

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	24 November 2020
Report	Delivering Our Ambitions: Q2 2020/21		
Report of	Director of Corporate Services		
Purpose of Report			
To provide members with an update on performance, projects, and resources during the second quarter of 2020/21 (July – September 2020).			
Key Decision (Y/N)	N	Date of Notice	N/A
Exempt (Y/N)	N		

Report Summary

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

Recommendations of Councillor Anne Whitehead

That Cabinet

- (1) Consider the update on performance, projects, and resources for Quarter 2 2020/21.
- (2) Continue to lobby central government for the funding necessary to cope with the demands and new burdens presenting because of COVID-19.

Relationship to Policy Framework

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

Conclusion of Impact Assessment(s) where applicable

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

The content of this report has no impact in itself.

Details of Consultation

No specific consultation around this report.

Legal Implications

No legal implications directly arising from this report.

Financial Implications

No financial implications directly arising from this report.

Other Resource or Risk Implications

No other implications directly arising from this report.

Section 151 Officer's Comments	
The Section 151 Officer contributed to this report in his role as Head of Financial Services.	
Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no further comments.	
Contact Officer	Paul Thompson (Head of Financial Services)
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Links to Background Papers	

1.0 Introduction

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

2.0 Performance Scorecard

- 2.1 As Cabinet and the Council's priorities continue to develop, success measures will be updated accordingly to align with the priorities. Members will be aware that work to create a revised suite of measures is currently progressing. However, given the current circumstances and until this work is complete reporting has been suspended.

3.0 Project Updates

- 3.1 As a result of COVID 19 many of the Council's projects have been placed on hold and reporting has been suspended.

4.0 Financial Monitoring

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

The following financial appendices accompany this report

- Appendix A: General Fund Service Analysis
- Appendix B: General Fund Subjective Analysis
- Appendix C: HRA Service Analysis
- Appendix D: HRA Subjective Analysis
- Appendix E: General Fund Capital Projects
- Appendix F: HRA Capital Projects
- Appendix G: Reserves Projected Outturn

General Fund Summary Position

- 4.3 Quarter 2 (Q2) monitoring covers the period for July – September 2020 and provides Members with details of the effect on the Council's finances of the COVID-19 pandemic. The most significant variance is the loss of revenue from Car Parking, Salt Ayre, and the Platform.
- 4.4 The monitoring includes the impact of the Government's recent Sales, Fees and Charges (SFC) compensation scheme which involves a 5% deductible rate, whereby the Council will absorb losses up to 5% of our planned 2020/21 sales, fees and charges income. The Government then provides compensation of 75p in every pound of relevant losses. Further information is available on the governments website <https://www.gov.uk/guidance/local-government-income-compensation-scheme-for-lost-sales-fees-and-charges>
- 4.5 At the end of Q2 (September 2020) we are currently projecting an overall year end surplus against budget of **£2.078M**. However, Members need to be aware that this is a result of a formal statutory adjustment within the Collection Fund to recognise the Green Energy Disregard monies with the Council's General Fund. Member's would be advised to note that this classification is subject to confirmation and so is currently **at risk**. Further explanation is provided at paragraphs 4.12 – 4.17 below.
- 4.6 The underlying General Fund position is showing overspend of **(£1.491M)** (Q1 £1.709M). This amount equates to approximately **8.32%** (Q1 9.54%) of the Council's approved Net Revenue Budget of **£17.903M**.
- 4.7 A summary of the Q2 revenue position for the main service accounts of the Council is set out in table 1 below. Appendix A: General Fund Service Analysis covers this information in more detail with commentary on significant variances (£100K+/-) provided within the following paragraphs.

Table 1 Quarter 2 Financial Monitoring – Service Analysis

	Original Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Communities and Environment	5,516	2,435	6,438	(921)
Economic Growth and Regeneration	4,192	3,084	4,076	113
Corporate Services	5,592	6,619	6,707	(1,115)
Chief Executive	1,023	491	974	49
Other Items	2,691	(2,677)	2,322	369
Sub Total	19,014	9,952	20,517	(1,505)
Net Recharges to Housing Revenue Account	(1,008)	0	(1,008)	0
RMS Capital Charges (now Housing Revenue Account)	(113)	2,167	(113)	0
Reserve funded items included in above analysis	10	592	0	14
Estimated Refund from Government re: loss of income	0	0	0	0
Sub Total	(1,111)	2,759	(1,121)	14
General Fund Revenue Budget	17,903	12,711	19,396	(1,491)
Revenue Support Grant	(203)	(106)	(203)	0
Net Business Rates Income	(8,028)	371	(11,597)	3,569
Council Tax Requirement	9,672	12,976	7,596	2,078

- Communities and Environment (£0.921M Adverse)
- 4.8 Services within Communities and Environment have borne the brunt of income losses due to COVID-19. Although the reported figures are net of savings and the governments compensation scheme significant losses have been experienced by the closure, or reduction in operating capacity of Salt Ayre Leisure Centre (£0.317M), the Council's Markets (£0.096M) and Williamsons Park (£0.130M). Also, as expected Car Parking (£0.540M) and Trade Waste (£0.205M) have seen significant reductions in demand during the first half of the year.
- Economic Growth and Regeneration (£0.113M Favourable)
- 4.9 The repurposing of the Platform to host the food bank has provided savings £0.224M. However, the Regeneration Team have requested an increased budget (£0.175M) to further support delivery of the Funding the Future strategy. In addition, the adverse variance within Development Control (£0.219M) is due to an increase in the CAPITA contract, additional legal fees, and a reduction in Planning Fee/ Pre-Application income.
- Corporate Services (£1.115M Adverse)
- 4.10 Changes to the way we account for the staff turnover target has resulted in what appears to be a large variance (£0.591M) within the central corporate accounts, although this is offset by savings elsewhere within the Council's services. Other significant variances relate to Human Resources (£0.136M) predominately due to additional staffing costs for various new posts within the department and Legal Services (£0.102M) reflecting reduced search fee income as well as increased staff and external legal costs. Revenues and Benefits (£0.406M) because of reductions in Housing Benefit overpayments and legal costs recovered.
- Other Items (£0.369M Favourable)
- 4.11 A reduction in the Council's charge for Minimum Revenue Provision (+£0.347M) because of the 2019/20 Capital Outturn and revisions to the 2020/21 Capital Programme.
- Business Rates Income (£3.569M)
- 4.12 Under the Business Rates Retention scheme the amount of income the Council can recognise in its General Fund is fixed in January of the preceding financial year. This is necessary so that Central Government, the County Council and Fire Authority can take into account their expected share of business rates.
- 4.13 The Council is allowed to retain 100% of any business rates income from renewable energy projects for which they grant planning permission. During the collation of the return (NNDR 1) which determines the relative shares for 2020/21 in January 2020 Walney Sub Station extension was identified as potentially qualifying for the Green Energy Disregard. It was, however, necessary at this stage to obtain both internal and specialist external advice to support the classification. Whilst the City Council dealt with the planning permission it is a national infrastructure project. It was not possible to obtain this within the required timescales for the return.
- 4.14 Expert external advice supported the view that the £2.085M income did qualify for the disregard. It was, therefore, included in our final accounts for 2020/21 for the Collection Fund and in the submission of the actual outturn to central government.

- 4.15 Although the green energy disregard monies are income to the General Fund they are recognised as expenditure in the Collection Fund. This created a deficit on the fund, the City Council's share of which is £0.789M. This will not be recognised in the General Fund until 2021/22. In January 2020 it was anticipated that there would be a surplus on the Collection Fund, the City Council's share of which is £1.183m and it is this amount which is recognised in the General Fund for 2020/21.
- 4.16 Our monitoring position and revised budget reflect the full impact of treating the substation as a green energy property. The resulting favourable variance will help to offset the effect of the exceptional in-year deficit on the Collection Fund created by the impact of COVID-19 and the Council's share of the actual deficit brought forward of £0.789m. The Council's share of the in-year deficit is estimated to be £1.227M (central government have recently enacted legislation to enable authorities to spread the effect of the exceptional deficit over the three years 2021/22-2023/24).
- 4.17 Members must be aware that a risk does remain that central government may not agree with the green energy classification. Should our assessment be challenged the £2.085m would be reclassified as Business Rates "growth" of which the Council would only be able to retain 40%, c.£0.800m. Once central government resets the Council's funding baseline this benefit would cease.
- 4.18 Members would be advised not to use this fortuitous gain to fund the current underlying structural deficit and continue to review and address the deficit through the processes prescribed within the Funding the Future Strategy.

Subjective Analysis

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

Table 2 Quarter 2 Financial Monitoring – Subjective Analysis

	Working Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Employees	21,285	18,235	23,365	(2,078)
Premises Related	5,522	2,792	5,433	89
Transport Related	1,235	650	1,230	5
Supplies and Services	10,910	5,880	10,756	154
Transfer Payments (Housing Benefits)	24,327	8,969	24,327	0
Support Service Recharges	132	(10)	125	7
Capital Charges	17	0	17	0
Interest Payments	1,158	349	1,158	0
Appropriations	3,118	0	2,714	400
Customer Fees and Charges	(16,480)	(6,001)	(9,848)	(6,632)
Government Grants	(26,753)	(16,787)	(27,061)	308
Interest	(130)	(53)	(88)	(42)
Other Grants and Contributions	(1,474)	(907)	(5,342)	3,868
Recharges Inc	(3,553)	(3,165)	(5,969)	2,416
Capital Related Income	(300)	0	(300)	0
Sub Total	19,014	9,952	20,517	(1,505)
Net Recharges to Housing Revenue Account	(1,008)	0	(1,008)	0
RMS Capital Charges (now Housing Revenue Account)	(113)	2,167	(113)	0
Reserve funded items included in above analysis	10	633	0	14
Sub Total	(1,111)	2,800	(1,121)	14
General Fund Revenue Budget	17,903	12,752	19,396	(1,491)

- Employee's (£2.078M Adverse)
- 4.20 Consisting of several values the movement predominantly relates to accounting for the 3-year pensions prepayment made by the Council early this year (£2.740M) with a corresponding entry within the Recharges variance (+£2.416M).
- Customer Fee's & Charges (£6.632M Adverse)
- 4.21 Reflecting the impact of COVID-19 has had on the various income streams within the Council, as outlined previously.
- Other Grants & Contributions (£3.868M Favourable)
- 4.22 Consisting of several balances with the most significant being the full year forecast of the reimbursement by MHCLG of relevant Council's losses under the Sales, Fees and Charges Compensation scheme (+£3.917M) as noted in para 4.4
- 4.23 *Appendix B: General Fund Subjective Analysis* covers this information in more detail

- Housing Revenue Account Summary Position**
- 5.0 As at the end of Q2 we are currently projecting a year end underspend against budget of **£0.795M**. A summary of the Q2 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 2 Financial Monitoring – HRA Service Analysis

	Original Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Policy & Management	1,347	603	1,340	7
Repairs & Maintenance	5,604	306	5,425	179
Welfare Services	(163)	(245)	(223)	60
Special Services	156	168	174	(18)
Miscellaneous Expenses	596	322	645	(49)
Capital Charges	5,572	0	5,571	1
Appropriations	549	0	(271)	820
Income Account	(14,537)	(6,830)	(14,337)	(200)
Sub Total	(876)	(5,676)	(1,676)	800
Net Recharges to General Fund	876	4	881	(5)
Housing Revenue Account Budget	0	(5,672)	(795)	795

- 5.1 The forecast surplus is due to saving within Repairs & Maintenance (+£0.179M) and associated salary savings due to carrying vacant posts as well as reduced use of subcontractors during lockdown. Also reduced funding requirement for capital expenditure (+£0.820M) deferred due to pandemic offset by some additional consultancy expenditure.
- 5.2 Unfortunately income from dwelling rents and service charges is forecast to reduce (£0.145M & £0.031M). Although the Council has worked to reduce the number of void properties, increased re-let times due to pandemic has had an impact.

- 5.3 *Appendix C: Housing Revenue Account Service Analysis* covers this information in more detail.

Subjective Analysis

- 5.4 The HRA revenue position provided within table 3 above is analysed across the Councils subjective headings is set out in table 4 below.

Table 4 Quarter 2 Financial Monitoring – HRA Subjective Analysis

	Original Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Employees	1,816	801	1,700	116
Premises Related	6,239	689	6,115	124
Transport Related	9	2	9	0
Supplies & Services	732	183	708	24
Recharges Exp	122	0	122	0
Capital Charges	2,773	0	2,772	1
Interest Payments	1,757	0	1,757	0
Appropriations	1,590	0	771	819
Income	(15,914)	(7,353)	(15,631)	(283)
Total	(876)	(5,678)	(1,677)	801
Net Recharges to General Fund	876	4	881	(5)
GRAND TOTAL	0	(5,674)	(796)	796

- 5.5 *Appendix D: Housing Revenue Account Subjective Analysis* covers this information in more detail.

Capital Projects (General Fund & HRA)

- 6.0 At Q2 we are currently projecting a year end slippage against budget of **£12.405M** (General Fund **£11.378M** & HRA **£1.027M**). Summary details for both the General Fund and HRA are set out in table 5 below.

Table 5 Quarter 2 Financial Monitoring – Capital Projects

	Original Budget 2020/21 £'000	Budget Amendments 2020/21 £'000	Revised Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Communities and Environment						
Business Support	4,169	0	4,169	51	1,679	2,490
Customer Involvement & Leisure	948	0	948	(23)	0	948
Public Protection	0	0	0	0	0	0
Disabled Facilities Grants	0	0	0	(2,155)	0	0
Public Realm	5,938	112	6,050	77	2,750	3,300
Total	11,055	112	11,167	(2,050)	4,429	6,738
Economic Growth and Regeneration						
Planning & Place	801	70	871	0	252	619
Economic Development	0	0	0	0	0	0
Property, Investment and Regeneration	20,021	(244)	19,777	3,751	16,548	3,229
Total	20,822	(174)	20,648	3,751	16,800	3,848
Corporate Services						
ICT	479	(96)	383	156	394	(11)
Corporate Services Development Pool	803	0	803	0	0	803
Total	1,282	(96)	1,186	156	394	792
Central Services						
Chief Executive	0	0	0	0	0	0
Total	0	0	0	0	0	0
GENERAL FUND - TOTAL	33,159	(158)	33,001	1,857	21,623	11,378
Housing Revenue Account						
Adaptations	300	0	300	58	300	0
Energy Efficiency / Boiler Replacement	755	0	875	174	850	25
Kitchen / Bathroom Refurbishment	888	0	888	8	27	861
External Refurbishment	277	0	277	55	310	(33)
Environmental Improvements	552	0	587	149	379	208
Re-roofing / Window Renewals	792	0	970	193	995	(25)
Rewiring	84	0	84	0	84	0
Lift Replacement	0	0	0	0	0	0
Fire Precaution Works	145	0	164	4	164	0
Housing Renewal & Renovation	537	0	425	59	434	(9)
HOUSING REVENUE ACCOUNT - TOTAL	3,793	0	4,145	642	3,109	1,027
GRAND TOTAL	36,952	(158)	37,146	2,499	24,732	12,405

General Fund £11.378M (Favourable)

6.1

Communities and Environment £6.738M (Favourable)

Schemes which have been reprofiled, or are unlikely to progress 2020/21 include the purchase of Electric Vehicles (+£2.090M), Salt Ayre Boiler & Equipment Replacement (+£0.948M) and Mellishaw park redevelopment (+£0.240M). Addition there are a number of schemes within the development pool (+£3M) which have not been brought forward to CSG and so are likely to slip into 2021/22.

Economic Growth & Regeneration £3.848M (Favourable)

- 6.2 Several schemes have been impacted by COVID-19 including works on Lancaster Town Hall (+£1.107M), Pallatine Hall (+£0.122M) and the Queen Victoria Monument (+£0.169M). In addition there a number of schemes which expect to slip in to 2021/22 including Caton Road Flood(+£0.659M), 1 Lodge Street (+£0.396M) and Heysham Gateway (+£0.487M).

Corporate Services £0.792M (Favourable)

- 6.3 Schemes currently within the development pool not yet brought forward to CSG and so likely to slip into 2021/22

Housing Revenue Account £1.027M (Favourable)

- 6.4 No activity expected this financial year, apart from snagging issues relating to 2019/20 installations around Kitchen & Bathroom programme (£+£0.801M) and Environmental Improvement (+£0.208M).
- 6.5 *Appendix E General Fund Capital Projects & Appendix F HRA Capital Projects* provide further information and summary commentary.

Reserves

- 7.1 Provisional outturn has seen the Councils level of reserves reduce; we are currently projecting the Council's combined level of usable reserves to decrease to **£16.225M** against the budgeted balance of **£16.369M**.
- 7.2 Summary details for both the General Fund and HRA are set out in table 5 below.

Table 5 Quarter 2 Financial Monitoring - Reserves

Reserves Statement (Including Unallocated Balances)										
	----- ORIGINAL BUDGET -----				----- PROJECTED OUTTURN -----					
	31 March 2020	From Revenue	To / From Capital	to Reserve	31 March 2021	31 March 2020	From Revenue	To / From Capital	to Reserve	31 March 2021
Unallocated Balances	5,714,000	(200,000)			5,514,000	(4,000,000)	(200,000)	2,000,000		3,314,000
Earmarked Reserves										
Total Earmarked Reserves	(12,846,400)	11,700,000	842,000	3,271,700	(18,478,100)	(15,115,700)	(2,752,000)	265,000	1,772,000	(15,951,100)
Total Combined Reserves	(18,268,200)	12,023,000	842,000	3,271,700	(16,269,100)	(20,364,700)	(2,952,000)	265,000	1,772,000	(16,225,100)

- 7.3 General Fund Unallocated Balances are forecast to reduce from the budgeted position of **£5.940M** to **£3.271M** to reflect the Council's allocation of **£2M** to support vulnerable people and local businesses during the pandemic and the impact of 2019/20 outturn. Members should note this does not include the appropriation into reserves of any forecast year end surplus. Current s151 officer advice would be to transfer any 2020/21 year end surplus into unallocated reserves.
- 7.4 Earmarked Reserves are showing a projected balance of (**£12.954M**), an overall increase against budget (**£10.430M**) of **£2.525M**.
- 7.5 The use of the Council's reserves to manage fluctuations in expenditure and income will be key to the delivery of the Council's stated priorities and outcomes over the next 4 years and will be kept under review by Officers and Members.
- 7.6 *Appendix G: Reserves Projected Outturn* provides further detailed analysis.

QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2020/21

		Original Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Communities and Environment					
<u>Business Support</u>	White Lund Depot	(11)	(8)	(10)	(1)
	Vehicle Maintenance	41	76	10	31
	Customer Services	815	377	744	71
	Leisure	33	11	33	0
<u>Customer Involvement & Leisure</u>	Salt Ayre	486	1,248	803	(317)
	Environmental Health	1,212	567	1,161	51
	Emergency Planning	64	24	60	4
<u>Public Protection</u>	Housing Standards	115	(129)	96	19
	Licensing	(92)	29	(87)	(5)
	Safety	175	46	111	64
	GF Housing	37	(2)	0	37
<u>Housing Services</u>	Home Improvement Agency	(143)	(335)	(81)	(62)
	Housing Options	301	(1,209)	225	76
	Strategic Housing	217	52	190	27
	Cemeteries	177	76	191	(14)
	Grounds Maintenance	(135)	181	(64)	(71)
	Household Waste Collection	2,214	559	2,052	162
	Markets	(158)	92	(62)	(96)
<u>Public Realm</u>	Parking	(2,127)	140	(1,587)	(540)
	Parks	939	223	937	2
	Public Conveniences	167	107	168	(1)
	Public Realm Highways	72	19	68	4
	Service Support	351	161	347	4
	Street Cleaning	1,130	557	1,161	(31)
	Trade Waste	(595)	(703)	(390)	(205)
	Williamson Park	232	276	362	(130)
		5,517	2,435	6,438	(921)
Economic Growth and Regeneration					
<u>Planning & Place</u>	Building Control	173	62	235	(62)
	Conservation & Environment	50	(1)	52	(2)
	Development Control	(352)	108	(133)	(219)
	Local Plan	679	270	606	73
	AONB	25	44	30	(5)
	Economic Development	364	124	290	74
	Marketing & Comms	276	123	278	(2)
<u>Economic Development</u>	Grants	220	98	220	0
	The Platform	46	57	(178)	224
	Tourism & Events	443	181	386	57
	Museums	578	282	546	32
	Highways	0	0	0	0
<u>Property, Investment and Regeneration</u>	Regeneration	812	911	964	(152)
	Sea Defence & Land Drainage	322	98	259	63
	Property	549	582	539	10
	Building Cleaning	4	145	(18)	22
		4,189	3,084	4,076	113
Corporate Services					
<u>Corporate Accounts</u>	Central Expenses	(31)	7,312	560	(591)
<u>Democratic</u>	Democratic Services	962	367	848	114
<u>Finance</u>	Finance	1,202	(458)	1,155	47
<u>HR</u>	HR	812	514	948	(136)
<u>ICT</u>	ICT	1,367	966	1,443	(76)
<u>Internal Audit</u>	Internal Audit	198	11	163	35
<u>Legal</u>	Legal Services	397	245	499	(102)
<u>Revenues & Benefits</u>	Revenues & Benefits	685	(2,338)	1,091	(406)
		5,592	6,619	6,707	(1,115)
Central Services					
<u>Chief Executive</u>	Executive Team	741	335	692	49
	Grants to other bodies	282	156	282	0
		1,023	491	974	49
Other Items					
	New Homes Bonus	(1,502)	(3,150)	(1,502)	0
	Revenue Funding of Capital	1,021	0	295	726
	Minimum Revenue Provision	2,107	0	1,760	347
<u>Other Items</u>	Interest Payable	1,157	349	1,157	0
	Interest Receivable	(82)	(53)	(50)	(32)
	Notional Charges	0	177	0	0
	Contributions to Reserve	2,023	0	3,969	(1,946)
	Contributions from Reserve	(1,012)	0	(3,012)	2,000
	Capital Contributions from Reserve	(1,021)	0	(295)	(726)
		2,691	(2,677)	2,322	369
	Net Recharges to Housing Revenue Account	(1,008)	0	(1,008)	0
	RMS Capital Charges (now Housing Revenue Account)	(113)	2,167	(113)	0
	Revenue Reserve funded items included in above analysis	14	633	0	14
General Fund Revenue Budget		17,905	12,752	19,396	(1,491)
Core Funding :	Revenue Support Grant	(203)	(106)	(203)	0
	Net Business Rates Income	(8,028)	371	(11,597)	3,569
Council Tax Requirement		9,674	13,017	7,596	2,078
Memorandum Items (nil impact on bottom line)					
Pandemic :	Income	0	(39,211)	(37,654)	37,654
	Expenditure	0	33,582	32,230	(32,230)
Memorandum Items Total		0	(5,629)	(5,424)	5,424

Notes:

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

QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 2020/21

	Original Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Employees	20,187	17,796	22,381	(2,194)
	1,096	496	984	112
	403	47	369	34
	700	166	632	68
	1	0	1	0
	1,529	447	1,354	175
	96	44	89	7
Premises Related Exp	0	0	0	0
	142	221	219	(77)
	1,226	1,330	1,324	(98)
	76	38	84	(8)
	1,025	280	1,065	(40)
	324	219	296	28
	20	8	20	0
	47	41	66	(19)
Transport Related Exp	1,048	521	1,056	(8)
	0	0	0	0
	23	0	9	14
	97	80	79	18
	63	1	10	53
	82	45	82	0
	1,392	985	1,323	69
	200	0	300	(100)
Supplies and Services	1,318	481	991	327
	613	175	368	245
	351	93	207	144
	1,173	400	1,164	9
	723	1,074	888	(165)
	4,995	2,641	5,423	(428)
Transfer Payments	24,327	8,984	24,327	0
Support Services	132	(10)	125	7
Capital Charges	0	0	0	0
	17	0	17	0
Capital Financing Costs	1,158	349	1,158	0
Appropriations	3,118	0	2,718	400
	(16,480)	(6,011)	(9,848)	(6,632)
Income	(26,753)	(16,757)	(27,061)	308
	(130)	(53)	(88)	(42)
	(1,474)	(907)	(5,342)	3,868
	(3,553)	(3,165)	(5,969)	2,416
Capital Financing Inc	(300)	0	(300)	0
Net Recharges to Housing Revenue Account	(1,008)	0	(1,008)	0
RMS Capital Charges (now Housing Revenue Account)	(113)	2,167	(113)	0
Reserve funded items included in above analysis	14	633	0	14
GRAND TOTAL	17,905	12,752	19,396	(1,491)

Memorandum Items (nil impact on bottom line)

Pandemic :	Expenditure	0	(39,211)	(37,654)	37,654
	Income	0	33,582	32,230	(32,230)
Memorandum Items Total		0	(5,629)	(5,424)	5,424

Notes:

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QUARTER 2 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2020/21

	Original Budget 2020/21 £'000	Budget Amendments 2020/21 £'000	Working Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Communities and Environment						
Policy & Management	1,347	0	1,347	603	1,340	7
Repairs & Maintenance	5,604	0	5,604	306	5,425	179
Welfare Services	(163)	0	(163)	(245)	(223)	60
Special Services	156	0	156	168	174	(18)
Miscellaneous Expenses	596	0	596	322	645	(49)
Housing Revenue Account						
Income Account	(14,537)	0	(14,537)	(6,830)	(14,337)	(200)
Capital Charges	5,572	0	5,572	0	5,571	1
Appropriations	549	0	549	0	(271)	820
Gain/Loss on Asset Sales	0	0	0	0	0	0
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0
	(876)	0	(876)	(5,676)	(1,676)	800
Net Recharges to General Fund	876	0	876	4	881	(5)
Housing Revenue Account Budget	0	0	0	(5,672)	(795)	795

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QUARTER 2 FINANCIAL REVENUE MONITORING - HRA SUBJECTIVE ANALYSIS 2020/21

		Original Budget 2020/21 £'000	Budget Amendments 2020/21 £'000	Working Budget 2020/21 £'000	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000
Employees	Direct Employee Expenses	1,754	0	1,754	776	1,629	125
	Indirect Employee Expenses	62	0	62	25	71	(9)
Premises Related Exp	Cleaning and Domestic Supplies	76	0	76	3	76	0
	Energy Costs	163	0	163	70	163	0
	Fixtures and Fittings	0	0	0	0	0	0
	Grounds Maintenance Costs	318	0	318	53	273	45
	Operational Bldgs Allocation	0	0	0	0	0	0
	Premises Insurance	216	0	216	288	290	(74)
	Rates	32	0	32	36	46	(14)
	Rents	0	0	0	0	0	0
	Repair and Maintenance	5,386	0	5,386	228	5,219	167
	Water Services	48	0	48	11	48	0
Transport Related Exp	Car Allowances	9	0	9	2	9	0
	Contract Hire Operating Leases	0	0	0	0	0	0
	Direct Transport Costs	0	0	0	0	0	0
	Public Transport	0	0	0	0	0	0
	Transport Insurance	0	0	0	0	0	0
Supplies and Services	Catering	0	0	0	0	0	0
	Clothing Uniform and Laundry	2	0	2	2	2	0
	Communications and Computing	76	0	76	66	79	(3)
	Contribution to Provisions	159	0	159	0	161	(2)
	Equip Furniture and Materials	53	0	53	6	53	0
	Expenses	0	0	0	0	0	0
	General Office Supplies	52	0	52	14	52	0
	Grants and Subscriptions	24	0	24	16	19	5
	Miscellaneous Expenses	66	0	66	18	66	0
	Services	300	0	300	61	276	24
Transfer Payments	Housing Benefit	0	0	0	0	0	0
Support Services	Recharges Exp	122	0	122	0	122	0
Capital Charges	Amortisation of Def Chgs	0	0	0	0	0	0
	Depreciation	2,773	0	2,773	0	2,772	1
Capital Financing Costs	Interest Payments	1,757	0	1,757	0	1,757	0
Appropriations	Appropriations	1,590	0	1,590	0	771	819
Income	Customer Fees and Charges	(15,504)	0	(15,504)	(7,349)	(15,266)	(238)
	Government Grants	0	0	0	0	0	0
	Interest	(24)	0	(24)	0	(24)	0
	Other Grants and Contributions	(82)	0	(82)	(4)	(81)	(1)
Capital Financing Inc	Recharges Inc	(304)	0	(304)	0	(260)	(44)
Capital Financing Inc	Capital Related Income	0	0	0	0	0	0
		(876)	0	(876)	(5,678)	(1,677)	801
Net Recharges to General Fund		876	0	876	4	881	(5)
GRAND TOTAL		0	0	0	(5,674)	(796)	796

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QUARTER 2 FINANCIAL CAPITAL MONITORING - SERVICE ANALYSIS 2020/21

	Original Budget 2020/21 £'000	Budget Amendments 2020/21 £	Working Budget 2020/21 £	Q2 Actual 2020/21 £'000	Projected Outturn 2020/21 £'000	Projected Variance 2020/21 £'000	
Communities and Environment							
Business Support	Purchase Of Vehicles	3,595	0	3,595	0	1,505	2,090
	2 x Electric RCVs	400	0	400	0	0	400
	Pool Cars	174	0	174	51	174	0
Customer Involvement & Leisure	SALC additional enhancements	0	0	0	10	0	0
	Salt Ayre Boiler	300	0	300	0	0	300
	Salt Ayre Equipment Programme	648	0	648	0	0	648
	SASC Developer Partnership	0	0	0	(33)	0	0
Public Protection		0	0	0	0	0	0
Housing Services	Disabled Facilities Grants	0	0	0	(2,155)	0	0
	Williamson Park Play Area	0	0	0	5	0	0
	Happy Mount Park Footpaths	0	112	112	0	112	0
	Far Moor Playing Fields Scheme	70	0	70	0	70	0
	Williamson Park Development	1,000	0	1,000	0	1,000	0
	Electronic Vehicle Charging Points - Phase 2	28	0	28	0	28	0
Public Realm	Half Moon Bay Car Park Extension	60	0	60	0	0	60
	White Lund Depot Security	0	0	0	1	0	0
	Solar Installation Phase 1 SALC	1,400	0	1,400	6	1,400	0
	One Million Trees	25	0	25	0	25	0
	Customer Contact System	0	115	115	65	115	0
	Mellishaw Park	240	0	240	0	0	240
	Communities & Environment Devpt Pool	3,115	(115)	3,000	0	0	3,000
		11,055	112	11,167	(2,050)	4,429	6,738
Economic Growth and Regeneration							
Planning & Place	Cable Street Christmas Lights	24	0	24	0	0	24
	S106 payments to Lancs County Council	0	70	70	0	0	70
	Tank demolition & removal - Heysham Gate	487	0	487	0	0	487
Economic Development	Canal Quarter	290	0	290	0	252	38
	Lancaster Town Hall	485	0	485	0	0	485
	Palatine Recreation Ground - Veterans CI	114	2	116	0	114	2
	Palatine Hall	122	0	122	0	0	122
	Edward Street Dance Studio	90	(6)	84	0	0	84
	Other Cemeteries	6	2	8	(3)	6	2
	Royal Albert PF – Pavilion	75	0	75	0	0	75
	Rylands Park - Rylands House	0	4	4	0	0	4
	Energy Efficiency Works	311	0	311	0	311	0
	1 Lodge Street Urgent Structural Repairs	497	(1)	496	0	100	396
	Queen Victoria Memorial	169	0	169	0	0	169
	LTH Second Lift & Associated Works	622	0	622	0	0	622
	Lancaster City Museum	0	127	127	0	0	127
Property, Investment and Regeneration	Strategic Monitoring Baywide	0	0	0	0	0	0
	Artle Beck Improvements	0	0	0	0	0	0
	Slynedale Culvert	0	0	0	(6)	0	0
	Lancaster Square Routes Project	0	5	5	(18)	0	5
	Lancaster HS Heritage Action Zone	0	132	132	23	105	27
	Wave Reflection Wall Construction	0	0	0	0	0	0
	Lancaster District Empty Homes Partnersh	73	0	73	0	4	69
	Canterbury Avenue Flood Relief	0	0	0	(1)	0	0
	Caton Road Flood Relief Scheme	423	(235)	188	3,751	(469)	657
	Morecambe Winter Gardens	0	0	0	(89)	0	0
	Economic Growth & Regen Devpt Pool	16,931	(12,224)	4,707	0	4,574	133
	Units at White Lund Industrial Estate	0	9,100	9,100	0	9,100	0
	Units at Caton Road Industrial Estate	0	2,600	2,600	0	2,600	0
	Morecambe Co-op Renovation	0	250	250	0	0	250
	Morecambe Winter Gardens Loan	103	0	103	104	103	0
	Coastal Revival Fund - Morecambe Co-op	0	0	0	(10)	0	0
		20,822	(174)	20,648	3,751	16,800	3,848
Corporate Services							
Corporate Accounts		0	0	0	0	0	0
Democratic		0	0	0	0	0	0
Finance		0	0	0	0	0	0
HR	PRG Grant	0	0	0	(40)	0	0
ICT	I.T.Strategy	155	(53)	102	78	155	(53)
	Application System Renewal	4	(4)	0	0	4	(4)
	I.S. Desktop Equipment	60	(39)	21	118	60	(39)
	ICT Telephony	200	0	200	0	115	85
	ICT Laptop Replacement & E-campus screens	60	0	60	0	60	0
	Corporate Services Development Pool	803	0	803	0	0	803
Internal Audit		0	0	0	0	0	0
Legal		0	0	0	0	0	0
Revenues & Benefits		0	0	0	0	0	0
		1,282	(96)	1,186	156	394	792
Central Services							
Chief Executive		0	0	0	0	0	0
		0	0	0	0	0	0
GRAND TOTAL		33,159	(158)	33,001	1,857	21,623	11,378

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Council Housing Capital Programme 2020/21

	2020/21 Original Budget	2020/21 Working Budget	2020/21 P6 Actual	2020/21 Projected Outturn	2020/21 Variance (Working v Projected)	Comments (Original Budget to Projected Outturn)
	£	£	£	£	£	
EXPENDITURE						
Adaptations	300	300	58	300	0	Works paused during lockdown, demand expected to utilise full budget
Energy Efficiency / Boiler Replacement	755	875	174	850	25	Boiler replacement contract expected to utilise full budget, contractor behind with invoicing, loft insulation budget combined with re-roofing below
Kitchen / Bathroom Refurbishment	888	888	8	27	861	No activity expected this financial year, apart from snagging relating to 2019/20 installations
External Refurbishment	277	277	55	310	-33	Additional works to be undertaken by RMS, to utilise operatives released from kitchens programme
Environmental Improvements	552	587	149	379	208	Balcony railings works paused during lockdown, spend relates to completion of works commenced in 2019/20, programme for 2020/21 delayed
Re-roofing / Window Renewals	792	970	193	995	-25	Inclusion of loft insulation budget from above
Rewiring	84	84	0	84	0	Works underway, expect to utilise full budget
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	145	164	4	164	0	Works underway, expect to utilise full budget
Housing Renewal & Renovation	537	425	59	434	-9	Additional costs to finalise property conversions carried out in 2019/20, funded from Business Support Reserve
TOTAL EXPENDITURE	4,330	4,570	701	3,543	1,027	

Reserves Statement (Including Unallocated Balances)

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

	31 March 2020	From Revenue	To / (From) Capital	To Revenue	31 March 2021
	£	£	£	£	£
Unallocated Balances	(5,713,800)	(226,000)			(5,939,800)
Earmarked Reserves:					
Amenity Improvements	(29,000)			29,000	
Business Rates Retention	(5,916,400)			815,100	(5,101,300)
Canal Quarter	(24,400)			24,400	
Capital Support	(258,200)		73,000	185,200	
Corporate Priorities	(1,688,100)	(882,800)	444,000	930,800	(1,196,100)
Corporate Property	(335,200)				(335,200)
Covid 19 Support					
Economic Growth	(19,400)	(117,500)		136,900	
Elections		(40,000)			(40,000)
Homelessness Support	(107,900)	(6,600)			(114,500)
Invest to Save	(1,310,600)	(60,800)		782,600	(588,800)
Local Plan					
Morecambe Area Action Plan	(27,300)			27,300	
Museums Acquisitions	(19,500)	(3,000)			(22,500)
Planning Fee Income	(89,000)			31,200	(57,800)
Renewals Reserves	(194,300)	(481,800)	356,000	42,100	(278,000)
Restructure	(530,700)			66,000	(464,700)
Revenue Grants Unapplied	(661,700)	(5,300)		189,300	(477,700)
S106 Commuted Sums - Open Spaces	(28,400)			11,800	(16,600)
S106 Commuted Sums - Affordable Housing	(897,400)				(897,400)
S106 Commuted Sums - Highways, Cycle Paths etc	(315,000)	(200,000)	70,000		(445,000)
Welfare Reforms	(324,000)				(324,000)
Reserves Held in Perpetuity:					
Graves Maintenance	(22,200)				(22,200)
Marsh Capital	(47,700)				(47,700)
Total Earmarked Reserves	(12,846,400)	(1,797,800)	943,000	3,271,700	(10,429,500)
Total Combined Reserves	(18,560,200)	(2,023,800)	943,000	3,271,700	(16,369,300)

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

	31 March 2020	From Revenue	To / (From) Capital	To Revenue	31 March 2021
	£	£	£	£	£
	(5,045,000)	(225,980)		2,000,000	(3,270,980)
	(29,000)				(29,000)
	(7,376,900)			814,500	(6,562,400)
	(69,100)			26,200	(42,900)
	(258,200)		4,000	185,200	(69,000)
	(2,152,700)	(882,200)		1,105,000	(1,929,900)
	(338,500)				(338,500)
		(2,000,000)		1,775,000	(225,000)
	(126,000)	(117,500)		35,900	(207,600)
		(40,000)			(40,000)
	(110,800)	(23,000)			(133,800)
	(1,397,000)	(29,400)		842,300	(584,100)
	(27,300)			27,300	
	(21,300)	(3,000)			(24,300)
	(74,600)				(74,600)
	(380,600)	(481,800)	149,000	155,200	(558,200)
	(530,700)				(530,700)
	(827,400)	(4,700)		415,700	(416,400)
	(28,400)			11,800	(16,600)
	(564,800)			375,000	(189,800)
	(611,600)	(161,600)	142,000	4,700	(626,500)
	(324,900)				(324,900)
	(22,200)				(22,200)
	(47,700)				(47,700)
	(15,319,700)	(3,743,200)	295,000	5,773,800	(12,954,100)
	(20,364,700)	(3,969,180)	295,000	7,773,800	(16,225,080)