



Committee: BUDGET AND PERFORMANCE PANEL

Date: THURSDAY, 14TH MARCH 2024

Venue: LANCASTER TOWN HALL

Time: 6.10 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 14th February 2024.

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

4. **Declaration of Interests**

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

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

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

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

5. **Delivering Our Priorities Q3 2023/24** (Pages 3 - 30)

Report of the Chief Officer Resources.

6. **Strategic Risk Management** (Pages 31 - 39)

Whilst this report is public, Appendix B is exempt, and notice is hereby given that the meeting is likely to move into private session if it is necessary to refer to the exempt appendix.

Report of the Chief Executive.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Ross Hunter (Chair), Sally Maddocks (Vice-Chair), Martin Bottoms, Keith Budden, Chris Hanna, Sophie Maddocks, Hamish Mills, Sue Penney and James Sommerville

(ii) Substitute Membership

Councillors Suhir Abuhajar, Dave Brookes and Brett Cooper

(iii) Queries regarding this Agenda

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

(iv) Changes to Membership, substitutions or apologies

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

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

Published on Wednesday, 6th March 2024.

CABINET

**Delivering Our Priorities: Q3 2023/24
20 February 2024**

Report of Chief Officer Resources

PURPOSE OF REPORT				
To provide members with an update on financial performance during the first three quarters of 2023/24 (April – December 2023).				
Key Decision	N	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A			
This report is public				

RECOMMENDATIONS OF COUNCILLOR HAMILTON-COX

That Cabinet

- (1) Consider the update on financial performance for Quarter 3 2023/24.

1.0 INTRODUCTION

- 1.1 The primary purpose of this report is to present information relating to the council's financial performance for the period April-December 2023, which can be found within the appendices.

2.0 FINANCIAL MONITORING

- 2.1 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.
- 2.2 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 3 information distributed to Cabinet in February 2024.
- 2.3 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 A:	General Fund Service Analysis
Appendix B:	General Fund Subjective Analysis
Appendix C:	HRA Service Analysis
Appendix D:	General Fund Capital Projects
Appendix E:	HRA Capital Projects
Appendix F:	Reserves Projected Outturn
Appendix G:	Approved Savings Monitoring
Appendix H:	Service Analysis
Appendix I:	Treasury Management Quarter 3 Update

- 2.4 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.

3.0 COST OF LIVING / ENERGY PRICE CRISIS / EMERGENCY INCIDENT

- 3.1 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 £0.634M (£0.623M General Fund, £0.011M HRA). These areas will continue to be closely monitored and the latest price and usage information has been included in the draft budget for the forthcoming year which is currently being prepared.
- 3.2 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 1st November 2023. This is estimated to result in an estimated additional strain of £0.517M (£0.399M General Fund, £0.118M HRA) including oncosts. All salary projections now include the latest approved rates and are included in the summary positions and tables below as appropriate. For information, the Chief Officers pay award was agreed and included at 3.5%.
- 3.3 On 3 December 2023 a major incident was declared by both the Lancashire Fire and Rescue Service and Lancaster City Council, in respect of a fire at the former Supaskips building in Lancaster. The Council have committed £0.912M from unallocated reserves (see section 8.2) to contribute to the initial stages of building clearance and demolition. Whilst efforts are being made by Members and Officers to reduce this amount via government aid or contributions from other key partners, only one substantial pledge (£0.065M) has been received. The net general fund position assumes no further amounts will be forthcoming.

For information, the expenditure is included within the 'Corporate Accounts' section of the service analysis. In the subjective analysis, a majority of the related expenditure is within 'Supplies and Services' and the contribution pledged is in 'Income.'

4.0 OUTCOMES BASED RESOURCING

- 4.1 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 G details the progress of each proposal.

- 4.2 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 is 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. The decision as to which method would be used will be made in the run up to the closedown process.

5.0 GENERAL FUND SUMMARY POSITION

- 5.1 Quarter 3 (Q3) monitoring covers the period for April – December 2023. At the end of Q3 (December 2023) a year end overspend of **£0.677M** 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 **£1.254M**.
- 5.2 A summary of the Q3 revenue position for the main service accounts of the Council is set out in table 1 below with commentary on significant variances provided in the following paragraphs.

Table 1 Quarter 3 Financial Monitoring – Service Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q3 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Communities & Leisure	2,895	2,700	2,201	2,737	(37)
Environment & Place	6,954	6,996	4,317	7,394	(398)
Governance	1,314	1,440	1,347	1,546	(106)
Housing & Property	991	1,199	(438)	1,349	(150)
People & Policy	2,169	2,047	2,111	2,738	(691)
Planning & Climate Change	1,705	1,705	968	1,664	+41
Resources	4,521	4,497	6,278	4,336	+161
Sustainable Growth	310	275	(442)	(313)	+588
Corporate Accounts	(135)	(135)	378	1,664	(1,799)
Other Items	1,538	1,538	(346)	100	+1,438
Sub Total	22,262	22,262	16,374	23,215	(953)
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	(1,026)	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	871	(139)	0
Revenue Reserve funded items included in above analysis	297	2,541	268	1,441	+1,100
Revenue Reserve funded items included in above analysis	(297)	(2,541)	108	(1,441)	(1,100)
Sub Total	(1,171)	(1,171)	221	(1,171)	0
General Fund Revenue Budget	21,091	21,091	16,595	22,044	(953)
Financing Income	(10,481)	(10,481)	7,953	(10,757)	+276
Council Tax Requirement	10,610	10,610	24,548	11,287	(677)

Communities & Leisure (-£0.037M) Adverse

- 5.3 Significant budget variances : -
- Estimated pay award additional cost (-£0.086M)
 - Salary savings +£0.079M plus recharges to other local authorities for seconded officers +£0.152M
 - Building cleaning now coded directly to individual services (-£0.105M)
 - Rechargeable staff time to externally funded projects +£0.078M
 - Insurance costs +£0.060M
 - Business rates increases at Salt Ayre Leisure Centre (-£0.029M)
 - Salt Ayre Leisure Centre income (-£0.093M) due to participation rates in Main Hall; increases in cost of goods and services across the centre (-£0.103M). Fortunately 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 (-£0.398M) Adverse

5.4 Significant budget variances : -

- Estimated pay award additional cost (-£0.222M)
- Additional salary costs across service (-£0.083M) which includes (-£0.194M) 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) and topographical surveys required prior to capital works (-£0.030M)
- Transport costs have increased due to vehicle repairs & maintenance and associated hire costs arising from delayed delivery of new fleet (-£0.234M). 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
- Williamson Park café and shop stock items have increased in cost (-£0.037M) and whilst prices have been addressed in year, they have not been increased by similar inflationary levels
- Car parks at Williamson Park no longer exempt from business rates and charging has been back-dated to 2017/18 (-£0.052M)
- 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 (-£0.106M) Adverse

5.5 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)
- Legal court costs recovery income not achieved (-£0.053M) due to nature of cases in year
- Members Allowance Expenses not increased in year +£0.018M
- Reimbursement of cost of Neighbourhood Plan Referendums +£0.020M
- No income expected from Street Trading as this is still under review (-£0.020M) and reduced Premises Licence income (-£0.019M)

Housing & Property (-£0.150M) Adverse

5.6 Significant budget variances : -

- Estimated pay award additional cost (-£0.038M)
- Salary savings +£0.251M largely due to vacancies within private sector housing section
- Energy price changes +£0.220M
- Increased bed & breakfast costs due to higher number of homeless families (-£0.479M), to be funded from external grants +£0.483M
- Reduction in income due to ceasing of Housing Benefit subsidy (-£0.082M)
- Additional costs relating to Mellishaw Park redevelopment including site clearance, insurance and loss of rent due to delays starting on site (-£0.126M)
- Compliance consultancy relating to corporate and commercial buildings (-£0.062M)
- Rent & service charge shortfall in respect of 3 fire damaged units at Gateway (-£0.256M)
- Business rates payable due to vacant commercial unit at Hilmore Way (-£0.056M)

People & Policy +£0.692M Adverse

5.7 Significant budget variance: -

- Salary savings +£0.048M
- 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 4.2 above.

Planning & Climate Change +£0.042M Favourable

5.8 Significant budget variances: -

- Estimated pay award additional cost (-£0.017M)
- Salary savings +£0.361M which includes a high volume of long-term vacant planning positions.
- Additional cost of Capita consultancy required to deliver building control (-£0.143M)
- Planning fee income has slowed down in-line with nationwide trend (-£0.070M)
- Legal/expert witness costs (-£0.085M) regarding planning appeals

Resources +£0.160M Favourable

5.9 Significant budget variances: -

- Estimated pay award additional cost (-£0.013M)
- Salary savings +£0.281M 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 +£0.587M Favourable

5.10 Significant budget variances: -

- Estimated pay award additional cost (-£0.008M)
- Salary savings +£0.252M 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 +£0.135M
- Eden capacity funding shortfall (-£0.045M) which is potentially recoverable via government grant.
- Business rates revaluations largely relating to Museums and Car Parks +£0.293M
- Market income (-£0.021M) 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 Accounts (-£2.711M) Adverse

5.11 Significant budget variances: -

- The provision for staff turnover target (-£0.596M) 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 underspent by +£0.006M. 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 4.2.
- A reassessment of the bad debt provision (-£0.446M) includes a significant increase in allowances for rental income due from commercial properties, including (-£0.233M) for rental income due from building on Penny Street.
- 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 +£1.438M Favourable

5.12 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 +£0.571M

Financing +£0.276M Favourable

5.13 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.

5.14 Appendix A: General Fund Service Analysis (Q3) set out the above information in more detail and provides summary percentage variations for variances +/- £30K. Appendix H provides additional analysis across individual service areas.

5.15 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 3 Financial Monitoring – Subjective Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q3 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Employees	24,741	24,864	19,307	25,822	(958)
Premises Related Exp	6,967	6,973	5,104	6,164	+809
Transport Related Exp	1,656	1,656	1,175	1,836	(180)
Supplies and Services	12,934	13,097	10,325	16,207	(3,110)
Transfer Payments	21,977	21,977	14,854	21,977	0
Support Services	60	60	88	188	(128)
Capital Charges	17	17	0	17	0
Capital Financing Costs	2,152	2,152	1,413	1,570	+582
Appropriations	1,255	1,255	0	970	+285
Income	(49,197)	(49,489)	(35,892)	(51,236)	+1,747
Capital Financing Inc	(300)	(300)	0	(300)	0
Sub Total	22,262	22,262	16,374	23,215	(953)
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	(1,026)	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	871	(139)	0
Revenue Reserve funded items included in above analysis	297	2,541	268	1,441	+1,100
Revenue Reserve funded items included in above analysis	(297)	(2,541)	108	(1,441)	(1,100)
Sub Total	(1,171)	(1,171)	221	(1,171)	0
General Fund Revenue Budget	21,091	21,091	16,595	22,044	(953)
Financing Income	(10,481)	(10,481)	7,953	(10,757)	+276
Council Tax Requirement	10,610	10,610	24,548	11,287	(677)

5.16 Appendix B: General Fund Subjective Analysis covers this information in more detail.

6.0 HOUSING REVENUE ACCOUNT SUMMARY POSITION

6.1 As at the end of Q3, a year end overspend against budget of **(-£1.001M)** is projected. A summary of the Q3 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 3 Financial Monitoring – HRA Service Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q3 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Policy & Management	2,883	3,123	2,275	3,325	(202)
Repairs & Maintenance	7,272	7,958	5,548	8,400	(442)
Welfare Services	(20)	146	(239)	87	+59
Special Services	232	276	213	268	+8
Miscellaneous Expenses	1,027	977	668	948	+29
Income Account	(16,450)	(16,450)	(12,206)	(16,430)	(20)
Capital Charges	5,453	5,453	0	7,007	(1,554)
Appropriations	(914)	(2,000)	0	(3,121)	+1,121
Sub Total	(517)	(517)	(3,741)	484	(1,001)
Net Recharges to General Fund	517	517	517	517	0
Housing Revenue Account Budget	0	0	(3,224)	1,001	(1,001)

6.2 Significant budget variances: -

- Estimated pay award additional cost (-£0.118M)
- Reduction in buildings insurance premium +£0.156M
- Additional repairs costs relating to materials price increases and the use of subcontractors to cover trade vacancies (-£0.464M)
- Additional rent loss from voids due to ongoing capital projects (-£0.181M)
- Additional service charge income including increased uptake of furniture package service and due to volatility in energy costs +£0.232M
- Increase in depreciation charge (-£1.554M), partly off-set by net decrease in additional contribution to Major Repairs Reserve +£0.982M

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

7.0 CAPITAL PROJECTS (General Fund & HRA)

7.1 At Q3 a year end variance against budget of **+£9.401M** (General Fund +£8.966M, HRA +£0.435M) is projected. Summary details for both the General Fund and HRA are set out in table 4 below.

Table 4 Quarter 3 Financial Monitoring – Capital Projects

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q3 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000
General Fund					
Communities & Leisure	161	259	264	264	(5)
Environment & Place	1,239	2,643	568	1,292	+1,351
Housing & Property	2,283	3,275	(1,628)	1,379	+1,896
People & Policy	0	0	(40)	0	0
Planning & Climate Change	4,487	4,487	(240)	0	+4,487
Resources	965	1,141	298	1,197	(56)
Sustainable Growth	2,221	2,167	(5,002)	874	+1,293
GENERAL FUND - TOTAL	11,356	13,972	(5,780)	5,006	8,966
Housing Revenue Account					
Adaptations	300	300	310	420	(120)
Energy Efficiency / Boiler Replacement	999	1,193	478	1,216	(23)
Kitchen / Bathroom Refurbishment	938	938	680	938	0
External Refurbishment	357	282	45	138	+144
Environmental Improvements	150	570	302	585	(15)
Re-roofing / Window Renewals	557	726	171	671	+55
Rewiring	88	125	55	125	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	280	520	311	520	0
Housing Renewal & Renovation	577	1,263	292	1,219	+44
Mainway Pilot Scheme	1,950	1,950	869	1,600	+350
HOUSING REVENUE ACCOUNT - TOTAL	6,196	7,867	3,513	7,432	435
GRAND TOTAL	17,552	21,839	(2,267)	12,438	+9,401

7.2 The Capital Programme working budget has been adjusted as follows during quarter 3:
£M

Working budget reported at quarter 2	13.434
White Lund Depot Improvement	<u>0.538</u>
Working budget at quarter 3	13.972

7.3 The underspending against budget relates principally to General Fund. Schemes currently in the Development Pool account for £4.8M of the underspend. Extended timescales for vehicle deliveries are expected to lead to £1.351M slippage in the vehicle replacement programme. £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. Delays in respect of planning permission for White Lund Depot improvements have meant that works cannot commence as originally planned leading to slippage of £0.838M. The £0.422M city council contribution to works at 1 Lodge Street is expected to be deferred into 2024/25 as other externally funded aspects of the works need to be completed by a 31 March 2024 deadline.

7.4 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). At its meeting on 5 December 2023, Cabinet released the £0.425M budget for Morecambe Co-op Renovation as the scheme is now being fully funded using Brownfield Land Release Fund grant.

7.5 Two 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 (-£0.049M).

- 7.6 The overall projected favourable variance on the HRA Capital Programme of +£0.435M relates largely to the release of funds earmarked for the demolition of former Skerton High School which will now be fully funded using Brownfield Land Release Fund grant. This is alongside a virement to fund additional adaptation works, subject to ICMD approval.
- 7.7 Appendix D General Fund Capital Projects and Appendix E HRA Capital Projects provide further information and summary commentary.

8.0 RESERVES

- 8.1 The Council's unallocated balances are projected to be **£8.620M**. This takes account of the projected net overspend reported here. Overall, the combined level of usable reserves is forecast to decrease to **£20.970M**. Table 6 Quarter 2 Financial Monitoring – Reserves provides summary details for both Unallocated and Earmarked Reserves.
- 8.2 The increase in usage of unallocated balances since quarter 2 include the Council's contribution towards the major incident at the former Supaskips building in Lancaster city centre (-£0.912M) as detailed in section 5.3 together with (-£0.207M) to support the local plan review and (-£0.165M) to fund property stock condition surveys.

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
	£	£	£	£	£	£	£	£	£	£
Unallocated Balances	(9,145,100)				(9,145,100)	(11,678,400)			3,058,000	(8,620,400)
Total Earmarked Reserves	(11,497,500)	(2,591,000)	187,000	2,019,000	(11,882,500)	(13,074,500)	(2,852,000)	187,000	3,390,200	(12,349,300)
Total Combined Reserves	(20,642,600)	(2,591,000)	187,000	2,019,000	(21,027,600)	(24,752,900)	(2,852,000)	187,000	6,448,200	(20,969,700)

- 8.3 Appendix F: Reserves Projected Outturn provides further detailed analysis.
- 8.4 The Council's reserves are used to manage pressures such as 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.

9.0 COLLECTION FUND

Business Rates

- 9.1 At the Autumn Statement on 22 November 2023, the Chancellor announced a package of support worth £4.3 billion over the next 5 years to support small businesses and the high street. For 2024/25 the Chancellor announced that:
- The small business multiplier will be frozen at 49.9p
 - The standard multiplier will be updated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
 - The 2024/25 Retail, Hospitality and Leisure (RHL) scheme will be extended for a fifth year into 2024/25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business

These changes will have effect from 1 April 2024.

Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant Retail, Hospitality and Leisure relief in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting these reliefs via a section 31 grant from the government. No new legislation will be required to deliver this scheme. [Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-relief-2024-25-retail-hospitality-and-leisure-scheme)

Section 1 of the Non-Domestic Rating Act 2023 created a mandatory relief to support business making improvements to properties they occupy. From 1 April 2024, businesses that have made qualifying improvements may benefit from 100% relief from higher bills for 12 months. The scheme will run until 1 April 2029.

- 9.2 The collection rate for Business Rates is currently 79.8%, which is ahead of the profiled target of 78.3%. The annual target is 98.0%.

Council Tax

- 9.3 The current collection rate for Council Tax is 81.9% which is slightly behind the profiled target of 83.8%. The annual target is 95.0%. The number of Local Council Tax Support claimants at Q3 is 9,597.

10.0 WRITE OFFS

- 10.1 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	45,483		247,561
Business Rates	190,998	69,756	11,910		272,664
Housing Benefit Overpayments	0	38,126	15,560		53,686
Housing Rents (HRA)	31,577	17,452	57,436		106,465
Total	276,970	273,017	130,389	0	680,376

- 10.2 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.

11.0 TREASURY MANAGEMENT

- 11.1 Appendix I gives a quarterly update in respect of treasury management activities and the most recent economic prospects.

- 11.2 The average level of funds available for investment at the end of quarter 3 was £34.03M. In terms of performance against external benchmarks the return on investment at the end of the period was a follows:

Base Rate	– 5.25%
7 day SONIA	– 5.19%
Lancaster City Council	– 5.40%

Details of investment holdings are set out in Appendix I

- 11.3 No new borrowing was undertaken during quarter 3 with balance sheet projections indicating that around £6M temporary borrowing may be required before the end of the financial year. The ultimate timing of this will depend on working capital cashflows in the run up to year end which are kept under close review.

- 11.4 The Council has operated within the treasury and prudential indicators set out in its Treasury Management Strategy Statement for 2023/24. Appendix I gives an update in respect of prudential indicators showing the current forecast for the year against estimate and last year’s actuals.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

None directly identifiable, due to the high level nature of this report.

LEGAL IMPLICATIONS

There are no legal implications directly arising.

FINANCIAL IMPLICATIONS

As set out in the report.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

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

SECTION 151 OFFICER'S COMMENTS

The report has been written by the Section 151 Officer.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

None.

Contact Officers: Paul Thompson
Chief Finance Officer & s151 Officer

Telephone: 01524 582603

E-mail: pthompson@lancaster.gov.uk

Ref:

QUARTER 3 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE 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 %
Services							
Communities & Leisure	279	0	279	229	318	(39)	(14%)
	576	0	576	455	542	34	+6%
	426	31	457	609	528	(71)	(16%)
	796	(226)	570	217	378	192	+34%
	(31)	0	(31)	(27)	(28)	(3)	
	545	0	545	482	695	(150)	(28%)
	304	0	304	236	304	0	
Environment & Place	115	0	115	(78)	90	25	
	446	(52)	394	81	366	28	
	36	0	36	215	38	(2)	
	198	(44)	154	56	109	45	+29%
	1,386	0	1,386	1,137	1,381	5	
	639	138	777	491	765	12	
	1,607	0	1,607	1,194	1,669	(62)	(4%)
	92	0	92	34	73	19	
	(870)	0	(870)	(1,189)	(902)	32	+4%
	2,849	0	2,849	2,149	3,234	(385)	(14%)
	456	0	456	227	571	(115)	(25%)
Governance	1,027	0	1,027	838	973	54	+5%
	395	126	521	517	626	(105)	(20%)
	(108)	0	(108)	(8)	(53)	(55)	(51%)
Housing & Property	(1,625)	0	(1,625)	249	(1,372)	(253)	(16%)
	892	0	892	398	667	225	+25%
	108	0	108	42	85	23	
	103	0	103	148	210	(107)	(104%)
	639	196	835	(1,877)	890	(55)	(7%)
	750	12	762	515	749	13	
	124	0	124	77	120	4	
	0	0	0	10	0	0	
People & Policy	557	0	557	493	646	(89)	(16%)
	889	(101)	788	1,082	1,391	(603)	(77%)
	303	(21)	282	183	258	24	
	90	0	90	52	92	(2)	
	70	0	70	46	69	1	
	127	0	127	101	128	(1)	
	133	0	133	154	154	(21)	
Planning & Climate Change	58	0	58	58	58	0	
	125	0	125	90	154	(29)	
	87	0	87	56	170	(83)	(95%)
	583	0	583	230	477	106	+18%
	852	0	852	534	805	47	+6%
Resources	163	0	163	115	162	1	
	1,598	(24)	1,574	949	1,439	135	+9%
	1,645	0	1,645	1,148	1,604	41	+2%
	1,115	0	1,115	4,066	1,131	(16)	
Sustainable Growth	492	(35)	457	274	365	92	+20%
	(47)	0	(47)	(93)	(43)	(4)	
	599	0	599	311	465	134	+22%
	(2,251)	0	(2,251)	(1,756)	(2,493)	242	+11%
	877	0	877	595	833	44	+5%
	534	0	534	217	477	57	+11%
	106	0	106	10	83	23	
	20,859	0	20,859	16,342	21,451	(592)	(3%)
Corporate Services							
Corporate Accounts	(135)	0	(135)	378	1,664	(1,799)	(1333%)
Other Items	(1,855)	0	(1,855)	0	(1,855)	0	
	(1,026)	0	(1,026)	(953)	(1,026)	0	
	2,151	0	2,151	1,414	1,569	582	+27%
	(842)	0	(842)	(807)	(1,413)	571	+68%
	2,923	0	2,923	0	2,638	285	+10%
	0	0	0	0	0	0	
	0	0	0	0	0	0	
	187	0	187	0	187	0	
	0	0	0	0	0	0	
	1,403	0	1,403	32	1,764	(361)	(26%)
Net Recharges to Housing Revenue Account	(1,032)	0	(1,032)	(1,026)	(1,032)	0	
RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	871	(139)	0	
Revenue Reserve funded items included in above analysis (Revenue)	297	2,244	2,541	268	1,441	1,100	+43%
Revenue Reserve funded items included in above analysis (Appropriatic	(297)	(2,244)	(2,541)	108	(1,441)	(1,100)	(43%)
General Fund Revenue Budget	21,091	0	21,091	16,595	22,044	(953)	(5%)
Core Funding :							
Revenue Support Grant	(406)	0	(406)	(309)	(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)	8,262	(10,532)	276	+3%
Council Tax Requirement	10,610	0	10,610	24,548	11,287	(677)	(6%)

Notes:

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

QUARTER 3 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 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	122	24,104	17,828	23,526	578	+2%
	Indirect Employee Expenses	759	0	759	1,479	2,296	(1,537)	(203%)
Premises Related Exp	Cleaning and Domestic Supplies	392	0	392	213	293	99	+25%
	Energy Costs	2,747	0	2,747	822	2,124	623	+23%
	Fixtures and Fittings	1	0	1	0	1	0	
	Grounds Maintenance Costs	44	0	44	24	59	(15)	
	Operational Bldgs Allocation	246	0	246	114	246	0	
	Other Premises Costs	0	0	0	0	0	0	
	Premises Insurance	421	0	421	290	299	122	+29%
	Rates	1,440	0	1,440	1,270	1,253	187	+13%
	Rents	61	0	61	84	74	(13)	
	Repair and Maintenance	1,268	0	1,268	2,025	1,452	(184)	(15%)
	Water Services	347	0	347	262	363	(16)	
Transport Related Exp	Car Allowances	3	0	3	8	7	(4)	
	Contract Hire Operating Leases	69	0	69	160	192	(123)	(178%)
	Direct Transport Costs	1,462	0	1,462	922	1,544	(82)	(6%)
	Other Transport Costs	0	0	0	0	0	0	
	Public Transport	21	0	21	8	17	4	
	Transport Insurance	101	0	101	77	76	25	
Supplies and Services	Catering	55	0	55	38	54	1	
	Clothing Uniform and Laundry	86	0	86	74	83	3	
	Communications and Computing	1,574	0	1,574	1,355	1,543	31	+2%
	Contribution to Provisions	250	0	250	0	696	(446)	(178%)
	Equip Furniture and Materials	1,436	0	1,436	1,341	1,717	(281)	(20%)
	Expenses	689	17	706	438	651	55	+8%
	General Office Supplies	255	(11)	244	223	252	(8)	
	Grants and Subscriptions	1,381	76	1,457	1,417	1,871	(414)	(28%)
	Miscellaneous Expenses	1,584	3	1,587	671	1,630	(43)	(3%)
	Services	5,624	78	5,702	4,768	7,710	(2,008)	(35%)
Transfer Payments	Housing Benefit	21,977	0	21,977	14,854	21,977	0	
Support Services	Recharges Exp	60	0	60	88	188	(128)	(213%)
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	1,413	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)	(14,298)	(18,870)	(212)	(1%)
	Government Grants	(25,256)	(259)	(25,515)	(16,882)	(26,023)	508	+2%
	Interest	(887)	0	(887)	(807)	(1,610)	723	+82%
	Other Grants and Contributions	(1,926)	(26)	(1,952)	(2,958)	(2,822)	870	+45%
	Recharges Inc	(2,046)	0	(2,046)	(947)	(1,911)	(135)	(7%)
Capital Financing Inc	Capital Related Income	(300)	0	(300)	0	(300)	0	
	Net Recharges to Housing Revenue Account	(1,032)	0	(1,032)	(1,026)	(1,032)	0	
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	871	(139)	0	
	Revenue Reserve funded items included in above analysis (Revenue)	297	2,244	2,541	268	1,441	1,100	+43%
	Revenue Reserve funded items included in above analysis (Appropriat	(297)	(2,244)	(2,541)	108	(1,441)	(1,100)	(43%)
General Fund Revenue Budget		21,091	0	21,091	16,595	22,044	(953)	(5%)
Core Funding :	Revenue Support Grant	(406)	0	(406)	(309)	(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)	8,262	(10,532)	276	+3%
Council Tax Requirement		10,610	0	10,610	24,548	11,287	(677)	(6%)

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 3 FINANCIAL REVENUE MONITORING - HRA SERVICE 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 %
Housing Revenue Account							
Policy & Management	2,883	240	3,123	2,275	3,325	(202)	(6%)
Repairs & Maintenance	7,272	686	7,958	5,548	8,400	(442)	(6%)
Welfare Services	(20)	166	146	(239)	87	59	+40%
Special Services	232	44	276	213	268	8	
Miscellaneous Expenses	1,027	(50)	977	668	948	29	
Income Account	(16,450)	0	(16,450)	(12,206)	(16,430)	(20)	
Capital Charges	5,453	0	5,453	0	7,007	(1,554)	(28%)
Appropriations	(914)	(1,086)	(2,000)	0	(3,121)	1,121	+56%
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
	(517)	0	(517)	(3,741)	484	(1,001)	(194%)
Net Recharges to General Fund	517	0	517	517	517	0	
Housing Revenue Account Budget	0	0	0	(3,224)	1,001	(1,001)	

Notes:

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

QUARTER 3 FINANCIAL CAPITAL MONITORING - GENERAL FUND SERVICE 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 %	
Services								
Communities & Leisure	Salt Ayre Equipment Programme	161	98	259	264	(5)		
	Purchase Of Vehicles	1,239	1,396	2,635	1,002	1,284	+51%	
Environment & Place	Electric Taxis	0	0	0	(342)	0		
	Happy Mount Park Footpaths	0	8	8	8	8		
	UKSPF-23-2(yr2) The Streets Are Ours	0	0	0	(100)	0		
	Public Realm							
	Mellishaw Park	772	0	772	270	1,198	(55%)	
	Disabled Facilities Grants	0	0	0	(2,039)	0		
	HIA Purchase of Vehicles	105	22	127	0	0	+100%	
	Next Steps Accommodation Programme	0	23	23	8	23		
	1 Lodge Street Urgent Structural Repairs	422	0	422	(1)	0	+100%	
Housing & Property	Lancaster City Museum	0	7	7	(1)	7		
	Low Voltage Switchgear & Solar Array - Gateway	984	102	1,086	141	151	+86%	
	Palatine Recreation Ground - Veterans Cl	0	0	0	(6)	0		
	White Lund Depot Improvements	0	838	838	0	0	+100%	
	UKSPF-23-24 (yr2) Lancs CVS	0	0	0	0	0		
	Community Warm Hubs							
People & Policy	UKSPF - 23-24 (yr2) External Projects	0	0	0	(358)	0		
	UKSPF-23/24 (yr2) Digital Tourism Transformation	0	0	0	(30)	0		
	REPF 23/24 (yr1) External Projects	0	0	0	(125)	0		
	PRG Grant	0	0	0	(40)	0		
Planning & Climate Change	Heat De-carbonisation Programme	4,000	(4,000)	0	0	0		
	Burrow Beck Solar	0	4,000	4,000	0	0	4,000	
	Property De-carbonisation Works	487	0	487	(106)	0	487	
	SALC Salix Funded Optimised Solar Farm	0	0	0	(134)	0	0	
Resources	Application System Renewal	0	32	32	18	30	2	
	I.S. Desktop Equipment	0	8	8	12	12	(4)	
	I.T.Strategy	135	19	154	18	54	100	
	ICT Laptop Replacement & E-campus screens	30	94	124	4	33	91	
	ICT Telephony	0	27	27	10	27	0	
	Lancaster Local Fibre Network	800	(4)	796	236	1,041	(245)	
Sustainable Growth	Artle Beck Improvements	0	0	0	0	0	0	
	Brownfield Land Release Fund	0	0	0	(2,769)	0	0	
	Caton Road Flood Relief Scheme	0	0	0	(1,663)	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	(300)	800	0	0	800	
	Lancaster HS Heritage Action Zone	628	231	859	215	859	0	
	Lancaster Square Routes Project	5	0	5	(18)	0	5	
	Lawsons Bridge S106 scheme	63	0	63	0	0	63	
	UKSPF-23-24 (yr2) Maritime Museum Access	0	0	0	(9)	0	0	
	Morecambe Co-op Renovation	425	0	425	0	0	425	
	Centenary House Grant Funded Works	0	0	0	(749)	0	0	
		11,356	2,616	13,972	(6,293)	5,006	8,966	+64%
GRAND TOTAL		11,356	2,616	13,972	(6,293)	5,006	8,966	+64%

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

Council Housing Capital Programme 2023/24

	2023/24 Original Budget	2023/24 Working Budget	2023/24 Q3 Actual	2023/24 Projected Outturn	2023/24 Variance (Working v Projected)	Comments (Working Budget to Projected Outturn)
	£	£	£	£	£	
EXPENDITURE						
Adaptations	300,000	300,000	309,518	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	477,926	1,215,600	(22,700)	Net additional cost to replace 3 failing communal boilers at Bruntons Warehouse
Kitchen / Bathroom Refurbishment	938,000	938,000	679,629	938,000	0	
External Refurbishment	357,000	282,000	45,344	137,600	144,400	£120K virement to Adaptations, subject to ICMD approval
Environmental Improvements	150,000	570,000	302,337	585,000	(15,000)	Additional professional fees relating to renewal of railings and concrete pathways
Re-roofing / Window Renewals	557,000	726,000	171,397	671,400	54,600	Net projected underspend based on awarded contract
Rewiring	88,000	124,800	55,380	124,800	0	
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	280,000	520,000	311,265	520,000	0	
Housing Renewal & Renovation	577,000	1,263,400	291,659	1,219,200	44,200	Net underspend on property conversions and development
Mainway Regeneration Project	1,950,000	1,950,000	869,445	1,600,000	350,000	To reflect Brownfield Land Release Fund grant
TOTAL EXPENDITURE	6,196,000	7,867,100	3,513,900	7,431,600	435,500	

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

Reserves Statement (Including Unallocated Balances)

<----- 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
	£	£	£	£	£	£	£	£	£	£
Unallocated Balances	(9,145,100)				(9,145,100)	(11,678,400)			3,058,000	(8,620,400)
Earmarked Reserves:										
Corporate Priorities	(84,600)			84,600		(421,200)			402,900	(18,300)
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						(520,900)			121,000	(399,900)
To Support Revenue & Capital Expenditure	(601,400)	(4,500)		84,600	(521,300)	(1,741,600)	(4,500)		752,100	(994,000)
Renewals Reserves	(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>Arnsdale & Silverdale AONB</i>	(68,600)	(2,000)			(70,600)	(68,600)	(2,000)			(70,600)
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)			483,700	(158,700)
S106 Commuted Sums	(1,552,200)	(200,000)	63,000		(1,689,200)	(1,266,400)	(456,000)	63,000	105,000	(1,554,400)
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)
Reserves Held in Perpetuity:										
Graves Maintenance	(22,200)				(22,200)	(22,200)				(22,200)
Marsh Capital	(47,700)				(47,700)	(47,700)				(47,700)
Total ring-fenced/held against risk	(10,896,100)	(2,586,500)	187,000	1,934,400	(11,361,200)	(11,332,900)	(2,847,500)	187,000	2,638,100	(11,355,300)
Total Earmarked Reserves	(11,497,500)	(2,591,000)	187,000	2,019,000	(11,882,500)	(13,074,500)	(2,852,000)	187,000	3,390,200	(12,349,300)
Total Combined Reserves	(20,642,600)	(2,591,000)	187,000	2,019,000	(21,027,600)	(24,752,900)	(2,852,000)	187,000	6,448,200	(20,969,700)

Initiative	Budget	Actual to Date	Projected Outturn	Projected Variance	Progress
	£'000	£'000	£'000	£'000	
2023/24 APPROVED SAVINGS					
Communities & Leisure					
Children and Young People	9	5	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	11	23	0	restructure in place and savings due from October
SALC Gravity	3	3	3	0	template delivered
Pest Control Fees & Charges	26	20	26	0	template delivered - savings on track
Building Cleaning	51	25	51	0	restructure in place and savings due from October
Environment & Place					
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	6	8	(12)	template delivered - additional income being raised but not levels as anticipated
Trade Waste Price Review	20	15	20	0	template delivered - additional income being raised
Trade Waste Bin Hire Charging	80	60	80	0	template delivered - additional income being raised
Waste Collection Charging	20	12	16	(4)	template delivered - additional income being raised
Anti-Social Behaviour	21	21	21	0	template delivered
Public Protection Fees & Charges	3	3	3	0	template delivered - additional income being raised
Deletion of Vacant Post (Public Health Projects)	47	47	47	0	template delivered
Hospitality & Printroom	75	30	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
Governance					
Staffing Review (Legal)	3	0	3	0	Part of bigger saving proposal from previous year and to be implemented later in year
Housing & Property					
Municipal Building Review	166	166	166	0	template delivered
Courier	14	10	14	0	template delivered - savings on track
People & Policy					
Senior Leadership Restructure	448	448	448	0	template delivered
Wellbeing (Mental Health)	10	10	10	0	template delivered
Projects, Performance & Risk	43	22	43	0	restructure in place and savings met from October
Communications	23	11	23	0	restructure in place and savings met from October
Commercial Marketing & Tourism	53	26	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	54	107	(9)	now closed. Additional rent costs whilst future of MVIC considered (assumed to end of calendar year)
Planning & Climate Change					
Building Control Fees	10	3	10	0	template delivered - additional income being raised
Building Control Staffing	43	(47)	(94)	(137)	function now being delivered by Capita, costs have risen exponentially as a consequence. Officer review taking place
Planning Pre-Application Fees	9	8	9	0	template delivered - additional income being raised
Deletion of Vacant Post (Planning Policy)	60	60	60	0	template delivered
Resources					
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	55	73	0	savings on track
Sustainable Growth					
The Platform	32	31	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
TOTAL	2,423	1,972	2,229	(194)	

GENERAL FUND SERVICE ANALYSIS 2023/24

	Original Budget	Q1 Projected	Q2 Projected	Q3 Projected	Q4 Projected
Services					
Communities & Leisure	Community Connectors	279	263	316	318
	Customer Services	576	576	561	542
	Facilities Management	426	38	381	528
	Food Safety	796	397	396	378
	Pest Control	(31)	(27)	(29)	(28)
	Salt Ayre Leisure Centre	545	717	717	695
	VCFS	304	304	304	304
Environment & Place	AONB & Nature Reserves	115	95	91	90
	Environmental Protection	446	425	381	366
	Fleet Management	36	25	68	38
	Hospitality & Events Management	198	417	100	109
	Parks & Open Spaces	1,386	1,353	1,354	1,381
	Service Support	639	626	725	765
	Street Cleaning	1,607	1,608	1,682	1,669
	Streetscape	92	83	73	73
	Trade Refuse	(870)	(897)	(906)	(902)
	Waste Collection	2,849	3,114	3,143	3,234
	Williamson Park	456	457	460	571
Governance	Democratic Support & Elections	1,027	1,030	1,006	973
	Legal Services	395	449	549	626
	Licensing	(108)	(68)	(46)	(53)
Housing & Property	Commercial Land & Properties	(1,625)	(1,599)	(1,326)	(1,372)
	Municipal Buildings	892	1,185	760	667
	Other Land & Buildings	108	108	83	85
	GF Housing Schemes	103	103	196	210
	Private Sector Housing	639	606	846	890
	Property Group	750	705	779	749
	Public Health Services	124	128	117	120
	Repairs & Maintenance	0	0	0	0
People & Policy	Exec Support	557	516	646	646
	HR & OD	889	870	1,379	1,391
	Communications & Marketing	303	286	258	258
	Emergency Planning & CSP	90	92	92	92
	Health & Safety	70	70	69	69
	Projects & Performance	127	128	128	128
	Visitor Information Centres	133	119	131	154
Planning & Climate Change	CCTV	58	57	58	58
	Corporate Climate Change	125	128	147	154
	DM - Building Control	87	194	178	170
	DM - Planning	583	603	544	477
	Planning & Housing Strategy	852	833	819	805
Resources	Internal Audit	163	163	162	162
	Finance	1,598	1,455	1,500	1,439
	ICT	1,645	1,604	1,575	1,604
	Revenues & Benefits	1,115	1,115	1,131	1,131
Sustainable Growth	Economic Development & Culture	492	179	377	365
	Markets	(47)	(40)	(38)	(43)
	Museums	599	597	459	465
	Parking	(2,251)	(2,276)	(2,359)	(2,493)
	Regeneration	877	768	832	833
	Strategic Projects & Engineers	534	511	487	477
	The Platform	106	109	74	83
		20,859	20,302	21,430	21,451
					0
Corporate Services					
Corporate Services	Corporate Accounts	(135)	427	1,458	1,664
	Contributions from Reserves	(1,855)	(1,855)	(1,855)	(1,855)
	Government Grants	(1,026)	(1,026)	(1,026)	(1,026)
	Interest Payable	2,151	2,151	1,569	1,569
	Interest Receivable	(842)	(842)	(1,361)	(1,413)
Other Items	Minimum Revenue Provision	2,923	2,638	2,638	2,638
	Notional Charges	0	0	0	0
	Pandemic Support	0	0	0	0
	Revenue Funding of Capital	187	187	187	187
	UKSPF	0	0	0	0
		1,403	1,680	1,610	1,764
					0
	Net Recharges to Housing Revenue Account	(1,032)	(1,032)	(1,032)	(1,032)
	RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	(139)	(139)
	Revenue Reserve funded items included in above analysis (Revenue)	297	857	1,418	1,441
	Revenue Reserve funded items included in above analysis (Appropriati	(297)	(857)	(1,418)	(1,441)
		21,091	20,811	21,869	22,044
					0
General Fund Revenue Budget					
Core Funding :	Revenue Support Grant	(406)	(406)	(406)	(406)
	Additional New Homes Bonus	0	0	0	0
	Supplementary Government Grants	0	0	0	0
	Prior Year Council Tax Surplus	181	181	181	181
	Net Business Rates Income	(10,256)	(10,256)	(10,423)	(10,532)
		10,610	10,330	11,221	11,287
					0

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

Treasury Management Update

Quarter ended 31st December 2023

Report of Chief Resources and S151 Officer

2023/24 Treasury Management Update

Quarter Ended 31st December 2023

1. Introduction

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

2. Economic update (provided by Link Asset Services)

The third quarter of 2023/24 saw:

A 0.3% month on month decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%.

A sharp fall in wage growth, with the headline 3month year on year rate declining from 8.0% in September to 7.2% in October,

CPI inflation continuing its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November.

Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022.

The Bank of England holding rates at 5.25% in November and December.

A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.

CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.

The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently

restrictive for sufficiently long” and that “monetary policy is likely to need to be restrictive for an extended period of time”. In other words, the message is that the MPC is not yet willing to endorse investors’ expectations that rates will be cut as soon as May 2024.

Looking ahead, Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won’t feel comfortable cutting interest rates until the second half of 2024.

3. Interest Rate Forecast

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- *LIBOR and LIBID rates ceased at the end of 2021. In a continuation of previous views, money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.*
- *Link forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

4. Investing Activities

The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 22nd February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council’s investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the charts below and the interest rate forecasts in section 3, investment rates have remained elevated during 2023/24 but are now expected to have peaked.

There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of credit worthiness to ensure that only appropriated counterparties are considered for investment purposes.

The current investment counterparty criteria selection approved in the Treasury Management Strategy is meeting the requirement of the treasury management function.

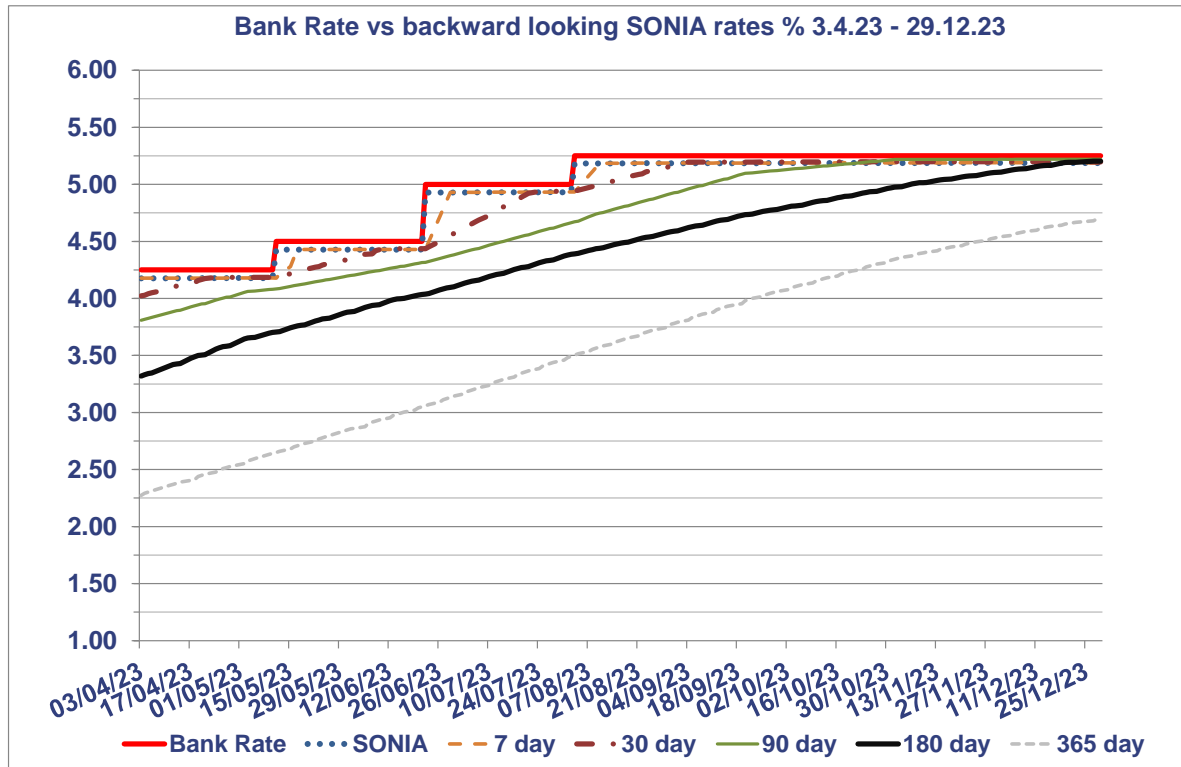
The average level of funds available for investment purposes to the end of quarter 3 was £34.03m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

In terms of performance against external benchmarks, the return on investments compared to the 7-day SONIA and bank rates at the end of the period is shown below. This is viewed as good performance given the need to prioritise the investments and liquidity (i.e. making sure that the Council's cash flow meets its needs).

Base Rate	5.25%
7 day SONIA	5.19%
Lancaster City Council investments	5.40%

Investment Balances – quarter ended 31 December 2023

At the start of the quarter investments totalled £29.9m rising to £34.5m by 31 December. Fixed term investment with local authorities on 31 December were £23.0m whilst Money Market Fund balances were £11.5m.

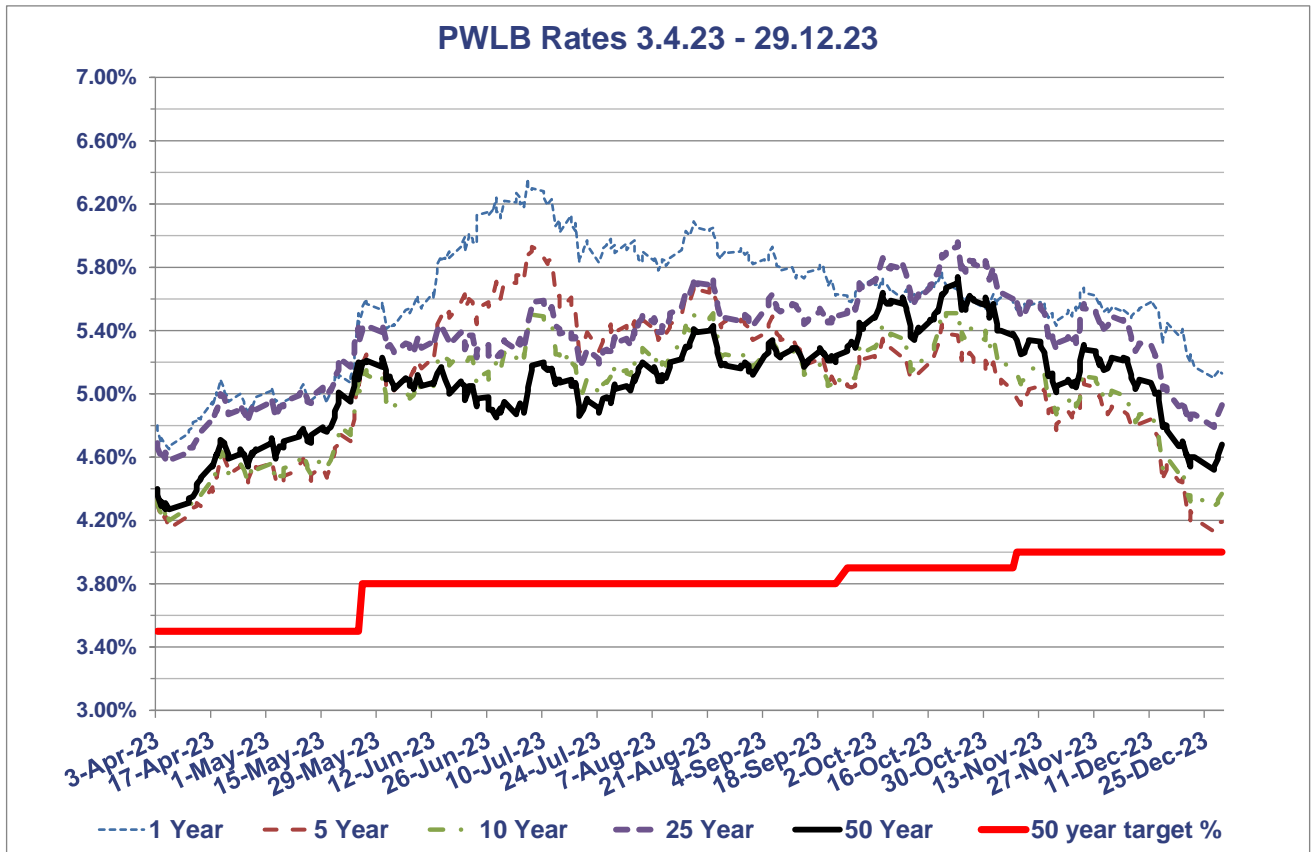


5. New Borrowing

No borrowing was undertaken during the quarter ended 31st December 2023. It is anticipated that further borrowing will be undertaken during this financial year. Balance sheet projections indicate that around £6M borrowing may be required before the end of the financial year. This is anticipated to be temporary borrowing. The ultimate timing will depend on exact working capital cashflows in the run up to year end which are kept under close review. These will continue to be monitored in the forthcoming financial year.

PWLB rates were on a rising trend from April through to October but dropped back significantly in November and December.

The 50-year PWLB target certainty rate for new long-term borrowing started 2023/24 at 3.50% before increasing to a peak of 4.00% in November. With rates elevated across the whole of the curve, it is advised to not borrow long-term unless the Authority wants certainty of rate and judges the cost to be affordable.



6. Debt Rescheduling

Debt rescheduling opportunities have increased significantly in the current quarter where gilt yields, which underpin PWLB rates and market loans, have risen materially. Members will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio.

7. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 31st December 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Chief Resources & S151 Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

The Prudential and Treasury Indicators for 2023-24 as of 31st December 2023 are set out below:

Treasury Indicators	31.03.23 Actual £M	2023/24 Approved Estimate £M	2023/24 Quarter 3 Estimate
Authorised limit for external debt	115.00	124.00	117.00
Operational boundary for external debt	99.00	109.14	102.04
Gross external debt	59.01	73.47	63.97
Investments	(20.30)	(13.74)	(7.71)

Prudential Indicators – Non HRA	31.03.23 Actual £M	2023/24 Approved Estimate £M	2023/24 Quarter 3 Estimate £M
Capital expenditure *	10.44	23.97	10.62
Capital Financing Requirement (CFR) *	63.56	74.05	66.95
Annual change in CFR *	4.50	10.48	3.38
Ratio of financing costs to net revenue stream *	5.90%	22.96%	19.94%

Prudential Indicators – HRA	31.03.23 Actual £M	2023/24 Approved Estimate £M	2023/24 Quarter 3 Estimate £M
Capital expenditure *	5.31	7.22	8.33
Capital Financing Requirement (CFR) *	35.13	34.09	34.09
Annual change in CFR *	(1.04)	(1.04)	(1.04)
Ratio of financing costs to net revenue stream *	18.79%	17.00%	17.00%

8. Other Issues

Changes in risk appetite

The 2021 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g., for moving surplus cash into or out of certain types of investment funds or other types of investment

instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

BUDGET AND PERFORMANCE PANEL**Strategic Risk Management****14 March 2024****Report of Chief Executive****PURPOSE OF REPORT**

To provide Members of the Panel with an update on the authority's progress in updating the Strategic Risk Register.

This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.

RECOMMENDATIONS

- (1) The Budget and Performance Panel note the Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).

1.0 Introduction

- 1.1 Quarterly Strategic Risk Report as updated by Leadership Team to be seen by Budget and Performance Panel to be noted.

- 1.2 The attached appendices show the changes to the council's Strategic Risk Register since the report was last run on 10th November 2023. Changes are highlighted using red text in the appendices. A summary of the main changes are:

- The risk description has been updated to include links to the Council Plan 24-27 (previously the links were to Plan 2030).
- The risk categories have been updated to those from HM Treasury Orange Book, as set in December 2023.
- Control measures have been updated for individual risks.
- Action Plan items have been updates for individual risks.
- Action Plan Owners have been updated where needed.
- Risk reviews have been run and risk review comments added to help highlight the changes which have been made since the previous report was run.

**CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, 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, such as Human Resources, Information Services, Property, Open Spaces

No direct resource 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, including responsibility for Internal Audit.

MONITORING OFFICER'S COMMENTS

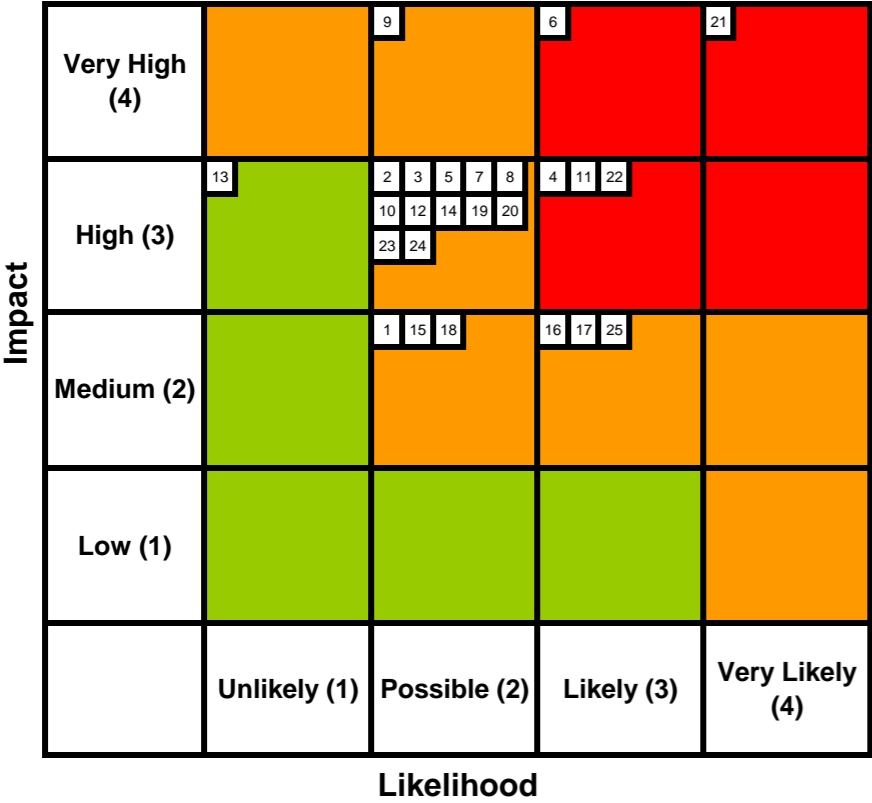
The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None

Contact Officer: Claire Dubelbeis, Projects and Performance Manager
Telephone: 01524 582505
Email: CDubelbeis@lancaster.gov.uk
Ref: N/A

Strategic Risk register - Risk Map 09.02.24



NOTE 1: All risks have been reviewed in the run up to 9th February 2024.
 NOTE 2: Only risks which are unrestricted are shown.
 NOTE 3: The numbers shown on the risk map relate to those on the next page in the first column, not the Strategic Risk (SR) numbers.

Strategic Risk Register, report created 09.02.24

Red text used to highlight changes since previous report

Risk No.	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 Due Date	Review Date	Review Comment		
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.	Central Government funding and/or revenues collected are insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability. Link to Council Plan 24-27: 4.1 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 aligned with the Councils Priorities.	Mark Davies	30/12/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.		
					Council Strategies	Outcome Based Resourcing (OBR), Investment Strategy, Reserves Strategy and Medium Term Financial Strategy		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	31/03/2024				
					Monthly income monitoring by applicable services	Monthly income monitoring by applicable services		Business Plans for Investments	Develop business plans for investment particularly in relation to decarbonisation and renewable energy generation.	Paul Thompson	31/03/2024			04/12/2023	Significant uncertainties remain around the future of government funding, with current views that it is unlikely to improve in the short or medium term. The Council is developing a series of plans to reduce its forecast deficit via its OBR workstreams
					Quarterly reporting	Formal quarterly reporting to Cabinet and Budget and Performance Panel		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	31/03/2024				
					Commercialisation	Development of other alternative service delivery vehicles to deliver efficiencies and/ or operational surpluses which can be reinvested into Council Services.									
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.	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 Council Plan 24-27: 4.1 Value for Money	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.	Mark Davies	31/12/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.		
					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 services, projects and council priorities. Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	People	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	6 (3x2)				22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.			
					Annual Appraisal Process	Annual Appraisal Process embedded									

				Pay and Grading Structure	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. Recent experience suggests that this assisted in attracting applicants with the desired skills and values.							
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 Council Plan 24-27: 4.5 Innovative Public Service	9 (3x3)	Property, Financial	Use of Council Assets Capital Strategy Group Use of Council Assets Ongoing OBR workstream reviewing assets Use of Council Assets Performance monitoring of leases implemented Use of Council Assets Budget Monitoring Use of Council assets Implemented active asset management inc. financial modelling for stock rationalisation. Use of Council assets Appointed Eckersleys to support the council in asset disposal. Use of Council Assets Stock Condition Surveys for property group underway.	6 (3x2)	Council Assets Council Assets Council Assets Climate Strategy for Housing and Property to be developed	To progress with disposals of council assets as outlined through 22/23 OBR process. Updated Asset Management Plan to be developed to incorporate property performance. Climate Strategy for Housing and Property to be developed	Joanne Wilkinson Paul Mackie, Joanne Wilkinson, Dan Wood Paul Mackie, Joanne Wilkinson	29/03/2024 31/10/2024 29/03/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
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)	Financial	Resourcing the emergency response function The Council continues to adequately resource its emergency planning function, including maintaining its team of out of appropriately trained emergency response officers. District emergency 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. Business Continuity Plans Business Continuity Plans National Emergency (such as a pandemic) LRF plans. Financial Planning Financial Planning - Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic. Business Resilience Business Resilience - The Council continues to invest in resilience measures eg technology to facilitate remote working. Partnerships Partnerships - The Council continues to allocate resource to developing its key partnerships LRF, CSP (Community Safety Partnership) and local resilience partners. County wide emergency (such as widespread loss of power and extreme weather events) The LERP (Lancashire Emergency Response Plan) and plans as required from box 2 and box 3 plans, held in resilience direct.	6 (3x2)	Financial Planning Community Resilience Adaptation Schemes	Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic. The Council supports community resilience through CEPGs and FLAG groups etc The Council appraises and potentially invests in schemes and activities that provide adaptation (eg Lune river defence)	Paul Thompson Alex Kinch Paul Blakeley, Jonathan Noad	31/03/2024 31/03/2024 31/03/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
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. Link to Council Plan 24-27: 1.1 Carbon Zero	12 (4x3)	Financial	Delivery plan in place Delivery plan in place 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	8 (4x2)	Delivery Plan Local area energy plan	The Council continues to work on the delivery of its action plan. More details can be found on our website: https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates 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 Davies Mark Cassidy	31/03/2024 30/06/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
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. Link to Council Plan 24-27: Whole document.	6 (3x2)	Strategy	Carbon Zero + More details can be found on our website: https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates 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.	4 (2x2)	Local Development Plan	Local Development Plan	Mark Davies	30/09/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
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	6 (3x2)	People, Financial	Local Plan Local Plan Medium Term Financial Strategy (MTFS) Medium Term Financial Strategy (MTFS)	3 (3x1)	Local Plan Funding the Future Strategy Reserves	Local Plan Funding the Future Strategy Adequate reserves are maintained to allow, due	Mark Davies Mark Davies Mark Davies,	31/03/2024 31/03/2024 31/03/2024	06/02/2024 22/12/2023	Staffing Capacity Action closed and replaced with People Plan action. Risks which contained a

	projects it is essential they are properly prioritised and resourced. Link to Council Plan 24-27: 4.5 Innovative Public Services			Investment Strategy Investment Strategy Capital Programme Capital Programme The Council continues to resource key service teams in Planning, economic development, regeneration, property investment Collaborative Working Partnership Working	Investment Strategy Investment Strategy Capital Programme Capital Programme The Council continues to resource key service teams in Planning, economic development, regeneration, property investment and facilities management. We work in collaboration with other stakeholders. For example, on the Eden Project we are working closely with the County Council. Many of our projects involve working in collaboration with other partners. For example, working with the County Council for the Eden Project Morecambe.			diligence of property investment, regeneration projects and key strategic planning strategies. Capital Programme Ensure capital programme is prioritised to facilitate match funding leverage and maximise the potential to attract external funding. People Plan 3-Year People Plan in place and being delivered, which includes emphasis on upskilling and staff development, as well as initiative to support recruitment and retention.	Paul Thompson Mark Davies, Paul Thompson Alex Kinch	 31/03/2024 31/03/2026		link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
10	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our communities. Link to Council Plan 24-27: 4.1 Value for money	6 (3x2)	Strategy	Continued monitoring and horizon scanning of Government policy 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	Continued monitoring and horizon scanning of Government policy Clear and focused Council strategy to maximise alignment with Government policy and resourcing Strategic Plans - Continue to develop Council strategic plans and documentation in light of emerging Government policy	6 (3x2)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
11	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)	Strategy, Financial	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues 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	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues Strategic responsiveness through continued risk management review Agility and Resilience - Continue to develop agility and resilience across the organisation Strategic risk management approach	9 (3x3)					09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
12	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation. Link to Council Plan 24-27: 4.5 Innovative Public Service	6 (3x2)	Strategy, Financial	Budget Development Comprehensive, robust and transparent approach to budget development and service delivery.	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.	Mark Davies	31/12/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
13	SR13 The Council's reputation is damaged through its own actions or actions of others in the District. Link to Council Plan 24-27: 3.4 Community Engagement	3 (3x1)	Strategy, People	Communications Pro-active communications and transparency 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	Pro-active communications and transparency Strategic management of all Council activities to ensure continued high reputation 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. Strategically communicate and engage with residents, partners and stakeholders to ensure actions align with reputation	3 (3x1)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
14	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services. Link to Council Plan 24-27: 4.1 Value for money	6 (3x2)	Operations, Financial	Budget and Performance Panel Budget and Performance Panel Reserves Policy Reserves Policy	Budget and Performance Panel Budget and Performance Panel Reserves Policy Reserves Policy	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	31/12/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.

				Continue financial forecasting	Continue financial forecasting and scenario planning e.g. for energy costs								which replaces Plan 2030.
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 Council Plan 24-27: 4.5 Innovative Public Services; 4.1 Value for money	4 (2x2)	Strategy	Asset Management Plan Continuous review of assets and infrastructure	Asset Management Plan Continuous review of assets and infrastructure	2 (1x2)	Asset Management Plan	Conduct a major review of Council infrastructure and assets, taking a future focused approach to asset management.	Mark Davies	27/09/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
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 Council Plan 24-27: 4.5 Innovative Public Services	6 (2x3)	Strategy	Corporate Plan Policy Framework Continuous review of strategy and policy LGA Workshop with Members	Corporate Plan Policy Framework Continuous review of strategy and policy, and alignment with service delivery. These took place in September 2023.	3 (1x3)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
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. Link to Council Plan 24-27: 4.6 Openness	6 (2x3)	Legal	Corporate Governance Continuous review of governance processes Annual Governance Statement and Code of Corporate Governance	Corporate Governance Continuous review of governance processes to ensure they are fit for purpose 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).	6 (2x3)	Training and development	Training and development to ensure staff and members are equipped to follow governance requirements	Luke Gorst	31/03/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
18	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area.	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area. Link to Council Plan 24-27: 2.4 Investment and Regeneration	4 (2x2)	Project / Programme	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	31/03/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
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. Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (3x2)	Property, Financial	Registration with BSE for high rise blocks Registration with BSE for high rise blocks Registration with BSE for high rise blocks Registration with BSE for high rise blocks Registration with BSE for high rise blocks Registration with BSE for high rise blocks Registration with BSE for high rise blocks	Fortnightly senior housing management meetings updating on risks and plans around building safety review. Fire safety works being completed. Fire door audits being undertaken Monthly Compliance Steering Group comprising staff from across the Housing Service meet to discuss issues and tasks that are needed. Tenants Voice group established Registration of blocks with BSE complete On-going and regular campaigns on fire safety undertaken with residents.	2 (2x1)	Registration with BSE for high risk blocks	Safety Case files being prepared for submission to BSE.	Dennis Graham, Paul Mackie, Joanne Wilkinson	01/04/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
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. Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (3x2)	Property, Financial	Social Housing Regulation Social Housing Regulation Social Housing Regulation Social Housing Regulation	Attendance at benchmarking groups with the Regulator / Ombudsman to stay abreast of updates / developments / best practice / learning Action planning within the service occurs in preparation for changes Quarterly reports available for portfolio holder outlining changes in the previous quarter produced. Service Improvement Plan well established	2 (2x1)	Social Housing Regulation	To complete HQN self-assessment as a gap analysis against new standards	Joanne Wilkinson	01/04/2024	10/11/2023	Reviewed by Jo Wilkinson to update action plans
								Social Housing Regulation	Self-assess against proposed regulatory standards which have been released and action plan - aligned with work already undertaken around HQN self-assessment.	Pete Linsley, Joanne Wilkinson	29/02/2024		

				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 Procurement of Health and Safety Consultations and recruitment to new role	H&S Consultations engaged since September '23, audit completed and action plan being implemented. Recruitment to new post of Senior Corporate H&S Manager in Q4. Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	9 (3x3)	Legal	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	29/02/2024	06/02/2024	Risk title and description amended at the request of the risk owner.
					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. Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	Technology	Air conditioning in place to keep the data centre at optimal temperature		2 (2x1)	Full Fibre Project		Nick Goulden	28/06/2024	10/11/2023	Reviewed by individual Chief Officers and discussed at Leadership Team on 7/11/23
					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. Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	Property, Financial	Property Group Compliance	Regular reports shared with SLT highlighting current position.	1 (1x1)	Property Group compliance	New Asset Management Strategy to be developed	Paul Mackie, Joanne Wilkinson, Dan Wood	31/10/2024	27/01/2024	Significant progress being seen. Regular reports in place showing positive trend. Stock condition surveys now commenced. Asset OBR group to continue to meet to review property group work / property requirements. Budget included within 24/25 programme for compliance and capital works. Dedicated team established combining expertise from housing alongside property group team.
					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	Establish accurate data recording and position statement through individual workbooks for assets.							
					Property Group Compliance	Full Stock Condition Survey authorised and being completed.							
					Property Group compliance	Budget secured within General Fund for compliance / asset management work.							
					Property Group compliance	OBR - Assets group established							
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 factored into future budgets moving forward. Funding temporary accommodation for those who need it is a stat requirement. Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (2x3)	Financial	Increasing homeless temporary accommodation costs	Budget reviews ongoing with service accountant.	2 (1x2)	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 homelessness.	Joanne Wilkinson	29/03/2024	31/01/2024	Continue to see increasing numbers of residents presenting as homeless and requiring B+B accommodation due to lack of alternative accommodation. B+B reduction plan for DLUHC produced, new homelessness strategy approved by Cabinet. To look at more rigorous monitoring of costs and cost of spaces from providers.
					Increasing homeless temporary accommodation costs	Some access to grant funding to off-set costs (although limited and unpredictable).		Increasing homeless temporary accommodation	To work with finance to develop weekly spend sheets monitoring spend on accommodation	Sharon Parkinson	08/03/2024		
					Increasing homeless temporary accommodation costs	Bed and breakfast plan developed for DLUHC		Increasing homeless temporary accommodation	To review costs of accommodation with each provider to ensure reaching VFM	Sharon Parkinson	15/03/2024		
					Increasing homeless temporary accommodation costs	Regular case work management in team of cases in bed and breakfast							
					Increasing homeless temporary accommodation costs	All B+B placements passed by manager for approval							
					Increasing homeless temporary accommodation costs	New Homelessness Strategy approved by Cabinet Oct 2024							
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).		Strategy, Financial							09/02/2024		Strategic Risk report discussed at Leadership Team on 06/02/24.

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

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