



**Committee:** CABINET

**Date:** TUESDAY, 5 DECEMBER 2023

**Venue:** MORECAMBE TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 24 October 2023 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

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

4. **Declarations of Interest**

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

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

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

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

5. **Public Speaking**

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

6. **Reports from Overview and Scrutiny**

None.

Reports

7. **Council Plan 2024-2027** (Pages 4 - 24)  
**(Cabinet Member with Special Responsibility Councillor Phillip Black)**  
Report of Chief Executive
8. **Medium Term Financial Strategy 2024/25 - 2028/29** (Pages 25 - 37)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of Chief Officer Resources (report published on 1/12/23)
9. **Resourcing the Review of the Lancaster District Local Plan** (Pages 38 - 43)  
**(Cabinet Member with Special Responsibility Councillor Parr)**  
Report of Chief Officer – Planning and Climate Change
10. **Delivering Our Priorities: Q2 2023/24** (Pages 44 - 65)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of the Chief Executive and Section 151 Officer
11. **Localised Council Tax Support** (Pages 66 - 76)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of Assistant Director (Head of Revenues and Benefits) (report published on 29/11/23)

*Following consideration of reports on Strategic Risk Management and Risk Appetite by the Audit Committee on 22 November 2023 the Chair of Audit has requested that the following two reports be presented to Cabinet for consideration. The Strategic Risk Management report includes an exempt appendix and Cabinet would need to exclude the press and public if minded to discuss the exempt appendix.*

12. **Strategic Risk Register** (Pages 77 - 86)  
**(Cabinet Member with Special Responsibility Councillor Phillip Black)**  
Report of Chief Executive (report published on 29/11/23)
13. **Risk Appetite** (Pages 87 - 92)  
**(Cabinet Member with Special Responsibility Councillor Phillip Black)**  
Report of Chief Executive (report published on 29/11/23)

14. **Exclusion of the Press and Public**

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item(s) in private.

Cabinet is recommended to pass the following recommendation in relation to the following item(s):-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following item(s) have been marked as exempt, it is for Cabinet itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

15. **Centenary House (Former Co-Op Department Store), Regent Road, Morecambe: BRLF2 Grant Funded Abnormal Works** (Pages 93 - 99)

**(Cabinet Members with Special Responsibility Councillors Caroline Jackson & Wilkinson)**

Report of Chief Officer Sustainable Growth (report published on 29/11/23)

#### **ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Phillip Black (Chair), Caroline Jackson, Joanne Ainscough, Gina Dowding, Tim Hamilton-Cox, Peter Jackson, Jean Parr, Catherine Potter, Nick Wilkinson and Jason Wood

**(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Support - email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iii) Changes to Membership, substitutions or apologies**

Please contact Democratic Support, telephone 582000, or alternatively email [democracy@lancaster.gov.uk](mailto:democracy@lancaster.gov.uk).

MARK DAVIES,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on MONDAY 27 NOVEMBER, 2023.

**CABINET**

**Council Plan 2024-2027  
5<sup>th</sup> December 2023**

**Report of Chief Executive**

<b>PURPOSE OF REPORT</b>				
Write the Council Plan 2024-2027, following the formation of a new Cabinet earlier in the year.				
<b>Key Decision</b>	<b>N</b>	<b>Non-Key Decision</b>	<b>N</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A			
<b>This report is public</b>				

**RECOMMENDATIONS OF CLLR PHILLIP BLACK**

(1) That Cabinet recommend that Council adopt the Council Plan 2024-2027.

**1.0 Introduction**

1.1 The purpose of this report is to present the content of the Council Plan 2024-2027.

1.2 It should be noted that this version contains the content of the document only. Once it is approved graphic designers will assist in getting the right look and feel to the document.

1.3 The previous full version of the Council Plan document was published in July 2018 to cover the time period 2018-2022 and known as the Council “Ambitions”.

1.4 The draft Council Plan 2024-2027 is based on the priorities previously agreed by Council.

**2.0 Proposal Details**

2.1 The Council Plan 2024-2027 is considered to be a key pillar for achieving the Council’s strategic goals, but it is recognised that a written plan will not

guarantee the delivery of ambitious strategic goals for the local environment, economy, communities and the Council.

2.2 The structure of the Council Plan 2024-2027 and the proposed elements of the plan are described below:

- Financial Context: providing the reader with information on the financial climate in which the Council is operating.
- Values and Culture: the internal values and culture the Council has adopted, to ensure a working environment conducive to successful delivery of services.
- Sustainable Development Goals (SDGs): the ways in which the Principles and Ambitions contribute to each of the UN Sustainable Development Goals, reflecting the Council's commitment to achieving these locally
- Principles: the ways in which all the Council's activities will be shaped by specific ideas and ways of working
- Four Themes: each with 6 Ambitions.
  - 1. The Climate Emergency
  - 2. Community Wealth Building
  - 3. Increasing Wellbeing. Reducing Inequality
  - 4. Deliver Effective Services, Take Responsibility.
- Ambitions: 24 statements, 6 within each theme, covering the Council's key aims for the district's environment, economy, communities and the Council services themselves.
- Projects and Activities: the work which will be undertaken, by the Council and its partners, to deliver the Principles and Ambitions.
- Achievements so far: examples of our recent achievements

### **3.0 Details of Consultation**

3.1 Portfolio Holders have worked with Officers to produce the Council Plan 2024-2027.

**4.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Refer the Council Plan 2024-2027 to Council for adoption	<b>Option 2:</b> Take no action
<b>Advantages</b>	An up-to-date articulation of the Council’s priorities will have been considered by the Council, with opportunity for valuable comment and feedback. If adopted, subsequent strategic and financial decisions will be based on the most up-to-date ideas of Cabinet.	No specific advantages are identified for this option; if no action is taken, the Policy Framework would continue to be represented by the Priorities agreed in December 2021.
<b>Disadvantages</b>	No specific disadvantages are identified for this option.	The Council must have a Council Plan in place.
<b>Risks</b>	None identified.	The development and delivery of strategic priorities may be compromised by this option.

**5.0 Officer Preferred Option (and comments)**

5.1 The recommended option is to proceed with referring the Council Plan 2024-2027 to Council (Option 1).

**6.0 Conclusion**

6.1 The report provides details of the reasons for creating the Council Plan 2024-2027 and outlines the content of the document. Adoption will enable the Council to move forward and provide direction for its Principles and Ambitions.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Council Plan 2024-2027 would form the heart of the Council’s Policy Framework, informing its strategic and financial decision-making.

**CONCLUSION OF IMPACT ASSESSMENT**

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

Whilst the adoption of a strategic plan would have a substantial impact on many of the Council’s future activities, the content of Our Council Plan 2024-2027 at this stage does not have a direct impact.

**LEGAL IMPLICATIONS**

No legal implications arising directly from this report.

**FINANCIAL IMPLICATIONS**

No financial implications arising directly from this report.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

No HR implications arising directly from this report.

**Information Services:**

No ICT implications arising directly from this report.

**Property:**

No property implications arising directly from this report.

**Open Spaces:**

No open spaces implications arising directly from this report.

**SECTION 151 OFFICER'S COMMENTS**

Section 151 insert comments here prior to Management Team

**MONITORING OFFICER'S COMMENTS**

Monitoring Officer insert comments here prior to Management Team

**BACKGROUND PAPERS**

Appendix A: The Council Plan 2024-2027

**Contact Officer:** Mark Davies

**Telephone:** 01524 582401

**E-mail:** MDavies@lancaster.gov.uk

**Ref:** [Click here and type Ref, if applicable]

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## Foreword: Cllr Phillip Black

The Council Plan 2024-2027 highlights the strategic direction of Lancaster City Council. The Council Plan is an internal business planning document that sets out the council's future priorities and policies. Policies will remain flexible and adaptable to accommodate the changing needs of the district. There are four principles for the years 2024-2027, to show a clear vision for our district, where we are all proud to have;

- A Sustainable District
- An Inclusive and Prosperous Local Economy
- Healthy and Happy Communities
- A Co-Operative, Kind and Responsible Council

## Financial Context - We will align budget and resource to deliver the prioritised ambitions.

The council faces a significant financial challenge. Central government have withdrawn in the region of 40% of our funding over the last decade and millions of pounds of cost burden has been passed on to the local council taxpayers and businesses in the district. Despite this, the council has experienced a significant reduction in real terms spending power.

Alongside the national context of spiking inflation, high energy costs and increases to the National Living Wage, local authorities are under financial restraint like never before. Demand for services continue to rise, including the statutory services that our communities rely on. Local authorities are also well placed to play crucial roles in tackling the shared challenges of the climate emergency and sustainable economic development, following the covid-19 pandemic.

The council has embarked on a programme called Outcomes-Based Resourcing (OBR) that will see it examine every area of its budget and match resources more closely with its priorities. The OBR programme includes looking at ways the council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income. By matching resources closely with priorities, we are successfully delivering services and the ambitions of the Council Plan.



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## Our Values, Culture and People Plan

Our values define who we are and, importantly, where we want to be in the future. Our Values are embedded in the Council Plan and the vision for the future.



By working with our staff to define our values and embedding them in our daily working lives, we will achieve enduring excellence in delivering positive outcomes for our communities. Our values will support our purpose of working in partnership with our communities to create a district where people can flourish.

## The People Plan

A People Plan is an internal, strategic document that guides how we will manage, develop, and support our workforce. It is therefore critical to supporting the delivery of the Council Plan. It is underpinned by our values and supports the development of an organisational culture where our workforce is supported and have the right skills, knowledge, and behaviours.

## Engagement and Collaboration

**Our aim is to work;** 'in partnership with our communities, creating a district where people can flourish'.

We engage with residents so that our policies and services are informed by and delivered for residents. Our responsibility is to deliver services that achieve the best outcomes for all our residents - in Lancaster, Morecambe, Heysham, Carnforth, and the coastal and rural villages. The Council Plan is ambitious and sets out intended outcomes that require the combined efforts of the council, residents, volunteers, businesses, and many other organisations.

Our ambitions can only be achieved by working collaboratively with a range of partners. The Council Plan will capitalise on opportunities for new and innovative ways of working with partners, the community and new technology.

Existing partnerships, as shown below, are key to helping deliver outcomes for the district.

- Lancaster District Strategic Partnership
- The Bay Anchor Network
- Community Safety Partnership

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- Communities Together
- Lancaster District Health and Wellbeing partnership

## Case Study – Lancaster District Peoples Jury

The People's Jury, formed of 30 citizens from across the Lancaster district, shows that resident engagement and participation can amplify strategic action. The 16 sessions facilitated by non-profit Shared Future CIC on the council's behalf enabled the Peoples Jury to identify how our activities could be made net-zero carbon by 2030. Citizens were at the centre of designing a response to the climate emergency. The Climate Emergency is now a priority for the Council Plan. Climate Action is happening now, thanks to the passion and commitment of residents and the Peoples Jury. Further details can be found on our webpage: [Peoples Jury](#)

Residents can be; **Informed, Connected, Involved** in how the Council Plan is delivered by using our Keep Connected site: <https://www.lancaster.gov.uk/the-council-and-democracy/voice-your-views/get-involved>.

## Sustainable Development Goals

[The 2030 Agenda for Sustainable Development](#), adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals, which are an urgent call for action by all countries - developed and developing - in a global partnership.

The above Sustainable Development Goals are reflected in the Council Plan and the Principles, Themes and Ambitions.

## The Council Plan

In this next section, the Principles, Themes and Ambitions of the Council Plan are explained. There are several internal organisational plans and services that contribute to the overarching Council Plan. There are website links provided within each theme.

## Principles

The Council Plan sets out 4 **Principles**. The **Principles** are the cornerstones of all that we do.

<b>Principles</b>	<b>1: A Sustainable District</b>	<b>2: An Inclusive and Prosperous Local Economy</b>	<b>3: Happy and Healthy Communities</b>	<b>4: A Co-operative, Kind and Responsible Council</b>
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## Themes

The Council Plan sets out 4 **Themes**. These **Themes** provide greater definition of the principles, to ensure strategy, policy, resources, and service delivery are focussed to effectively deliver the council's agreed outcomes for the district.

<b>Themes</b>	<b>Action on the Climate Emergency  </b> <i>taking action to meet the challenges of the climate emergency.</i>	<b>Community Wealth-Building (Morecambe Bay Model)  </b> <i>building a sustainable and just local economy that benefits people and organisations</i>	<b>Increasing Wellbeing. Reducing Inequality  </b> <i>empowering and supporting healthy ways of living, and tackling the causes of inequality</i>	<b>Deliver Effective Services, Take Responsibility  </b> <i>bringing people together to achieve the best outcomes for our communities, in tandem with running efficient quality public services.</i>
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## Ambitions

The Council Plan sets out an ambitious vision of the future that will benefit the districts residents, our businesses and natural environment. In this section, the tables showcase the projects and activities that are being delivered for each ambition. The tables also highlight some projects and activities that are planned for and in development.

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## Theme 1: The Climate Emergency

On January 30, 2019, the council declared a climate emergency. The Council Plan sets out ambitions so that we take action to meet the challenges of the climate emergency. See our website for further information on what we are doing and how to get involved: [Climate Emergency - Lancaster City Council](https://www.lancaster.gov.uk/Climate-Emergency)

### **Ambition 1.1 Carbon Zero**

Net zero carbon by 2030 while supporting other individuals, businesses, and organisations across the district to reach the same goal.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Retrofit of Council Housing</li> <li>➤ Developing Green Skills</li> <li>➤ Partnership working with Green Rose CIC: retrofit of private housing</li> </ul>
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### **Ambition 1.2 Sustainable Energy**

Increasing the amount of sustainable energy produced in the district and decreasing the district's energy use.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Solar Farm projects including the Salt Ayre Decarbonisation Project and plans for Burrow Beck Solar Farm. <a href="#">SALC Decarbonisation Project</a></li> <li>➤ LAEP – Local Area Energy Plan (UKSPF)</li> </ul>
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### **1.3 Climate Resilience**

Supporting our communities to be resilient to flooding and adapt to the wider effects of climate change.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Lune Flood Protection, Caton Road</li> <li>➤ Our Future Coasts</li> </ul>
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### **1.4 Ecology & Biodiversity**

Increasing biodiversity, protect our district's unique ecology and ensure the habitat provided for wildlife is maintained.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ BNG Net Gain project – Planning development Contributions</li> <li>➤ BNG Councils Grassland Management Strategy</li> </ul>
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## **1.5 Reduced Waste**

Moving towards zero residual waste to landfill and incineration.

<b>Projects and Activities</b>	➤ Working in line with Government Waste Strategy timelines (March 31, 2026)
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## **1.6 Low carbon and Active Transport**

Transitioning to an accessible and inclusive low-carbon and active transport system.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ The development of a Sustainable Transport Strategy</li> <li>➤ Co Wheels Car Club – making it easier to switch to using more sustainable transport</li> </ul>
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\*All projects and activities detailed in the Council Plan are subject to due diligence and the Council's internal governance processes before implementation. \*

## **The district's achievements so far:**

- The council is the top district council for the climate change scorecard league. See details here: [Lancaster City Council: Top of the leaderboard](#)
- The Salt Ayre Decarbonisation project won the Association for Public Service Excellence (APSE) award for Best Decarbonisation Initiative. The project has decreased the overall energy usage of the site from 4.3GWh (gas and electricity) to 2.7GWh of green electricity.
- The council has purchased 28 electric vans in 22/23 to replace diesel vehicles. These EV's are going to grounds maintenance, cleansing, RMS, environmental projection / health and refuse collection teams. CO2 savings are expected to be in the region of 49 tonnes p/a. 25% of the council's fleet are now EV.
- The council has expanded use of Co – Wheels Electric cars to the public at 3 locations: Salt Ayre Leisure Centre, Dallas Road Car Park (Lancaster), Carnforth
- Queen's Trees planted in Lancaster and Morecambe as a thank you to volunteers

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## Theme 2: Community Wealth Building (Morecambe Bay Model)

Through Community Wealth Building we aspire to develop a sustainable and just local economy that benefits people and organisations. See our website for further information on what we are doing and how to get involved: [Lancaster City Council: Community Wealth Building](#)

### **Ambition 2.1 Social Use of Resources**

Using our land, property, finance and procurement to benefit local communities and encouraging residents, businesses, organisations and anchor institutions to do the same.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Eden Project Morecambe</li> <li>➤ Morecambe Town Centre Regeneration Strategy</li> <li>➤ The Bay Anchor Network</li> <li>➤ Grants and funding to voluntary and community organisations</li> <li>➤ Lancaster Canal Quarter</li> <li>➤ Procurement Strategy 2020-2024</li> </ul>
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### **2.2 Sustainable Innovation**

Develop a sustainable industrial strategy to support new and existing enterprises in innovation and the strengthening of local support networks.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Local Full Fibre network: a district wide 33km local full fibre network, including all necessary supporting infrastructure and facilities.</li> <li>➤ Development of an Economic Strategy for the District</li> </ul>
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### **2.3 Sustainable Skills**

Supporting the development of new skills and improved prospects for our residents within and environmentally sustainable local economy.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Partnership working with Lancaster and Morecambe College: retrofit and green technology training and skills.</li> <li>➤ Delivery of the UKSPF Economy and Skills Programme</li> <li>➤ Formation of Providers Networks and local partnerships to deliver Educational Skills Programmes</li> </ul>
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## 2.4 Investment and Regeneration

Securing investment and regeneration across our district. You can find out more of what we are doing on our website here: [Sustainable Growth](#)

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Frontierland</li> <li>➤ Canal Quarter - Coopers Field</li> <li>➤ Canal Quarter Phase 2 – Masterplan and Delivery Strategy</li> <li>➤ Heysham Gateway</li> <li>➤ Heritage Action Project</li> <li>➤ Centenary House</li> <li>➤ Mainway Regeneration Project</li> <li>➤ Eden Project Morecambe</li> <li>➤ Morecambe Town Centre Regeneration</li> </ul>
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## 2.5 Inclusive Ownership

Promoting business ownership models that empower the local workforce, such as co-operatives, social enterprises and community ownership.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Formation of new Business Support and Skills Hubs</li> </ul>
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## 2.6 Fair Work

Advocating for fair employment and just labour markets that increase prosperity and reduce income inequality.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Fair Work Charter: Developing a new charter that aims to reduce inequalities within the local labour market by promoting equal and fair employment practices. <a href="http://Lancaster.gov.uk/fair-work-charter">Lancaster.gov.uk/fair-work-charter</a></li> <li>➤ Real Living Wage Accreditation – The council has received Real Living Wage employer accreditation from the Living Wage Foundation. For the last 10 years the council has made sure that all of its employees are paid at least the RLW but has now received official accreditation to show civic leadership on the issue. <a href="#">For the real cost of living   Living Wage Foundation</a></li> <li>➤ Armed Forces Covenant – In July 2022 the council went from being a Silver Employer Recognition Scheme Award holder, to obtaining the Gold Employer Recognition Award, awarded by the Ministry of Defence. This award recognises the council’s commitment to the</li> </ul>
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	employment of the Armed Forces Community. <a href="http://www.gov.uk/mod/employer-recognition">www.gov.uk/mod/employer-recognition</a>
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\*All projects and activities detailed in the Council Plan are subject to due diligence and the Council's internal governance processes before implementation. \*

## The district's achievements so far:

- Increased amount of local spend in the district due to a Progressive Procurement Strategy.
- Local funding for sustainable skills development. Utilising the districts UK Shared Prosperity Fund allocation for skills and innovation projects such as Electech Innovation Cluster and Tech Lancaster.
- Eden Project Morecambe has secured £50M of Levelling Up Fund and a formal Partnership has been established to ensure not only Eden is delivered in Morecambe but all the wider benefits are secured.
- Multiple successes of bidding for Brownfield Land Regeneration Funds to support regeneration in the Canal Quarter and Morecambe.
- A visionary Masterplan for the regeneration of Lancasters Canal Quarter has been adopted and will shape the area over the next 10 to 15 years.
- The council has supported the Musicians Coop to bring 1 Lodge Street back in to use with works scheduled to start in 2023.
- Work has commenced on providing a regeneration framework for Morecambe Town Centre with support from the High Streets Task Force this will carry forward into more detailed work.
- Received seaside awards for Morecambe's north and south beaches.
- Retained five Green Flag awards and one Green Heritage Site award for local parks.



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## Theme 3: Increasing Wellbeing. Reducing Inequality

More detail on the local plan and planning policy can be found here: [Local Plan](#)

### **3.1 Access to Quality Housing**

Developing more housing, including council owned social housing, ensuring people of all incomes are comfortable, warm and able to maintain their independence.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ My Mainway</li> <li>➤ Mellishaw Park</li> <li>➤ Lancaster City Council is a social housing provider with a significant housing stock.</li> <li>➤ Delivery of Canal Quarter Housing Schemes</li> </ul>
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### **3.2 Quality Public Spaces**

Keeping our district's neighbourhoods, parks, beaches and open spaces clean, well-maintained and safe.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Green Flag accreditations</li> <li>➤ Keep Britain Tidy Partnership – Fly Tipping Strategy</li> <li>➤ Volunteer Litter picks</li> <li>➤ Litter Bin Emptying schedules – Bin Senor technology</li> <li>➤ Regular Street Sweeping – route optimisation</li> <li>➤ Community Safety Partnership activities</li> <li>➤ Green Flag awards for parks and cemeteries</li> <li>➤ Volunteer groups supporting parks and open spaces.</li> </ul>
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### **3.3 Access to Culture and Leisure**

Providing access to and involvement in arts, culture, leisure, and recreation, supporting our thriving arts, culture and heritage sector.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Events supported to take place on Council land</li> <li>➤ Cultural Strategy implementation</li> <li>➤ Development of a Vision and Action Plan for the City Museums</li> <li>➤ Partnership work to deliver a structured programme of events</li> <li>➤ UKSPF cohort of arts, culture and event projects</li> </ul>
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### **3.4 Community Engagement**

Ensuring local communities are active, engaged, involved and connected.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Community Conversations - Corporate</li> <li>➤ Community Consultations – Public Realm</li> </ul>
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	<ul style="list-style-type: none"> <li>➤ Our advisory groups enable residents to voice their views on challenges and opportunities facing the district.</li> <li>➤ Lancaster District Community Fund</li> <li>➤ Supporting Community Events and Initiatives</li> <li>➤ KeepConnected: <a href="#">Get involved:KeepConnected</a></li> <li>➤ Communities Together</li> </ul>
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### **3.5 Reducing Inequality and promote wellbeing**

Develop a healthy living strategy to support wellbeing, tackle discrimination and reduce inequality.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Partnership with Morecambe Community Football Club</li> <li>➤ The Air Quality Action Plan</li> <li>➤ Holiday Activity and Food Programme</li> <li>➤ Healthy Weight Management Programme</li> <li>➤ Play and Skills at Teatime Activities</li> <li>➤ Playschemes</li> </ul>
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### **3.6 Early Intervention**

Focused early-intervention approaches and involving our communities in service design and delivery.

<p><b>Projects and Activities</b></p>	<ul style="list-style-type: none"> <li>➤ Household Support Fund</li> </ul>
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\*All projects and activities detailed in the Council Plan are subject to due diligence and the Council's internal governance processes before implementation. \*

## **The district's achievements so far:**

- Salt Ayre Leisure Centre membership levels have increased to 3700, surpassing our pre-pandemic membership levels.
- Salt Ayre Leisure Centre supports 18 local primary schools with swimming lessons, teaching children vital life skills.
- 4000 children have accessed free activity sessions in partnership with SSN at Salt Ayre Leisure Centre.
- Nearly 1 million members and visitors have attended Salt Ayre Leisure Centre.
- £1.1 million of funding granted through the Household Support Fund.
- Over 11,000 visits and more than 2,000 contributions through KeepConnected.
- Over 980 Young People attended 4 Holiday and Activity Summer Events which was supported by the Targeted Youth Service, Police, Fire, Arm, Sea Cadets, Lancaster and Morecambe College, LDCVS, More Music and Stanleys Community Centre

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- The council's housing company – Morehomes for the Bay saw its inaugural business plan approved helping to set the direction and ambitions of the company moving forward.
- Over the winter the HIA have delivered over £136,000.00 of winter warmth / energy efficiency measures into vulnerable and elderly residents homes linked to funding from Lancashire County Council and the Household Support Fund.
- Supported vulnerable households by awarding additional Council Tax Support from the governments Additional Council Tax Support Fund.
- CPT Changing Place Toilets implemented at Happy Mount Park
- External funding and S106 planning contributions resulted in over £234k of investment in public open space.
- Secured Social Housing Decarbonisation Funding to improve Councils worst performing properties.
- Secured Brownfield Land Release Funding: Canal Quarter, Skerton High School, Centenary House
- New tenancy health checks for all new council housing tenants, ensuring new tenants get off to the right start.
- Development of Customer Scrutiny Panels reviewing services within Council Housing.
- Secured three-year funding from government working jointly with Preston City Council to review all supported housing schemes within the district to ensure those living in the schemes are housed appropriately, with the right support and in good quality accommodation.
- District supporting most residents under Homes for Ukraine scheme.

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## Theme 4: Deliver Effective Services, Take Responsibility

### 4.1 Value for Money

Providing value for money and ensuring that we are financially resilient and sustainable. Making sure relevant data and analysis are available to decision makers.

<b>Projects and Activities</b>	➤ Outcomes-Based Resourcing (OBR)
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### 4.2 Partnership

Working in partnership with residents, local organisations, anchor institutions and partners recognising the skills in our community to build a powerful force working for and serving our district.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ UK Shared Prosperity Fund (UKSPF)</li> <li>➤ Rural England Prosperity Fund (REPF)</li> <li>➤ Lancaster District Strategic Partnership</li> <li>➤ The Bay Anchor Network</li> <li>➤ Keep Britain Tidy – collaborations including: Social Impact Fly Tipping interventions, 'More Bins' Campaign, Value –Added Comms, Fly Tipping Strategy.</li> <li>➤ Lancaster District Insights Hub (Travel &amp; Climate Change)</li> <li>➤ Local Climate Change Engagement Programme (Public climate decision-making) - Shared Futures</li> <li>➤ Supporting Morecambe Town Council and other Parish Councils Operations within the district</li> <li>➤ Household Support Fund</li> <li>➤ Holiday Activity and Food Programme</li> <li>➤ Voluntary, Community and Social Enterprise Funding</li> <li>➤ Family Hubs</li> </ul>
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### 4.3 Investing in Our Skills and Facilities

Having high standards for, and investing in our facilities, equipment, and people to enable us to deliver quality services and meet our wider ambitions.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ White Lund Development Masterplan</li> <li>➤ Lancaster City Council 'People Plan'</li> </ul>
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#### **4.4 Listening and Empathy**

Listening to our communities and treating everyone with equal respect, being friendly, honest and empathetic.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ KeepConnected</li> <li>➤ Communities Together</li> <li>➤ Armed Forces Covenant</li> </ul>
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#### **4.5 Innovative Public Services**

Embracing innovative ways of working to improve service delivery and the operations of the council.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Bin Sensors</li> <li>➤ Route Optimisation for Cleansing and Refuse Rounds</li> <li>➤ Organisational Digital Transformation, including a service-wide tablet roll-out for improved services.</li> <li>➤ Operational team utilisation of customer contact system &amp; direct reporting</li> <li>➤ Lancaster University – Plastic Packaging in People’s Lives (PPiPL)</li> <li>➤ Lancaster University – Beyond Imagination (District-wide survey work encompassing numerous public realm elements)</li> </ul>
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#### **4.6 Openness**

Responsible decision making which supports our ambitions for the district whilst being open, accountable and rooted in evidence.

<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>➤ Lancaster District Insights Hub (Travel &amp; Climate Change)</li> <li>➤ Local Climate Change Engagement Programme (Public climate decision-making) - Shared Futures</li> </ul>
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\*All projects and activities detailed in the Council Plan are subject to due diligence and the Council's internal governance processes before implementation. \*

#### **Risk Management**

Risk management can be defined as “The systematic application of principles, approach and processes to the identification, assessment and management of risks”. It is a key element of the council’s Governance Framework. Effective and efficient risk management is critical to the success of the council, which is why in March 2023 the council’s risk management policy was updated and new procedures introduced to ensure strategic risks are reviewed at least quarterly.

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The new approach to risk management which we now have in place draws on best practice from the institute of risk management (IRM) and HMT Orange Book: Management of Risk, Principles and Concepts. It will enable the council to make better informed decisions which are vital to successful transformational change and support a culture of well-measured risk taking throughout the council's business.

## The district's achievements so far:

- Mini review of street sweeping schedules and methodology to improve performance, with plan to do route optimisation work when resources are available.
- Launch of Video Appointments: A service for residents to engage with a Customer Service advisor live on MS Teams.
- Bespoke Mobile Service: We continue to provide this service to our most in need residents, visiting them in their homes if they require tailored one to one support. Over £45,000 of income has been generated.
- Public and local businesses were invited to have their say on how the council can deliver services differently and efficiently.
- Home Improvement Agency scooped two prestigious awards; 1) 'Sustainability in Home Adaptations' category at the National Healthy Homes Awards and 2) 'Innovator of the Year' at the UK Housing Awards

## The Forward View

The Council Plan will be reviewed annually and will remain flexible and adaptable to accommodate the changing needs of the district. The district's achievements in each of the four themes will be updated each year to measure the success of the Council Plan. Annual reviews will take account of the Financial Context and the Outcomes-Based Resourcing programme detailed in this document. Whilst the council faces a significant financial challenge, our aim is to work collaboratively with our partners and with our communities to realise the ambitions of the Council Plan.



## Priority Policies (updated September 2023)

Principles	1: A Sustainable District	2: An Inclusive and Prosperous Local Economy	3: Happy and Healthy Communities	4: A Co-operative, Kind and Responsible Council
Themes	<b>Climate Emergency</b>   <i>taking action to meet the challenges of the climate emergency</i>	<b>Community Wealth-Building (Morecambe Bay Model)</b>   <i>building a sustainable and just local economy that benefits people and organisations</i>	<b>Increasing Wellbeing. Reducing Inequality</b>   <i>empowering and supporting healthy ways of living, and tackling the causes of inequality</i>	<b>Deliver Effective Services, Take Responsibility</b>   <i>bringing people together to achieve the best outcomes for our communities, in tandem with running efficient quality public services.</i>
Ambitions	<b>1.1 Carbon Zero</b> Achieving Net zero carbon by 2030 while supporting other individuals, businesses and organisations across the district to reach the same goal	<b>2.1 Social Use of Resources</b> Using our land, property, finance and procurement to benefit local communities and encouraging residents, businesses, organisations and anchor institutions to do the same	<b>3.1 Access to Quality Housing</b> Developing more housing, including affordable and council owned social housing, ensuring people of all incomes are comfortable, warm and able to maintain their independence	<b>4.1 Value for Money</b> Providing value for money and making good use of relevant data and analysis to ensure that we are financially resilient and sustainable
	<b>1.2 Sustainable Energy</b> Increasing the amount of sustainable energy produced in the district and decreasing the district's energy use	<b>2.2 Sustainable Innovation</b> Developing a sustainable industrial strategy to support new and existing enterprises, creating networks and promoting innovation	<b>3.2 Quality Public Spaces</b> Keeping our district's neighbourhoods, parks, beaches and open spaces clean, well-maintained, accessible and safe	<b>4.2 Partnership</b> Working in partnership with residents, local organisations, anchor institutions and partners recognising the skills in our community to build a powerful force working for and serving our district
	<b>1.3 Climate Resilience</b> Supporting our communities to grow more food, be resilient to flooding and adapt to the wider impacts of climate change	<b>2.3 Sustainable Skills</b> Supporting the development of new skills and improved prospects for our residents within and environmentally sustainable local economy	<b>3.3 Access to Culture and Leisure</b> Providing access to and involvement in arts, culture, leisure and recreation, supporting our thriving arts, culture and heritage sector	<b>4.3 Investing in Our Skills and Facilities</b> Having high standards for, and investing in our facilities, equipment, and people to enable us to deliver quality services and meet our wider ambitions
	<b>1.4 Respecting Nature</b> Increasing biodiversity, protect our district's unique ecology and ensure the habitat provided for wildlife is maintained and improved	<b>2.4 Investment and Regeneration</b> Securing investment and regeneration across our district	<b>3.4 Community Engagement</b> Ensuring local communities are active, engaged, involved and connected	<b>4.4 Listening and Empathy</b> Listening to our communities and treating everyone with equal respect, being friendly, honest and empathetic
	<b>1.5 Reduced Waste</b> Moving towards zero residual waste to landfill and incineration	<b>2.5 Inclusive Ownership</b> Promoting business ownership models that empower the local workforce, such as co-operatives, social enterprises and community ownership	<b>3.5 Reducing Inequality and promote wellbeing</b> Developing a healthy living strategy to support wellbeing. Tackling discrimination and reducing inequality, including food and energy poverty	<b>4.5 Innovative Public Services</b> Embracing innovative ways of working to improve service delivery and the operations of the council
	<b>1.6 Low carbon and Active Transport</b> Transitioning to an accessible and inclusive low-carbon and active transport system	<b>2.6 Fair Work</b> Advocating for fair employment and just labour markets that increase prosperity and reduce income inequality	<b>3.6 Early Intervention</b> Focusing on early-intervention approaches and involving our communities in service design and delivery	<b>4.6 Openness</b> Making responsible decisions which support our ambitions for the district whilst being open, accountable and rooted in evidence

<b>Term</b>	<b>Description</b>
Lancaster District Strategic Partnership	<i>Lancaster District Strategic Partnership (the "LDSP" or the "Partnership")</i> has been established to spearhead the wider district's collective strategic ambitions. <i>Sustainability and Climate, the Economy, Health and Wellbeing and Communities</i> will be the overarching strategic priorities for the partnership.
Community Wealth Building	Community wealth building is a people-centred approach to local economic development.
Anchor Institutions	Anchor institutions are big and locally rooted organisations like councils, FE colleges, universities, hospitals, and big businesses with local headquarters.
UK Shared Prosperity Fund	The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK governments ambitious Levelling Up agenda.
Rural England Prosperity Fund	The Rural England Prosperity Fund (REPF) provides complimentary funding to the UK Shared Prosperity Fund, targeted specifically at supporting rural businesses and communities.



<b>CABINET</b>
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## Medium Term Financial Strategy Update

**2023/24 – 2028/29**

**5 December 2023**

### Report of Chief Finance Officer

<p align="center"><b>PURPOSE OF REPORT</b></p> <p>To provide an update on the Council's Medium Term Financial Strategy forecasts for 2023/24 to 2028/29 and outline the approach to balancing the budget.</p>
<p><b>This report is public.</b></p>

#### RECOMMENDATION OF COUNCILLOR HAMILTON-COX

That Cabinet considers :

- (1) The draft future years estimates as set out in the report as the latest information available, accepting that this is an interim position.
- (2) Agrees that the update be referred on to December Council for information.
- (3) Notes the Council Tax Base for 2024/25 as set out in paragraph 3.12.

#### 1.0 INTRODUCTION

1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.

1.2 This report sets out:

- An updated budget gap analysis taking account of the latest funding outlook and other information on expenditure and income pressures.
- A summary of the budget framework strategy

1.3 It is critically important that all Members understand that the position reported is an interim update of the baseline position and primarily for information. It contains a series of estimates and assumptions that are based on the latest information available. These are highly likely to change over the coming months as we work through the budget process. Nor does it include any interventions through the Council's agreed Outcomes Based Resourcing process, or any impact the Local Government Finance Settlement due mid-December may have.

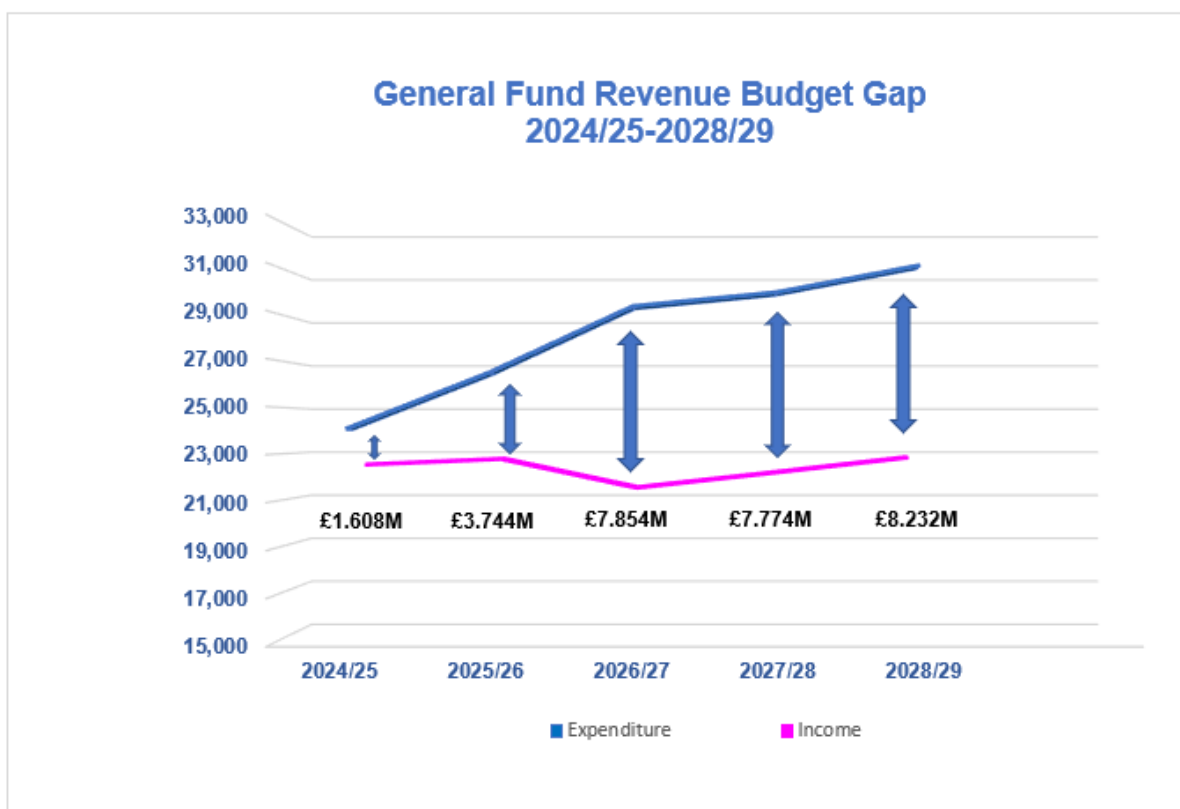
#### 2.0 UPDATED BUDGET GAP ANALYSIS

2.1 Officers have been working with budget holders and Senior Leadership Team to update the Council's Medium Term Financial position. The review considered latest available information around government funding, other income streams as well as forecast expenditure levels incorporating known budget pressures including those associated with the current cost of living crisis. It aims to provide a baseline position.

2.2 As noted above, this baseline forecast is subject to change when more up to date information becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any Outcomes Based Resourcing (OBR) proposals, nor does it reflect the revenue impact of any revisions to the capital programme. It sets a baseline position without any further interventions in the Budget setting process. The interventions and actions being undertaken include:

- A range of income and efficiency proposals aiming to significantly reduce the 2024/25 budget gap, to be brought forward in the upcoming Budget and Policy Framework.
- A mid-term Outcomes-Based Resourcing process to realign our expenditure with core duties and priorities

2.4 The current budget gap for the next five years to 2028/29 is summarised in the graph below. The graph below assumes no intervention, but it does highlight the scale of the challenge facing the Council, the reasons for which are outlined in the report.



**3.0 GOVERNMENT FUNDING PROSPECTS**

3.1 Members will be aware that Local Government funding has changed significantly over recent years. Significant reductions in central funding have taken place and as a result the Council is now almost entirely reliant on Council Tax and Business Rates with a small amount of income from some assets and services to fund net expenditure. It is, therefore, important to provide regular estimates of these key funding streams.

Autumn Statement

3.2 Government announced its Autumn Statement on 22 November and whilst a number of announcements made national and local headlines particularly around personnel taxation and devolution. The statement was silent on a number of key points notably:

- o The level and distribution of specific grants such as Lower Tier Services Grant and One-off Services Grant
- o Fair Funding Review
- o Business rates reset
- o Reforms to the New Homes Bonus

- 3.3 This in turn significantly reduces the level of certainty needed to plan effectively and efficiently.
- 3.4 The Autumn Statement itself only provides useful headline messages regarding Local Government’s funding prospects over the next few years but it does not provide information at individual Authority level. The level of detail required for Council’s to finalise their budgets will not be available until the announcement of the Local Government Finance Settlement. It is understood that this is likely to be published in the week before Christmas.
- 3.5 A further update will be produced for all Members once the Settlement has been announced and its impact assessed. This will be reported into January’s Cabinet and Council meetings.

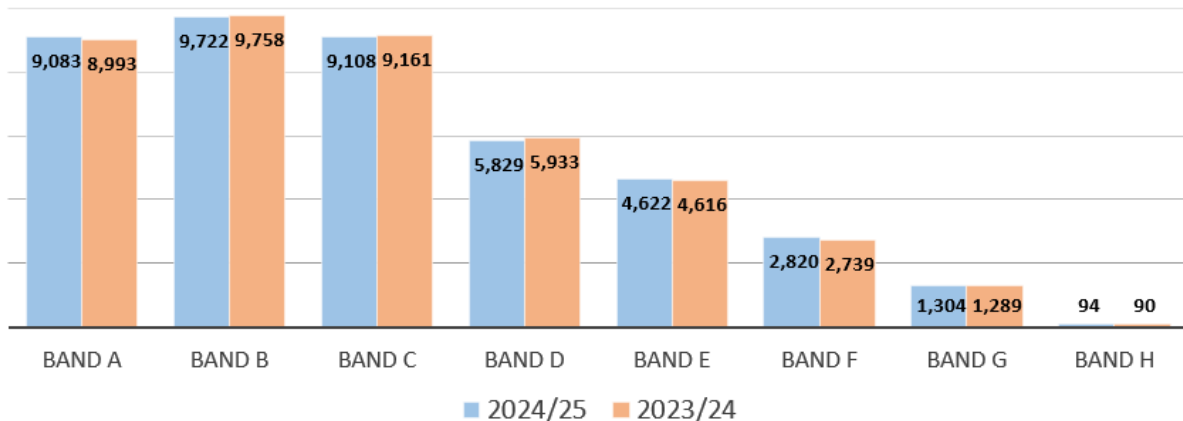
Local Government Finance Settlement

- 3.6 Given that the Settlement announcement is imminent, and the current level of uncertainty, there is little benefit to be gained from spending significant time on modelling different funding scenarios; real information is needed at this stage in the process.
- 3.7 Nonetheless, some preliminary high-level work has been done to update the budget scenarios, in order that we do not to lose sight of the potential risks and the challenge created by the underlying position.
- 3.8 This has taken the updated budget position and reflected several assumptions such as general inflation, the Local Government Pay Award and prospects for retained Business Rates, Council Tax yield and New Homes Bonus.

Council Tax

- 3.9 Council tax is the Council’s primary source of funding and is calculated by multiplying the tax base, the number of eligible residential properties (expressed in band D equivalents), by the level of the district council precept which is determined each year.
- 3.10 The tax base for 2024/25 has been calculated as 42,583 Band D equivalent properties after allowing for a collection rate of 98.68%, the same as in previous years. This equates to a negligible increase in the tax base from 42,579 in 2023/24. There are three issues underlying the lack of growth which in previous years has been in the region of 1% increase per annum. Fewer new properties than forecast were completed during 2023/24 and the number of new properties forecast for 2024/25 is also reduced. There has also been an increase in exempt accounts together with an increase in the number of properties eligible for 25% occupancy reductions. From 2025/26 1% growth in the Tax base has been used for forecasting.

**Council Tax Base Comparison**



- 3.11 The Government's referendum criteria which limits increases in the Council's element of Council Tax currently remains unchanged at 3% or £5, whichever is greater. For the purposes of forecasting, it has been assumed that the Council will increase council tax by 2.99%, the maximum allowed before triggering a referendum, in each of the next three years.
- 3.12 The table below sets out Council Tax forecasts for the next four years including a sensitivity analysis showing the potential impact on council tax yield of different scenarios:

	Actual 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
Council Tax Band D 2.99% increase		£256.63	£264.31	£272.21	£280.35	£288.73
Council Tax Band D (£5 increase)	£249.18	£254.18	£259.18	£264.18	£269.18	£274.18
Tax base (1% growth from 2025/26)	42,579	42,583	43,009	43,439	43,873	44,312
<b>Council Tax Income</b>	<b>£10,610,019</b>	<b>£10,928,285</b>	<b>£11,367,591</b>	<b>£11,824,557</b>	<b>£12,299,892</b>	<b>£12,794,335</b>
Previous MTFS		£11,037,000	£11,480,000	£11,942,000	£12,422,000	£12,422,000
<b>Difference Increase or (Decrease)</b>		<b>(£108,715)</b>	<b>(£112,409)</b>	<b>(£117,443)</b>	<b>(£122,108)</b>	<b>(£122,108)</b>
<b>Scenario 1</b> – No increase in Council tax over period of MTFS		(£425,985)	(£762,875)	(£1,117,703)	(£1,489,460)	(£1,380,135)
<b>Scenario 2</b> – Council Tax Band D (£5 increase)		(£213,070)	(£332,786)	(£466,120)	(£611,994)	(£272,334)
<b>Scenario 3</b> – 1.5% increase in tax base growth & 2.99% increase from 2025/26)		(£108,715)	(£56,134)	(£79)	£61,469	£627,576

#### Business Rates

- 3.13 Business Rates is now a fundamental part of the local government finance settlement and, along with Council Tax, accounts for the majority of local government financing. There are currently several significant uncertainties which make forecasting and planning extremely difficult, these are set out below.
- 3.14 The Chancellor's autumn statement set out a number of reliefs and discounts. The small and standard business rates multipliers have been de-coupled for the first time. The small business rates multiplier has been frozen for the fourth year in a row whilst the standard multiplier has been uprated by the increase in CPI inflation of 6.7%. In its consultation on the proposal to de-couple the multipliers DHLUC did recognise that this would present an implementation challenge to local authorities and additional technical feasibility issues and that there would be a knock-on impact on arrangements to index baseline funding levels. These changes make forecasting which is already challenging more difficult than usual.
- 3.15 Councils are usually fully compensated for the reliefs and discounts referred to above. Such compensation usually takes the form of Section 31 grant which is factored into the retained rates calculation. The detail behind this is not yet available. In prior years the Section 31 grant adjustments, particularly those related to freezing the multiplier have been significant. The adjustment factor related to the freezing of the multiplier is normally confirmed with the release of the NNDR1 form after the finance settlement.
- 3.16 The Local Government Finance Settlement is not expected until mid-December. This sets out tariff, baseline and safety net levels which drive the retained rates calculation and, as noted above, these will be impacted by the decision to de-couple the business rates multipliers. The forecasts in the later table use assumptions based on 2023/24 levels.

- 3.17 We are one of only a small number of Councils with a nuclear power station within its boundary. The rateable value of the Heysham1 and Heysham 2 nuclear reactors accounts for over 30% of the Council's total rateable value. Although the retained business rates scheme does have a safety net mechanism in place to ensure that an authority's income does not drop below more than a set percentage of its index linked spending baseline, the Council is vulnerable to swings in income levels relating to the power station' operations. Heysham 1 is shortly due to be decommissioned with its operators, EDF currently giving an end of generation date of March 2026 rather than the date of March 2024 previously given. There remains a level of uncertainty around the exact timing and whilst EDF have an ambition to continue generation for a further year past the March 2026 date they have also commented that the March 2026 date may not be achieved and remains dependent on future graphite inspection results.
- 3.18 The Autumn Statement remained silent on the prospect of a potential business rates growth reset which would effectively remove all growth from the system by setting the business rates baseline to equal actual rates levels. The decommissioning of the Heysham 1 reactor will, however, have the effect of triggering a safety net payment from Central Government unless there is a significant amount of year-on-year growth over that currently assumed before the end of generation date. This would most likely shift the focus of the baseline reset for Lancaster onto the level of the new safety net payment rather than on the level of growth which can be retained.
- 3.19 The table below provides Business Rates forecasts for the next four years incorporating a number of assumptions and sensitivity analysis. For the reasons set out in the above paragraphs these must remain heavily caveated. Current forecast assumptions are:
- Income to remain in line with business rates monitoring during 2022/23 together with a 2% uplift to baseline and tariff in respect of inflation.
  - Growth of 2% in 2025/26 onwards
  - Heysham 1 reactor to be decommissioned March 2026

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Retained Business Rates	7,517,990	7,668,349			
Safety Net Payment	-	-	5,842,040	5,958,881	6,078,059
Renewable Energy Disregard Income	3,617,530	3,689,881	3,763,678	3,838,952	3,915,731
<b>Sub Total</b>	<b>11,135,520</b>	<b>11,358,230</b>	<b>9,605,718</b>	<b>9,797,833</b>	<b>9,993,789</b>
Previous MTFS	10,261,000	9,617,000	9,809,000	10,005,000	10,005,000
Difference increase/(decrease)	874,520	1,741,230	(203,282)	(207,167)	(556,211)
Scenario 1 – Heysham 1 reactor closes March 2026 and rating income tapers off over 6 months in 2026/27	-	-	839,136	-	-
Scenario 2 – Heysham 1 reactor life extended to March 2027	-	-	1,776,395	-	-

- 3.20 In order to reduce the potential impact of large surpluses or deficits in respect of business rates on the General Fund transfers from the Business Rates Retention Reserve are used. The Council also uses the reserve to manage significant fluctuations in income levels in order to smooth the impact and provide some budgetary stability. As further information becomes available, and the forecast position clarifies the current use of the reserve will be reviewed and updated with this aim in mind. The table below shows the current planned transfers from the Reserve.

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Planned transfer from reserve	516,100	316,100	-	-	-

- 3.21 Further information which will inform the estimates will become available during December and January and updates will be provided as a clearer picture emerges. Further monitoring for 2023/24 will also be undertaken to inform the forecast surplus or deficit for the year. Members are asked to note that the changes could be significant.

#### New Homes Bonus

- 3.22 New Homes Bonus is a reward grant which is calculated from Council Taxbase figures. The growth in the Taxbase is negligible and in consequence no new homes bonus is expected in 2024/25. It has been assumed that there is some recovery in 2025/26 and future years though for the sake of prudence this has been reduced from the previous MTFs assumption. There has been a risk for several years that the Government will seek to further reduce the grant going forward and this remains the case.
- 3.23 The current forecast of levels of New Homes Bonus is set out in the table below. This may be impacted by the finance settlement.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Annual Reward	188,000	0	90,000	90,000	90,000	90,000
<b>Total</b>	<b>188,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>
Previous MTFs	188,000	188,000	188,000	188,000	188,000	188,000
<b>Difference Increase/ (Decrease)</b>	<b>-</b>	<b>(188,000)</b>	<b>(98,000)</b>	<b>(98,000)</b>	<b>(98,000)</b>	<b>(98,000)</b>

#### **4.0 MEDIUM TERM FINANCIAL STRATEGY – CURRENT PROSPECTS TO 2028/29**

- 4.1 Total operational changes included in the base budget for 2024/25 currently amount to an increase in expenditure of £0.671M and are provided in the General Fund Revenue Budget Projections 2024/25-2028/29 table at paragraph 4.3.

#### MTFS Planning Assumptions

- 4.2 Within the current base budget there are several principles and key assumptions underpinning the proposed revenue strategy. The table below, lists the major assumptions that have been made within the MTFs. Members should note these assumptions are highly likely to change as we move through the budget cycle

	2024/25	2025/26	2026/27	2027/28	2028/29
Council Tax Base Growth	-	1.0%	1.0%	1.0%	1.0%
Council Tax Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax Collection Rate	98.67%	98.67%	98.67%	98.67%	98.67%
Fees & Charges	2.8%	1.7%	1.5%	1.5%	1.5%
Inflation – Pay	5.9%	3.5%	3.0%	3.0%	3.0%
Employer Pensions Contribution	16.3%	16.3%	16.3%	16.3%	16.3%
Utilities	Re-based at current prices	Re-based at current prices	Re-based at current prices	Re-based at current prices	Re-based at current prices
Other inflation (Minor cost centres)	2.8%	1.7%	1.5%	1.5%	1.5%
Interest Rate – investments	4.5%	3.0%	2.8%	2.8%	2.8%
Interest Rate – new borrowing	4.6%	3.8%	3.6%	3.6%	3.6%

## 4.3 General Fund Revenue Projections 2023/24 – 2028/29

<b>General Fund Revenue Budget Projections 2024/25 to 2028/29</b>					
For Consideration by Cabinet 05 December 2023					
	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
<b>Revenue Budget/Forecast as at 22 February 2023</b>	<b>23,407</b>	<b>25,253</b>	<b>27,342</b>	<b>27,690</b>	<b>0</b>
<b>Base Budget Changes</b>					
Employees	1,558	2,448	2,021	2,349	33,734
Premises Related Exp	(1,748)	(1,931)	(2,096)	(2,248)	11,009
Transport Related Exp	52	2	(19)	(31)	1,967
Supplies and Services	3,049	1,678	1,220	1,201	14,241
Transfer Payments	0	0	0	0	21,977
Support Services	(32)	(36)	(36)	(36)	546
Capital Charges	(2)	(2)	(2)	(2)	6,804
Capital Financing Costs	(812)	(480)	(483)	(476)	2,124
Capital Financing Inc	0	0	0	0	(8,700)
Appropriations	(1,317)	(62)	401	451	6,702
Income	(77)	(401)	936	974	(59,384)
Latest Budgetary Position	<b>24,078</b>	<b>26,469</b>	<b>29,284</b>	<b>29,872</b>	<b>31,020</b>
<b>Outcomes Based Resourcing Proposals:</b>					
Savings/ Income Generation Proposals					
Communities & Leisure	0	0	0	0	0
Corporate Accounts	0	0	0	0	0
Environment & Place	0	0	0	0	0
Financing	0	0	0	0	0
Governance	0	0	0	0	0
Housing & Property	0	0	0	0	0
Other Items	0	0	0	0	0
Parish Precepts	0	0	0	0	0
People & Policy	0	0	0	0	0
Planning & Climate Change	0	0	0	0	0
Resources	0	0	0	0	0
Sustainable Growth	0	0	0	0	0
Revenue Impact of Capital Programme Review (MRP & Interest)	0	0	0	0	0
<b>General Fund Revenue Budget</b>	<b>24,078</b>	<b>26,469</b>	<b>29,284</b>	<b>29,872</b>	<b>31,020</b>
Core Funding:					
Revenue Support Grant	(406)				
Prior Year Council Tax (Surplus)/Deficit					
Net Business Rates Income	(11,136)	(11,358)	(9,606)	(9,798)	(9,994)
<b>Council Tax Requirement</b>	<b>12,536</b>	<b>15,111</b>	<b>19,678</b>	<b>20,074</b>	<b>21,026</b>
<b>Estimated Council Tax Income -</b> (Increases based on 2.99% for 2024/25 then max allowable)	<b>10,928</b>	<b>11,367</b>	<b>11,824</b>	<b>12,300</b>	<b>12,794</b>
<b>Resulting Base Budget (Surplus)/Deficit</b>	<b>1,608</b>	<b>3,744</b>	<b>7,854</b>	<b>7,774</b>	<b>8,232</b>

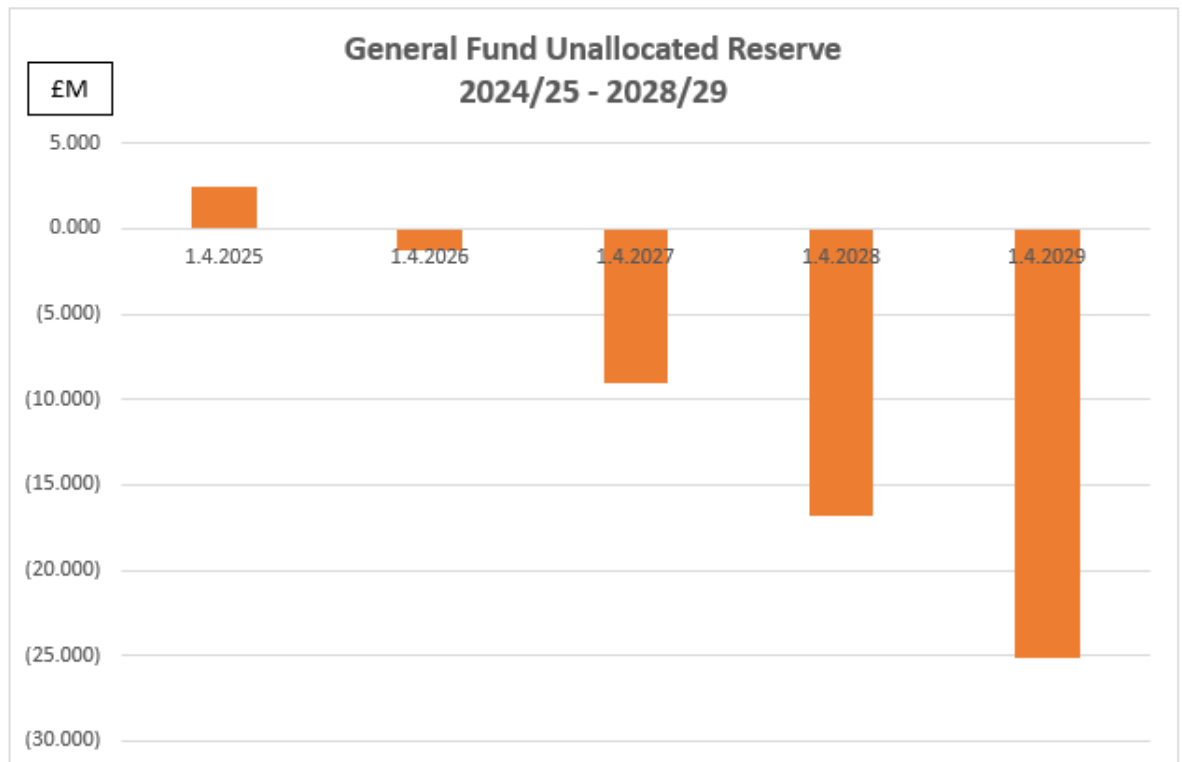
- 4.4 To reaffirm, this baseline forecast deficit positions above are subject to change when more up to date information becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any OBR proposals, nor does it reflect the revenue impact of any revisions to the capital programme.



## 5.0 PROVISIONS, RESERVES AND BALANCES

- 5.1 A Council's reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. Councils generally hold two types of reserves, "Unallocated" to meet short term unexpected cost pressures or income reductions and "Earmarked". These can be held to provide for some future anticipated expenditure for identified projects (particularly in respect of corporate priorities), address specific risks such as business rates, provide up-front costs which specifically result in future efficiencies, cost savings or increased income, or to hold funding from other bodies, mainly Government, for specified purposes.
- 5.2 As noted above, reserve levels and their usage are an important part of the budget framework. It is important that the Council maintains a healthy level of reserves in order to maintain financial resilience. Members will recall that during 2022/23 Cabinet approved the transfer of £5.913M from a number of the Council's allocated reserves to the General Fund unallocated balances in order to increase financial resilience. Council also noted the advice of the s151 officer that the Council's minimum level of General Fund balance be increased to £5M, as well as revisions to the governance arrangements for the approval of reserve funded expenditure within the Council's Reserve Strategy.
- 5.3 The Council's Outturn Report 2022/23 showed the Council's Unallocated General Fund Balance as £11.677M. Without significant intervention by the Council the General Fund budget gaps will remain and unallocated balances will be required to fund them. Whilst the required level of reserves is assessed annually the forecast deficits are of such a size that available unallocated reserves will be expended within 2 years, as illustrated in the tables below. It should be noted that the potential call on unallocated reserves to support the Local Plan Review which is subject to a report elsewhere on this agenda are **not** included in the figures below.

General Fund Unallocated Balance						
	£M	£M	£M	£M	£M	
<b>BALANCES</b>	<b>Balance as at 1 April 2024-28</b>	<b>(9.970)</b>	<b>(7.507)</b>	<b>(3.763)</b>	<b>+4.091</b>	<b>+11.865</b>
	In Year allocations	+0.000	+0.000	+0.000	+0.000	+0.000
	Forecast (Under)/Overspend	+1.608	+3.744	+7.854	+7.774	+8.232
	Other Adjustments	+0.855	+0.000	+0.000	+0.000	+0.000
	<b>Projected Balance as at 31 March 2025-29</b>	<b>(7.507)</b>	<b>(3.763)</b>	<b>+4.091</b>	<b>+11.865</b>	<b>+20.097</b>
	<b>Reserves</b>	<b>(7.507)</b>	<b>(3.763)</b>	<b>+4.091</b>	<b>+11.865</b>	<b>+20.097</b>
	<b>Less Recommended Minimum Level of Balances</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>
<b>Available Balances</b>	<b>(2.507)</b>	<b>+1.237</b>	<b>+9.091</b>	<b>+16.865</b>	<b>+25.097</b>	



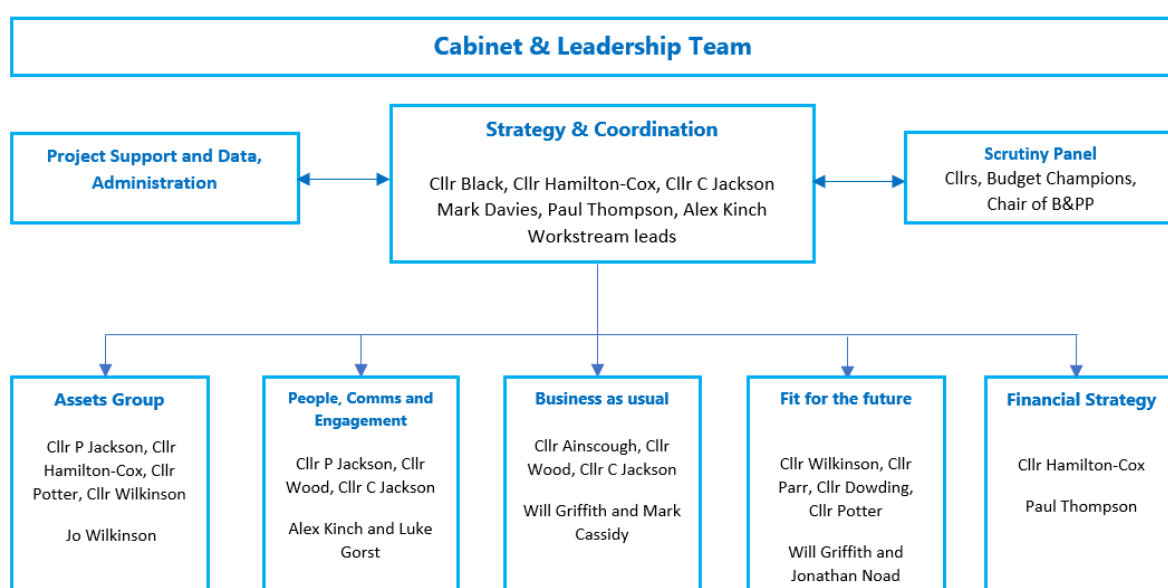
- 5.4 In addition to the General Fund Unallocated Reserve the Council holds some further non-ringfenced reserves. These include the Business Rates Retention (BRR), and the renewals reserve. The table below shows the position were these also to be utilised to support the budget gap and indicates that all reserves would be expended by 2027/28.
- 5.5 However, Members should be aware that whilst the BRR can be utilised to support the general fund its main function to manage fluctuations within with Business Rates Retention regime. It contains several technical entries such as provision for appeals against business rating values. The appeals are independently managed by the Valuation Office Agency (VOA) and so outcomes is out of the Council's control. As a result the movement in the BRR can be significant depending on the volume and value of any appeals. The reserve is also there to manage routine surpluses and deficits encountered during the normal administration of the business rates system. It is therefore recommended that the use of this reserve treated with extreme caution

	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Unallocated Reserve	-11.678	-10.581	-9.025	-5.281	-5.281	0.000
Other Non-Ring Fenced Reserves	-2.096	-0.901	0.000	0.000	0.000	0.000
Business Rates Retention Reserve	-7.472	-7.694	-7.178	-6.862	0.000	0.000
Renewals Reserve	-1.062	-1.423	-1.876	-2.368	-1.869	0.000
Estimated Additional Call on Reserves	0.611	0	0	0	0	0
Forecast Deficit Funded From Reserves	0.000	1.608	3.744	7.854	7.774	8.232
<b>Balance carried forward</b>	<b>-21.697</b>	<b>-18.991</b>	<b>-14.335</b>	<b>-6.657</b>	<b>0.624</b>	<b>8.232</b>

- 5.5 Whilst reserves can be used to manage the current financial crisis, as the tables clearly show, funding of the forecast deficits from reserves is **NOT** a viable option. Addressing the underlying structural issues within the Council's budget requires significant interventions from Cabinet, Senior Leadership Team, and Council to address the forecast deficit levels.

**6.0 OUTCOMES BASED RESOURCING**

- 6.1 The Council embarked on its OBR process in 2022/23 with its intention to ensure that funds are allocated according to a set of predefined outcomes, or priorities in order to ensure that funds are directed toward the Council’s key ambitions and statutory functions and away from areas which contribute less or not at all against the predetermined objectives.
- 6.2 The fundamental reshaping of the Council’s services and realigning against its priorities through the ongoing OBR process will be key to shrinking the budget gap and securing the financial sustainability of the Council.
- 6.3 The table below shows the current operational structure of the OBR process, its governance processes along with the key Member and Senior Officer involvement. The process is split into 5 task groups each charged with a discreet area of responsibility. Progress against all of these areas will be reported to Members together with any implications of the Local Government Settlement as part of January’s update.



**7.0 BALANCING THE BUDGET TO 2028/29**

- 7.1 A number of workshops have already been held between Cabinet and Senior Leadership Team and to explore initial proposals from the OBR task groups and these will be ongoing throughout the budget process.
- 7.2 Savings were identified during the 2023/24 budget process which have made some initial inroad into the structural deficit. The continuation of the application of OBR across the Council is an ongoing and significant piece of work and will continue to have a particularly important part to play in driving down budget gaps from 2024/25 to achieve a position of financial sustainability.
- 7.3 Capital proposals have been reviewed by Capital Assurance Group and passed on to Cabinet who have given an initial steer on which proposals they would like to see worked up further. This work is ongoing and the revenue impact of MRP and interest charges will be included in future update reports to Members.

**8.0 DETAILS OF CONSULTATION**

- 8.1 Given the size of the challenges faced by the Council and the need for fundamental change in service delivery enhanced consultation with relevant internal and external stakeholders on the budget will be undertaken prior to Budget Council in February. Group. Consultation on council housing matters will be undertaken through the District Wide Tenants’ Forum.

**9.0 OPTIONS AND OPTIONS ANALYSIS**

9.1 As the report is for consideration no alternative options are put forward, the Cabinet could make supplementary recommendations regarding any matters.

**10.0 CONCLUSION**

10.1 It must be reiterated that the current forecasts **do not** include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. Whilst some savings have been delivered, the forecasts show that potential annual and cumulative budget deficits remain over the next 5 years and continue to need to be addressed. In light of this, balancing the budget both in the short and the medium term remains a tough task and **all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.**

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b> 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.</p>	
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> (including Diversity, Human Rights, Community Safety, Sustainability etc)  None identified at this stage</p>	
<p><b>FINANCIAL IMPLICATIONS</b> As set out in the report</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b> The s151 Officer has authored this report and his comments are reflected within its contents however he would draw Members attention to the following commentary within the report.  It must be reiterated that the current forecasts <b>do not</b> include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. However, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces, a position shared nationally across the public sector. In light of this, balancing the budget both in the short and the medium term will be a tough task and <b>all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.</b></p>	
<p><b>LEGAL IMPLICATIONS</b> No specific legal implications arising from this report.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b> The Monitoring Officer has been consulted and has no comments</p>	
<p><b>BACKGROUND PAPERS</b> Council – MTFS <a href="#">Agenda for Council on Wednesday, 27th February 2019, 6.00 p.m.</a> <a href="#">Agenda for Council on Wednesday, 26th February 2020, 6.00 p.m.</a> <a href="#">Agenda for Council on Wednesday, 24th February 2021, 6.00 p.m.</a></p>	<p><b>Contact Officer:</b> Paul Thompson <b>Telephone:</b> 01524 582603 <b>E-mail:</b> pthompson@lancaster.gov.uk <b>Ref:</b> N/A</p>

[Agenda for Council on Wednesday, 23rd February 2022, 6.00 p.m.](#)

Cabinet – Delivering our Priorities Q1

[Agenda for Cabinet on Tuesday, 13th September 2022, 6.00 p.m.](#)

Cabinet – Updated Reserves Strategy

[Agenda for Cabinet on Tuesday, 25th October 2022, 6.00 p.m.](#)

Council - Updated Reserves Strategy

[Agenda for Council on Wednesday, 9th November 2022, 6.00 p.m.](#)

**CABINET**

**Resourcing the Review of the Lancaster District Local Plan**

**5 December 2023**

**Report of Chief Officer – Planning and Climate Change**

<b>PURPOSE OF REPORT</b>			
To secure resourcing to support the Review of the Lancaster District Local Plan.			
<b>Key Decision</b>	<b>Y</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	6 <sup>th</sup> November 2023		
<b>This report is public</b>			

**RECOMMENDATION OF COUNCILLOR JEAN PARR**

- (1) That Cabinet approves the release from reserves for the reasons as described within this report and presented in the Financial Implications section to enable the review of the adopted Local Plan for Lancaster District during the remainder of financial year 2023/24 and continuing in 2024/25 and 2025/26.

**1.0 Introduction**

- 1.1 On 12 September 2023 Cabinet considered a report of the Chief Officer – Planning and Climate Change that set out the current Local Plan position within the district, considering the recent announcement by Lancashire County Council regarding the Housing Infrastructure Fund. The report also identified a series of options for plan-making and asked that Cabinet indicated their preferred option. Cabinet resolved unanimously that the Council should cease work on the Lancaster South Area Action Plan and commence a full review of the Local Plan for Lancaster District.
- 1.2 Cabinet also resolved that a report should be prepared for Full Council amending the Local Development Scheme (LDS) (project timetable). Accordingly, on 27 September 2023, Council considered a further report describing the Local Development Plan Documents (“Local Plan”) that the Council would prepare along with an LDS timetable for their preparation. Council subsequently approved the LDS for publication along with a process of delegation for minor updates.
- 1.3 The Financial Implications section of the September report to Council advised that while there were no direct financial implications from the adoption and publication of a Local Development Scheme, there would be significant resource and financial implications associated with the preparation of a full Local Plan Review, the impact of which would be detailed by the Chief Officer of Planning and Climate Change in a

future Cabinet report.

- 1.4 It is this Cabinet Report that provides that detail. It sets out the financial implications and recommends that resources are released from reserves for deployment over the remainder of this financial year and the next two financial years to enable the review of the Local Plan to be achieved.

## **2.0 Proposal Details**

- 2.1 Cabinet Members are already aware that local planning authorities are legally obliged to maintain an up-to-date Local Development Plan. It is a significant undertaking, and it requires an effective and resourced programme of project management, often set against continually changing real-world circumstances to ensure that the plan is properly prepared and informed by relevant and proportionate evidence.

- 2.2 Officers have considered the types of evidence that would be required to support the preparation of a new Local Plan. Some of the evidence which is required for the Full Review will be undertaken internally by officers within the Planning & Climate Change Service. However, some elements of evidence will require appropriately qualified external experts to provide independent and objective advice. The independent and objective advice provided is then considered by the Council's planning professionals in the context of all other evidence during the preparation of development plan policies.

- 2.3 The range of evidence which will require external assistance will include;

- Strategic Housing Market Assessment
- Gypsy & Travelling Showpeople Accommodation Assessment
- Employment Land Review
- Economic Opportunities Strategy
- Retail Assessment
- Sustainable Travel Strategy
- Highway Assessment of Development Strategy and Allocations
- Air Quality Assessment
- Open Spaces Assessment
- Built Sports and Recreation Facilities Study
- Ecological Assessments for potential development allocations
- Bird Survey Data and Analysis
- Landscape Assessment for Emerging Allocations
- Heritage Statements for Emerging Allocations
- Strategic Flood Risk Assessment – Spatial Development Strategy
- Strategic Flood Risk Assessment - Emerging Allocations
- Carbon Impact Assessment
- Landscape Assessment for Renewable Energy and Battery Storage
- Energy Review and Modelling
- Assessment of Inclusivity

- 2.4 During its preparation the evolving Local Plan must also be subject to Sustainability Appraisal, Habitats Regulation Assessment, and a Viability Assessment.

- 2.5 Finally, the Local Plan will need to be submitted to Government for Examination. The substantial cost of the Independent Examination process is borne by the Council. The Council will also incur costs for legal advice during the preparation of the plan and then at the Examination Hearing Stages.

- 2.6 The preparation of a Local Plan is not a linear and predictable process; consideration of the evidence can mean that further evidence is required; for example if development allocations cannot be advanced due to ecological constraints such as protected nesting bird species, then alternative options would need to be identified and assessed. The overall cost and time period for preparing a plan is subject to continual re-appraisal.
- 2.7 Members will recall that in the report to Cabinet on Future Local Plan Options on 12 September 2023 the Chief Officer – Planning and Climate Change advised of the additional challenge presently facing local planning authorities preparing local plans as a consequence of the government’s announcements about proposed changes to the national plan-making system.
- 2.8 Under the proposed changes, all Local Plans submitted under the existing system should be submitted for Examination by 30 June 2025. Government has said that “those plans will, in general need to be adopted by 31 December 2026”. Authorities that begin a Local Plan before the introduction of the new system but did not then meet the 30 June 2025 submission deadline would then need to prepare a Plan wholly under the new system. The new system will require the engagement and endorsement of the Planning Inspectorate to initiate the formal commencement of the plan preparation.
- 2.9 Presently it is anticipated that for a local plan to be prepared in accordance with the current national plan-making system the preparation and adoption processes would fall over three financial years – the remainder of this financial year, then 2024/25 and 2025/26. The greater part of the cost of procuring external evidence would fall in financial year 2024/25.
- 2.10 Officers advise that the total cost of externally procured evidence is in the order of £690,000 and the cost of Examination and legal representation is estimated at £130,000. The total projected estimate of cost for the Local Plan review process would therefore be around £820,000, spread over 3 financial years. Taking existing recurring consultancy budgets into account leaves a net reserves request of £727,000.
- 2.11 Though not forming part of the request in this report, investment in the Council’s software that supports better spatial data management and digital consultation experiences, along with interactive consultations and the government’s objectives for better digital approaches, would also be greatly beneficial. Modern software solutions and systems that might offer additional corporate benefits for data management, and any opportunities for grant funding support, will continue to be explored by officers.

### **3.0 Details of Consultation**

- 3.1 This early stage of Plan timetabling and resourcing does not require statutory consultation, although both previous reports regarding the Local Plan (12 September to Cabinet and 27 September to Council) were public reports. The Council’s local planning authority will consult with the local community, partners, infrastructure providers, stakeholders, and developers regarding the preparation of the Local Plan in accordance with national regulatory requirements and obligations and in accordance with the Council’s own approved Statement of Community Involvement (SCI).



## 4.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> Resolve to resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions.	<b>Option 2:</b> Resolve not to resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions.
<b>Advantages</b>	The Council will enable its officers to prepare a reviewed local plan. Having an up to date development plan is a responsibility of the authority; the need to review the plan was agreed by Cabinet in September this year and is in effect unavoidable given that it is evident the delivery of development requirements cannot now be achieved in accordance with the policies of the adopted plan. If the Council does not resource the decision to review the plan now it will have to do so in the not too distant future in any case as the Council would need to commence the review of its adopted Local Plan by July 2025.	By delaying a decision to enable the review of Local Plan and maintaining reserves until such time as it does resolve to resource the necessary review of the Local Plan, the Council would retain its reserves for a longer period of time.
<b>Disadvantages</b>	None are apparent; except for a delay in a decision to release resources to review the Local Plan until a later date.	The Council would not enable its officers to prepare a review the local plan. The Council would therefore be a position of having acknowledged the need to review its local plan and resolved to do so; but would not have enabled that resolution to be achieved by resourcing it.
<b>Risks</b>	Members have been made aware at both Cabinet and Council meetings in September of this year that the government has announced proposed changes to the national plan-making system. If the review of the Local Plan enabled by this decision is not completed by the end of 2026, or alternatively the Council later resolves to prepare a plan in accordance with the new national plan-making system, then prospectively some of the evidence that is procured to inform a review of the Local Plan under the current system may need to be refreshed and incur further cost.	There would be a clear reputational risk to the Council arising from the evident inconsistency of having resolved that its Local Plan should be reviewed in September but then conversely not enabling that review to be undertaken by virtue of a decision in December. Meanwhile with the passing of time before the Local Plan would have to be reviewed in any case it would become increasingly difficult for the Council to maintain confidence in the relevance of the strategic policies of its Local Plan and continue to convincingly advocate the relevance of these policies in the determination of planning application proposals.

**5.0 Officer Preferred Option (and comments)**

- 5.1 The officer recommendation is Option 1; to resolve to approve the recommendation of this report and thereby resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions.
- 5.2 As previously advised the timetabling risks associated with the preferred option are very challenging, but it is considered to be the most appropriate response to recent developments and the likely emerging patterns of development within the district.

**6.0 Conclusion**

- 6.1 Although the Local Plan was adopted as recently as July 2020, in light of significant changes in circumstances, most particularly relating to the funding of strategic infrastructure in south Lancaster, the City Council has recently acknowledged (at Cabinet and Full Council) the need to review the Local Plan and has resolved to do so. This report seeks the release of resources to enable the review to be undertaken. Maintaining an up to date development plan is a responsibility of the Council, thus the need to resource a review of the local plan would need to be taken at a later date in any case. By progressing the review now the Council can demonstrate that it is taking the appropriate and reasonable measures to ensure that it revisits its current development requirements and develops policies to enable delivery them.

**RELATIONSHIP TO POLICY FRAMEWORK**

The preparation of Local Plan Documents which are part of the Council's Development Plan are part of the Council's Policy Framework (See Section 2.3 (c) of the Council's Constitution). The Council is obliged to prepare and maintain the Development Plan for Lancaster District as described by Section 19 of the Planning and Compulsory Purchase Act 2004. Cabinet and Council have concluded that the Local Plan documents adopted in July 2020 (and currently being partially reviewed to better address the challenge of Climate Change) should be fully reviewed. This report seeks the release of resources needed to undertake that review.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The report sets out two options for plan-making. None of the options have adverse impacts on the matters listed above. Whichever option is agreed, national guidance will prescribe the relevant stages of plan making that must then be followed, including statutory stages of consultation and plan examination.

**LEGAL IMPLICATIONS**

There are no legal implications directly arising from this report. Whichever option is agreed, the local planning authority will follow the regulatory plan-making process.

**FINANCIAL IMPLICATIONS**

Option 1 recommends that resources are released from reserves for deployment over the remainder of this financial year and the next three financial years to enable the review of the Local Plan to be achieved. Details of the estimated costs of advancing the revised Local Pak are provided below. The precise timing of external contract procurement will depend on progress made in advancing through the stages of development plan preparation.

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
New Local Plan Expenditure (externally procured evidence)	235,000	455,000	0	690,000
Local Plan Examination and legal representation	0	0	130,000	130,000
<b>Gross Expenditure</b>	<b>235,000</b>	<b>455,000</b>	<b>130,000</b>	<b>820,000</b>
Existing Consultancy Budget	(28,000)	(32,500)	(32,500)	(93,000)
<b>Net Expenditure</b>	<b>207,000</b>	<b>422,500</b>	<b>97,500</b>	<b>727,000</b>

**OTHER RESOURCE IMPLICATIONS**

None directly arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The 151 Officer has been consulted and has no additional comments to make.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None

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**CABINET**

**Delivering Our Priorities: Q2 2023/24  
5 December 2023**

**Report of Chief Executive & s151 Officer**

<b>PURPOSE OF REPORT</b>				
To provide members with an update on performance, projects, and resources during the first two quarters of 2023/24 (April – September 2023).				
<b>Key Decision</b>	<b>N</b>	<b>Non-Key Decision</b>		<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>		N/A		
<b>This report is public</b>				

**RECOMMENDATIONS OF COUNCILLOR HAMILTON-COX**

That Cabinet

- (1) Consider the update on performance, projects, and resources for Quarter 2 2023/24.

**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-September 2023, which can be found within the appendices.

**2.0 PERFORMANCE REPORTING**

- 2.1 The highlight report at Appendix A provides a broadly consistent set of information across Q2 – Q4 2022-23 and Q1 and Q2 2023-24.
- 2.2 Direction of travel indicators are now included against each performance measure to show if the KPI has improved, is broadly the same or has worsened. The typical definition of 'broadly the same' is within 3% variation on the comparative quarter. Most indicators compare to the previous quarter, those marked with an asterisk compare to the like quarter from the previous year.
- 2.3 The direction of travel indicators show that 4 KPIs have improved, 11 are broadly the same and 3 have worsened.
- 2.4 The definition of the three measures shown in the 'A Sustainable District' section that are used to show energy usage have changed their definition.

The measure used to include the 4 main council office buildings and now include all 51 of the council assets classified as corporate. The data shown for all quarters on the report has been updated to reflect the changes. Therefore, the quarters included are comparable.

### 3.0 PROJECT REPORTING

- 3.1 In order to provide a more accurate view of the progress for each project, the Red – Amber – Green status is now assigned for three elements of the project, these being Plan, Cost and Scope, instead of one status being applied across the whole project.
- 3.2 Of the 11 projects where full update reports have been received, five are reporting 'amber' (minor) delays with their project plans (progress) and three have reported 'amber' (minor) deviations in the cost of the project. No projects are reporting concerns about their ability to deliver the planned scope (benefits). No projects have reported 'red' (significant) variations.
- 3.3 The highlight report shows the majority of the council's Strategic Projects are progressing as planned at the end of Quarter 2 2023-24.
- 3.4 The South Lancaster Growth Catalyst project has been closed.
- 3.5 The District Heat Network Feasibility project has now completed.

### 4.0 FINANCIAL MONITORING

- 4.1 The 2023/24 Budget and Medium-Term Financial Strategy (MTFS) 2022-2026 approved by Council in February 2023 set a balanced budget for the year based on the assumptions made at that time.
- 4.2 All portfolios are required to examine their revenue budgets and meet with their budget holders 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, with the Quarter 2 information distributed to Cabinet in November 2023.
- 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
Appendix I:	Service Analysis

- 4.4 It should also be noted that **projected outturn figures are monitored against the working budget** and not the original budget within this report. The working budget includes approved virements and in-year budget adjustments. This reduces a number of variances in respect of items such as 'grossing-up' of grant income/expenditure and the movement of employees to different costs centres which is especially needed during times of service restructuring. It provides a more accurate up-to date forecast and eliminates the need for duplicate reporting at service and subjective levels.

### 5.0 COST OF LIVING / ENERGY PRICE CRISIS

- 5.1 Since the energy budgets were prepared and approved in the previous financial year, there has been high price volatility within the sector. More recently prices appear to have settled

allowing for a more accurate estimated year-end outturn projection. Based on the latest price information available, projected variances have been included within the relevant service areas. For information, the estimated projected variance on energy budgets is £0.566M (£0.555M General Fund, £0.011M HRA). These areas will continue to be closely monitored over the coming months and the latest projections have been included in the draft budget for the forthcoming year which is currently being prepared.

- 5.2 As part of the 2023/24 budget setting process, an inflationary uplift of 4% was included to salaries across all services of the Council. The National Employers offer of an increase of £1,925 on all NJC pay points was accepted on 1<sup>st</sup> November 2023. This is estimated to result in an estimated additional strain of £0.517M (£0.399M General Fund, £0.118M HRA) including oncosts. The marginal impact has been included in the projected outturns within services and has been included in the summary positions and tables below as appropriate. For information, the Chief Officers pay award has already been agreed and included at 3.5%.

### 6.0 OUTCOMES BASED RESOURCING

- 6.1 As part of the 2023/24 budget setting process, Members approved savings proposals to save the Council £2.423M in 2023/24. The process to implement these savings is now underway and Appendix H details the progress of each proposal.
- 6.2 Several savings proposals impact on staffing which will incur restructuring costs. Severance payments (-£0.598M) are included within the People & Policy projected outturn figures and pension strain payments (-£0.393M) are included within Corporate Services. The financing of these costs are still to be finalised but there is the potential to utilise capital receipts to fund some of them (subject to asset disposals arising in year) or use the revenue restructuring reserve, which currently has a projected balance of £0.400M. A further update will be provided as part of the quarter 3 report.

### 7.0 GENERAL FUND SUMMARY POSITION

- 7.1 Quarter 2 (Q2) monitoring covers the period for April – September 2023. At the end of Q2 (September 2023) a year end overspend of **£0.611M** is projected against the Council's approved original net revenue budget of **£21.091M**. Members will recall that, as part of the 2023/24 budget setting process, Council approved a significant contribution from reserves of **£0.577M** to produce a balanced budget. The latest position suggests that the projected amount required from reserves will be **£1.188M**.
- 7.2 A summary of the Q2 revenue position for the main service accounts of the Council is set out in table 1 below with commentary on significant variances provided in the following paragraphs.

Table 1 Quarter 2 Financial Monitoring – Service Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Communities & Leisure	2,895	2,700	1,348	2,646	+54
Environment & Place	6,954	6,996	1,655	7,171	(175)
Governance	1,314	1,415	899	1,509	(94)
Housing & Property	991	1,200	(885)	1,455	(255)
People & Policy	2,169	2,047	1,150	2,703	(656)
Planning & Climate Change	1,705	1,705	586	1,746	(41)
Resources	4,521	4,521	(1,044)	4,368	+153
Sustainable Growth	310	275	(282)	(168)	+443
Corporate Services	(135)	(135)	229	1,458	(1,593)
Other Items	1,538	1,538	(799)	152	+1,386
<b>Sub Total</b>	<b>22,262</b>	<b>22,262</b>	<b>2,857</b>	<b>23,040</b>	<b>(778)</b>
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	0	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	907	(139)	0
Revenue Reserve funded items included in above analysis	297	2,541	(139)	1,418	+1,123
Revenue Reserve funded items included in above analysis	(297)	(2,541)	49	(1,418)	(1,123)
<b>Sub Total</b>	<b>(1,171)</b>	<b>(1,171)</b>	<b>817</b>	<b>(1,171)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,091</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778)</b>
Financing Income	(10,481)	(10,481)	4,464	(10,648)	+167
<b>Council Tax Requirement</b>	<b>10,610</b>	<b>10,610</b>	<b>8,138</b>	<b>11,221</b>	<b>(611)</b>

### Communities & Leisure +£0.054M Favourable

#### 7.3 Significant budget variances : -

- Estimated pay award additional cost (-£0.086M)
- Salary savings +£0.206M including recharges to other local authorities for seconded officers.
- Rechargeable staff time to externally funded projects +£0.078M
- Salt Ayre Leisure Centre income (-£0.093M) due to participation rates in Main Hall; increases in cost of goods and services across the centre (-£0.060M). Fortuitously changes to the VAT treatment of local authority leisure services will offset some of this shortfall and a VAT repayment claim is being prepared to submit to HMRC. The exact amount of the claim hasn't yet been determined.

### Environment & Place (-£0.175M) Adverse

#### 7.4 Significant budget variances : -

- Estimated pay award additional cost (-£0.222M)
- Additional salary costs across service (-£0.039M) which includes (-£0.163M) overspend in waste collection due to unprecedented high levels of long-term sickness.
- Energy price changes +£0.260M
- Insurance costs +£0.063M
- Hire of portacabins at White Lund Depot due to safety issues (-£0.120M)
- Transport costs have increased due to vehicle Repairs & Maintenance and associated hire costs arising from delayed delivery of new fleet (-£0.183M). Lead-in times for delivery have increased dramatically over the last few years due to supply chain issues and this is expected to continue in the short term. Fuel savings due to price fluctuations +£0.042M
- Budgeted income from promenade vendors and events had been reduced due to the expectation of sites not being available in 23/24. Delays have meant the reduction has not yet materialised resulting in the continuation of existing rentals +£0.044M

### Governance (-£0.094M) Adverse

#### 7.5 Significant budget variances : -

- Estimated pay award additional cost (-£0.014M)
- Cost of living and mortgage interest rate increase has resulted in a downturn in the housing market leading to a decline in applications since late 22/23 (-£0.028M)
- No income expected from Street Trading as this is still under review (-£0.020M) and reduced Premises Licence income (-£0.014M)

Housing & Property (-£0.255M) Adverse

7.6 Significant budget variances: -

- Estimated pay award additional cost (-£0.045M)
- Salary savings +£0.248M largely due to vacancies within private sector housing section
- Energy price changes +£0.217M
- Increased bed & breakfast costs due to higher number of homeless families (-£0.483M), to be funded from external grants +£0.483M
- Reduction in income due to ceasing of Housing Benefit subsidy (-£0.076M)
- Additional costs relating to Mellishaw Park redevelopment including site clearance, insurance and loss of rent due to delays starting on site (-£0.094M)
- Compliance consultancy relating to corporate and commercial buildings (-£0.053M)
- Rent & service charge shortfall in respect of 3 fire damaged units at Gateway (-£0.256M)
- Cost to remove and rebuild wall at Gateway (-£0.055M)
- Business rates payable due to vacant commercial unit at Hilmore Way (-£0.056M)

People & Policy +£0.656M Adverse

7.7 Significant budget variance: -

- Salary savings +£0.088M
- Removal of approved staff savings target (-£0.142M) made elsewhere within services.
- Projected severance payments (-£0.598M) relating to redundancies in the year as detailed in section 6.2 above.

Planning & Climate Change (-£0.041M) Adverse

7.8 Significant budget variances: -

- Estimated pay award additional cost (-£0.017M)
- Salary savings +£0.307M which includes 7fte vacant planning positions.
- Additional cost of Capita consultancy required to deliver building control (-£0.130M)
- Planning fee income has slowed down in-line with nationwide trend (-£0.100M)
- Legal/expert witness costs (-£0.085M) regarding planning appeals

Resources +£0.153M Favourable

7.9 Significant budget variances: -

- Estimated pay award additional cost (-£0.013M)
- Salary savings +£0.271M including key accountancy and ICT vacancies.
- Increase in external audit fees payable (-£0.093M)
- Revenues shared service charges from Preston City Council reduced +£0.021M
- Reduction in Housing Benefit management fee grant (-£0.037M) received from central government.

Sustainable Growth +£0.443M Favourable

7.10 Significant budget variances: -

- Estimated pay award additional cost (-£0.008M)
- Salary savings +£0.213M which includes Economic Development Manager position to be deleted and various positions funded by UKSPF for an interim period.
- Consultancy costs (-£0.035M) for Canal Quarter and Frontierland not included in budget.
- Energy price changes +£0.070M
- Business rates revaluations largely relating to Museums and Car Parks +£0.255M
- Market income (-£0.030M) down on last year with a higher number of vacant stalls and units. A publicity drive and signage improvements are underway to encourage new stall holders.

Corporate Services (-£1.593M) Adverse

7.11 Significant budget variances: -

- The provision for staff turnover target (-£0.447M) is held within Corporate Services



whilst the additional costs/savings generated are attributed to the individual service lines. The council salary related position as a whole (including the additional pay award, agency and consultancy costs) is expected to be overspent by -£0.051M. However, it should be noted that the approved pay award has had a significant detrimental impact of (-£0.399M) which is included within the overall total.

- An additional top-up pension payment in of (-£0.131M) is due in respect of 2022/23 actual pensionable pay (originally planned for in 2022/23 but notified after the IAS 19 schedule had been prepared by the actuary so not able to be recognised in that year)
- Projected pension strain payments (-£0.393M) relating to redundancies made through the year as detailed in section 6.2.
- A reassessment of the bad debt provision (-£0.389M) includes a significant increase in allowances for rental income due from commercial properties.
- An amount of (-£0.232M) income from HRA relating to a proportion of recharged pension cost is not expected as this cost is now accounted for directly within HRA.

### Other Items +£1.386M Favourable

#### 7.12 Significant budget variances: -

- The Council's minimum revenue provision (MRP) is underspending against budget +£0.285K due slippage on capital programme schemes during 2022/23.
- New borrowing has not been incurred as anticipated largely due to significant levels of slippage on schemes in the capital programme leading to higher levels of cash balances +£0.582M
- Interest rates on investment income are substantially higher than the 4% forecast in September 2022 due to increase in bank rate in response to inflationary pressures +£0.519M

### Financing +£0.167M Favourable

#### 7.13 Significant budget variances: -

- There is a back-dated one-off technical adjustment to retained business rates income which DHLUC employ relating to the 2023 rating revaluation. The same process occurred for the 2017 revaluation. The adjustment relates to the difference between the draft NNDR data used for 22/23 and the updated position following the submission of the NNDR3 form at the end of the financial year.

7.14 Appendix B: General Fund Service Analysis (Q2) set out the above information in more detail and provides summary percentage variations for variances +/- £30K. Appendix I provides additional analysis across individual service areas.

7.15 The revenue position provided within table 1 above is analysed across the Council's subjective headings and is set out in table 2 below.

Table 2 Quarter 2 Financial Monitoring – Subjective Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Employees	24,741	24,829	11,981	25,751	(922)
Premises Related Exp	6,967	6,973	3,592	6,285	+688
Transport Related Exp	1,656	1,656	958	1,771	(115)
Supplies and Services	12,934	13,013	7,062	15,737	(2,724)
Transfer Payments	21,977	21,977	9,185	21,977	0
Support Services	60	60	44	152	(92)
Capital Charges	17	17	0	17	0
Capital Financing Costs	2,152	2,152	300	1,570	+582
Appropriations	1,255	1,255	0	970	+285
Income	(49,197)	(49,370)	(30,265)	(50,890)	+1,520
Capital Financing Inc	(300)	(300)	0	(300)	0
<b>Sub Total</b>	<b>22,262</b>	<b>22,262</b>	<b>2,857</b>	<b>23,040</b>	<b>(778)</b>
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	0	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	907	(139)	0
Revenue Reserve funded items included in above analysis	297	2,541	(139)	1,418	+1,123
Revenue Reserve funded items included in above analysis	(297)	(2,541)	49	(1,418)	(1,123)
<b>Sub Total</b>	<b>(1,171)</b>	<b>(1,171)</b>	<b>817</b>	<b>(1,171)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,091</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778)</b>
Financing Income	(10,481)	(10,481)	4,464	(10,648)	+167
<b>Council Tax Requirement</b>	<b>10,610</b>	<b>10,610</b>	<b>8,138</b>	<b>11,221</b>	<b>(611)</b>

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

## 8.0 HOUSING REVENUE ACCOUNT SUMMARY POSITION

8.1 As at the end of Q2, a year end overspend against budget of **(-£0.020M)** is projected. A summary of the Q2 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 2 Financial Monitoring – HRA Service Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Policy & Management	2,883	3,123	1,296	3,063	+60
Repairs & Maintenance	7,272	7,958	3,144	8,133	(175)
Welfare Services	(20)	146	(367)	87	+59
Special Services	232	276	156	277	(1)
Miscellaneous Expenses	1,027	977	517	948	+29
Income Account	(16,450)	(16,450)	(8,132)	(16,466)	+16
Capital Charges	5,453	5,453	0	5,453	0
Appropriations	(914)	(2,000)	0	(1,992)	(8)
<b>Sub Total</b>	<b>(517)</b>	<b>(517)</b>	<b>(3,386)</b>	<b>(497)</b>	<b>(20)</b>
Net Recharges to General Fund	517	517	0	517	0
<b>Housing Revenue Account Budget</b>	<b>0</b>	<b>0</b>	<b>(3,386)</b>	<b>20</b>	<b>(20)</b>

8.2 Significant budget variances: -

- Estimated pay award additional cost (-£0.118M)
- Reduction in buildings insurance premium +£0.156M
- Additional costs relating to damp and mould inspections and remediation (-£0.150M)
- Energy price changes +£0.029M
- Additional rent loss from voids due to ongoing capital projects (-£0.145M)
- Additional service charge income including increased uptake of furniture package service and due to volatility in energy costs +£0.232M

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

## 9.0 CAPITAL PROJECTS (General Fund & HRA)

- 9.1 At Q2 a year end variance against budget of **£7.027M** (General Fund +£6.982M, HRA (+£0.045M)) is projected. Summary details for both the General Fund and HRA are set out in table 4 below.

Table 4 Quarter 2 Financial Monitoring – Capital Projects

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000
<b>General Fund</b>					
Communities & Leisure	161	259	264	264	(5)
Environment & Place	1,239	2,643	68	1,608	+1,035
Housing & Property	2,283	2,437	(2,669)	1,857	+580
People & Policy	0	0	(40)	0	0
Planning & Climate Change	4,487	4,487	(240)	100	+4,387
Resources	965	1,141	179	1,386	(245)
Sustainable Growth	2,221	2,467	(5,037)	1,237	+1,230
<b>GENERAL FUND - TOTAL</b>	<b>11,356</b>	<b>13,434</b>	<b>(7,475)</b>	<b>6,452</b>	<b>6,982</b>
<b>Housing Revenue Account</b>					
Adaptations	300	300	158	420	(120)
Energy Efficiency / Boiler Replacement	999	1,193	247	1,216	(23)
Kitchen / Bathroom Refurbishment	938	938	405	972	(34)
External Refurbishment	357	282	40	153	+129
Environmental Improvements	150	570	82	570	0
Re-roofing / Window Renewals	557	726	159	671	+55
Rewiring	88	125	33	125	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	280	520	257	526	(6)
Housing Renewal & Renovation	577	1,263	227	1,219	+44
Mainway Pilot Scheme	1,950	1,950	869	1,950	0
<b>HOUSING REVENUE ACCOUNT - TOTAL</b>	<b>6,196</b>	<b>7,867</b>	<b>2,477</b>	<b>7,822</b>	<b>45</b>
<b>GRAND TOTAL</b>	<b>17,552</b>	<b>21,301</b>	<b>(4,998)</b>	<b>14,274</b>	<b>+7,027</b>

- 9.2 The Capital Programme working budget has been adjusted as follows during quarter 2:  
£M

Working budget reported at quarter 1	11.378
Net Slippage & accelerated expenditure	<u>2.056</u>
Working budget at quarter 2	13,434

- 9.3 The underspending against budget relates principally to General Fund. Schemes currently in the Development Pool account for £4.7M of the underspend. Extended timescales for vehicle deliveries are expected to lead to £1.035M and £0.127M slippage in the vehicle replacement programme and the purchase of vehicles for the home improvement team. £0.984M expenditure in respect of the Gateway Solar Array will not be completed until 2024/25 following a wider review of the asset. The allocation of £0.487M for Property De-Carbonisation works is now expected to commence in 2024/25.
- 9.4 Two schemes are expected to utilise some of their 2024/25 capital budget during the current financial year as works are proceeding more quickly than originally anticipated. These are Lancaster Local Fibre Network (-£0.245M) and Mellishaw Park (-£0.168M). It is expected that the £0.425M budget for Morecambe Co-op Renovation is likely to be released as the scheme is now likely to be fully funded using Brownfield Land Release Fund grant. This will be subject to a future separate report to Cabinet.
- 9.5 Three schemes within the General Fund capital programme are currently expected to overspend largely as a result of unexpected costs. These are Mellishaw Park (-£0.256M), Gateway Low Voltage Switchgear (-£0.045M) and 1 Lodge Street (-£0.057M).
- 9.6 The overall projected favourable variance on the HRA Capital Programme of (+£0.045M) relates to additional materials costs off-set by underspends elsewhere within the

programme, alongside a virement to fund additional adaptation works, subject to ICMD approval.

- 9.7 Appendix E General Fund Capital Projects and Appendix F HRA Capital Projects provide further information and summary commentary.

## 10.0 RESERVES

- 10.1 The Council's unallocated balances are projected to be **£9.970M**. This takes account of the projected net overspend reported here. Overall, the combined level of usable reserves is forecast to decrease to **£22.547M**. Table 6 Quarter 2 Financial Monitoring – Reserves provides summary details for both Unallocated and Earmarked Reserves.

Table 6 Quarter 2 Financial Monitoring – Reserves

	<----- ORIGINAL BUDGET ----->				<----- PROJECTED OUTTURN ----->					
	31 March 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024	31 March 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024
	£	£	£	£	£	£	£	£	£	£
<b>Unallocated Balances</b>	(9,145,100)				(9,145,100)	(11,678,400)			1,708,000	(9,970,400)
<b>Total Earmarked Reserves</b>	(11,497,500)	(2,591,000)	187,000	2,019,000	(11,882,500)	(13,074,700)	(2,852,000)	229,000	3,121,090	(12,576,610)
<b>Total Combined Reserves</b>	(20,642,600)	(2,591,000)	187,000	2,019,000	(21,027,600)	(24,753,100)	(2,852,000)	229,000	4,829,090	(22,547,010)

- 10.2 Appendix G: Reserves Projected Outturn provides further detailed analysis.

- 10.3 The Council's reserves will be used to manage the impact of the cost of living crisis and also support the work to address the underlying structural deficit through the OBR process. As a result, they are fundamental to ensuring the financial sustainability of the Council as it deals with these pressures and will be kept under review by Officers and Members.

## 11.0 COLLECTION FUND

### Business Rates

- 11.1 At the Autumn Statement on 17 November 2022 Central Government announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties in 2023/24. The 2023/24 Retail, Hospitality and Leisure Business Rates Relief scheme provides eligible, occupied, retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief, using a grant under section 31 of the Local Government Act 2003.
- 11.2 The collection rate for Business Rates is currently 54.8%, which is ahead of the profiled target of 51.4%. The annual target is 98.0%.

### Council Tax

- 11.3 The current collection rate for Council Tax is 55% which is slightly behind the profiled target of 56.5%. The annual target is 95.0%. The number of Local Council Tax Support claimants at Q2 is 9,671.

## 12.0 WRITE OFFS











- 12.1 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 Offs

	Q1	Q2	Q3	Q4	Total
Council Tax	54,395	147,683			202,078
Business Rates	190,998	69,756			260,754
Housing Benefit Overpayments	0	38,126			38,126
Housing Rents (HRA)	31,577	17,452			49,029
<b>Total</b>	<b>276,970</b>	<b>273,017</b>	<b>0</b>	<b>0</b>	<b>549,987</b>

- 12.2 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.

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>	
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.	
<b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b>	
None directly identifiable, due to the high level nature of this report.	
<b>LEGAL IMPLICATIONS</b>	
There are no legal implications directly arising.	
<b>FINANCIAL IMPLICATIONS</b>	
As set out in the report.	
<b>OTHER RESOURCE IMPLICATIONS</b>	
<b>Human Resources / Information Services / Property / Open Spaces:</b>	
References and any related implications are contained within the report and related appendices.	
<b>SECTION 151 OFFICER'S COMMENTS</b>	
The report has been written by the Section 151 Officer.	
<b>MONITORING OFFICER'S COMMENTS</b>	
The Monitoring Officer has been consulted and has no further comments	
<b>BACKGROUND PAPERS</b>	<b>Contact Officers:</b> Paul Thompson Chief Finance Officer & s151 Officer <b>Telephone:</b> 01524 582603 <b>E-mail:</b> <a href="mailto:pthompson@lancaster.gov.uk">pthompson@lancaster.gov.uk</a> <b>Ref:</b>
None.	

 <p><b>LANCASTER CITY COUNCIL</b> Promoting City, Coast &amp; Countryside</p>	<p><b>Corporate programmes, projects and performance update – 30<sup>th</sup> September 2023 (Q2)</b></p>	<p><b>Status Key - Projects</b></p> <table border="1"> <tr> <td><b>R</b></td> <td>Red – The project has experienced some major issues. Plan – the go-live date has slipped, Cost – over or under budget by more than 20%, Scope – several of the expected benefits may not be realised.</td> <td><b>C</b></td> <td>Complete or Closed</td> </tr> <tr> <td><b>A</b></td> <td>Amber – The project has experienced some issues. Plan – has slipped but won't affect go-live date, Cost – over or under budget by less than 20%, Scope – one or more benefits may not be realised.</td> <td><b>N</b></td> <td>Not Started</td> </tr> <tr> <td><b>G</b></td> <td>Green – The project is on track (within the project tolerance)</td> <td><b>H</b></td> <td>On hold</td> </tr> <tr> <td><b>X</b></td> <td>No data available / data not requested due to stage</td> <td></td> <td></td> </tr> </table>			<b>R</b>	Red – The project has experienced some major issues. Plan – the go-live date has slipped, Cost – over or under budget by more than 20%, Scope – several of the expected benefits may not be realised.	<b>C</b>	Complete or Closed	<b>A</b>	Amber – The project has experienced some issues. Plan – has slipped but won't affect go-live date, Cost – over or under budget by less than 20%, Scope – one or more benefits may not be realised.	<b>N</b>	Not Started	<b>G</b>	Green – The project is on track (within the project tolerance)	<b>H</b>	On hold	<b>X</b>	No data available / data not requested due to stage		
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<b>G</b>	Green – The project is on track (within the project tolerance)	<b>H</b>	On hold																	
<b>X</b>	No data available / data not requested due to stage																			
<p><b>Priorities Key</b></p> <table border="1"> <tr> <td><b>I</b></td> <td>An Inclusive and Prosperous Local Economy (Economy)</td> </tr> <tr> <td><b>S</b></td> <td>A Sustainable District (Environmental)</td> </tr> <tr> <td><b>H</b></td> <td>Healthy and Happy Communities (Social)</td> </tr> <tr> <td><b>R</b></td> <td>A Co-operative, Kind and Responsible Council (Governance)</td> </tr> </table>		<b>I</b>	An Inclusive and Prosperous Local Economy (Economy)	<b>S</b>	A Sustainable District (Environmental)	<b>H</b>	Healthy and Happy Communities (Social)	<b>R</b>	A Co-operative, Kind and Responsible Council (Governance)	<p><b>Status key – Performance</b> (compared to previous reporting period)</p> <table border="1"> <tr> <td></td> <td>The KPI has improved</td> <td></td> <td>The KPI is broadly the same</td> <td></td> <td>The KPI has worsened</td> </tr> </table>				The KPI has improved		The KPI is broadly the same		The KPI has worsened		
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	The KPI has improved		The KPI is broadly the same		The KPI has worsened															

\* Projects in the Concept stage will not usually have updates




### An Inclusive and Prosperous Local Economy (Economy)

#### Projects

Priority	Project Name	Update	Stage	Updated	Status		
					Plan	Cost	Scope
I	Heritage Action Project	No update received.	Delivery	N/A	X	X	X
I	South Lancaster Growth Catalyst	Lancashire County Council's announcement (June 2023) to return the Housing Infrastructure Fund (HIF) monies due to escalating costs, supply chain issues and inflationary pressures was supported by the City Council. Re-evaluation of plans for strategic transport across the city, including South Lancaster, is taking place with County Council colleagues. The emergence of new strategic transport proposals will be informed by these discussions; the availability of any national funding; and the progress of the proposed new District Local Plan. For future project reporting purposes, SLGC will no longer appear as a 'project'. It will eventually be replaced by 'Lancaster Strategic Transport Infrastructure' once new proposals begin to emerge.	Closed	06/10/23	C	C	C
I	<a href="#">Canal Quarter Phase 3</a> (part of Canal Quarter programme)	Masterplan and phasing formally adopted as corporate policy by Full Council in July 2023. Work progressing on the Coopers Field scheme with regard to ground investigation and scheme viability. Nelson St tender returns did not meet the Councils aspirations and the opportunity was re-tendered late September with a December deadline.	Delivery	17/10/23	G	G	G
I	<a href="#">Our Future Coasts</a>	We have implemented our design for community co-design at our Hest Bank Site, our drop in was a very successful event, 60 people between 12-7pm. Our Steering group has sat and the design specification for the design committee is in the process of being formalised, the design committee date has been set for the 17th October. We are in the process of organising a drop in and steering group meeting for Jenny Brown's Point.	Delivery	04/10/23	A	G	G
I	<a href="#">Heysham Gateway</a>	Consultants WSP have continued to prepare progress work to develop the masterplan and delivery strategy for both the city and county council's land interests on Imperial Road and the wider Heysham Gateway area. Over summer they have undertaken ground investigation works, prepared draft masterplan, environmental and transport documents.	Detailed Design	17/10/23	A	G	G
I	<a href="#">Canal Quarter - Coopers Field</a>	Some delays to programme seen, although progress with project not significantly impacted. Project programme recast alongside PRP & Eric Wright Construction. Design work being finalised, and surveys and site investigations have continued (awaiting findings) ready for progression for pre-app submission.	Detailed Design	12/10/23	G	G	G
I	<a href="#">Fair Work Charter</a>	Lancaster City Council has received Real Living Wage (RLW) employer accreditation from the Living Wage Foundation. The Fair Work Charter will be promoted at the launch of the Training Providers Network and the Business Support Providers Network due to be launched mid November 2023.	Detailed Design	17/10/23	A	G	G
I	1 Lodge Street Urgent Structural Repairs	Work with the Musicians Co-Op as continued over the quarter and a long-term lease of the premises has been agreed on the Lodge Street property along with a Grant Funding Agreement for the buildings roofing works. With the advice and support of Council officers the Musicians Co-op have tendered for works to start in Q3 and will commence claiming the City Councils contribution to the works on a monthly basis shortly. Along with £300,000 of Governments Community Ownership funding (£250,000 for capital works and £50,000 revenue) the Co-Op is also looking to secure UKSPF funding and the property may also benefit from a LSHAZ grant.	Feasibility	17/10/23	X	X	X
I	Centenary House (formerly reported on as Morecambe Co-op Building Renovation)	The Council made a successful bid to the governments Brownfield Lane Release Fund programme. Subject to Cabinet approval in December, the £749K grant will enable the Council working with a developer to develop plans to bring forward plans to regenerate this prominent building in the Morecambe's West End. The intention is to refurbish the upper floors to provide affordable housing and accommodation for local arts businesses whilst retaining the Co-Op store that occupies half of the ground floor.	Feasibility	17/10/23	X	X	X
I	Eden Project Morecambe	Work on Eden continues at a pace with work focused on Subsidy Control evidence to submit to the Competition and Markets Authority. Meanwhile match funding is being sourced to enable detailed design and start on site during 2024. A study to re-baseline the costs and programme is underway and due for completion October 2024.	Feasibility	06/10/23	X	X	X
I	Frontierland	Following a revised expression of interest competition over the summer the Councils Cabinet have agreed to take forward the procurement of a preferred developer for the site. To help inform the re-development of the site a public	Feasibility	17/10/23	X	X	X









				consultation on high level objectives will be undertaken shortly. A project board for the site has been established and includes six cabinet members as well as officers.						
I	S			<a href="#">Lune Flood Protection, Caton Road</a>	Confirming financial position and any outstanding contributions that need to be secured. Position has been confirmed and we are moving to design and delivery.	Feasibility	02/10/23	G	G	G
I		H		Williamson Park (Café and Play Development)	This project is currently on hold.	On hold	N/A	H	H	H

Priority	Measure	2022-23			2023-24		Comments and direction of travel
		Q2	Q3	Q4	Q1	Q2	
I	% of minor planning applications determined within 8 weeks or agreed time (National Target 70%)	87.69	89.93	91.61	88.57	87.14	There is a slight decrease from last Quarter, but the figure is broadly the same. 
I	% of other planning applications determined within 8 weeks or agreed time (National Target 70%)	95.08	88.14	88.40	95.55	93.27	There is a slight decrease from last Quarter, but the figure is broadly the same. 
I	% of major planning applications determined within 13 weeks or agreed time (National Target 60%)	100	83.33	100	100	87.50	There is a decrease from last Quarter. 

### A Sustainable District (Environmental)

#### Projects

Priority	Project Name	Update	Stage	Updated	Status		
					Plan	Cost	Scope
S	District Heat Network Feasibility (part of Carbon Neutral Programme)	The project is now complete.	Complete	N/A	C	C	C
S	Burrow Beck Solar Farm (part of Carbon Neutral Programme)	We are working towards submitting a full planning application by November 2023. The final business case will be going to Cabinet in or around December 2023 and if approved, the project will then move into the Detailed Design and Procurement Stage, then onto Delivery.	Feasibility	18/10/23	X	X	X
S	Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme)	This project is currently on hold.	On hold	N/A	H	H	H

Priority	Measure	2022-23			2023-24		Comments and direction of travel
		Q2	Q3	Q4	Q1	Q2	
S	% of household waste recycled (quarter behind)	39	38.3	38.3	34.7	39.1	Figure in line with expectation and year on year comparison. 
S	Kg of residual waste per household (quarter behind)	90.2	90.5	94.3	84.9	90.8	Figure in line with expectations and previous quarters. 
S	Diesel consumption of council vehicle fleet (ltrs)	117,736	104,184	113,298	114,907	117,060	There is a slight increase from last Quarter, but the figure is broadly the same. 
S	Cost/m2 (£) energy across corporate buildings (quarter behind)*	£7.51	£6.48	£12.69	£12.94	£9.16	We have changed the definition of this measure and updated all the previous data shown on this report. The measure used to include the 4 main council office buildings and it now includes all 51 of the council assets classified as corporate. 
S	Gas KWH usage in council buildings (quarter behind)*	373,646	116,123	777,515	824,978	223,109	We have changed the definition of this measure and update all the previous data shown on this report. The measure used to include the 4 main council office buildings and it now includes all 51 of the council buildings classified as corporate. 
S	Electricity KWH usage in council buildings (quarter behind)*	605,911	604,981	1,000,721	1,188,505	601,585	We have changed the definition of this measure and updated all the previous data shown on this report. The measure used to include commercial and corporate assets, but now only covers all 51 of the council assets classified as corporate. 







\* The measures marked with a \* compare to like quarters of the previous year, and not the previous quarter.

### Healthy & Happy Communities (Social)

#### Projects

Priority	Project Name	Update	Stage	Updated	Status		
					Plan	Cost	Scope
	<a href="#">Mellishaw Park</a> (part of Homes Programme)	Progress against plan continues. Underground drainage has been installed, foundations to the plots have been dug including floor-level brickwork installed and timber frames and roof trusses installed to the majority of plots. The project has seen an increase in projected project costs linked to a renewed quote from Electricity North West with the project requiring to support substation upgrades which was over and above previous figures received.	Delivery	12/10/23	G	A	G

S	H	<a href="#">My Mainway</a> (part of Homes Programme)	Progress to plan continues. At the start of this quarter the Council completed on the purchase of the Skerton High School, there have been delays with progressing with the demolition of this site, however this currently does not impact on the overall project. Funding application with Brownfield Land Release Fund (BLRF) successful towards demolition costs. Pre-app has been received at the end of the quarter and will inform progress and consultation alongside viability appraisal work.	Detailed Design	12/10/23	A	A	G
S	H	Extra Care Scheme (part of Homes Programme)	This project is currently on hold.	On hold	N/A	H	H	H
	H	LATCo - Housing Companies (part of Funding the Future)	Morehomes for the Bay incorporated and Business Plan approved. Options for schemes being considered but none currently in progress.	On hold	N/A	H	H	H

Priority	Measure	2022-23			2023-24		Comments and direction of travel
		Q2	Q3	Q4	Q1	Q2	
H	Number of people statutorily homeless	7	15	24	27	27	The lack of private rented properties for people on benefits is becoming increasingly difficult to access as rents have increased and the local housing allowance rates have not increased leaving a significant shortfall causing affordability issues and landlords opting for tenants who are working and can afford to pay the higher rents. Social housing is also in short supply which means we are unable to find a housing solution for those having to leave accommodation and move them on in a timely manner resulting in more and households having to move into hotel/bnb temporary accommodation and accepting a full main duty to rehouse increasing the statutory homeless numbers. 
H	Number of Disabled Facilities Grants completed	89	84	75	63	91	Referrals for Disabled Facilities Grants (DFG) are received from the County Council, Occupational Therapy (OT) service who have the duty to assess residents to determine their needs for adaptations. Throughout Q1 the number of referrals reduced significantly. This was the result of the county council focusing on other districts to clear backlogs. These backlogs do not exist in Lancaster. This lack of referrals resulted in a lower than forecasted level of grant approvals and subsequent completions in Q1. At the beginning of Q2 the city councils Home Improvement Agency commenced an extensive promotional campaign to raise awareness of grants to local partners and residents, to encourage direct referrals. As a result, the number of approvals required to fully commit the annual DFG allocation was on target at the end of Q2. Based on current grant approvals the number of completed grants at the end 23/24 is expected to be as forecasted. 
H	Number of properties improved	126	89	63	137	71	Michael Gove wrote to all Chief Executives in September encouraging them to prioritise housing standards in the private sector, in particular around damp and mould. A significant proportion of our work continues to be related to cold, damp homes, so we are preparing for an increase in complaints over the winter. Other changes in legislation around the private rented sector are anticipated and will have an impact on our work. 
I	% of premises scoring 4 or higher on the food hygiene rating scheme	89.8	90.4	91.1	93	92.5	98.9% scored 3 or higher (3 = satisfactory) 
H	Number of admissions to Salt Ayre Leisure Centre*	225,949	217,166	263,320	227,950	249,184	SALC has seen a significant increase in footfall compared to Q2 22/23. Contributing factors have been running the Holiday Activity and Food Programme and an increase in take up for Summer Holiday Activities due to wet weather conditions. 
H	Average number of days taken to re-let Council houses (Internal KPI <28 days)	27.2	26.36	27.92	19.76	18.21	This is representative of the Standard Relet Time and does not include Major Voids (in keeping with advice and guidance from Housemark). 

\* The measures marked with a \* compare to like quarters of the previous year, and not the previous quarter.

A Co-operative, Kind and Responsible Council (Governance)								
Projects								
Priority	Project Name	Update	Stage	Updated	Status			
					Plan	Cost	Scope	
	<a href="#">Outcomes Based Resourcing (OBR)</a>	The bulk of the savings agreed in February 23 have now been realised in line with the project plan. The digitalisation workpiece which in the first instance is looking at improvements in three services is progressing well, with outline business cases for these improvements in place.	Delivery	13/10/23	A	G	G	
I	<a href="#">UK Shared Prosperity Fund (UKSPF)</a>	Projects allocated funding in earlier stages of the UK Shared Prosperity Fund are now delivering outputs and outcomes and providing report updates on individual project progress. Following an application window and evaluation process, a further	Delivery	13/10/23	G	A	G	



				round of projects are due to commence during Quarter 3 of 2023-2024. Further commissioning and targeted calls for grant applications are scheduled for later stages of the UK Shared Prosperity Fund programme. The first Rural England Prosperity Fund application launch resulted in 8 funding awards for project delivery. A further round of applications are expected in Quarter 4 of 2023-2024.					
		R	<a href="#">High-Capacity Fibre Cable Network Provision</a> (part of Digital Programme)	We are reviewing the route for the fibre backbone to reduce costs where possible and avoid areas where the ducts are already full. Sub-contractors have been chosen for the works and they are working with us to take deliveries of equipment and cables as they become available. Lancashire County Council highways department has offered us assistance by reducing the costs for permits to work and they want to work with us as the fibre network is deployed as they can see the benefits it can bring them. Due to the lead times on the fibre etc we are unable to move forward until the components are delivered ready for us to install, this delay was expected and unavoidable.	Detailed Design	18/10/23	G	G	G
		R	5G Strategy (part of Digital Programme)	This project is currently on hold.	On hold	N/A	H	H	H

Priority	Measure	2022-23			2023-24		Comments and direction of travel		
		Q2	Q3	Q4	Q1	Q2			
R	Average social media engagement rate	1.05	-	-	-	-	This measure is under review	N/A	
R	Total digital audience	428,981	-	-	-	-	This measure is under review	N/A	
R	Average number of days' sickness per full-time equivalent (measure revised in Q1 23-24)	-	-	-	2.91	2.76	There is a slight decrease from last Quarter, but the figure is broadly the same.	➔	
R	% occupancy rates for commercial properties	98.37	98.53	98.53	98.18	97.38	Occupancy rates show a slight decrease on the last quarter due to some offices in CityLab being surrendered back. The occupation of our commercial properties continues at an exceptionally high level.	➔	
H	R	Average time taken to process new Housing Benefit claims (days)	21.23	16.08	16.8	Revised Q1 figure 24.5 (prev 26.51)	26.8	The Benefits team reviewed their new claims statistics back to 01/04/23 and identified some issues that required correction. As a result, the Quarter 1 figure has been amended.	➔

**QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2023/24**

	Original Budget 2023/24 £'000	Budget Amendments 2023/24 £'000	Working Budget 2023/24 £'000	Q1 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000	Variance +/- £30K %
<b>Services</b>							
<a href="#">Communities &amp; Leisure</a>	Community Connectors	279	0	279	161	316	(37) (13%)
	Customer Services	576	0	576	315	561	15
	Facilities Management	426	31	457	349	381	76 +17%
	Food Safety	796	(226)	570	70	396	174 +31%
	Pest Control	(31)	0	(31)	(46)	(29)	(2)
	Salt Ayre Leisure Centre	545	0	545	324	717	(172) (32%)
	VCFS	304	0	304	175	304	0
<a href="#">Environment &amp; Place</a>	AONB & Nature Reserves	115	0	115	(120)	91	24
	Environmental Protection	446	(52)	394	(19)	381	13
	Fleet Management	36	0	36	112	68	(32) (89%)
	Hospitality & Events Management	198	(44)	154	(65)	100	54 +35%
	Parks & Open Spaces	1,386	0	1,386	715	1,354	32 +2%
	Service Support	639	138	777	290	725	52 +7%
	Street Cleaning	1,607	0	1,607	771	1,682	(75) (5%)
	Streetscape	92	0	92	17	73	19
	Trade Refuse	(870)	0	(870)	(1,214)	(906)	36 +4%
	Waste Collection	2,849	0	2,849	1,102	3,143	(294) (10%)
	Williamson Park	456	0	456	66	460	(4)
<a href="#">Governance</a>	Democratic Support & Elections	1,027	0	1,027	584	1,006	21
	Legal Services	395	101	496	301	549	(53) (11%)
	Licensing	(108)	0	(108)	14	(46)	(62) (57%)
<a href="#">Housing &amp; Property</a>	Commercial Land & Properties	(1,625)	0	(1,625)	239	(1,326)	(299) (18%)
	Municipal Buildings	892	0	892	328	760	132 +15%
	Other Land & Buildings	108	0	108	23	83	25
	GF Housing Schemes	103	0	103	141	196	(93) (90%)
	Private Sector Housing	639	197	836	(1,924)	846	(10)
	Property Group	750	12	762	266	779	(17)
	Public Health Services	124	0	124	42	117	7
	Repairs & Maintenance	0	0	0	0	0	0
<a href="#">People &amp; Policy</a>	Exec Support	557	0	557	302	646	(89) (16%)
	HR & OD	889	(101)	788	436	1,379	(591) (75%)
	Communications & Marketing	303	(21)	282	116	258	24
	Emergency Planning & CSP	90	0	90	27	92	(2)
	Health & Safety	70	0	70	29	69	1
	Projects & Performance	127	0	127	101	128	(1)
	Visitor Information Centres	133	0	133	139	131	2
<a href="#">Planning &amp; Climate Change</a>	CCTV	58	0	58	57	58	0
	Corporate Climate Change	125	0	125	4	147	(22)
	DM - Building Control	87	0	87	(12)	178	(91) (105%)
	DM - Planning	583	0	583	231	544	39 +7%
	Planning & Housing Strategy	852	0	852	306	819	33 +4%
<a href="#">Resources</a>	Internal Audit	163	0	163	111	162	1
	Finance	1,598	0	1,598	647	1,500	98 +6%
	ICT	1,645	0	1,645	874	1,575	70 +4%
	Revenues & Benefits	1,115	0	1,115	(2,676)	1,131	(16)
<a href="#">Sustainable Growth</a>	Economic Development & Culture	492	(35)	457	220	377	80 +18%
	Markets	(47)	0	(47)	(94)	(38)	(9)
	Museums	599	0	599	178	459	140 +23%
	Parking	(2,251)	0	(2,251)	(1,113)	(2,359)	108 +5%
	Regeneration	877	0	877	418	832	45 +5%
	Strategic Projects & Engineers	534	0	534	145	487	47 +9%
	The Platform	106	0	106	(36)	74	32 +30%
		<b>20,859</b>	<b>0</b>	<b>20,859</b>	<b>3,427</b>	<b>21,430</b>	<b>(571) (3%)</b>
<b>Corporate Services</b>							
<a href="#">Corporate Accounts</a>	Corporate Accounts	(135)	0	(135)	229	1,458	(1,593) (1180%)
	Contributions from Reserves	(1,855)	0	(1,855)	0	(1,855)	0
	Government Grants	(1,026)	0	(1,026)	(695)	(1,026)	0
	Interest Payable	2,151	0	2,151	301	1,569	582 +27%
	Interest Receivable	(842)	0	(842)	(405)	(1,361)	519 +62%
<a href="#">Other Items</a>	Minimum Revenue Provision	2,923	0	2,923	0	2,638	285 +10%
	Notional Charges	0	0	0	0	0	0
	Pandemic Support	0	0	0	0	0	0
	Revenue Funding of Capital	187	0	187	0	187	0
	UKSPF	0	0	0	0	0	0
		<b>1,403</b>	<b>0</b>	<b>1,403</b>	<b>(570)</b>	<b>1,610</b>	<b>(207) (15%)</b>
	Net Recharges to Housing Revenue Account	(1,032)	0	(1,032)	0	(1,032)	0
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	907	(139)	0
	Revenue Reserve funded items included in above analysis (Revenue)	297	2,244	2,541	(139)	1,418	1,123 +44%
	Revenue Reserve funded items included in above analysis (Appropriati	(297)	(2,244)	(2,541)	49	(1,418)	(1,123) (44%)
<b>General Fund Revenue Budget</b>		<b>21,091</b>	<b>0</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778) (4%)</b>
Core Funding :	Revenue Support Grant	(406)	0	(406)	(211)	(406)	0
	Additional New Homes Bonus	0	0	0	0	0	0
	Supplementary Government Grants	0	0	0	0	0	0
	Prior Year Council Tax Surplus	181	0	181	0	181	0
	Net Business Rates Income	(10,256)	0	(10,256)	4,675	(10,423)	167 +2%
<b>Council Tax Requirement</b>		<b>10,610</b>	<b>0</b>	<b>10,610</b>	<b>8,138</b>	<b>11,221</b>	<b>(611) (6%)</b>

**Notes:**

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

**QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 2023/24**

		Original Budget 2023/24 £'000	Budget Amendments 2023/24 £'000	Working Budget 2023/24 £'000	Q3 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000	Variance +/- £30K %
Employees	Direct Employee Expenses	23,982	87	24,069	11,366	23,528	541	+2%
	Indirect Employee Expenses	759	0	759	615	2,223	(1,464)	(193%)
Premises Related Exp	Cleaning and Domestic Supplies	392	0	392	169	380	12	
	Energy Costs	2,747	0	2,747	337	2,192	555	+20%
	Fixtures and Fittings	1	0	1	0	1	0	
	Grounds Maintenance Costs	44	0	44	7	59	(15)	
	Operational Bldgs Allocation	246	0	246	84	246	0	
	Other Premises Costs	0	0	0	0	0	0	
	Premises Insurance	421	0	421	290	294	127	+30%
	Rates	1,440	0	1,440	1,269	1,273	167	+12%
	Rents	61	0	61	70	74	(13)	
	Repair and Maintenance	1,268	0	1,268	1,216	1,420	(152)	(12%)
	Water Services	347	0	347	150	346	1	
Transport Related Exp	Car Allowances	3	0	3	5	5	(2)	
	Contract Hire Operating Leases	69	0	69	109	102	(33)	(48%)
	Direct Transport Costs	1,462	0	1,462	764	1,568	(106)	(7%)
	Other Transport Costs	0	0	0	0	0	0	
	Public Transport	21	0	21	4	20	1	
Transport Insurance	101	0	101	76	76	25		
Supplies and Services	Catering	55	0	55	27	54	1	
	Clothing Uniform and Laundry	86	0	86	48	86	0	
	Communications and Computing	1,574	0	1,574	1,193	1,538	36	+2%
	Contribution to Provisions	250	0	250	0	639	(389)	(156%)
	Equip Furniture and Materials	1,436	0	1,436	887	1,555	(119)	(8%)
	Expenses	689	17	706	261	663	43	+6%
	General Office Supplies	255	(11)	244	158	256	(12)	
	Grants and Subscriptions	1,381	76	1,457	1,044	1,860	(403)	(28%)
Miscellaneous Expenses	1,584	3	1,587	386	1,634	(47)	(3%)	
Services	5,624	(6)	5,618	3,058	7,452	(1,834)	(33%)	
Transfer Payments	Housing Benefit	21,977	0	21,977	9,185	21,977	0	
Support Services	Recharges Exp	60	0	60	44	152	(92)	(153%)
Capital Charges	Amortisation of Def Chgs	0	0	0	0	0	0	
	Depreciation	17	0	17	0	17	0	
Capital Financing Costs	Interest Payments	2,152	0	2,152	300	1,570	582	+27%
Appropriations	Appropriations	1,255	0	1,255	0	970	285	+23%
Income	Customer Fees and Charges	(19,082)	0	(19,082)	(10,231)	(18,741)	(341)	(2%)
	Government Grants	(25,256)	(140)	(25,396)	(16,971)	(26,051)	655	+3%
	Interest	(887)	0	(887)	(405)	(1,552)	665	+75%
	Other Grants and Contributions	(1,926)	(26)	(1,952)	(1,975)	(2,518)	566	+29%
	Recharges Inc	(2,046)	0	(2,046)	(683)	(2,028)	(18)	
Capital Financing Inc	Capital Related Income	(300)	0	(300)	0	(300)	0	
	Net Recharges to Housing Revenue Account	(1,032)	0	(1,032)	0	(1,032)	0	
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	907	(139)	0	
	Revenue Reserve funded items included in above analysis (Revenue)	297	2,244	2,541	(139)	1,418	1,123	+44%
	Revenue Reserve funded items included in above analysis (Appropri:	(297)	(2,244)	(2,541)	49	(1,418)	(1,123)	(44%)
<b>GRAND TOTAL</b>		<b>21,091</b>	<b>0</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778)</b>	<b>(4%)</b>

**Notes:**

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

**QUARTER 2 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2023/24**

	Original Budget 2023/24 £'000	Budget Amendments 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000	Variance +/- £30K %
<b>Housing Revenue Account</b>							
Policy & Management	2,883	240	3,123	1,296	3,063	60	+2%
Repairs & Maintenance	7,272	686	7,958	3,144	8,133	(175)	(2%)
Welfare Services	(20)	166	146	(367)	87	59	+40%
Special Services	232	44	276	156	277	(1)	
Miscellaneous Expenses	1,027	(50)	977	517	948	29	
Income Account	(16,450)	0	(16,450)	(8,132)	(16,466)	16	
Capital Charges	5,453	0	5,453	0	5,453	0	
Appropriations	(914)	(1,086)	(2,000)	0	(1,992)	(8)	
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
	<b>(517)</b>	<b>0</b>	<b>(517)</b>	<b>(3,386)</b>	<b>(497)</b>	<b>(20)</b>	
Net Recharges to General Fund	517	0	517	0	517	0	
<b>Housing Revenue Account Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,386)</b>	<b>20</b>	<b>(20)</b>	

**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 2 FINANCIAL CAPITAL MONITORING - GENERAL FUND SERVICE ANALYSIS 2023/24**

	Original Budget 2023/24 £'000	Budget Amendments 2023/24 £'000	Working Budget 2023/24 £'000	Q1 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000	Variance +/- £30K %
<b>Services</b>							
<b>Communities &amp; Leisure</b>							
Salt Ayre Equipment Programme	161	98	259	264	264	(5)	
Purchase Of Vehicles	1,239	1,396	2,635	510	1,600	1,035	+39%
<b>Environment &amp; Place</b>							
Electric Taxis	0	0	0	(342)	0	0	
Happy Mount Park Footpaths	0	8	8	0	8	0	
UKSPF-23-2(yr2) The Streets Are Ours Public Realm	0	0	0	(100)	0	0	
Mellishaw Park	772	0	772	(393)	1,198	(426)	(55%)
Disabled Facilities Grants	0	0	0	(2,407)	0	0	
HIA Purchase of Vehicles	105	22	127	0	0	127	+100%
Next Steps Accommodation Programme	0	23	23	4	23	0	
1 Lodge Street Urgent Structural Repairs	422	0	422	(1)	479	(57)	(14%)
Lancaster City Museum	0	7	7	(1)	10	(3)	
Low Voltage Switchgear & Solar Array - Gateway	984	102	1,086	141	147	939	+86%
Palatine Recreation Ground - Veterans Cl	0	0	0	(12)	0	0	
<b>People &amp; Policy</b>							
UKSPF - 23-24 (yr2) External Projects	0	0	0	(359)	0	0	
REPF 23/24 (yr1) External Projects	0	0	0	(125)	0	0	
PRG Grant	0	0	0	(40)	0	0	
<b>Planning &amp; Climate Change</b>							
Heat De-carbonisation Programme	4,000	(4,000)	0	0	0	0	
Burrow Beck Solar	0	4,000	4,000	0	100	3,900	
Property De-carbonisation Works	487	0	487	(106)	0	487	+100%
SALC Salix Funded Optimised Solar Farm	0	0	0	(134)	0	0	
<b>Resources</b>							
Application System Renewal	0	32	32	18	32	0	
I.S. Desktop Equipment	0	8	8	7	8	0	
I.T.Strategy	135	19	154	10	154	0	
ICT Laptop Replacement & E-campus screens	30	94	124	0	124	0	
ICT Telephony	0	27	27	0	27	0	
Lancaster Local Fibre Network	800	(4)	796	144	1,041	(245)	(31%)
<b>Sustainable Growth</b>							
Artle Beck Improvements	0	0	0	0	0	0	
Brownfield Land Release Fund	0	0	0	(3,518)	0	0	
Caton Road Flood Relief Scheme	0	0	0	(1,669)	0	0	
Coastal Revival Fund - Morecambe Co-op	0	0	0	(9)	0	0	
Engineers Electric Vehicle	0	15	15	0	15	0	
Economic Growth & Regen Devpt Pool	1,100	0	1,100	0	300	800	+73%
Lancaster HS Heritage Action Zone	628	231	859	240	859	0	
Lancaster Square Routes Project	5	0	5	(18)	0	5	
Lawsons Bridge S106 scheme	63	0	63	0	63	0	
UKSPF-23-24 (yr2) Maritime Museum Access	0	0	0	(13)	0	0	
UKSPF-23/24 (yr2) Digital Tourism Transformation	0	0	0	(50)	0	0	
Morecambe Co-op Renovation	425	0	425	0	0	425	+100%
	<b>11,356</b>	<b>2,078</b>	<b>13,434</b>	<b>(7,959)</b>	<b>6,452</b>	<b>6,982</b>	<b>+52%</b>
<b>GRAND TOTAL</b>	<b>11,356</b>	<b>2,078</b>	<b>13,434</b>	<b>(7,959)</b>	<b>6,452</b>	<b>6,982</b>	<b>+52%</b>

**Notes:**

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

## Council Housing Capital Programme 2023/24

	2023/24 Original Budget	2023/24 Working Budget	2023/24 P6 Actual	2023/24 Projected Outturn	2023/24 Variance (Working v Projected)	Comments (Working Budget to Projected Outturn)
	£	£	£	£	£	
<b>EXPENDITURE</b>						
Adaptations	300,000	300,000	158,439	420,000	(120,000)	Additional extension to facilitate needs of disabled tenant, to be funded by virement from External Refurbishment, subject to ICMD approval
Energy Efficiency / Boiler Replacement	999,000	1,192,900	247,122	1,215,600	(22,700)	Net additional cost to replace 3 failing communal boilers
Kitchen / Bathroom Refurbishment	938,000	938,000	405,072	972,000	(34,000)	Net increase in costs due to materials price rises
External Refurbishment	357,000	282,000	39,583	152,600	129,400	£120K virement to Adaptations, subject to ICMD approval
Environmental Improvements	150,000	570,000	81,997	570,000	0	
Re-roofing / Window Renewals	557,000	726,000	159,207	671,400	54,600	Net projected underspend based on awarded contract
Rewiring	88,000	124,800	32,760	124,800	0	
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	280,000	520,000	256,704	526,000	(6,000)	Net increase in costs due to materials price rises
Housing Renewal & Renovation	577,000	1,263,400	227,221	1,219,200	44,200	Property conversion slipped to future years
Mainway Regeneration Project	1,950,000	1,950,000	869,445	1,950,000	0	
<b>TOTAL EXPENDITURE</b>	<b>6,196,000</b>	<b>7,867,100</b>	<b>2,477,551</b>	<b>7,821,600</b>	<b>45,500</b>	

Note: Variances are expressed as negative ( ) for adverse and positive + for favourable

## Reserves Statement (Including Unallocated Balances)

&lt;----- ORIGINAL BUDGET -----&gt;

&lt;----- PROJECTED OUTTURN -----&gt;

	31 March 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024	31 March 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024
	£	£	£	£	£	£	£	£	£	£
<b>Unallocated Balances</b>	(9,145,100)				(9,145,100)	(11,678,400)			1,708,000	(9,970,400)
<b>Earmarked Reserves:</b>										
Corporate Priorities	(84,600)			84,600		(421,200)			238,750	(182,450)
Capital Support	(73,000)				(73,000)	(73,000)				(73,000)
Corporate Property	(313,500)				(313,500)	(313,500)				(313,500)
Covid 19 Support Reserve						(9,700)				(9,700)
Economic Growth										
Investment Property Maint	(34,900)				(34,900)	(34,900)				(34,900)
Invest to Save						(301,700)			228,200	(73,500)
Morecambe Area Action Plan										
Museums Acquisitions	(34,300)	(4,500)			(38,800)	(36,300)	(4,500)			(40,800)
Planning Fee Income	(61,100)				(61,100)	(30,400)				(30,400)
Restructure						(521,000)			121,000	(400,000)
<b>To Support Revenue &amp; Capital Expenditure</b>	(601,400)	(4,500)		84,600	(521,300)	(1,741,700)	(4,500)		587,950	(1,158,250)
<b>Renewals Reserves</b>	(1,084,900)	(491,800)	124,000		(1,452,700)	(1,061,900)	(491,800)	124,000	7,000	(1,422,700)
<i>General Renewals</i>	(746,400)	(295,800)			(1,042,200)	(775,500)	(295,800)		7,000	(1,064,300)
<i>Salt Ayre Leisure Centre</i>	(18,600)	(150,000)	124,000		(44,600)	(29,700)	(150,000)	124,000		(55,700)
<i>Williamson Park</i>	(80,200)	(18,000)			(98,200)	(29,000)	(18,000)			(47,000)
<i>Car Parks</i>	(135,200)	(12,000)			(147,200)	(123,200)	(12,000)			(135,200)
<i>Happy Mount Park</i>	(35,900)	(14,000)			(49,900)	(35,900)	(14,000)			(49,900)
<i>Armside &amp; Silverdale AONB</i>	(68,600)	(2,000)			(70,600)	(68,700)	(2,000)			(70,700)
Elections	(120,000)	(40,000)		160,000		(115,400)	(45,000)		170,000	9,600
Homelessness Support	(110,800)				(110,800)	(110,800)				(110,800)
Business Rates Retention	(6,784,100)	(1,854,700)		1,632,400	(7,006,400)	(7,471,700)	(1,854,700)		1,632,400	(7,694,000)
Revenue Grants Unapplied	(443,200)			142,000	(301,200)	(642,400)			483,740	(158,660)
S106 Commuted Sums	(1,552,200)	(200,000)	63,000		(1,689,200)	(1,266,400)	(456,000)	105,000		(1,617,400)
Welfare Reforms	(324,900)				(324,900)	(324,900)				(324,900)
Lancaster District Hardship	(377,100)				(377,100)	(240,500)			240,000	(500)
Amenity Improvements	(29,000)				(29,000)	(29,000)				(29,000)
<b>Reserves Held in Perpetuity:</b>										
Graves Maintenance	(22,200)				(22,200)	(22,200)				(22,200)
Marsh Capital	(47,700)				(47,700)	(47,700)				(47,700)
<b>Total ring-fenced/held against risk</b>	(10,896,100)	(2,586,500)	187,000	1,934,400	(11,361,200)	(11,333,000)	(2,847,500)	229,000	2,533,140	(11,418,360)
<b>Total Earmarked Reserves</b>	(11,497,500)	(2,591,000)	187,000	2,019,000	(11,882,500)	(13,074,700)	(2,852,000)	229,000	3,121,090	(12,576,610)
<b>Total Combined Reserves</b>	(20,642,600)	(2,591,000)	187,000	2,019,000	(21,027,600)	(24,753,100)	(2,852,000)	229,000	4,829,090	(22,547,010)

## GENERAL FUND - 2023/24 SAVINGS MONITORING (QUARTER 2)

Initiative	Budget	Actual to Date	Projected Outturn	Projected Variance	Progress
	£'000	£'000	£'000	£'000	
<b>2023/24 APPROVED SAVINGS</b>					
<b>Communities &amp; Leisure</b>					
Children and Young People	9	0	9	0	template delivered - savings due from October
Community Connectors	69	17	69	0	template delivered - savings on track
Community Development	3	3	3	0	template delivered
Customer Services	23	0	23	0	restructure in place and savings due from October
SALC Gravity	3	3	3	0	template delivered
Pest Control Fees & Charges	26	7	26	0	template delivered - savings on track
Building Cleaning	51	0	51	0	restructure in place and savings due from October
<b>Environment &amp; Place</b>					
Open Spaces (ad-hoc Councillor requests)	50	50	50	0	template delivered
Happy Mount Park (Splash Park Charging)	15	13	13	(2)	template delivered - shortfall in annual income due to summer weather not decision related
Public Conveniences Charging	20	5	10	(10)	template delivered - additional income being raised but not levels as anticipated
Trade Waste Price Review	20	10	20	0	template delivered - additional income being raised
Trade Waste Bin Hire Charging	80	40	80	0	template delivered - additional income being raised
Waste Collection Charging	20	8	16	(4)	template delivered - additional income being raised
Anti-Social Behaviour	21	21	21	0	template delivered
Public Protection Fees & Charges	3	2	3	0	template delivered - additional income being raised
Deletion of Vacant Post (Public Health Projects)	47	47	47	0	template delivered
Hospitality & Printroom	75	0	45	(30)	amended establishment model now in place in order to protect income targets and future bookings
Light Up Lancaster	35	35	35	0	template delivered
Vintage By The Sea	11	11	11	0	template delivered
<b>Governance</b>					
Staffing Review (Legal)	3	0	3	0	Part of bigger saving proposal from previous year and to be implemented later in year
<b>Housing &amp; Property</b>					
Municipal Building Review	166	166	166	0	template delivered
Courier	14	0	14	0	template delivered - savings on track
<b>People &amp; Policy</b>					
Senior Leadership Restructure	448	448	448	0	template delivered
Wellbeing (Mental Health)	10	10	10	0	template delivered
Projects, Performance & Risk	43	0	43	0	restructure in place and savings met from October
Communications	23	0	23	0	restructure in place and savings met from October
Commercial Marketing & Tourism	53	0	53	0	restructure in place and savings met from October
Deletion of Vacant Post (Democratic Services)	16	16	16	0	template delivered
Corporate Training	50	50	50	0	template delivered
Deletion of Vacant Post (HROD)	60	60	60	0	template delivered
Lancaster & Morecambe VIC's	116	0	107	(9)	now closed. Additional rent costs whilst future of MVIC considered (assumed to end of calendar year)
<b>Planning &amp; Climate Change</b>					
Building Control Fees	10	3	10	0	template delivered - additional income being raised function now being delivered by Capita, costs have risen exponentially as a consequence. Officer review taking place
Building Control Staffing	43	(57)	(113)	(156)	
Planning Pre-Application Fees	9	2	9	0	template delivered - additional income being raised
Deletion of Vacant Post (Planning Policy)	60	60	60	0	template delivered
<b>Resources</b>					
MIAA Contract Extension	75	75	75	0	template delivered
Deletion of Vacant Post (ICT)	61	61	61	0	template delivered
Shared Service Operational Savings (Revenues & Benefits)	73	36	73	0	savings on track
<b>Sustainable Growth</b>					
The Platform	32	16	32	0	savings on track
Museums	147	147	147	0	template delivered
Growth Lancashire Subscription	13	13	13	0	template delivered
Business Support Team	100	100	100	0	template delivered
Regeneration Staffing	92	92	92	0	template delivered
Deletion of Vacant Posts (Engineers)	89	89	89	0	template delivered
Car Parking Permit Review	13	13	13	0	template delivered
Parking EV Charging	23	12	23	0	template delivered - savings on track
<b>TOTAL</b>	<b>2,423</b>	<b>1,684</b>	<b>2,212</b>	<b>(211)</b>	



**GENERAL FUND SERVICE ANALYSIS 2023/24**

	Original Budget	Q1 Projected	Q2 Projected	Q3 Projected	Q4 Projected
<b>Services</b>					
	Community Connectors	279	263	316	
	Customer Services	576	576	561	
<a href="#">Communities &amp; Leisure</a>	Facilities Management	426	38	381	
	Food Safety	796	397	396	
	Pest Control	(31)	(27)	(29)	
	Salt Ayre Leisure Centre	545	717	717	
	VCFS	304	304	304	
	AONB & Nature Reserves	115	95	91	
	Environmental Protection	446	425	381	
	Fleet Management	36	25	68	
<a href="#">Environment &amp; Place</a>	Hospitality & Events Management	198	417	100	
	Parks & Open Spaces	1,386	1,353	1,354	
	Service Support	639	626	725	
	Street Cleaning	1,607	1,608	1,682	
	Streetscape	92	83	73	
	Trade Refuse	(870)	(897)	(906)	
	Waste Collection	2,849	3,114	3,143	
	Williamson Park	456	457	460	
<a href="#">Governance</a>	Democratic Support & Elections	1,027	1,030	1,006	
	Legal Services	395	449	549	
	Licensing	(108)	(68)	(46)	
	Commercial Land & Properties	(1,625)	(1,599)	(1,326)	
	Municipal Buildings	892	1,185	760	
<a href="#">Housing &amp; Property</a>	Other Land & Buildings	108	108	83	
	GF Housing Schemes	103	103	196	
	Private Sector Housing	639	606	846	
	Property Group	750	705	779	
	Public Health Services	124	128	117	
	Repairs & Maintenance	0	0	0	
	Exec Support	557	516	646	
<a href="#">People &amp; Policy</a>	HR & OD	889	870	1,379	
	Communications & Marketing	303	286	258	
	Emergency Planning & CSP	90	92	92	
	Health & Safety	70	70	69	
	Projects & Performance	127	128	128	
	Visitor Information Centres	133	119	131	
<a href="#">Planning &amp; Climate Change</a>	CCTV	58	57	58	
	Corporate Climate Change	125	128	147	
	DM - Building Control	87	194	178	
	DM - Planning	583	603	544	
	Planning & Housing Strategy	852	833	819	
<a href="#">Resources</a>	Internal Audit	163	163	162	
	Finance	1,598	1,455	1,500	
	ICT	1,645	1,604	1,575	
	Revenues & Benefits	1,115	1,115	1,131	
<a href="#">Sustainable Growth</a>	Economic Development & Culture	492	179	377	
	Markets	(47)	(40)	(38)	
	Museums	599	597	459	
	Parking	(2,251)	(2,276)	(2,359)	
	Regeneration	877	768	832	
	Strategic Projects & Engineers	534	511	487	
	The Platform	106	109	74	
		<b>20,859</b>	<b>20,302</b>	<b>21,430</b>	<b>0</b>
					<b>0</b>
<b>Corporate Services</b>					
<a href="#">Corporate Services</a>	Corporate Accounts	(135)	427	1,458	
	Contributions from Reserves	(1,855)	(1,855)	(1,855)	
	Government Grants	(1,026)	(1,026)	(1,026)	
	Interest Payable	2,151	2,151	1,569	
<a href="#">Other Items</a>	Interest Receivable	(842)	(842)	(1,361)	
	Minimum Revenue Provision	2,923	2,638	2,638	
	Notional Charges	0	0	0	
	Pandemic Support	0	0	0	
	Revenue Funding of Capital	187	187	187	
	UKSPF	0	0	0	
		<b>1,403</b>	<b>1,680</b>	<b>1,610</b>	<b>0</b>
					<b>0</b>
	Net Recharges to Housing Revenue Account	(1,032)	(1,032)	(1,032)	
	RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	(139)	
	Revenue Reserve funded items included in above analysis (Revenue)	297	857	1,418	
	Revenue Reserve funded items included in above analysis (Appropriatic	(297)	(857)	(1,418)	
		<b>21,091</b>	<b>20,811</b>	<b>21,869</b>	<b>0</b>
					<b>0</b>
<b>General Fund Revenue Budget</b>		<b>21,091</b>	<b>20,811</b>	<b>21,869</b>	<b>0</b>
					<b>0</b>
Core Funding :	Revenue Support Grant	(406)	(406)	(406)	
	Additional New Homes Bonus	0	0	0	
	Supplementary Government Grants	0	0	0	
	Prior Year Council Tax Surplus	181	181	181	
	Net Business Rates Income	(10,256)	(10,256)	(10,423)	
<b>Council Tax Requirement</b>		<b>10,610</b>	<b>10,330</b>	<b>11,221</b>	<b>0</b>
					<b>0</b>

**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

**CABINET**

**Local Council Tax Support Scheme (2024/25)  
5<sup>th</sup> December 2023**

**Report of Assistant Director (Head of Revenues and Benefits)**

<b>PURPOSE OF REPORT</b>				
To enable Cabinet to consider the existing Localised Council Tax Support (“LCTS”) Scheme and the options available, ahead of formal consideration and approval by Council for application in 2024/25.				
<b>Key Decision</b>	<b>N</b>	<b>Non-Key Decision</b>	<b>Y</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>				
<b>This report is public</b>				

**RECOMMENDATIONS OF Councillor Tim Hamilton-Cox**

(1) Retain the existing Localised Council Tax Support Scheme for 2024/25 (Option 1)

**1.0 Introduction**

1.1 Cabinet’s views are sought as to whether to retain the existing Localised Council Tax Support Scheme for 2024/25 (Option 1) subject to future consequential minor amendments following changes in housing benefit rules; or whether to amend it to reduce entitlement (Option 2).

1.2 Following the abolition of the national Council Tax Benefit (CTB) system back in 2013, each billing authority now has a legal duty to adopt a Localised Council Tax Support (LCTS) scheme.

1.3 Each authority is also under a legal obligation to consider, for each year, whether to revise its scheme or to replace it with another scheme. The history of the Council’s arrangements is summarised below:

1.4 The first local scheme was adopted in January 2013 for implementation in 2013/14. The Council chose not to reduce support levels at that time, unlike most other local authorities.

- 1.5 In reviewing its scheme since then, Council has decided to retain basic council tax support levels, meaning that working age claimants on low incomes may still be awarded support to cover up to 100% of their council tax bills.
- 1.6 The Council has applied other comparatively minor changes over the years, on the basis that entitlement criteria for LCTS should generally remain in line with other key benefits, most notably Housing Benefit (HB) and Universal Credit (UC).
- 1.7 If a Council does wish to alter its scheme, it must approve any changes by 11 March, otherwise the existing scheme will continue to apply. There is currently no provision for changing a scheme in-year.
- 1.8 The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year. The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.
- 1.9 Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances. For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.
- 1.10 Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

## **2.0 Overview of the Council's current scheme**

- 2.1 As laid down by Government, there are three general principles that all Local Council Tax Support (LCTS) schemes must follow:
  - pensioners should be fully protected;
  - vulnerable groups should be protected as far as possible, as determined locally; and
  - local schemes should support the positive work incentives being introduced through Universal Credit for working age people.
- 2.2 The Council's existing scheme meets these principles, giving protection for certain groups and helping to support work incentives. It provides additional protection for vulnerable people through other income disregards, premiums and allowances. It also provides for annual uplifts associated with inflation, etc.
- 2.3 Under current legislation, pensioners are protected from any locally driven scheme changes, and so any Council decisions impact only on working age claimants.
- 2.4 As Council has so far maintained general support levels, this means that if entitled, a claimant would receive 100% support to cover their council tax bill. Of the 333 schemes in operation nationally, currently the Council is one of a few Councils that still provides full levels of Council Tax Support for working age claimants, depending on their circumstances.
- 2.5 A hardship fund of £30k is built into the LCTS scheme to protect those suffering exceptional hardship. This initiative is financially supported by a contribution from

the major precepting authorities, although given that general support levels are maintained, demand against this continues to be minimal.

- 2.6 The Department for Work and Pensions (DWP) operates a “full” Universal Credit (UC) service in this district, and the Council’s existing LCTS scheme accommodates this development. The Council’s current LCTS scheme principles are set out in **Appendix A** to this report.
- 2.7 This report sets out a recommendation that the LCTS scheme for 2024/25 be ‘retained’ in its present form, subject to minor consequential amendments to accommodate the annual uprating of similar applicable amounts in the Housing Benefit Scheme.

### **3.0 Details of Consultation**

- 3.1 Members have previously indicated a preference to retain the existing LCTS scheme in its present format, subject to the scheme principles listed in **Appendix A**. As such, legally there is no need to consult on changes to the scheme at this stage. However, should “Option 2” be the preferred option of the Council, alternative scheme options will need to be developed for consideration by Council early next year, following a swift consultation exercise.
- 3.2 Under Option 1, the Council will write to major precepting authorities setting out the principles of the scheme for 2024/25, acknowledging the fact that they will share the financial cost and risk of any changes made. Their preference has always been for a cost neutral scheme that limits the financial pressure on their budgets as an alternative to cutting essential services.

### **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 The challenge for the Council is to adopt a scheme that fits with its ambitions and priorities and is considered fair, deliverable and affordable, given statutory obligations and competing pressures for resources. Council is presented with two basic options:

#### **4.2 Option 1:**

**Retain the existing Localised Council Tax Support (LCTS) scheme, subject to minor consequential amendments to match changes in Housing Benefit rules.**

- The existing scheme is considered soundly structured and works well, and offers maximum support for low-income families, who may otherwise find themselves in mounting debt.
- current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council’s financial forecast. However, costs have increased in recent years with increased take-up due to Covid-19, although 2023/24 has seen a slow decline in the number of residents receiving LCTS, which would reduce costs if the trend continues in the longer term. However, the cost-of-living crisis may result in an increased number of claims.

- Retaining existing policy principles of keeping various positive entitlement provisions for LCTS in line with other key welfare benefits promotes equality.

4.3 **Option 2:**

**Make changes to the existing Localised Council Tax Support (LCTS) Scheme to reduce benefit entitlement for working age claimants.**

- Currently 9,574 residents claim LCTS in the Lancaster district. As pensioners make up 38% (3,625) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,949) of working age people on low incomes.
- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.
- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.
- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.
- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

5.0 **Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Retain the existing LCTS scheme	<b>Option 2:</b> Amend the LCTS scheme to reduce entitlement	<b>Option 3:</b>
Advantages	The current scheme provides support up to a level of 100% and assists those on low incomes	Financial savings to Lancaster City Council and the other precepting authorities.	N/A
Disadvantages	The Government does not fully fund the cost of a 100% LCTS scheme. The additional cost falls on Lancaster City Council and the other precepting authorities.	A reduction in support would result in Council Tax increases for those on low incomes. The Council Tax team would need to recover more money, often from those least able to make payments.	N/A
Risks	The cost of the scheme may increase due to an increase in new claims as the	Reduced collection rates and increased debt. Potential reputational damage.	N/A

	cost-of-living crisis progresses.		
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**6.0 Officer Preferred Option (and comments)**

6.1 Retain the existing Localised Council Tax Support Scheme for 2024/25 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

**7.0 Conclusion**

7.1 The Council's existing LCTS scheme works well in terms of providing support, but at a cost, particularly for the County Council. To date the Council has attached a high priority to maintaining council tax support levels available to working age claimants (pensioners being unaffected by Council's decision).

7.2 Adoption of a particular option should be informed by Council's views regarding the relative priority of LCTS, compared with other services and activities in support of future corporate priorities.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The LCTS scheme is developed in support of ambitions within the Council Plan regarding "Healthy and Happy Communities" to optimise access for those that need it most, together with welfare benefits and related support.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>The ambition is to continue with a LCTS scheme for the Council, which supports the objective of simplicity, but protects the most vulnerable residents in the district. The Council must continue to ensure that it has due regard to equality in making its local scheme, including how it will minimise disadvantage.</p> <p>The Equality and Human Rights Impact Assessment has been reviewed and can be found as part of <b>Appendix B</b>.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>The Local Government Finance Act 1992 (as amended) provides that the Council, as the billing authority, must consider whether to revise its LCTS scheme, or replace it with another scheme by 11<sup>th</sup> March every year. However, it is beneficial for the Council to determine the principles of its LCTS scheme early, in order to build estimates into its Tax Base calculations.</p> <p>Before a Council can determine to revise or replace its LCTS scheme it must consult any major precepting authority which has the power to issue a precept to it and such other persons as it considers are likely to have an interest in the operation of the scheme. However, these consultation rules do not apply if the Council approves the recommendation to "retain" its existing LCTS scheme.</p> <p>Likewise, if Council is not proposing to change the existing LCTS scheme then technically there is no requirement to seek approval from full Council. However, it is</p>

considered good practice for Council to ratify the existing scheme, given the annual uprating in April each year to adjust benefits and personal allowances, and any other consequential amendments.

#### **FINANCIAL IMPLICATIONS**

Currently the LCTS system is estimated to cost £11.1M in total each year with the Council's element amounting to 13.4% (£1.49m) in 2023/24; the cost being affected by council tax rates and claimant caseload, as well as the decisions of Council. The overall cost is broken down between working age claimants (£6.8m) and elderly claimants (£4.3m) with any decision disproportionately only affecting working age claimants. Of this cost for working age claimants (£6.8m), approximately £911k falls to the City Council, with the remainder being covered predominantly by the other major precepting authorities (County, Fire, Police) and a small element being met by Parish and Town Councils. Since the introduction of the LCTS scheme, the Government has rolled the Council Tax Support Grant into mainstream Government funding thereby making it impossible to separately identify. Should Council approve Option 2 and reduce support levels there would be related savings to the Council and major preceptors (County, Fire, Police), subject to the level of reduction. Any impact on parishes would be negligible. A cut of 10% in the level of support for working age claimants would equate to savings of £91k, whereas a 20% cut in support levels would equate to £182k in savings for the City Council.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

None

##### **Information Services:**

None

##### **Property:**

None

##### **Open Spaces:**

None

#### **SECTION 151 OFFICER'S COMMENTS**

As Members will be aware the Council is currently facing a significant budget deficit in 2024/25 and beyond, and as a result there is pressure to reduce costs where possible. As noted within the report Lancaster City Council is one of only a few Councils which provides 100% support for working age claimants at an annual cost to the Council of approximately £911k per annum, and so is an area where changes to the scheme could provide a level of savings to reduce the deficit.

However, should Members wish to revise the scheme to achieve a degree of savings it should be balanced against the points raised at para 4.2 as well as the Council's stated Priorities.

#### **MONITORING OFFICER'S COMMENTS**

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

<b>BACKGROUND PAPERS</b>  None	<b>Contact Officer:</b> Andrew Taylor, assistant Director (Head of Revenues and Benefits) <b>Telephone:</b> 01772 906013 <b>E-mail:</b> a.taylor@preston.gov.uk
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## APPENDIX A

### Lancaster City Council Summary Principles of the Council Tax Support Scheme

The Council Tax Support Scheme is based upon the following principles and will:

1. be calculated as a means tested discount, defined primarily by the terms of the former Council Tax Benefit (CTB) Scheme;
2. match/reflect as appropriate specific wider welfare reforms introduced by the Government, such as those that impact upon housing benefits and/or universal credit;
3. protect pensioners (a Government requirement);
4. help protect the most vulnerable members of society as far as possible, as determined locally;
5. retain a local arrangement for war pensions to be disregarded in full;
6. support positive work incentives that are built in to benefit those who find work;
7. include a hardship fund to help claimants who suffer exceptional hardship as a result of council tax support changes; and
8. not include a second adult rebate reduction for working age claimants.

#### **Class of persons:**

The scheme sets out rules for working age claimants. Regulations prescribe a scheme for claimants of state pension credit age and prescribe certain classes of persons who are not eligible to claim council tax support.

Eligibility for council tax support is determined by reference to means testing i.e. the income and capital of the claimant and any partner; and by the income and number of non-dependants in the household.

Eligibility for council tax support is defined by the terms of this scheme. The scheme sets out how council tax support is claimed, calculated and paid, except where amendments are required by statute under the Local Government Finance Act 2012 and/or accompanying legislation.

#### **Class of reductions:**

The scheme aligns with the basic principle of the need to create work incentives.



The scheme is based on the system of making deductions from the eligible council tax for each non-dependant person in the household. The categories of non-dependency are set out in the scheme. Income brackets may be altered in line with the general up-rating arrangements in the scheme, usually adjusted annually to include personal allowances.

Changes will be reflected in the scheme, as considered appropriate, to reflect the Government's ongoing welfare benefits reforms, such as those affecting housing benefit and universal credit as examples.

### **Applications:**

An application will be required for all new claims. An appropriate means of application will be decided by the authority and may be revised as required. A review process may be implemented by the local authority for new and existing awards. Awards may be reviewed in a time period to be determined by the authority and failure of the claimant to fulfil any request during a review of their award may result in the termination of that award.

### **General administration of the scheme:**

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and the bill itself will be the formal notification. The authority reserves the right to include additional notifications.

### **Changes in Circumstances:**

Matters relating to the duty for a claimant to notify the Local Authority of a change in circumstances shall generally replicate those that applied to the former CTB Scheme.

### **Appeals process:**

Claimants will submit any appeals to the Council in the first instance for a reconsideration of a relevant decision. Once notified of the outcome of this review, the claimant will have a period of two months from the date of the notification to submit an appeal to the Valuation Tribunal.

### **Backdating:**

Council Tax Support can be backdated, providing continuous good cause is shown for the delay in claiming.

### **Up-rating:**

Following commencement of the scheme, with effect from 1st April each year any figures set out in the scheme may be up-rated by the consumer price index, retail price index or other rate of inflation set out in the preceding September, or by another rate determined with reference to provisions made for Housing Benefit and Universal Credit, or as decided by the authority.

### **Other Matters:**

The scheme may be amended to take into account any circumstances subsequently identified, whether through government statute, or other means.

## APPENDIX B



**Lancaster City Council's Equality Impact Assessment  
Localised Council Tax Support Scheme 2024/25**

**Section 1: Details:**

<b>Service</b>	Revenues & Benefits Shared Service Resources
<b>Title and brief description (if required)</b>	Localised Council Tax Support Scheme (2024/25)
<b>New or existing</b>	Existing
<b>Author/officer lead</b>	Lead – Head of Shared Service / Benefits Manager
<b>Date</b>	1 <sup>st</sup> November 2023

**Does this affect staff, customers or other members of the public?**

Yes

**Section 2: Summary:****What is the purpose, aims and objectives?**

The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year. The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.

**Who is intended to benefit and how?**

Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances.

For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.

Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

**Section 3: Assessing impact**

<b>Is there any potential or evidence that this will or could:</b>		
• Affect people from any protected group differently to others?	Yes	
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No
• Encourage protected groups to participate in activities if participation is disproportionately low (won't always be		No

applicable)?		
<ul style="list-style-type: none"> <li>Prevent the Council from achieving the aims of its' Equality and Diversity Policy?</li> </ul>		No

We hold household and income details of current Localised Council Tax Support recipients and we have access to wider population statistics and can assess equality monitoring data available as part of the survey.

Age including older and younger people and children	Positive re: pensioners - as they are protected from any changes, as directed by Government.  The scheme impacts upon working age claimants only.
Disability	Disabled customers are not adversely affected by the LCTS scheme and are not disadvantaged in comparison to other groups.
Faith, religion or belief	Neutral.
Gender including marriage, pregnancy and maternity	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Gender reassignment	We do not anticipate this scheme will have a particular equality impact on this protected group.
Race	Potentially but if so, very marginally – BME populations seem to be over- represented in unemployment figures and so this may feed through into LCTS claims and entitlement.
Sexual orientation (Including Civic Partnerships)	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Rural communities	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
People on low incomes	The scheme relates predominantly to this group, but numbers affected by the specific proposals are expected to be very low.

#### **Section 4: Next steps:**

**Do you need any more information/evidence eg statistics, consultation? If so, how do you plan to address this?**

No further evidence required.

The proposal is to retain the existing scheme, which works well and offers 100% support.

**How have you taken/will you take the potential impact and evidence into account?**

This Equality Impact Assessment forms part of the Council report to be presented to Members December 2023.

**How do you plan to monitor the impact and effectiveness of this change or decision?**

Applications to the Discretionary Hardship fund will be analysed to establish if any group is suffering extreme detriment under the retained LCTS scheme to enable action to be taken.

The Council has a Hardship Fund, available to assist vulnerable customers, experiencing difficulty in meeting their Council Tax liability.

<b>CABINET</b>
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## Strategic Risk Management 05 December 2023

### Report of Chief Executive

<b>PURPOSE OF REPORT</b>			
To provide Cabinet with an update on the authority's progress in updating the Strategic Risk Register.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.</b>			

#### RECOMMENDATIONS OF THE LEADER

- (1) Cabinet note the updated Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).

#### 1.0 Introduction

- 1.1 The Audit Committee have requested that the Council's Strategic Risk Register, which is updated quarterly, is seen by Cabinet to be noted.

#### 2.0 Proposal Details

- 2.1 Cabinet note the details of the Council's Strategic Risks.

#### 3.0 Details of Consultation

- 3.1 Leadership Team update the Strategic Risks on a quarterly basis.
- 3.2 The attached details, shown in appendix A and appendix B were viewed and considered by the Audit Committee on 22 November 2023.

#### 4.0 Options and Options Analysis (including risk assessment)

Not applicable

**5.0 Officer Preferred Option (and comments)**

5.1 Cabinet to note the Council's Strategic Risks.

**6.0 Conclusion**

6.1 Cabinet to note the Council's Strategic Risks.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Council have a Risk Management Policy, which is written to provide guidance on the management of risk. Risk Management is identified in the proposed Council Plan 2024-27.

**CONCLUSION OF IMPACT ASSESSMENT**

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

No direct impact arising from this report, which provides an updated copy of the authority's Strategic Risk Register.

**LEGAL IMPLICATIONS**

No direct legal implications arising from this report.

**FINANCIAL IMPLICATIONS**

No direct financial implications arising from this report.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

No direct HR implications arising from this report.

**Information Services:**

No direct ICT implications arising from this report.

**Property:**

No direct property implications arising from this report.

**Open Spaces:**

No direct open spaces implications arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has contributed to this report in his role as Head of Financial Services, including responsibility for Internal Audit.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

**Contact Officer:** Chief Executive

Appendix A: Strategic Risk Register Map and  
Detail – Export 10.11.23  
Appendix B: Strategic Risk Register  
Restricted Items – Export 10.11.23

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**Ref: N/A**

# Strategic Risk Register, report created 10.11.23

NOTE: All risks have been reviewed between 13th October and 10th November 2023

Risk	Risk Description	Residual Risk Score (impact x likelihood)	Risk Category	Existing Control Measure	Existing Control Measure Description	Target Risk Level (impact x likelihood)	Action Plan Title	Action Plan Description	Action Plan Owners	Action Plan Type	Action Plan Due Date		
1	SR01 Central Government funding is insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability.  Link to Plan 2030: Value for Money	4 (2x2)	Financial	Officer/Member Working Groups	Capital Assurance Group (CAG) and Financial Resilience Group (FRG)	2 (2x1)	Outcomes Based Resourcing	Review of existing budgets to identify areas for realignment/ refocusing or cessation to deliver efficiencies but ensuring that Services remain	Suzanne Lodge	In Progress	30/12/2024		
				Council Strategies	Outcome Based Resourcing (OBR), Investment Strategy, Reserves Strategy and Medium Term Financial Strategy		Commercialisation	Development of other alternative service delivery vehicles to deliver efficiencies and/ or operational surpluses which can be reinvested into Council Services.	Mark Davies	In Progress	01/10/2023		
				Monthly income monitoring by applicable services	Monthly income monitoring by applicable services		Funding the Future Strategy	The Strategy contains 4 Pillars to achieve Financial Stability. 1) Investment to reduce costs; 2) Pursuing efficiencies with vigour; 3) Outcomes based resourcing; and 4) Commercialisation	Paul Thompson	In Progress	31/03/2024		
				Quarterly reporting	Formal quarterly reporting to Cabinet and Budget and Performance Panel		Business Plans for Investments	Develop business plans for investment particularly in relation to decarbonisation and renewable energy generation.	Paul Thompson	In Progress	31/03/2024		
							Fees and Charges Income Monitoring	Regular monitoring and forecasting by services of all fees and charges. To be undertaken by Heads of Service and Managers.	Paul Thompson	In Progress	31/03/2024		
2	SR02 The Council fails to meet the 2024/25 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects.  Link to Plan 2030: Value for Money projects.	6 (3x2)	Financial	Budget and Performance Panel	Budget and Performance Panel	2 (2x1)	Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.	Suzanne Lodge	Implemented	31/12/2024		
				Reserves Policy	Reserves Policy								
				Project Managers	Project Managers - suitably skilled PMs assigned to lead strategic projects								
				Programme Managers	Programme Managers in place for specific programmes								
				Programme Delivery Board	Programme Delivery Board								
				Cabinet	Cabinet								
				Portfolio Holder	Portfolio Holder								
				Outcomes Based Resourcing for 23/24 financial year	Outcomes Based Resourcing for 23/24 financial year								
				Project Delivery Board	Project Delivery Board - Consisting of Leadership Team to monitor delivery via quarterly reports and provide support and challenge to each project as required.								
				Projects and Performance Manager	Established to provide a central co-ordination point for all the Council's projects and performance. Responsible for co-ordination and monitoring.								
				Delivering Our Priorities Quarterly Monitoring Reports	Delivering Our Priorities Quarterly Monitoring Reports - Monitoring report linking Projects, Performance and Resources presented to Cabinet and Budget & Performance Panel.								
				Quarterly Cabinet Meetings	Quarterly Cabinet Meetings - Project and Financial information present to Cabinet/ Portfolio providing an opportunity for review and discussion of performance.  As part of the Funding the Future Strategy, the Outcomes Based Resourcing exercise is commencing July 2022 to identify revenue savings for 2023/24 and beyond.								
Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.												



3	SR03 The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver	The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver effective services, projects and council priorities. Link to Plan 2030: Investing in Our Skills	6 (3x2)	Management	<p>New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk</p> <p>Annual Appraisal Process</p> <p>Pay and Grading Structure</p> <p>Restructure Toolkit</p> <p>People Strategy</p>	<p>New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk</p> <p>Annual Appraisal Process embedded</p> <p>Pay and Grading Structure - The new pay and grading structure and job evaluation process ensures that all posts are objectively evaluated and then placed on a new pay and grading scale.</p> <p>Recent experience suggests that this assisted in attracting applicants with the desired skills and values.</p> <p>Restructure Toolkit - In order to retain the most talented staff as we go through the OBR process, a restructure toolkit has been produced.</p> <p>A People Strategy is launched to ensure staff experience, development and management are aligned to support the success of the council's workforce.</p>	6 (3x2)						
4	SR04 The use of council assets is not maximised leading to insufficient funding to meet the funding gap and deliver capital projects.	Future capital investment is dependent on capital receipts from the sale and utilisation of council assets. Link to Plan 2030: Innovative Public Service	9 (3x3)	Financial Reputation Management Assets	<p>Use of Council Assets</p> <p>Use of Council Assets</p> <p>Use of Council Assets</p> <p>Use of Council Assets</p> <p>Council Assets</p> <p>Use of Council Assets</p>	<p>Capital Strategy Group</p> <p>Ongoing OBR workstream reviewing assets</p> <p>Compliance review and structure update being undertaken</p> <p>Performance monitoring of leases implemented</p> <p>Review of Property Group being undertaken to ensure fit for purpose</p> <p>Budget Monitoring</p>	6 (3x2)	Council Assets	To progress with disposals of council assets as outlined through 22/23 OBR process.	Joanne Wilkinson	Proposed	29/03/2024	
									Council Assets	Updated Asset Management Plan to be developed to incorporate property performance.	Paul Mackie Joanne Wilkinson Dan Wood	Proposed	31/10/2024
5	SR05 Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies	Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies.	6 (3x2)	Regulatory	<p>Resourcing the emergency response function</p> <p>District emergency</p> <p>Business Continuity Plans</p> <p>National Emergency (such as a pandemic)</p> <p>Follow Government Direction</p> <p>Financial Planning</p> <p>Business Resilience</p> <p>Partnerships</p> <p>County wide emergency (such as widespread loss of power and extreme weather events)</p>	<p>The Council continues to adequately resource its emergency planning function, including maintaining its team of out of appropriately trained emergency response officers.</p> <p>Lancaster District Emergency Plan and LRF (Lancashire Resilience Forum) plans that cover site or incident specific risks, including for example: an incident at Heysham Power Station, or a flooding/weather event.</p> <p>Business Continuity Plans</p> <p>LRF plans.</p> <p>Financial Planning - Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.</p> <p>Business Resilience - The Council continues to invest in resilience measures eg technology to facilitate remote working.</p> <p>Partnerships - The Council continues to allocate resource to developing its key partnerships LRF, CSP (Community Safety Partnership) and local resilience partners.</p> <p>The LERP (Lancashire Emergency Response Plan) and plans as required from box 2 and box 3 plans, held in resilience direct.</p>	6 (3x2)	Financial Planning	Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.	Paul Thompson	In Progress	31/03/2024	
									Community Resilience	The Council supports community resilience through CEPGs and FLAG groups etc	Alex Kinch	In Progress	31/03/2024
									Adaptation Schemes	The Council appraises and potentially invests in schemes and activities that provide adaptation (eg Lune river defence)	Paul Blakeley Jonathan Noad	In Progress	31/03/2024

6	SR06 The Council fails to reduce its direct Co2 emissions to 'net zero' by 2030.	In January 2019 the Council declared a 'climate change emergency' and have now sought endorsement of an approach to reduce the Council's direct Co2 emissions to 'net zero' by 2030. Whilst an action plan is in place, costs associated with implementing the actions are considerable and are constantly under review.	12 (4x3)	Environment	Delivery plan in place	Delivery plan in place	8 (4x2)	Delivery Plan	The Council continues to work on the delivery of its action plan. More details can be found on our website: <a href="https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates">https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates</a>	Mark Davies	In Progress	31/03/2024
					Peoples Jury	Peoples Jury - The Council considers the recommendations of the Peoples Jury and builds recs that can be delivered directly by the Council into its plans		Local area energy plan	Local area energy plan (LAEP) has proceeded through procurement (Energy Systems Catapult, June 2023). This document will provide a high-level, costed roadmap to net zero for the district. The LAEP is a 12-month project that will involve Member, stakeholder and public engagement.	Mark Cassidy	In Progress	30/06/2024
7	SR07 The Council fails to deliver its key priorities due to the lack of an underpinning strategy setting out expected delivery / outcomes.	On the 29 January 2019, Full Council approved the Council's strategic priorities for the purpose of informing budget decisions for 2020-21 and future years.	6 (3x2)	Opportunities/ Outcomes	Carbon Zero +	More details can be found on our website: <a href="https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates">https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates</a>	4 (2x2)	Local Development Plan	Local Development Plan	Mark Davies Suzanne Lodge	In Progress	30/09/2024
					Medium Term Financial Strategy (MTFS)	MTFS - in place to set out how the council proposes to manage its financial resources in line with corporate priorities.						
					Programme Management	Programme Management - in place to ensure strategy is followed and monitored on a regular basis.						
					Corporate Plan / Plan 2030	Corporate Plan / Plan 2030 - Updated in December 2021 to lay out the councils vision.						
8	SR08 The Council fails to deliver its key projects due to the lack of capacity and resources.	The Council has a number of key projects (Canal Quarter, Eden Project Morecambe, OBR, My Mainway, Heysham Gateway, Frontierland etc) all of which have detailed strategies for implementation. In order to deliver these key projects it is essential they are properly prioritised and resourced.	6 (3x2)	Financial New Partnerships/ Projects/ Contracts	Local Plan	Local Plan	3 (3x1)	Local Plan	Local Plan	Mark Davies	In Progress	31/03/2024
					Medium Term Financial Strategy (MTFS)	Medium Term Financial Strategy (MTFS)		Funding the Future	Funding the Future Strategy	Mark Davies	In Progress	31/03/2024
					Investment Strategy	Investment Strategy		Reserves	Adequate reserves are maintained to allow, due diligence of property investment, regeneration projects and key strategic planning strategies.	Mark Davies Paul Thompson	In Progress	31/03/2024
					Capital Programme	Capital Programme		Capital Programme	Ensure capital programme is prioritised to facilitate match funding leverage and maximise the potential to attract external funding.	Mark Davies Paul Thompson	In Progress	31/03/2024
					The Council continues to resource key service teams in Planning, economic development, regeneration, property investment	The Council continues to resource key service teams in Planning, economic development, regeneration, property investment and facilities management.		Staffing Capacity Issues	HRBPs working with services where there are staffing capacity issues to find solutions, e.g. succession planning where there are hard to fill roles, more creative online campaigns for recruitment; service reviews to be undertaken as part of OBR. Wider People Strategy to support services to attract and retain staff.	Alex Kinch	In Progress	31/01/2024
					Collaborative Working	We work in collaboration with other stakeholders. For example, on the Eden Project we are working closely with the County Council.						
					Partnership Working	Many of our projects involve working in collaboration with other partners. For example, working with the County Council for the Eden Project Morecambe.						
10	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our communities.	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our communities. Link to Plan 2030: Value for money	6 (3x2)	Regulatory	Continued monitoring and horizon scanning of Government policy	Continued monitoring and horizon scanning of Government policy	6 (3x2)					
					Clear and focused Council strategy to maximise alignment with Government policy and resourcing	Clear and focused Council strategy to maximise alignment with Government policy and resourcing						
					Strategic Plans	Strategic Plans - Continue to develop Council strategic plans and documentation in light of emerging Government policy						
11	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities.	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities. This risk is outside of the control of the Council. It can not be fully mitigated against but should still be recorded on the strategic risk register.	9 (3x3)	Financial	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	9 (3x3)					
					Strategic responsiveness through continued risk management review	Strategic responsiveness through continued risk management review						
					Agility and Resilience	Agility and Resilience - Continue to develop agility and resilience across the organisation						
					Strategic risk management approach	Strategic risk management approach						

12	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.	6 (3x2)	Financial	Budget Development	Comprehensive, robust and transparent approach to budget development and service delivery.	4 (2x2)	OBR	Outcomes-Based Resourcing (OBR) approach to focusing on where resources can have maximum impact on strategic priority areas.	Suzanne Lodge	In Progress	31/12/2024
13	SR13 The Council's reputation is damaged through its own actions or actions of others in the District	SR13 The Council's reputation is damaged through its own actions or actions of others in the District.  Link to Plan 2030: Community Engagement	3 (3x1)	Reputation	Communications	Pro-active communications and transparency	3 (3x1)					
					Strategic Management of Activities	Strategic management of all Council activities to ensure continued high reputation						
					Delivery of Services	Delivery of Services - Continue to manage and deliver services in a way that supports the authority's reputation as a Co-operative, Kind and Responsible Council.						
					Strategic communication	Strategically communicate and engage with residents, partners and stakeholders to ensure actions align with reputation						
14	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.  Link to Plan 2030: Value for money	6 (3x2)	Financial	Budget and Performance Panel	Budget and Performance Panel	6 (3x2)	Move to sustainable solutions	Minimise exposure to cost spikes such as energy by moving to sustainable solutions independent of external pressures	Mark Davies Paul Thompson	In Progress	31/12/2024
					Reserves Policy	Reserves Policy						
					Continue financial forecasting	Continue financial forecasting and scenario planning e.g. for energy costs						
15	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district.	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district.  Link to Plan 2030: Innovative Public Services, Value for money	4 (2x2)	Assets	Asset Management Plan	Asset Management Plan	2 (1x2)	Asset Management Plan	Conduct a major review of Council infrastructure and assets, taking a future focused approach to asset management.	Mark Davies	In Progress	27/09/2024
					Continuous review of assets and infrastructure	Continuous review of assets and infrastructure						
16	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses.	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses.  Link to Plan 2030: Enabling	6 (2x3)	Customers/ Citizens	Corporate Plan	Corporate Plan	3 (1x3)					
					Policy Framework	Policy Framework						
					Continuous review of strategy and policy	Continuous review of strategy and policy, and alignment with service delivery.						
					LGA Workshop with Members	These took place in September 2023.						
17	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	6 (2x3)	Reputation Management	Corporate Governance	Corporate Governance	6 (2x3)	Training and development	Training and development to ensure staff and members are equipped to follow governance requirements	Luke Horst	In Progress	31/03/2024
					Continuous review of governance processes	Continuous review of governance processes to ensure they are fit for purpose						
					Annual Governance Statement and Code of Corporate Governance	The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.  The Council has recently reviewed and adopted an amended Code of Corporate Governance (dated April 2022). The Preparation and publication of this Annual Governance Statement is in accordance with the principles set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016) (The Framework).						
18	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area.	4 (2x2)	Assets New Partnerships /Projects/ Contracts	Programme Management	Programme Management	2 (1x2)	Development of a Canal Quarter Masterplan	Development of a Canal Quarter Masterplan that sets out a route to successful regeneration of the area in line with local needs and the Council's priorities	Jonathan Noad	In Progress	31/03/2024

19	SR20 Non compliance with Building Safety Executive for LCC owned high-rise buildings	LCC has three high rise buildings which now fall under the Building Safety Act 2022, and require registration with the Building Safety Executive (BSE). There are numerous risks around non-compliance, due to the buildings not meeting specified standards. These risks are:- 1. Failure to register with BSE for 3 x blocks by 1st October 2023. 2. Submit safety case files for each block by 1st October 2023. 3. Establish Tenants Voice by 1st October 2023. 4. Undertake the legal obligations of the Act, including fire door audits, cladding survey, premises information box, signage 5. Risk of financial penalty for non-compliance with the Building Safety Act 2022.	6 (3x2)	Economic Financial Reputation Assets Customers/ Citizens Regulatory	Registration with BSE for high rise blocks	Asset and Compliance Team in RMS working through registration documents	2 (2x1)	Registration with BSE for high risk blocks	Submit safety case files - Template obtained from Penningtons, currently under review in terms of records and resources (physical and financial)	Dennis Graham Paul Mackie Joanne Wilkinson	In Progress	01/04/2024
					Registration with BSE for high rise blocks	Pennington Choices have been employed and providing guidance on registration process						
					Registration with BSE for high rise blocks	Further testing of fire doors being undertaken to seek certification						
					Registration with BSE for high rise blocks	Fortnightly senior housing management meetings updating on risks and plans around building safety review.						
					Registration with BSE for high rise blocks	Fire safety works being completed.						
					Registration with BSE for high rise blocks	Fire door audits being undertaken						
					Registration with BSE for high rise blocks	Monthly Compliance Steering Group comprising staff from across the Housing Service meet to discuss issues and tasks that are needed.						
Registration with BSE for high rise blocks	Establish Tenants Voice group established											
20	SR21 Non compliance with Regulator of Social Housing Standards	The Social Housing White Paper and subsequent amendments have highlighted a significant shift in requirements for social housing providers. This will be the biggest shift in a generation, with changes to standards and expectations. Failure to keep up with changes could result in unlimited fines / DLUHC, Regulator or Ombudsman intervention / bad publicity.	6 (3x2)	Economic Financial Reputation Management Assets Customers/ Citizens Regulatory	Social Housing Regulation	Attendance at benchmarking groups with the Regulator / Ombudsman to stay abreast of updates / developments / best practice / learning	2 (2x1)	Social Housing Regulation	Training for new members to be delivered so members are clear on regulation expectations.	Joanne Wilkinson	Proposed	24/11/2023
					Social Housing Regulation	Action planning within the service occurs in preparation for changes						
					Social Housing Regulation	Quarterly reports available for portfolio holder outlining changes in the previous quarter produced.						
					Social Housing Regulation	Service Improvement Plan well established						
					Social Housing Regulation	Annual self assessment undertaken against current standards						
					Social Housing Regulation	Member advisory group for continued / wider input into the housing service established.						
22	SR23 Corporate Health and Safety	The Council fails to effectively manage, prioritise and embed a proactive Health and Safety culture, leading to avoidable health and safety risks being taken.	9 (3x3)	Regulatory	Health and Safety Checklist for New Starters	Health and Safety Checklist for New Starters	4 (2x2)	Procurement of Health and Safety Consultants	H&S consultants being procured to assess as is and implement changes to address shortfalls and support create of culture of collective ownership of Health and Safety.	Alex Kinch	Proposed	29/02/2024
					Intranet guidance	Intranet guidance						
					Health and Safety Policy	Health and Safety Policy						
					Risk assessments	Risk assessments						
					H&S Training Courses	H&S Training Courses						
					DSE assessments	DSE assessments						
					H&S Committee established	Health and Safety Committee set up. First meeting took place in October 2023, the next meeting is due in December 2023.						
23	SR24 ICT Data Centre	Data Centre is dated and improvements needed to satisfy future demand.	6 (3x2)	Assets	Air conditioning in place to keep the data centre at optimal temperature	2 (2x1)	Full Fibre Project		Nick Goulden	Proposed	28/06/2024	
					Back up Date Centre at SALC							
					Regular fire safety servicing carried out							
					Water ingress alerts							To alert all ICT senior managers to any water detected in data centre

24	SR25 LCC Property Portfolio (non housing) does not meet its Health and Safety compliance obligations	The Council fails to effectively manage Property portfolio health and safety / compliance and meet statutory requirements. Risk is not managed and steps are not taken to protect workers and others from harm. A structure is not in place to ensure that compliance is prioritised and a proactive culture does not exist.	9 (3x3)	Financial Reputation Management Assets Opportunities/ Outcomes Regulatory	Property Group compliance	Review of asset compliance being undertaken.	1 (1x1)	Property Group Compliance	Implement Action plan based on findings from Property Group review.	Paul Mackie Joanne Wilkinson	Proposed	29/12/2023
					Property Group compliance	Review of Property Group and report shared with SLT including updated position statement on compliance						
					Property Group Compliance	Regular reports to be shared with SLT highlighting current position.		Property Group Compliance	Pilot Stock Condition Surveys within property group portfolio to monitor and understand works required.	Paul Mackie Joanne Wilkinson	Proposed	26/01/2024
					Property Group Compliance	Dedicated Team established - combining expertise from Council Housing Compliance Team to monitor and address compliance within the service.						
					Property Group Compliance	Team employs sector expert to support overall approach to health and safety and compliance.						
					Property Group compliance	Review structure of Property Group ensuring team members have the right skill set and workflows are set up correctly.						
					Property Group compliance	Establish accurate data recording and position statement through individual workbooks for assets.						
25	SR26 - Increasing costs of temporary accommodation for the homeless	In 23-24 we are forecasting the Council will be required to contribute an additional £500k towards the cost of B+B accommodation for homeless residents. Increase in costs is linked to increasing homelessness, reduced subsidy recovery from HB and reduced grant availability. Costs of accommodation also increasing and increase in larger families needing to be accommodated for longer. The subsidy can be met from within budgets this year, however this will need to be	8 (2x4)	Financial	Increasing homeless temporary accommodation costs	Budget reviews ongoing with service accountant.	3 (1x3)	Increasing homeless temporary accommodation costs	Bed and breakfast plan to be developed for DLUHC.	Sharon Parkinson Joanne Wilkinson	Proposed	28/12/2023
					Increasing homeless temporary accommodation costs			Increasing homeless temporary accommodation costs	Housing Taskforce to be developed	Joanne Wilkinson	Proposed	28/12/2023
					Increasing homeless temporary accommodation costs			Increasing homeless temporary accommodation costs	Letter to registered provider chief execs to be sent reminding of responsibility around consumer regulation and responsibilities to supporting local authorities around	Joanne Wilkinson	Proposed	15/12/2023
26	SR27 - Waste Strategy	Increased revenue cost burden to the authority and failure to deliver in line with milestones set out by government (31st March 2026).		Financial Reputation Management Assets Environment								

Document is Restricted



**Risk Appetite  
05 December 2023**

**Report of Chief Executive**

<b>PURPOSE OF REPORT</b>				
The enable cabinet to note and endorse the appropriate risk appetite levels for the Council.				
<b>Key Decision</b>		<b>Non-Key Decision</b>	<b>X</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>		N/A		
<b>This report is public</b>				

**RECOMMENDATIONS OF THE LEADER**

- (1) To adopt the risk appetite levels for risks across the Council, as set out in appendix A.

**1.0 Introduction**

- 1.1 An audit of the council’s risk management function was undertaken in May 2023. As a result of this audit, five recommendations were made. One of those being “Ensure that the Council’s risk appetite statement is sufficient to be applied to risk category, and principal category of risk then used to help inform risk target score.”
- 1.2 The management response to this audit finding was “Further research into best practice to be carried out with the aim of providing clear guidelines on the acceptable level of risk for each risk category to be carried out.”
- 1.3 At the meeting on 22 November 2023, Audit Committee approved in principle the adoption of the Treasury risk categories and risk appetite levels as defined in “The Orange Book. Risk Management Guidance Note”. The Chair of Audit Committee has asked that Cabinet have sight of, and endorse, the recommended risk appetite levels.

**2.0 Proposal Details**

- 2.1 It is proposed the council use The Orange Book guidance for risk categories and risk appetite definitions, with some minor changes to make it most suitable for our needs. (See appendix A).
- 2.2 Cabinet are asked to note and endorse the recommended risk levels, as shaded in yellow in appendix A. These recommendations are set based on the advice and professional judgment of officers.

**3.0 Details of Consultation**

- 3.1 Expert advice has been sought from our internal auditors, MIAA, on risk management.
- 3.2 The Leadership Team have been consulted on the planned approach and support it as outlined.
- 3.3 Audit committee support in principle the adoption of the Orange Book risk categories and risk appetite levels.

**4.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Endorse the recommended risk appetite levels as proposed in appendix A.	<b>Option 2:</b> Set different risk appetite levels, using the definitions in appendix A.	<b>Option 3:</b> Write and adopt new risk appetite definitions, specific to LCC
<b>Advantages</b>	Best practice on risk categories and risk appetite levels will be adopted.	Decision makers are satisfied with the adopted risk levels.	The risk appetite definitions will be very specific to LCC
<b>Disadvantages</b>	Resource time is necessary to deliver this work.	Resource time is necessary to deliver this work.	Resource time and effort required to create appropriate risk appetite levels for each risk category. The risk appetite levels will not follow any kind of best practice.
<b>Risks</b>	Adopting best practice would strengthen the councils risk management and make it fit for the future.	Adopting best practice would strengthen the councils risk management and make it fit for the future.	Not following best practice or any defined model will not allow the council to compare its risks to that of other local authorities.



**5.0 Officer Preferred Option (and comments)**

5.1 The recommended option is to proceed with endorsing the recommended the risk appetite levels as shown in appendix A (Option 1).

**6.0 Conclusion**

6.1 Endorsing the recommended risk appetite levels will strengthen the council's approach to risk management.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Council have a Risk Management Policy, which is written to provide guidance on the management of risk. Risk Management is identified in the proposed Council Plan 2024-27.

**CONCLUSION OF IMPACT ASSESSMENT**

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

None directly identifiable.

**LEGAL IMPLICATIONS**

No direct legal implications arising from this report.

**FINANCIAL IMPLICATIONS**

No direct financial implications arising from this report.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

No direct HR implications arising from this report.

**Information Services:**

No direct ICT implications arising from this report.

**Property:**

No direct property implications arising from this report.

**Open Spaces:**

No direct open spaces implications arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources.

**MONITORING OFFICER'S COMMENTS**

Whilst Audit Committee is responsible for monitoring the effective development and operation of risk management in the council, any Councillor (in this case the Chair of Audit) can ask the Leader to place an item on the Cabinet Agenda for consideration.

<b>BACKGROUND PAPERS</b> Appendix A: Risk Categories and Risk Appetite – 21.11.23	<b>Contact Officer:</b> Chief Executive <b>Telephone:</b> 01524 582501 <b>E-mail:</b> chiefexecutive@lancaster.gov.uk <b>Ref:</b> N/A

## HMT The Orange Book - Risk Categories and Definitions\*

Strategy	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).
Governance	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
Operations	Risks arising from inadequate, poorly designed or ineffective/ inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Legal	Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).
Property	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
Commercial	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.
People	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
Technology	Risks arising from technology not delivering the expected services due to inadequate or deficient system/ process development and performance or inadequate resilience.
Information	Risks arising from a failure to produce robust, suitable and appropriate data/ information and to exploit data/information to its full potential.
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.
Project/Programme	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

\* The Orange Book guidance suggests a risk category for "Reputational". However, we propose to remove this as it is a secondary risk as ALL risks contain a reputational element.

Boxes shaded in yellow denote the suggested risk appetite level.

Category	Averse	Minimal	Cautious	Open	Eager
Strategy	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention.	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions.	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.
Operations	Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.	Innovations largely avoided unless essential. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
Legal	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised.
Property	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements.
Financial	Avoidance of any financial impact or loss, is a key objective.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Commercial	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
People	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Technology	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
Data Info and Management	Lock down data & information. Access tightly controlled, high levels of monitoring.	Minimise level of risk due to potential damage from disclosure.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing.	Level of controls minimised with data and information openly shared.
Security	No tolerance for security risks causing loss or damage to HMG property, assets, information or people. Stringent measures in place, including: <ul style="list-style-type: none"> <li>Adherence to FCDO travel restrictions</li> <li>Staff vetting maintained at highest appropriate level.</li> <li>Controls limiting staff and visitor access to information, assets and estate.</li> <li>Access to staff personal devices restricted in official sites</li> </ul>	Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including: <ul style="list-style-type: none"> <li>Adherence to FCDO travel restrictions</li> <li>All staff vetted levels defined by role requirements.</li> <li>Controls limiting staff and visitor access to information, assets and estate.</li> <li>Staff personal devices permitted, but may not be used for official tasks.</li> </ul>	Limited security risks accepted to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> <li>Adherence to FCDO travel restrictions</li> <li>Vetting levels may flex within teams, as required</li> <li>Controls managing staff and limiting visitor access to information, assets and estate.</li> <li>Staff personal devices may be used for limited official tasks with appropriate permissions.</li> </ul>	Considered security risk accepted to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> <li>New starters may commence employment at risk, following partial completion of vetting processes</li> <li>Permission may be sought for travel within FCDO restricted areas.</li> <li>Controls limiting visitor access to information, assets and estate.</li> <li>Staff personal devices may be used for official tasks with appropriate permissions.</li> </ul>	Organisational willing to accept security risk to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> <li>New starters may commence employment at risk, following partial completion of vetting processes</li> <li>Travel permitted within FCDO restricted areas.</li> <li>Controls limiting visitor access to information, assets and estate.</li> <li>Staff personal devices permitted for official tasks.</li> </ul>
Project / Programme	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted