101		Total number of completed grants at end of Q3 = 253. On target to generate forecasted £300k in fee income. Total number of completed grants in 20/21 was only 225. Service won national Healthy Homes, DFG adaptation service of the year award in December 21.

		H	Number of properties improved	59	59	63		This figure includes 36 where energy improvements were achieved. We have found that cases are becoming more complex as we move towards recovery from the pandemic. This seems to be due to a combination of factors, including: repairs being neglected over the past two years, a shortage of building contractors, tenants not having reported issues as promptly as usual, landlords not making routine inspections, financial difficulties of both landlords and tenants and a shortage of housing in the private rented sector.
I		H	% of premises scoring 4 or higher on the food hygiene rating scheme	90.5%	96.96%	90.5%		There are around 1185 registered food business, but only 1078 have a food hygiene rating due to change of ownership or a new business awaiting inspection. 97.4% of all rated businesses are rated as broadly compliant with a rating of 3 or above.
		H	Number of admissions to Salt Ayre Leisure Centre	118,854	164,301	179,275		Whilst some of the classes are still running at reduced capacity, Q3 shows another quarterly increase in admissions at the leisure centre. This indicates that footfall is going in the right direction as we start to work on returning admission levels to how they were pre-pandemic. The figures for Q1 and Q2 in this report have been adjusted upward to take account of the latest available information.
		H	Average time taken to relet Council houses (days)	51.80	53.89	59.08		Standard relet time has remained high despite best efforts, and is still recovering from the impacts of the Covid-19 pandemic. Many properties that became void during the pandemic were not able to be let/viewed due to restrictions. The subsequent letting of these properties has caused a large spike in relet time due to their long void periods. We continue to lessen the backlog of void properties, which have accrued a large amount of void time.

A Co-operative, Kind and Responsible Council (Governance)

Projects						
Priority	Project Name	Update	Stage	Updated	Status	
	R	Customer Contact System	The initial build has now taken place for the missed bins process and is now under test before it is launched. The build for the One Stop Bin Shop is in the build process and will now include the green waste subscription. The design and configuration of the Self Service Portal has been completed and is under the first test phase. The process flow diagram for complaints/comment/compliments has been passed to ICT for building.	Delivery	05/01/22	G
	R	High-Capacity Fibre Cable Network Provision (part of Digital Programme)	Reprofiling work has taken place on this project to accommodate personnel changes, with a paper in development to set out the proposed approach and financial implications, with a view to commencing installation of the fibre spine which will deliver the highest possible connectivity for the district.	Delivery	14/02/22	G
	R	Digital Market Place (part of Digital Programme)		Delivery	N/A	X
	R	5G Strategy (part of Digital Programme)	This project has been placed on hold until the Full Fibre project has progressed further.	Delivery	14/02/22	H
I	R	Working Well Project	The project is now in the delivery stage. The new desk and room booking software Smartway2 was implemented on schedule and changes have been made to the layout of Palatine Hall to accommodate more desks and accommodate corporate hybrid working.	Delivery	14/01/22	G

Performance

			Measure	Q1	Q2	Q3	Q4	Comments
		R	Average social media engagement rate	0.72	0.67	0.65		
		R	Total digital audience	388,690	424,508	472,483		
		R	Average number of days' sickness per full-time employee	1.85	1.7	1.86		Number of full-time employees 604, Number of days sickness taken by full time employees in Q3 1,126 days. Whilst absence overall has increased slightly during 2020 and 2021, the impact of employee Covid-19 cases has been largely mitigated across the council's services.
		R	Occupancy rates for commercial properties	96.65%	97.02%	97.08%		Once again occupancy rates have slightly increased mainly due changes in occupation at CityLab and The Storey. The occupation of our commercial properties continues at a very high level.
		H	R	Average time taken to process new Housing Benefit claims	20.41 days	19.91 days	24.13 days	Performance in processing new HB claims is slightly behind the target (23 days) in Q3, given new claims and other priorities involving self-isolation payments. However, the service strives to meet its annual performance target.

QUARTER 3 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2021/22

	Original Budget 2021/22 £'000	Budget Amendments 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000	Variance +/- £30K %
Communities and Environment							
Business Support	White Lund Depot	(14)	0	(14)	0	1	(15)
	Vehicle Maintenance	(6)	0	(6)	147	1	(7)
Customer Involvement & Leisure	Customer Services	719	0	719	577	714	5
	Leisure	33	0	33	(44)	31	2
	Salt Ayre	1,344	0	1,344	887	1,306	38 +3%
	Environmental Health	1,193	0	1,193	522	1,084	109 +9%
Public Protection	Emergency Planning	62	0	62	43	61	1
	Housing Standards	62	0	62	(71)	87	(25)
	Licensing	(91)	0	(91)	(65)	(68)	(23)
	Safety	154	0	154	71	136	18
Housing Services	GF Housing	31	0	31	(20)	(3)	34 +110%
	Home Improvement Agency	(146)	0	(146)	(314)	(117)	(29)
	Housing Options	286	0	286	(1,178)	182	104 +36%
	Strategic Housing	202	0	202	83	205	(3)
	Cemeteries	184	0	184	97	188	(4)
	Grounds Maintenance	(179)	0	(179)	92	(127)	(52) (29%)
	Household Waste Collection	1,983	0	1,983	1,445	2,331	(348) (18%)
	Markets	(110)	0	(110)	(40)	(30)	(80) (73%)
Public Realm	Parking	(1,115)	0	(1,115)	(1,123)	(1,591)	476 +43%
	Parks	924	0	924	490	879	45 +5%
	Public Conveniences	178	0	178	102	141	37 +21%
	Public Realm Highways	74	0	74	47	74	0
	Service Support	354	0	354	438	547	(193) (55%)
	Street Cleaning	1,140	0	1,140	845	1,220	(80) (7%)
	Trade Waste	(623)	0	(623)	(796)	(612)	(11)
	Williamson Park	243	0	243	308	366	(123) (51%)
		6,882	0	6,882	2,543	7,006	(124) (2%)
Economic Growth and Regeneration							
Planning & Place	Building Control	93	0	93	100	209	(116) (125%)
	Conservation & Environment	50	0	50	44	70	(20)
	Development Control	684	0	684	361	671	13
	Local Plan	772	0	772	520	743	29
Economic Development	AONB	44	0	44	(43)	42	2
	Economic Development	387	0	387	243	365	22
	Marketing & Comms	282	0	282	200	290	(8)
	Grants	220	0	220	139	220	0
	The Platform	43	0	43	60	134	(91) (212%)
	Tourism & Events	502	0	502	311	475	27
	Museums	577	0	577	393	579	(2)
Property, Investment and Regenera	Highways	0	0	0	0	0	0
	Regeneration	434	0	434	190	368	66 +15%
	Sea Defence & Land Drainage	416	0	416	238	398	18
	Property	(175)	0	(175)	231	10	(185) (106%)
	Building Cleaning	0	0	0	230	(8)	8
		4,329	0	4,329	3,217	4,566	(237) (5%)
Corporate Services							
Corporate Accounts	Central Expenses	431	0	431	(1,745)	1,196	(765) (177%)
Democratic	Democratic Services	939	0	939	665	886	53 +6%
Finance	Finance	1,271	0	1,271	1,763	1,170	101 +8%
HR	HR	1,176	0	1,176	694	1,086	90 +8%
ICT	ICT	1,504	0	1,504	1,090	1,556	(52) (3%)
Internal Audit	Internal Audit	194	0	194	23	120	74 +38%
Legal	Legal Services	297	0	297	169	336	(39) (13%)
Revenues & Benefits	Revenues & Benefits	950	0	950	(2,829)	1,035	(85) (9%)
		6,762	0	6,762	(170)	7,385	(623) (9%)
Central Services							
Chief Executive	Executive Team	777	0	777	548	749	28
	Grants to other bodies	282	0	282	226	282	0
		1,059	0	1,059	774	1,031	28
Other Items							
	New Homes Bonus	(1,966)	0	(1,966)	(2,084)	(3,041)	1,075 +55%
	Revenue Funding of Capital	1,113	(9)	1,104	0	1,104	0
	Minimum Revenue Provision	2,175	0	2,175	0	2,158	17
Other Items	Interest Payable	1,393	0	1,393	1,445	1,393	0
	Interest Receivable	(63)	0	(63)	(10)	7	(70) (111%)
	Notional Charges	0	0	0	0	0	0
	Contributions to Reserve	732	0	732	0	725	7
	Contributions from Reserve	(2,375)	0	(2,375)	0	(2,375)	0
	Capital Contributions from Reserve	(1,113)	9	(1,104)	0	(1,104)	0
		(104)	0	(104)	(649)	(1,133)	1,029 +989%
	Net Recharges to Housing Revenue Account	(1,015)	0	(1,015)	0	(1,015)	0
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	1,516	(139)	0
	Revenue Reserve funded items included in above analysis (Revenue)	2,362	2,936	5,298	225	3,985	1,313 +25%
	Revenue Reserve funded items included in above analysis (Appropriati	(2,362)	(2,936)	(5,298)	0	(3,985)	(1,313) (25%)
General Fund Revenue Budget		17,774	0	17,774	7,456	17,701	73 +0%
Core Funding :	Revenue Support Grant	(204)	0	(204)	(155)	(204)	0
	Net Business Rates Income	(7,737)	0	(7,737)	(5,617)	(7,737)	0
Council Tax Requirement		9,833	0	9,833	1,684	9,760	73 +1%

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 2021/22

		Original Budget 2021/22 £'000	Budget Amendments 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000	Variance +/- £30K %
Employees	Direct Employee Expenses	23,995	25	24,020	14,998	24,278	(258)	(1%)
	Indirect Employee Expenses	836	0	836	913	1,289	(453)	(54%)
Premises Related Exp	Cleaning and Domestic Supplies	402	0	402	102	402	0	
	Energy Costs	713	0	713	540	757	(44)	(6%)
	Fixtures and Fittings	1	0	1	0	1	0	
	Grounds Maintenance Costs	1,471	1	1,472	892	1,474	(2)	
	Operational Bldgs Allocation	92	0	92	69	92	0	
	Other Premises Costs	0	0	0	0	0	0	
	Premises Insurance	219	0	219	1,151	252	(33)	(15%)
	Rates	1,333	(1)	1,332	1,369	1,402	(70)	(5%)
	Rents	85	(1)	84	74	88	(4)	
	Repair and Maintenance	1,085	0	1,085	662	1,111	(26)	
Transport Related Exp	Water Services	328	0	328	239	362	(34)	(10%)
	Car Allowances	1	1	2	10	10	(8)	
	Contract Hire Operating Leases	55	0	55	111	146	(91)	(165%)
	Direct Transport Costs	1,020	0	1,020	762	1,171	(151)	(15%)
	Other Transport Costs	0	0	0	0	0	0	
	Public Transport	20	0	20	3	19	1	
Supplies and Services	Transport Insurance	79	0	79	76	71	8	
	Catering	43	0	43	19	32	11	
	Clothing Uniform and Laundry	84	0	84	92	96	(12)	
	Communications and Computing	1,398	1	1,399	1,330	1,520	(121)	(9%)
	Contribution to Provisions	250	0	250	0	250	0	
	Equip Furniture and Materials	1,348	3	1,351	1,088	1,458	(107)	(8%)
	Expenses	519	2	521	330	452	69	+13%
	General Office Supplies	188	0	188	283	224	(36)	(19%)
Transfer Payments	Grants and Subscriptions	1,139	116	1,255	815	1,382	(127)	(10%)
	Miscellaneous Expenses	557	0	557	380	1,077	(520)	(93%)
	Services	4,892	0	4,892	3,911	5,364	(472)	(10%)
	Housing Benefit	22,027	0	22,027	13,865	22,027	0	
Support Services	Recharges Exp	130	9	139	41	111	28	
Capital Charges	Amortisation of Def Chgs	0	0	0	0	0	0	
	Depreciation	17	0	17	0	17	0	
Capital Financing Costs	Interest Payments	1,797	0	1,797	1,445	1,394	403	+22%
Appropriations	Appropriations	532	0	532	0	508	24	
Income	Customer Fees and Charges	(14,565)	0	(14,565)	(11,515)	(14,973)	408	+3%
	Government Grants	(24,870)	(110)	(24,980)	(23,403)	(26,069)	1,089	+4%
	Interest	(104)	0	(104)	(10)	(33)	(71)	(68%)
	Other Grants and Contributions	(1,644)	(46)	(1,690)	(1,256)	(2,430)	740	+44%
	Recharges Inc	(6,245)	0	(6,245)	(3,671)	(6,177)	(68)	(1%)
Capital Financing Inc	Capital Related Income	(300)	0	(300)	0	(300)	0	
Net Recharges to Housing Revenue Account		(1,015)	0	(1,015)	0	(1,015)	0	
RMS Capital Charges (now Housing Revenue Account)		(139)	0	(139)	1,516	(139)	0	
Revenue Reserve funded items included in above analysis (Revenue)		2,362	2,936	5,298	225	3,985	1,313	+25%
Revenue Reserve funded items included in above analysis (Appropriat		(2,362)	(2,936)	(5,298)	0	(3,985)	(1,313)	(25%)
GRAND TOTAL		17,774	0	17,774	7,456	17,701	73	+0%

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 - HRA SERVICE ANALYSIS 2021/22

	Original Budget 2021/22 £'000	Budget Amendments 2021/22 £'000	Working Budget 2021/22 £'000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000	Variance +/- £30K %
Communities and Environment							
Policy & Management	1,718	299	2,017	1,151	2,013	4	
Repairs & Maintenance	5,790	75	5,865	1,709	5,951	(86)	(1%)
Welfare Services	(157)	0	(157)	(263)	(181)	24	
Special Services	172	0	172	190	186	(14)	
Miscellaneous Expenses	680	0	680	440	767	(87)	(13%)
Housing Revenue Account							
Income Account	(14,672)	0	(14,672)	(10,544)	(14,572)	(100)	(1%)
Capital Charges	5,532	0	5,532	0	5,532	0	
Appropriations	417	(374)	43	13	50	(7)	
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
	(520)	0	(520)	(7,304)	(254)	(266)	(51%)
Net Recharges to General Fund	520	0	520	0	520	0	
Housing Revenue Account Budget	0	0	0	(7,304)	266	(266)	

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 CAPITAL MONITORING - SERVICE ANALYSIS 2021/22

	Original Budget 2021/22 £'000	Budget Amendments 2021/22 £000	Working Budget 2021/22 £000	Q3 Actual 2021/22 £'000	Projected Outturn 2021/22 £'000	Projected Variance 2021/22 £'000	
Communities and Environment							
Business Support	Purchase Of Vehicles	2,684	(181)	2,503	11	586	1,917
	VMU Brake Rollers	0	36	36	35	36	0
	2 x Electric RCVs	400	0	400	0	400	0
	Salt Ayre Boiler	300	(300)	0	0	0	0
Customer Involvement & Leisure	Salt Ayre Equipment Programme	1,757	(143)	1,614	127	1,436	178
	SASC Developer Partnership	0	0	0	(29)	0	0
Public Protection		0	0	0	0	0	0
Housing Services	Disabled Facilities Grants	0	0	0	(2,036)	0	0
	Next Steps Accommodation Programme	0	750	750	0	105	645
	Mellishaw Park	480	0	480	0	0	480
	Happy Mount Park Footpaths	0	13	13	5	13	0
	Far Moor Playing Fields Scheme	0	35	35	56	35	0
	Williamson Park Development	1,000	0	1,000	0	0	1,000
	Electronic Vehicle Charging Points - Phase 2	0	28	28	25	28	0
	Half Moon Bay Car Park Extension	60	0	60	0	30	30
Public Realm	Solar Installation Phase 1 SALC	1,350	(1,350)	0	0	0	0
	One Million Trees	25	8	33	17	33	0
	Customer Contact System	85	6	91	43	91	0
	SALC Salix Funded Optimised Solar Farm	0	0	0	(3,177)	0	0
	Roof Mounted Solar Array - Citylab	0	33	33	0	0	33
	Communities & Environment Devpt Pool	14,904	(809)	14,095	0	0	14,095
		23,045	(1,874)	21,171	(4,923)	2,793	18,378
Economic Growth and Regeneration							
Planning & Place	Cable Street Christmas Lights	0	24	24	0	0	24
	S106 payments to Lancs County Council	0	70	70	0	0	70
	Tank demolition & removal - Heysham Gate	487	0	487	0	0	487
	Canal Quarter	290	0	290	0	110	180
Economic Development	Palatine Recreation Ground - Veterans Club	116	22	138	0	138	0
	Palatine Hall	150	0	150	0	0	150
	Edward Street Dance Studio	84	0	84	0	0	84
	1 Lodge Street Urgent Structural Repairs	490	0	490	0	150	340
	Queen Victoria Memorial	169	(7)	162	5	5	157
	Lancaster City Museum	127	(48)	79	1	0	79
	Strategic Monitoring Baywide	0	0	0	0	0	0
	Artle Beck Improvements	0	0	0	0	0	0
	Slynedale Culvert	0	0	0	(6)	0	0
	Lancaster Square Routes Project	0	5	5	(18)	0	5
Property, Regeneration & Investment	Lancaster HS Heritage Action Zone	556	69	625	50	(137)	762
	Lancaster District Empty Homes Partnersh	69	4	73	0	0	73
	Canterbury Avenue Flood Relief	0	0	0	(1)	0	0
	Caton Road Flood Relief Scheme	0	188	188	519	188	0
	Engineers Electric Vehicle	0	15	15	0	15	0
	Economic Growth & Regen Devpt Pool	13,024	(406)	12,618	0	0	12,618
	Units 1,2,3,4&5 White Lund Industrial Estate	0	0	0	0	0	0
	Frontierland	2,500	665	3,165	3,174	3,174	(9)
	Morecambe Co-op Renovation	425	0	425	0	50	375
	Coastal Revival Fund - Morecambe Co-op	0	0	0	(10)	0	0
		18,487	601	19,088	3,714	3,693	15,395
Corporate Services							
Corporate Accounts		0	0	0	0	0	0
Democratic		0	0	0	0	0	0
Finance		0	0	0	0	0	0
HR	PRG Grant	0	0	0	(40)	0	0
ICT	I.T.Strategy	45	0	45	8	45	0
	Application System Renewal	0	0	0	0	0	0
	I.S. Desktop Equipment	60	0	60	64	64	(4)
	ICT Telephony	0	40	40	13	40	0
	ICT Laptop Replacement & E-campus screens	30	60	90	0	0	90
	Corporate Services Development Pool	1,671	0	1,671	0	0	1,671
Internal Audit		0	0	0	0	0	0
Legal		0	0	0	0	0	0
Revenues & Benefits		0	0	0	0	0	0
		1,806	100	1,906	45	149	1,757
Central Services							
Chief Executive		0	0	0	0	0	0
		0	0	0	0	0	0
GRAND TOTAL		43,338	(1,173)	42,165	(1,164)	6,635	35,530

Notes:

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

Council Housing Capital Programme 2021/22

	2021/22 Original Budget	2021/22 Working Budget	2021/22 P9 Actual	2021/22 Projected Outturn	2021/22 Variance (Working v Projected)	Comments (Original Budget to Projected Outturn)
	£	£	£	£	£	
EXPENDITURE						
Adaptations	300,000	360,000	216,024	360,000	0	
Energy Efficiency / Boiler Replacement	959,000	969,000	372,268	969,000	0	
Kitchen / Bathroom Refurbishment	888,000	888,000	483	138,000	750,000	No activity expected for the majority of this financial year, budget to be re-directed to Environmental Improvements to fund removal of composite (plastic) fencing panels and replace with close boarded timber panels to the rear of all properties
External Refurbishment	192,000	235,000	42,532	235,000	0	
Environmental Improvements	360,000	405,000	418,188	1,127,000	(722,000)	Budget to be re-directed from Kitchen / Bathroom Refurbishment to fund removal of composite (plastic) fencing panels and replace with close boarded timber panels to the rear of all properties, to utilise operatives released from kitchens programme
Re-roofing / Window Renewals	1,093,000	1,185,000	341,413	940,000	245,000	Works slipped to 2022/23
Rewiring	54,000	84,000	13,657	84,000	0	
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	150,000	150,000	21,549	150,000	0	
Housing Renewal & Renovation	1,217,000	1,350,000	833,120	1,015,000	335,000	Works slipped to 2022/23
TOTAL EXPENDITURE	5,213,000	5,626,000	2,259,234	5,018,000	608,000	

Reserves Statement (Including Unallocated Balances)

<----- ORIGINAL BUDGET ----->

<----- PROJECTED OUTTURN ----->

Unallocated Balances
Earmarked Reserves:
Amenity Improvements
Business Rates Retention
Canal Quarter
Capital Support
Corporate Priorities
Corporate Property
Covid 19 Support
Economic Growth
Elections
Homelessness Support
Invest to Save
Investment Property Maint & Voids
Local Plan
Morecambe Area Action Plan
Museums Acquisitions
Planning Fee Income
Renewals Reserves
Restructure
Revenue Grants Unapplied
S106 Commuted Sums - Open Spaces
S106 Commuted Sums - Affordable Housing
S106 Commuted Sums - Highways, Cycle Paths etc.
Welfare Reforms
Reserves Held in Perpetuity:
Graves Maintenance
Marsh Capital
Total Earmarked Reserves
Total Combined Reserves

31 March 2021	From Revenue	To / (From) Capital	To Revenue	31 March 2022
£	£	£	£	£
(6,796,000)			2,267,000	(4,529,000)
(6,562,400)	(886,386)		96,500	(7,352,286)
(42,900)				(42,900)
(69,000)		69,000		
(1,929,900)		684,000	867,600	(378,300)
(338,500)			25,000	(313,500)
(225,000)			225,000	
(207,600)	(96,500)		166,500	(137,600)
(40,000)	(40,000)			(80,000)
(133,800)	(6,600)			(140,400)
(584,100)	(92,200)		624,500	(51,800)
(24,300)	(4,500)			(28,800)
(74,600)				(74,600)
(558,200)	(481,800)	360,000	102,100	(577,900)
(450,700)			262,500	(188,200)
(416,400)			82,800	(333,600)
(16,600)			11,800	(4,800)
(189,800)				(189,800)
(626,500)	(200,000)		5,700	(820,800)
(324,900)				(324,900)
(22,200)				(22,200)
(47,700)				(47,700)
(12,885,100)	(1,807,986)	1,113,000	2,470,000	(11,110,086)
(19,681,100)	(1,807,986)	1,113,000	4,737,000	(15,639,086)

31 March 2021	From Revenue	To / (From) Capital	To Revenue	31 March 2022
£	£	£	£	£
(7,808,400)			2,194,000	(5,614,400)
(29,000)				(29,000)
(8,300,700)	(886,386)		96,500	(9,090,586)
(73,000)		73,000		
(2,478,200)		684,000	1,070,500	(723,700)
(338,500)			25,000	(313,500)
(1,813,000)			1,808,900	(4,100)
(188,500)	(96,500)		40,500	(244,500)
(40,000)	(40,000)			(80,000)
(110,800)				(110,800)
(1,233,500)	(92,200)		664,549	(661,151)
(9,400)				(9,400)
(27,300)				(27,300)
(24,300)	(4,500)			(28,800)
(39,400)				(39,400)
(602,200)	(491,800)	242,000	118,900	(733,100)
(451,100)			20,000	(431,100)
(8,497,600)			7,989,000	(508,600)
(16,600)			11,800	(4,800)
(192,800)				(192,800)
(776,500)	(450,000)	105,000	3,000	(1,118,500)
(324,900)				(324,900)
(22,200)				(22,200)
(47,700)				(47,700)
(25,637,200)	(2,061,386)	1,104,000	11,848,649	(14,745,937)
(33,445,600)	(2,061,386)	1,104,000	14,042,649	(20,360,337)

GENERAL FUND - 2021/22 SAVINGS AND BUDGET PROPOSALS MONITORING (QUARTER 3)

Initiative	Reserves Funding	Budget	Profiled Budget	Actual to Date	Variance	Progress
	£'000	£'000	£'000	£'000	£'000	
2021/22 APPROVED SAVINGS						
Communities & the Environment						
Public Protection						
Savings from combined post and reduction in hours		(16)	(12)	(12)	0 →	As budgeted. Post hours lowered as agreed and working to savings plan
Selective Licensing part Savings part Growth but will net nil over 5 years		(35)	(26)	0	26 ↓	Consultation and implementation delayed due to pandemic. Discussion are ongoing about the future plan.
Public Realm & Business Support						
Service restructure Phase 2		(10)	(7)	0	7 ↓	Delayed by continuing pandemic response.
Deletion of vacant posts		(29)	(22)	(22)	0 →	Savings built into current and future years budgets.
Increase trade waste capacity, via route optimisation		(50)	(37)	(37)	0 →	Anticipate increase in income will be attained.
Drainage / pressure jetting service		(4)	(4)	0	4 ↓	Equipment not purchased as yet. Delayed due to continuing pandemic response, now hoped to commence 1st April 2022.
Customer Involvement & Leisure						
Salt Ayre Vacant Post		(44)	(33)	(33)	0 →	Savings built into current and future years budgets
Customer Services Restructure		(40)	(30)	(30)	0 →	Savings built into current and future years budgets
Economic Growth & Regeneration						
Planning & Place						
DM- Planning pre-application fee review		(10)	(8)	0	8 ↓	On-going resource implications/DM application backlog mean income target unlikely to be achieved in current financial year. £25K underachievement of full budget est for 21/22
Building Control - Fee Review		(10)	(8)	0	8 ↓	Mainly due to covid, but also an absence of BC Officers. To be explored further in 21/22
Property, Investment & Regen						
Reduced staff activity and increased community use (LTH/MTH)		(111)	(85)	(85)	0 →	Savings being achieved by a mixture of reduced utility costs and additional rental income from NHS
Relocate ICT		21	21	0	(21) ↑	scheme not started due to resource issues in both ICT and Facilities Management unlikely to spend relocation money in 2021/22 but no savings until 2022/23 so actual costs will need to be carried forward to next year.
Printing & Postage		(30)	(22)	(22)	0 →	Reduced postage being achieved due to remote working.
Centralisation of budgets		(5)	(4)	(4)	0 →	Printing & Stationery budgets not centralised but savings achieved across the Council.
Corporate Services						
Legal Services						
Legal Fee Increases		(40)	(30)	(20)	10 ↓	Slow start but expected to hit the target income by the end of the year.
ICT						
ICT Mobile Telephone / Fixed Lines Review		(11)	(11)	0	11 ↓	Review currently being undertaken but no savings in current year and mobile costs increased considerably in first 6 months due to remote working - going forward we expect these savings to be met.
ICT Review and Consolidation of Printers		(5)	(5)	(5)	0 →	Reviewed and savings achieved.
ICT Recharging for Street Naming/Numbering		(15)	(11)	0	11 ↓	Currently not in place - Service to look at.
2021/22 APPROVED REDIRECTION						
Redirection						
Salt Ayre Restructure		(87)	(87)	0	87 ↓	Transfer of staff not yet taken place as it is still awaiting service review (as below)
Property Services Restructure		87	87	0	(87) ↑	Transfer of staff not yet taken place as it is still awaiting service review (as above)
2021/22 APPROVED GROWTH						
Communities & the Environment						
Economic Growth & Regeneration						
Planning & Place						
DM Planning Enforcement - Team Restructure		4	2	2	0 →	Restructure changes now taken place
DM Planning applications - Service continuity and restructure		230	162	68	(95) ↑	8 posts from July 2021, 3 recruited to in July remainder vacant (1 filled October)
Planning and Housing Strategy - Conservation Graduate		26	20	13	(7) ↑	Post made permanent already budgeted to July 2021 - budget too high
Economic Development						
Business Support & Skills expand Local wealth Building Officer post		5	4	4	0 →	Regrading of post now taken place
Property, Investment & Regen						
Strategic Project Management		55	41	41	0 →	Postholder in place
Corporate Services						
Financial Services						
HR/Payroll Software move to Cloud		23	17	17	0 →	Work complete awaiting final invoicing
Financial Services Staffing		60	45	0	(45) ↑	Awaiting service review
Human Resources						
HR & OD Project Teams		40	30	0	(30) ↑	Awaiting service review
Democratic Services						
Democratic Services (re-establishment)		26	20	12	(8) ↑	Delay in appointing to new post
Office of the Chief Executive						
Head of Policy		68	51	0	(51) ↑	Position not recruited to and suggested to be offered up as a saving as part of the 22/23 revenue budget process - may require some resource at a lower level.
Wellbeing		12	9	0	(9) ↑	To be allocated to actions associated with the working well project - all work to date has been in-house during Covid. Likely to be some underspend in current year.
TOTAL	0	105	68	(114)	(182)	

BUDGET AND PERFORMANCE PANEL

Work Programme Report

17 March 2022

Report of Head of Democratic Services

PURPOSE OF REPORT

To consider the Work Programme report.
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This report is public.

RECOMMENDATIONS

- (1) **That the Panel considers paragraph 2 of the report and the Work Programme set out at Appendix A.**

1.0 Introduction

1.1 The Budget and Performance Panel is responsible for setting its own annual Work Programme within the terms of reference, as set out in the Council's Constitution.

1.2 Members of the Panel are entitled to give notice to the Chief Executive that they wish an item relevant to the Terms of Reference of the Panel to be included on the agenda for the first available meeting and the meeting will determine whether the issue should be included in its Work Programme based on its relevance as compared to the priorities as set out in the Scrutiny Work Programme.

2.0 Report

2.1 In accordance with paragraph 1.2 above the Chair, Councillor De La Mare, has requested a review of the property portfolio with an update on income and arrears to be added to the Panel's Work Programme. The request is for data / report prior etc. to be provided by the deadline of agenda publication for the meeting the item is to be considered.

2.2 The Panel is asked to determine whether the issue should be included in its Work Programme based on its relevance as compared to the priorities as set out in the Scrutiny Work Programme.

2.3 The Panel's Work Programme is set out at Appendix A.

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.
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BACKGROUND PAPERS

None.

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E-mail: sjmetcalfe@lancaster.gov.uk

BUDGET & PERFORMANCE PANELWORK PROGRAMME

Matter for consideration	Detail		Expected date of meeting
Delivering Our Priorities.	Standard items reported to the Panel. Quarter 2 - Treasury Management Mid-year Review.	Cabinet Member with Responsibility	Quarter 1 – 6 th October 2021 Quarter 2 – 14 th December 2021 Quarter 3 – 17 th March 2022

Invitations to Cabinet Members

Cabinet Member(s)	Issue	Expected date of meeting
Relevant Cabinet Member(s) to be invited to attend.	Delivering Our Priorities.	Quarter 1 – 6 th October 2021 Quarter 2 – 14 th December 2021 Quarter 3 – 17 th March 2022