



Cabinet

Tuesday, 1 December 2015

The following reports were received after publication of the main agenda for this meeting and were marked 'to follow'. They are now enclosed, as follows:

Agenda Item Number	Page	Title
9	1 - 19	PEER CHALLENGE ACTION PLAN
Agenda Item Number	Page	Title
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<b>CABINET</b>
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## Peer Challenge Action Plan 1 December 2015

### Report of the Chief Executive

<b>PURPOSE OF REPORT</b>			
To approve the draft Action Plan following the Local Government Association (LGA) Corporate Peer Challenge undertaken in June 2015.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public.</b>			

#### RECOMMENDATIONS OF Councillor Blamire

- (1) That Cabinet considers the attached draft Action Plan, developed to address the points raised by the recent LGA Peer Challenge, for approval.

#### 1.0 Introduction

In response to a request from the City Council, the LGA undertook a Corporate Peer Challenge on 9-11 June 2015.

- 1.2 The Peer Challenge was improvement orientated and tailored to meet the needs of the City Council. The team was made up of experienced elected member and officer peers who produced a full report on 23 June 2015, which the Leader of the Council subsequently circulated to all Councillors. The report is attached at **Appendix A**.

#### 2.0 Action Plan

- 2.1 The Council's Management Team of Chief Executive and Chief Officers have considered the issues raised by the Peer Challenge and responded to produce an action plan (**Appendix B**) defining

- what the issues are
- how they will be tackled and when
- who will lead on the issue
- what resources will be required.

**3.0 Details of Consultation**

3.1 Cabinet is asked to consider the draft action plan for approval.

**4.0 Options and Options Analysis**

4.1 The options for Cabinet are

- a) to agree an action plan and for officers to take it forward, or:
- b) not to agree an action plan.

4.2 The aim of the Peer Challenge was to drive forward improvement, therefore if the issues raised by the final report are not addressed, the Council will miss an opportunity to tackle areas that can be improved in a targeted way. For this reason, the officer preferred option is a).

**5.0 Conclusion**

5.1 The LGA Peer Challenge has highlighted some areas for improvement and development. Cabinet is asked to consider, for approval, the resulting Action Plan drawn up to tackle those areas.

**RELATIONSHIP TO POLICY FRAMEWORK**

Individual actions within the draft Action Plan refer to the Local Plan and the Corporate Plan.

**CONCLUSION OF IMPACT ASSESSMENT**

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

None.

**LEGAL IMPLICATIONS**

There are no legal implications as a direct result of this report.

**FINANCIAL IMPLICATIONS**

There may be financial implications arising, as commented on within the action plan, and these would be considered by the appropriate Member body in due course. As previously highlighted to Cabinet back in September, various issues raised by the Peer Review should be addressed through the current corporate planning and budget process.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources / ICT / Property / Open Spaces:**

No implications arising directly at this time, but there may well be implications arising in due course from the proposed Action Plan.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

none

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**Ref:**

23 June 2015

Mark Cullinan  
Chief Executive  
Lancaster City Council  
Town Hall  
Dalton Square  
Lancaster LA1 1PJ

Dear Mark,

**RE: LANCASTER CITY COUNCIL CORPORATE PEER CHALLENGE**

On behalf of the team, I would like to say how much we enjoyed spending time in Lancaster to work with you on the recent corporate peer challenge. The team very much appreciated the welcome we received and the honesty and openness with which people engaged in the process and the support provided in the lead up to, and during the course of, the challenge.

It is testimony to the council's desire for constructive external insight that Lancaster commissioned the peer challenge. Peer challenges are managed and delivered by experienced elected member and officer peers. The peers who delivered the peer challenge were:

- Jason Gooding, Chief Executive, Carlisle City Council (lead peer)
- Cllr Clyde Loakes, Deputy Leader of LB Waltham Forest (Labour)
- Cllr Jason Ablewhite, Leader of Huntingdonshire District Council (Conservative)
- Paul O'Brien, Chief Executive, APSE
- Professor Steven Griggs, De Montfort University
- Ratna Taylor, Innovation Programme Manager, Derbyshire County Council
- Neil Shaw, Programme Manager, Local Government Association

It is important to stress that this was not an inspection. Peer challenges are improvement-orientated and tailored to meet individual council's needs. The peers used their experience and knowledge to reflect on the evidence presented to them by people they met, things they saw and material that they read. The council wished to explore the following key themes:

- ❖ To provide a reality check to help the new City Council clarify and focus on what it should aim to achieve over the next term, alongside balancing its budget. This involves challenging the City Council's priorities – and what are not priorities - as well as establishing to what extent the model of the 'Ensuring Council' is actually owned and applied throughout the different layers of the Council, and recognised outside of it.
- ❖ To help the City Council clarify and focus on how it will need to change and transform in light of the above, and what is needed to make those changes

happen successfully. This includes exploring the City Council's achievements to date in the core areas of the 'Ensuring Council' model, and what else is needed or should be built upon to ensure that the City Council's priorities are deliverable and affordable in the future.

The peer team addressed these two issues by exploring five guiding questions which the LGA uses for all corporate peer challenges. These are:

- ❖ Does the council understand its local context and has it established a clear set of priorities?
- ❖ Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- ❖ Does the council have effective political and managerial leadership and is it a constructive partnership?
- ❖ Are effective governance and decision-making arrangements in place to respond to key challenges and manage change and transformation?
- ❖ Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

### **Executive Summary**

For many years Lancaster City Council has achieved much with relatively modest resources. The council has made good progress on regeneration projects, has high recycling levels and a revenues and benefits services which is high performing. It has also developed the tourism offer for the area, worked well in collaboration with major institutions like Lancaster University and has a good relationship with Lancashire County Council and other agencies in the area.

The council has tried to insulate itself from the impact of large-scale national funding reductions partly by using its financial reserves. In May 2015 a new Labour minority administration was elected and the council needs to move quickly over the coming months to review and set out what kind of council Lancaster wishes to be over the next few years.

The Labour group have begun a discussion on determining a set of priorities for the organisation. This debate needs to take place at pace and the council needs to move quickly, resulting in a clear set of manageable priorities which will inform the 2016/17 budget setting process. Officers should support members by working alongside them to produce a series of clearly appraised policy options to inform this debate.

The council can point to a number of achievements in priority areas like economic development over a number of years. Challenges remain in helping to shape the local economy including making better progress on housing and in more strongly influencing local secondary schools to address choices of higher education level and address skills. The council could also work more with Morecambe and Lancaster College and with Lancashire County Council to lever their influence with local schools on the skills agenda.

A digital agenda needs to be developed at pace that will help to modernise and transform the service experience for those residents who have access. Like many other smaller councils, making use of capacity will be a key issue for the future. The council has reduced in size over the last couple of years. It will need to ensure it has the right capacity in priority service areas and support functions. A new approach to how it reviews services will help the council consider different ways of delivering, configuring services and how it uses its capacity to deliver outcomes for local people. More fundamentally this will help the council determine how best to deliver the outcomes it will be seeking within the reducing financial resources it will have available.

Time is an issue. The council does not have the luxury of discussing priorities and exploring ideas for a long time. The pace of decision making can be increased. Setting the new priorities will be a decisive first step but this should also include considering delegating greater authority to individual Cabinet members and members and senior officers working more closely together on strategic issues.

The council has much on which it can build to shape the kind of organisation it wishes to be for the next few years. The key will be to take the opportunity to understand what outcomes residents and visitors really need and take clear decisions to deliver these.

## Detailed findings

### Context and priorities

1. The council has articulated it has an underpinning ethos of being an 'Ensuring Council'. This model emphasises the responsibility of local authorities to be active stewards of their communities, places, politics and public service values before reliance on competitive markets, endorses collaboration and aims to advance social justice. Officers have a good understanding of the concept, although this was much less clear to elected members (many of whom were newly elected in May 2015). The 'Ensuring Council' provides a helpful set of values and might best be described as a 'compass' (providing an overall direction of travel) rather than a 'road map' (setting out specific strategic actions and milestones).
2. The council has undertaken some actions in line with the ethos, for example, by making community leadership a council priority, retaining its core capacity for in-house service delivery and participating in a number of collaborative partnerships. In this sense the concept provides an underpinning set of values rather than specifically directing all council operational activity. Within the Ensuring Council concept you can be flexible in terms of considering the appropriate mixed economy of service delivery in the future including more shared services, greater collaboration with other organisations and more extensive commissioning of services.
3. The council has a number of good performing services. This includes good satisfaction levels with 'clean/green' services, high levels of usage of leisure facilities and a revenues and benefits service (shared with Preston City Council) which takes an average of 20 days to process new benefit claims. This is well below the average for

district councils in the North West (and is one of the highest performing in the country) and is a real strength.

4. The council have articulated four priorities and summarise the key outcomes they aspire to deliver in each area in a Corporate Plan. These are:
  - clean, green and safe
  - health and wellbeing
  - sustainable economic development/growth
  - community leadership
5. On 'clean and green' the council have reshaped their environmental services function and despite a significant reduction in the management capacity of this service, amongst other things, it maintains flagship parks (like Williamson Park and Happy Mount Park) and has made wide scale improvements to the public realm in Lancaster and Morecambe. The council's performance on recycling is good – recycling 42.4% of household waste - which is above the average of other district councils in the North West. Work has also begun on a high profile environmental project with the council planning to invest £5m to develop a solar farm, which will generate renewable energy and provide a good source of future income for the council.
6. However, the apparent reduction in the capacity of environmental services has stretched the council and affected performance in some areas. For example, the council is in the worst 5% of district councils nationally for fly tipping.
7. On health and wellbeing the council has begun to address the longer-term sustainability of its main leisure facility – Salt Ayre – which is currently subsidised as part of the council's commitment to health and wellbeing. Although this process is at an early stage the council is seeking a private sector partner to improve the quality of facilities and make the centre financially self-sustaining. The council is aware that one of its biggest financial challenges is to manage the Salt Ayre leisure centre out of its current annual subsidy and to see how it can better drive the outcomes on health and wellbeing the council wishes to see.
8. The council has placed an emphasis on specific health issues such as tackling dementia, leading on the affordable warmth agenda (in collaboration with the CCG and the Home Improvement Agency) and working with the Lancaster and Cumbria universities. Housing is a major priority for the council, linked to the wellbeing agenda. The Local Plan has to be completed and housing sites have to be identified. There is now a need to focus on a commitment to deliver on building new homes agreed in the Local Plan. The pace on this is important to ensure the council manages the housing development in line with its land allocation supply.
9. On economic development the council has made significant improvements to Lancaster and Morecambe town centres through physical regeneration projects over the last 5-10 years. It is seeking to exploit opportunities around the energy sector focused around Heysham power station and is on the cusp of an exciting major project



to develop a Health Innovation campus in collaboration with the University of Lancaster aimed at creating around 2,000 jobs. The early stages of the implementation of the Morecambe Area Action Plan also looks promising, with improvements to the public realm on the promenade, tighter enforcement to tidy up retail premises and efforts to revitalize the town centre. The council has made some useful progress on issues connected to the visitor economy including working with the Duchy of Lancaster on the opening up Lancaster castle as a visitor attraction and supporting a range of arts initiatives across the district.

10. The council has placed a significant emphasis on community leadership. It is encouraging to see a wide range of activity often led by local elected members championing, running and supporting activities. This includes litter picks, supporting community/friends groups and working with local voluntary groups to support vulnerable local people. Overall, there is a good understanding of the council's current priorities throughout the organisation.
11. However, it is crucially important that senior members understand the performance of services. Clear and timely performance reporting would enable members to have a much better understanding of the performance of services. The council has agreed a set of outcomes it would like to see, in the current Corporate Plan. However, it is not always easy to see how actual activities and service delivery drive the achievement of these outcomes and who politically owns these outcomes.
12. Demand for many services such as street cleansing, litter collection, grounds maintenance and waste collection has remained the same despite significant reductions in the council's capacity over the last couple of years. This is putting a strain on some services trying to maintain their previous level of performance (or trying to improve their performance). There is a need to consider how to manage the expectations of residents and elected members with smaller service capacity, including how this is communicated to the public.
13. The council needs to address the improvement of its planning function as a priority. Although the council had external input from the Planning Advice Service (PAS) in April 2014, planning performance on processing minor planning applications still remains notably below the average for district councils in the North West (whilst performance on major applications is generally good). Issues identified at the time of the PAS review are also still to be implemented. The performance of the planning function will play a significant role in some of the council's plans on future housing development and infrastructure. The wider economic development function (including planning) might be a good area for the council to examine as part of a new approach to reviewing services, explored later in this report.
14. The council has a significant economic development challenge in addressing the skills agenda. Although dialogue has taken place with some schools, both universities and the Lancaster and Morecambe College it will be imperative for the council to influence the providers to design and offer suitable courses to equip young people with skills for

the energy and tourism sectors (and their supply chains). Focus on specific work around introducing or shaping these courses by more strongly influencing the College. Closer work with Lancashire County Council could lever stronger influence on local schools. There is also scope for smaller scale operational improvements on economic development. Operational staff in this area identified a number of specific ideas and the feasibility of these should be examined such as appointing an agent to manage business workspaces, to name one example.

15. The council has prioritised the growth of its visitor economy as part of its work on economic development. The Authority appears to know what it needs to do and is heading in the right direction, albeit the service is delivered in a fairly traditional way and would benefit from sharpening how it communicates the tourism 'offer' to potential visitors outside the area. The advantages from developing the visitor economy to lever in further economic development present opportunities to be exploited.
16. The council recognises that its existing Corporate Plan is unlikely to enable it to tackle the nature of the changes to local government over the next few years. This, coupled with the election of a new minority Labour administration, is an opportunity for the council to reflect on its priorities to ensure it is focusing on the issues which will deliver strong outcomes for residents and achieve this in a climate of declining financial resources.

### **Political and managerial leadership**

17. The May 2015 local elections resulted in a new minority Labour administration for the council, after many years of the council being in no overall control by one political party. The election resulted in 27 new members in May. The council has an experienced Leader. It also has a Chief Executive with considerable experience who is highly respected within the organisation and externally with partner agencies. He is supported by a relatively new senior management team of five, following a senior management restructure.
18. The council has a strong relationship with Lancashire County Council and is participating in the early discussions on a proposed Combined Authority for Lancashire. This debate is at an early stage but the city council is making a positive contribution to the debate and sees some of the opportunities a Combined Authority may bring. The council also has a working relationship with its neighbouring councils, particularly Preston.
19. There is a strong, amicable and trusting relationship between senior members and officers. The Chief Executive undertakes regular face to face briefings with staff at a range of locations in order to engage with staff, listen and communicate key issues. This was well received by staff.
20. The election of a new minority Labour administration is an opportunity for the council to reflect on its priorities to ensure it is focusing on the issues which will deliver strong outcomes for residents and achieve this in a climate of declining financial resources.

This debate needs to conclude soon and result in a clear set of priorities from members, which officers can use to shape the kind of council Lancaster wishes to be over the next few years within the constraints of available financial resources.

21. There is a good spirit of co-operation between senior members and senior officers and this is a great platform to have a mature debate on what are priorities and what will, by financial necessity, have to be considered to be a lesser priority. This will be a challenging process. Early discussions with the Labour group indicate that there are likely priorities around 'clean/green', housing and jobs but there needs to be more careful and informed discussion as there may be other outcomes that members may wish to consider alongside these. We would recommend that the Labour group continues this debate to identify a clear set of new priorities. The timescale for these discussions is fairly short in order to inform the 2016/17 budget planning process. The LGA is happy to offer member peer support to facilitate this discussion if this is helpful.
22. Members will need a clearer set of policy options to consider in the lead up to the 2016/17 budget discussions. In parallel to the political discussion around priorities, senior officers can greatly assist members by producing a series of carefully appraised policy options. There is a need to take a new approach to the one taken in previous years. Officers will need to lay out options for the different delivery and configuration of services for members to examine and consider. This should clearly outline how outcomes can be delivered, their financial implications, the risks attached to each option and how these could be mitigated.
23. Tackling the future challenges of the council will require the council's senior officer management to act corporately to deliver strong outcomes and agree how finance is aligned to deliver priorities and join up coherently. There will be value in the Senior Management Team reviewing their skills and capacity to deliver the necessary changes that will need to take place over the coming years. The council will need effective corporate capacity – with the right skills - to manage issues like organisational development, manage change, the digital agenda, track performance and develop policy.
24. The council's work with partner agencies in the public, private and voluntary sectors provides excellent opportunities to deliver strong outcomes for residents working more collaboratively building on arrangements already in place. There is potential to get more out of strategic partnerships. As the council explores different options for the future delivery of services this is an opportunity to see how partnerships can deliver strong outcomes. A suggestion was made to the peer team that the council may wish to establish an 'account management' approach to some of its major partners. This would see an 'account manager' designated as a single point of contact for an organisation and act as the key liaison. The feasibility and added value of this could be explored by the council to see if it works.

## Governance and decision making

25. The new Labour Cabinet is settling in to its new role and the Leader has appointed three new Cabinet members. The council has a long established and robust member development programme, which will help support all its new members in particular.
26. The accelerated pace of change required in future years will necessitate effective and timely decision making. The move away from mixed political Cabinets presents an opportunity to make this happen. We would strongly advocate more power being delegated to individual Cabinet members. This would not only help to accelerate the pace of decision making and strengthen the accountability of individual Cabinet members. Senior members are likely to see the value in holding informal Cabinet meetings (and structured monthly one-to-one liaison meetings with portfolio holders). This would help to explore policy options around major decisions and build consensus on political decisions which will then be put to Cabinet. This process would be helped by members and officers developing council reports together.
27. The council needs to consider its overall future risk appetite. The nature of future strategic decisions will mean the council will need to be more balanced in its risk approach and less risk averse. Risk can be better managed by clearer identification of strategic risks as part of the discussion on future strategic issues and more informal discussion to consider the issues.
28. There are opportunities for the council's overview and scrutiny function to add greater value and for better use to be made of scrutiny. Whilst the committee considers a considerable volume of issues it could make a better contribution to how the council is delivering in its key priority areas. For example, it could play a stronger role in policy development. For example, future service reviews of key areas could be used in which non-Cabinet members could play a strong role ensuring options for future service delivery are clearly explored and risks examined in-depth.

## Financial viability

29. The council has a relatively small financial resource base, with a [net](#) revenue budget of £17m in 2015/16. It has used a balance of reducing its revenue budget and using reserves to manage the impact of the national public sector budget reductions effectively to date. The council has achieved its previous financial savings programme, including a revenue saving of £5m since 2010/11. This includes significant savings on staffing cost and a package of smaller efficiency savings from across the council. There are plans to increase future income through large projects like the Solar Farm and a combination of smaller 'invest to save' projects which are under consideration.
30. The action the council has taken has seen its financial reserves reduce from £5.5m in 2013/14 to £4m in 2015/16. The use of reserves (alongside the package of efficiency savings) has meant the impact of large scale budget reductions nationally has had less of an impact in the district in the last 12 months. The next set of budget

issues, particularly since the 2015 General Election, are likely to be more challenging. In the future, the council have recognised the need to deliver services in different ways more extensively. This includes the need to consider how services are configured and different methods of delivery. It is unclear to what extent the council intends to grasp an approach to managing demand for services on its own and working with other local authorities and other agencies. This could potentially have a significant positive impact on the council's financial position as services are redesigned. As part of this the council will need to make more rapid progress on its digital agenda (to assist in channel shift for some services) which would help address demand for some services which in turn will help to address the council's longer-term financial position.

31. Once the council's future priorities have been agreed there will need to be a clear plan to deliver the required level of specific savings for 2016/17 and 2017/18 (and beyond). This is likely to be in the region of £2m, but the financial plan needs to clearly identify the amount and outline how this will be delivered. Continuing to largely use reserves to manage this position is not a sustainable long-term option. There is a need to share the modelling for different budget scenarios up to 2020 in order to inform the debate on future service planning. Whilst there are number of financial uncertainties over the next 5-10 years, modelling different financial scenarios will better prepare the council for what is likely to be a sustained period of public sector funding reductions.
32. There are opportunities to take a more commissioning approach as part of an examination of how services might be delivered differently in the future. This could start with taking a commissioning approach with the council's current grant funding for local organisations. For some of the larger grants, moving to a more outcome based commissioning approach would more closely support the delivery of the council's priorities.
33. The public building assets in the district provide an excellent opportunity to bring organisations, services and systems closer together to generate capital receipts and make services more efficient. There is potential to do more by rationalising the overall public estate in a more collective approach, through a joined up conversation with the other local authorities in the county and other public sector partners. The council's ability to dispose of one of its Town Halls would create opportunities to co-locate other public services into a public sector 'hub(s)' and generate a financial saving. The team recognise there are emotional (as well as rational) attachments to both these heritage sites. However, options (such as changing the usage of the building, working with other agencies, taking a more commercial approach and/or releasing capital) have begun to be discussed and a clear decision needs to be made soon.

## Organisational capacity

34. The council has achieved much with a relatively small financial resource base. It has reduced its headcount by around 340 FTE (or around 30%) in recent years and sought to manage this reduction without making compulsory redundancies. Despite reductions in staffing and revenue budgets, staff morale overall is good despite significant change to the organisation. Staff are one of the council's core assets on which it can build. Staff generally recognise that service delivery will be different in the future and accept the need for change in the current financial climate. They have an appetite to explore how services can be delivered differently in the future and examine how income generating opportunities can be generated. Staff are receptive to the development of entrepreneurship and creativity and the council could harness this spirit and a wide range of specific ideas from staff.
35. Nearly half of the new councilor intake is new. There is a great opportunity to make the most of this and involve new members in issues like a new approach to service reviews. This could be an opportunity to harness the new skills that new members bring.
36. The key staffing challenge in the future is to ensure the organisation has the right capacity and skills to deliver the future priorities of the council. It will be important to examine capacity to ensure strong outcomes are being delivered and the council has a 'lean' but effective organisational capacity to manage issues like organisational development, manage change, the digital agenda, track performance, develop policy, market services and the area and communicate with its residents.
37. Lancaster appears to be relatively well resourced in terms of its overall staffing. This is higher than the average of other district councils in the North West. The council has a workforce around 680 FTE. The peer team have not been able to explore this in depth in the time available but this is a broad issue the council may wish to explore in more detail. The council has sought to improve its capacity and resilience by sharing its revenues and benefits function (with Preston City Council) and the management of its property portfolio (with Lancashire County Council). Although the extent of shared services is relatively limited overall, these two service areas point to how the council can boost the resilience of some of its services as well as generate a financial saving.
38. A refreshed approach to service reviews is likely to help draw together a number of issues. It should help:
  - members have a closer involvement in strategic decisions
  - enable wider consideration of future service delivery models
  - gain a more 'outward' looking perspective to the review process (by either involving external input on the review teams or drawing comparisons with service performance from other local authorities)
  - drill down into issues like value for money and performance comparison with other local authorities
  - provide clear options for members to discuss about future services



39. The council has identified it is behind the curve on the digital agenda. This could be particularly important in a district which has a significant rural population. The council has recently appointed a corporate champion for 'digital'. Digital work now needs to be corporately owned (not IT driven) and this work needs to be accelerated to contribute to an overall much clearer council transformation of services, improve financial outcomes and improve its 'reach' into communities. We would recommend that the council appoints a member digital champion to retain strong and political oversight on this agenda.
40. Morale amongst frontline staff remains good despite the fact staff have seen around 30% of their colleagues' leave the organisation and many have taken on additional responsibilities. They recognise that many of the challenges they face are created from macro-economic issues beyond the council's control. To help maintain staff morale the introduction of non-financial staff reward and recognition schemes may well aid organisational culture.
41. External and internal communication remains a key element of any organisational strategy. With the challenges it faces, and recent changes to its communication capacity, the authority would be well placed to reassess its resource needs in this field. Effective communication will be central to managing the future change process and developing a consistent narrative both internally and externally.
42. Lancaster and Cumbria Universities are both key stakeholders for the council. The contribution of both universities to the local economic wellbeing of the district is considerable. The council has forged good working relationships at an officer level, with its universities, and it is important the political leadership of the council continues to recognise and build upon these working relationships. The universities are likely to be a source of increasing the council's capacity in areas like research and intelligence. Tapping into the significant student population in the area should enable the council wider reach on better understanding the needs of local communities.

Finally, we would like to thank colleagues at Lancaster, especially Elaine Stoker and Steph Lucas for their support during the challenge itself. The council embraced the challenge positively and supported the process well.

Further on-going support is available through the Local Government Association's regional Programme Manager, Neil Shaw (email: [neil.shaw@local.gov.uk](mailto:neil.shaw@local.gov.uk), tel: 07876 688987). The report identified some areas where the council is likely to benefit from further external support. Neil will liaise with the authority in the coming months to explore specific issues the council may wish to be supported on.

## Report contact

Neil Shaw  
Programme Manager  
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## LGA PEER REVIEW ACTION PLAN

What	How	When	MT lead	Resource
<b>CONTEXT + PRIORITIES</b>				
Develop options to manage demand in public realm services	Use local intelligence / knowledge and results of consultation exercise to establish priorities and then develop a range of options	In parallel with development of 16/17 budget	MD	Within existing
Complete Local Plan	To progress towards the formal adoption of a new Local Plan in accord with the latest project plan (Local Development Scheme) and with consensus over annualised housing targets and proposed land allocations.	Public consultation on draft proposals by Winter 2015. Note new default deadlines to be set by Parliament in Autumn 2015.	ASD	Within existing budgets and enlisting support of the Planning Advisory Service.
Continue to focus on development of Lancaster Visitor economy through linking Retail /Arts /Heritage	To prepare a new Masterplan for Lancaster City Centre identifying development and economic opportunities and weaving them with existing investments. To focus potential into a joined up suite of funding bids to the Heritage Lottery Fund to assist in the delivery of that Plan.	In parallel with and informing the production of the Local Plan. Draft proposals by April 2016	ASD	Within existing budgets and in partnership with the County Council, Lancaster BID, Chamber of Commerce, Lancaster University, MBHT, Marketing Lancashire and Heritage Lottery Fund.
Continue to focus on the visitor economy as a means of leveraging economic development	By continuing to identify the visitor economy as a key economic development function and driver of the local economy. By examining new potential from Coastal Communities	Council to review ability to deliver support for visitor economy in 2016/17 budget setting process.	ASD	City Council in partnership with Marketing Lancashire, Morecambe Bay



<b>What</b>	<b>How</b>	<b>When</b>	<b>MT lead</b>	<b>Resource</b>
	and other funding streams to develop the quality of the district's offer aligned to the two new destination brands.			Partnership and a wide range of stakeholder groups.
Consider how best to provide Senior Elected Members with meaningful performance reporting	Ongoing review of performance framework and development of Corvus is being undertaken by the HR&OD Manager. The revised performance management framework, approved by Management Team and reported to Cabinet in September, will be developed into a plan to implement changes in performance management arrangements.	Arrangements to be in place by April 2016	ST	
Conduct Service Review of Planning / Regeneration	By taking the existing Peer Review work undertaken by Planning Advisory Service and addressing its findings through an early review of capacity and skills in the regeneration and Planning Service.	By April 2016 as part of council budget setting process for 2016/17	ASD	Service Management Team with support from Resources and Governance
Consider how best to influence educators to develop the skills that will be needed in this District in the future	By using the evidence base available through planning and economic policies to challenge education providers to enable private sector careers advice to be made available in schools. To ensure that the further and higher education sector tailors provision more closely to the economic need of the region and the north.	To feed into Lancaster Vision's preparations for major skills conference in April 2016	ASD	Within existing budgets and in partnership with the County Council, Chamber and Lancaster Vision.
Clearly establish priorities for the new administration	Through Cabinet to Council	By March 2016	MC	OD and MT

<b>What</b>	<b>How</b>	<b>When</b>	<b>MT lead</b>	<b>Resource</b>
Continue to build relationship with County Council and neighbouring Councils (e.g Preston)	Continuous, but also to consider Shared Services with Preston	By March 2016	MC	May need external resources
<b>POLITICAL + MANAGERIAL LEADERSHIP</b>				
Continue to contribute positively to the CA debate	Through Leaders and Chief Executives meeting and Full Council	December 2015	MC	Regen Officer time – potential future implications, not yet quantifiable.
MT to review their skills / capacity requirements for delivery of organisational change and establish a clear plan of action	MT to work with HR&OD Manager to establish what new skills and competencies are required by senior managers, and at what level, to deliver on revised council priorities and different delivery methods	As soon as possible, subject to any significant senior management restructuring being considered after appointment of new CE	ST/MC	
Consider how Council partnerships can be best managed to get the most out of them	As part of council Community Leadership Priority. Consider which partnerships can help deliver objectives alongside the council.	Corporate Plan 2016/17	All	Within existing resources
<b>GOVERNANCE + DECISION MAKING</b>				
Consider what level of delegation is most appropriate for Cabinet Members	Does Leader/Cabinet want further delegation? Review definition of key decisions – look at criteria for level of decision taking into account risk		ST	
Agree what a proportionate approach to the management of risk looks like for the organisation	Through Leaders' Briefings and Audit Committee – review of Strategy?	Outline March 2016 (Budget). Strategy to be updated after then	NM	MT/Internal Audit
Consider how to make best use of O+S	To be considered by MT (bearing in mind the resources that would be required to support O&S). Any	March 2016	ST/MC	

<b>What</b>	<b>How</b>	<b>When</b>	<b>MT lead</b>	<b>Resource</b>
	suggestions for input from O&S would need to be considered by O&S as part of its discussions on its work programme			
<b>FINANCIAL VIABILITY</b>				
Agree the Council's approach to digitalisation	Workshops, development of draft strategy, joint working using partners (e.g university), officer working group and consideration by Members during the Budget	Outline by March 2016 (through the budget and planning process)	NM	Limited cross-service resource, though budget exists to make some progress. Expect would need some upfront redirection in addition, however.
Model the likely future financial scenarios the Council could face	Usual financial planning processes – drawing on Government announcements and other commentaries, etc	First modelling already completed – reported to September's Cabinet. Need to keep under review.	NM	Covered through Financial Services
Establish how best to approach commissioning	Include potential for commissioning in service reviews and budget options. Also, consideration being given to clarifying / expanding the existing procurement strategy to address commissioning explicitly.	September to December During 2016/17	MC	
Develop options for the Council's building assets	In progress – need to establish clear proposals and timescales though (then project plan)	Outline by March 2016 (through budget and planning process)	NM	Will need extra input from various services and will require extra upfront investment

<b>What</b>	<b>How</b>	<b>When</b>	<b>MT lead</b>	<b>Resource</b>
				to secure ongoing savings.
<b>ORGANISATIONAL CAPACITY</b>				
Develop a refreshed approach to service reviews	MT to work with HR&OD Manager to develop approach	After decision on council priorities and when it is known what service reviews are required	ST	
Establish the council's appetite for transformation e.g in income generation terms, alternative models of delivery (e.g trusts).	Establish Lancaster City Council definition of transformation. Initially through MT	Decision making on proposals by Cabinet as part of budget setting winter 2015. Council decision March 2016	All	Depends on definition, may require skills and external support potentially?
Establish a mechanism for staff to feed ideas about service delivery, budget savings or income generation to managers and MT	Existing Budget Options Work Programme	September to December 2015	MC	

**CABINET**

**Corporate Plan 2015-18 - Half Yearly Performance**

**01 December 2015**

**Report of Chief Officer (Governance)**

PURPOSE OF REPORT				
To provide an update on progress towards the delivery of the 2015 – 2018 Corporate Plan as at 30 September 2015				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
				<b>X</b>
Date of notice of forthcoming key decision		N/A		
This report is public				

**RECOMMENDATIONS OF LEADER OF THE COUNCIL**

(1) That Cabinet considers progress towards the delivery of the 2015 – 2018 Corporate Plan at the mid-point of 2015 and makes comments and recommendations as appropriate

**1. Report**

- 1.1. The 2015 – 2018 Corporate Plan was approved by Council on 04 March 2015. The Corporate Plan sets the direction for the delivery of council services and together with the Medium Term Financial Strategy (MTFS) and other strategies drives the allocation of resources as part of the council’s Policy Framework. At the time of approval, the Corporate Plan reflected the changing needs and aspirations of local communities and the shifting priorities, opportunities and challenges that the council faced. The challenges will be increased for future years.
- 1.2. Corporate priorities have remained largely the same over the last few years, being: *Clean, Green and Safe Places; Health and Wellbeing; Community Leadership and Sustainable Economic Growth*. Priorities are underpinned by an ethos of an *‘Ensuring Council’* – a model of local government developed by the Association of Public Service Excellence (APSE)
- 1.3. The focus of the priorities has narrowed as resources have reduced and these will need to be narrowed further due to the financial context for the remainder of the three year Corporate Plan. The priorities are reinforced by headline corporate outcomes and success measures, as well as milestones and activities at an operational level. Together with qualitative / contextual information these provide a greater understanding of factors having an impact on performance and overall delivery of the Corporate Plan.
- 1.4. Six months into the 2015 - 2018 Corporate Plan a review has been undertaken of performance and progress towards the achievement of the corporate priorities and outcomes over the term of the plan. Full details of this review are set out in **Appendix A**.
- 1.5. In summary, the review shows that progress is being made and there are currently no major areas of concern. The Corporate Plan will, however, need to be adjusted to take account of the political and financial context for 2016 - 2018.

**2. Conclusion**

- 2.1. Proposals for the future development of the Corporate Plan(s) will be with a view to supporting the council as it continues to evolve as an ensuring council, taking into account the challenges that the council faces. Members will be asked to consider these proposals and revised Corporate Plan (s) in due course as part of the strategic planning arrangements.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>This report is a requirement of the council's Performance Management Framework in support of the delivery of key priorities and outcomes as set out in the overall policy framework and specifically in the Corporate Plan 2015 -18.</p>	
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>  <b>(including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>None directly arising from this report</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>None directly arising from this report</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>None directly arising from this report</p>	
<p><b>OTHER RESOURCE IMPLICATIONS</b></p> <p><b>Human Resources / Information Services / Property / Open Spaces:</b></p> <p>References and any related implications contained within Appendix A</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Section 151 has been consulted and would add that this report be considered alongside the Budget and Policy Framework update report elsewhere on the Cabinet Agenda for this meeting</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Monitoring Officer has been consulted and has no further comments</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>none</p>	<p><b>Contact Officer:</b> Bob Bailey, Organisational Development Manager  <b>Telephone:</b> 01524 582018  <b>E-mail:</b> rbailey@lancaster.gov.uk  <b>Ref:</b> Cabinet 01/12/15</p>

Measure	Comments
<b>Priority: Clean, Green &amp; Safe Places</b>	
<b>Outcome: Impact of crime and anti-social behaviour across the district will be minimised</b>	
Work with the Police and Community Safety Partners to minimise the impact of crime and anti-social behaviour	<p><b>Half Yearly Measure:</b> - The Council continues to be a leading partner in the Community Safety Partnership which also includes Lancashire Constabulary, Lancashire Fire &amp; Rescue, Probation Services, Youth Offending Team, Office of the Police &amp; Crime Commissionaire, Lancashire County Council and NHS Clinical Commissioning Group. Based on evidence, five priorities for 2015/16 have been identified as being the most important to address in the district. These are Violence Against the Person, Road Safety, Substance Misuse, Domestic Abuse and Anti-Social Behaviour. Quarterly meetings are held to discuss performance on the delivery of priority actions, identify trends and any emerging issues.</p> <p>The Council is also a leading participant in Anti-Social Behaviour Risk Assessment Conferences (ASBRAC) within the district which supports high risk victims of Anti-Social Behaviour and targets offenders</p>
Reduce hate crime and the fear of crime felt by minority communities	<p><b>Half Yearly Measure:</b> The Council supports initiatives and activities aimed at tackling hate crime. In the first half of the year this has included involvement in the Learning Disability Awareness Week and supporting self-advocates to approach shops as part of Lancaster Safety In Towns initiative. At the end of July, shared funding with Wyre Borough Council for the Hate Crime Officer came to an end. Going forward the Council will look to support <i>Victims Voice</i> a hate crime reporting and support agency, funded by the Police &amp; Crime Commissioner, that will provide for three caseworkers to cover the Lancashire, including one responsible for activities in Lancaster, Wyre, Fylde and Blackpool</p>
<b>Outcome: Local neighbourhoods are clean and safe and residents have a sense of pride in the district</b>	
Increased number of projects that directly involve local communities in improving local areas, parks and open spaces	<p><b>Quarterly Measure:</b> Twenty-three groups with a variety of projects are being supported including the development of play areas, allotments, Skateparks and parks. Groups include newly formed groups, Parishes and Friends groups. Other groups are supported through wider initiatives such as the Lancaster Greenspace Forum and consultation toolkits which have been developed in conjunction with Lancaster University. Three new groups/ projects are being supported (Aughton Play Area, Newton Beck Coppice Group, BMX at Greenland's Farm).</p> <p>Friends of Greaves Park and Friends of Ryelands Park have completed a master plan for the parks which will be considered by December Cabinet. Cinder Lane allotment is now complete. Ward councillors are trying to resurrect a friends group for Palatine Recreation Ground, The Bowling Tuition group have also taken on the lease for the pavilion with the aim of re-establishing a bowling team. Lune Bank gardens had a successful national heritage open day to raise the profile of the project to restore the gardens. Beyond the Castle keeps going from strength to strength holding their first archaeological dig on the site with some interesting findings.</p>

Measure	Comments
<b>Priority: Clean, Green &amp; Safe Places</b>	
<b>Outcome: The council's impact on the environment will be minimised</b>	
Increased proportion of Council business travel mileage provided by electric or ultra-low emission vehicles	<p><b>Half Yearly Measure:</b> In May, as part of the major review of the council's business travel arrangements a pool of six ultra-low emission cars were acquired on a 'flexible' vehicle hire agreement. The Co2 emissions on these vehicles is 98 g/km putting them in the lowest group (Band A) for vehicle tax based on fuel type and Co2 emissions.</p> <p>A financial appraisal estimated that savings of over £10k could be realised in 2015/16 from 01 July 2015 when the pool vehicles came into operation, to an estimated maximum of nearly £94k in future years, dependent on usage. An appraisal of the first three months usage to 30 September indicates that the vehicles are being well utilised by staff for business use and with the benefit of this information officers have been asked to consider electric vehicles and associated infrastructure requirements. The wider business travel review suggested numerous options that Services can consider further to reduce or eliminate business travel, which in itself will reduce vehicle emissions.</p>
Amount of household waste reused, recycled or composted is maintained	<p><b>Quarterly Measure:</b> Data for this measure is provided through an external system maintained by Lancashire County Council and is reported three months in arrears. The percentage of waste reused, recycled or composted at 2014/15 Quarter 4 was 37.1%, representing a recycling rate across the whole year of 42.9%, being a small increase of +0.4% compared to 2013/14. In the first quarter of 2015/16 Q1 a 48% recycling rate was achieved, representing a decrease of 3.2% against the same quarter in 2014/15. It can be difficult to confidently assess the reason(s) why rates of recycling and composting fluctuate as it can be affected by several factors including seasonal variations and the weather – green waste will drop, for example in wet weather and Q1 2014/15 is known to have been dryer than the same quarter in 2015/16</p>
Increase income from energy and recycling projects	<p><b>Half Yearly Measure:</b> The amount of income generated from the solar photo-voltaic installations from 1st April 2015 to 30th Sept 2015 was £47,475.69. This is an estimate based on data extracted from the ORSIS online monitoring portal where information of kWh generated from the installed panels is available. It does not take into account any additional income which may be applicable through the Feed In Tariff scheme for which there is a data lag of approximately three months.</p>



Measure	Comments
<b>Priority: Health &amp; Wellbeing</b>	
<b>Outcome: Enhanced quality of life of local residents through access to affordable, decent housing</b>	
Increased number of improved homes	<b>Quarterly Measure:</b> This indicator reports on the number of homes improved in the private sector. It includes those improved by the Housing Standards Team in the private rented sector and those improved in the owner occupied sector by our own Home Improvement Agency (HIA). 983 homes have been improved at the end of Quarter 2, which is significantly ahead of target at this stage. At the beginning of August the HIA commenced working in line with the new Integrated Home Improvement Service (IHIS) agreement with Lancashire County Council. Under this scheme the HIA carry out 'Minor Adaptation' referrals on behalf of the County. The HIA's Handyperson Service is undertaking this work which tends to be larger, more complex and time consuming and, as a result, may lead to the number of properties improved indicated by this measure being reduced.
Improve access to housing	<b>Quarterly Measure:</b> This measure reports on the number of households that have been assisted in finding permanent accommodation into one of three categories of tenure, being: Council Housing, Private Registered Provider of Social Housing and Private Rented Sector. At the end of Quarter 3, 365 households have been assisted by the Housing Options Team (Homelessness) and the Choice Based Lettings Team. This is currently ahead of target.
Increased number of vulnerable households benefitting from Warm Homes Initiatives	<b>Half Yearly Measure:</b> 286 households had benefited from Warm Home Initiatives by the end of Quarter 2 significantly ahead of target at this point. This measure reports on the number of households - both owner occupiers and private tenants - benefiting from interventions to improve the level of affordable warmth in the homes of vulnerable residents. The schemes include a number of activities ranging from replacing inadequate boilers to the payment of fuel bills. Funding is no longer available for a scheme specifically targeting tenants in the private sector but vulnerable households are benefiting through the intervention of the Housing Standards Team in prioritising the elimination of the Category 1 hazard of 'Excess Cold'
<b>Outcome: Health and wellbeing of our residents is improved</b>	
Increased number of people participating in sports and leisure activities	<b>Quarterly Measure:</b> This measure monitors all throughput at Salt Ayre Sports Centre (SASC) and the Community Swimming Pools at Heysham, Hornby and Carnforth. The operational subsidy for Salt Ayre Sports Centre was considerably reduced last year and this trend continues. Throughput in areas such as gymnastic coaching, holiday activities and fitness continue to increase with approximately 200,000 visits obtained in the first half of the year compared to 175,000 for the equivalent period last year
Maximise opportunities for access to innovative leisure activities by working collaboratively with public and private sector partners	<b>Quarterly Measure:</b> Tenders have been received from two Development Companies and an evaluation panel of officers are currently examining the detailed information. Initial indications are positive that the operational costs of operating Salt Ayre Sports Centre will reduce considerably in the first full year and continue to gather momentum over future years.
Facilitate long term improvements in transportation to improve local air quality	<b>Half Yearly Measure:</b> Adoption of the Lancaster Transport Masterplan has been delayed and adoption is now anticipated in the New Year. Input into the content of the Master Plan is continuing, the last meeting being held on the 21 September 2015. A report to Public Health directors to propose the input of County Public Health into air quality is still being drafted by the public health team. The production of a shared Lancashire air quality and planning guidance document has been commissioned by this Council. Production of the template document is due to be delivered by the end of the year. This will be followed by a Lancashire implementation phase. A grant bid through the Cleaner Bus Technology Fund is being prepared for 25% of the buses operating through Lancaster (to reduce nitrogen oxide emissions). This will hopefully be submitted by the County Council on the 30 October 2015.

Measure	Comments
<b>Priority: Health &amp; Wellbeing</b>	
<b>Outcome: Health and wellbeing of our citizens is improved (continued)</b>	
<p>Maintain percentage of 'broadly' compliant food businesses (category 3-5)</p>	<p><b>Quarterly Measure:</b> At the end of Quarter 2 there were 1134 businesses considered to be broadly compliant (3 rating or higher) which equates to 96.7% of all ratings issued. This is a slight improvement at the same period in 2014/15. The number of businesses receiving the top rating of 5 has reduced slightly from 921 last year to 916 this, although the number of businesses considered to be non-compliant (2 or below) has reduced from 46 to 39.</p> <p>The Council has a range of tools available to tackle unsatisfactory food hygiene standards in food business, including advice to Food Business Operators, formal improvement/prohibition notices and/or prosecution. A recent innovation is the introduction of business coaching by Food Safety staff for businesses with a rating of 2 or below. It is anticipated that this will help to bring about sustained improvement in food safety and higher food ratings for non-compliant food businesses, providing a much more cost effective mechanism for improving food hygiene ratings.</p> <p>The total number of businesses registered and eligible for a rating is 1173. This is a reduction of 12 businesses compared to last year. Not all businesses receive a rating, only those food businesses that supply food direct to the public are included within the food hygiene rating scheme. Where a rating is issued, the business is encouraged to display the rating within the business, although there is not yet any legal requirement to do so. All ratings are available to the public on the <a href="#">Food Standards Agency website</a></p>
<p>Maintaining adequate supply to reduce demand led unsustainable price rises in the housing market</p>	<p><b>Half Yearly Measure:</b> The council needs to maintain a five-year supply of housing at all times. This is achieved by granting sufficient planning consents, or allocating enough sites in the local plan, so that the council can demonstrate that any point in time five-years' worth of deliverable housing sites are available to the development industry. The requirement specified with the council's adopted Core Strategy, is for 400 new homes per year, meaning that supply sufficient for 2000 new homes is needed, plus any backlog that has not been delivered to date. An additional buffer must also be added to ensure that in circumstances where delivery has been poor additional opportunities for development are given consent. Previous period of undersupply must also be added. The current housing land supply is calculated to be equivalent to 3.4 years.</p> <p>Whilst the district had experienced exceptionally low levels of new housing build in recent years the last financial year saw a significant return to high levels of development completions: between 1st April 2014 and 31st March 2015 a total of 473 new dwellings were completed. This is comprised of 425 conventional dwellings and 48 dwelling equivalents (student flats and other institutional development). Of the 425 conventional house completed a total of 102 were Affordable Homes, equivalent to a significant 24%. This was facilitated through the provision by the council of an exceptional level of officer support to Registered Providers.</p> <p>58% of dwelling completions in 2014/15 were on brownfield land. At 1st April 2015 a total of 2,615 dwellings had planning consent. Further areas of land suitable for residential development will be identified in the Land Allocations document. Currently it is anticipated that a draft Land Allocations document will be brought to council to seek authority to consult in spring 2016. Consultation on potential options to deliver additional housing growth are being explored by the council as part of its 'People, Homes and Jobs' consultation. A hybrid approach of urban extension, green belt review and village expansion are being investigated. This will feed into the Land Allocations document next year.</p>

Measure	Comments
<b>Priority: Health &amp; Wellbeing</b>	
<b>Outcome: Health and wellbeing of our citizens is improved (continued)</b>	
<p>Improve the wellbeing of our residents through collaborative, preventative and reactive measures</p>	<p><b>Quarterly Measure:</b> Arrangements are currently being made for a tender to be submitted to Lancashire County Council with a view to renewing the Active Health contract. The outputs from this area of work continue to address people’s health and include working to reduce numbers of people who are inactive, overweight, have various heart conditions and mental health related illnesses to name but a few.</p> <p>The core programme across the portfolio includes initiatives such as the £1 swim which enables people of all abilities and backgrounds to access the swimming pools and therefore be physically more active.</p> <p>The café at Salt Ayre has seen an increase in revenue of circa 20% as a direct result of refreshing the offer, providing improved customer service and ensuring healthy options are available.</p> <p>Targeted work with community groups and people of varying abilities (and ages) continues with the core programme now including sessions such as multi sports (disability) after school for disabled, indoor cycling for people with both physical and mental health issues, aqua mobility and numerous chair based activities.</p>

Measure	Comments
<b>Priority: Sustainable Economic Growth</b>	
<b>Outcome: Sustainable economic growth and jobs will be created in key sectors, including energy, knowledge, health and visitor economy</b>	
New and improved employment sites and premises will become available in key business locations targeting key sectors	<b>Half Yearly Measure:</b> Work continues on delivering the Lancaster University Innovation Campus, working with Lancaster University and other partners, and Heysham Gateway working with Carillion. These sites target the key sectors of the knowledge economy and energy/environmental technologies. Ongoing work on the new Local Plan will identify further opportunities for new employment land.
Level of support for business growth and skills development will be maximised	<b>Half Yearly Measure:</b> Officers are in the process of agreeing immediate and future policy, actions and interventions around economic development in the context of the council's ongoing budget process. A number of requests for references/support have been received and delivered to the Accountable Body for local Lancaster companies seeking support from the Lancashire Business Growth Fund - a funding opportunity available to the District's manufacturing businesses. The council is promoting the increase of local skills and employment outcomes through major development proposals. A Supplementary Planning Document is being issued for a final open consultation round in November
Supporting small business as important components of thriving retail centres	<b>Half Yearly Measure:</b> The council approved the Lancaster Business Improvement District (BID) Renewal Proposals and instructed Electoral Reform Services to undertake the Renewal Ballot of eligible businesses. The result of the Ballot will be known at the end of November. The council continues to support the Lancaster District Chamber of Trade in delivering a Morecambe Business Improvement District. A Draft Proposal is due to be considered by Cabinet towards the end of 2015 or early in the New Year. The council is continuing to act as the accountable body in support of the Portas Pilot Initiative led by Morecambe Town Council and the Morecambe Town Team. Officers continue to support progression of key projects to completion such as the Public Art initiative managed on behalf of the Town Team by consultants Deco Publique.

Measure	Comments
<b>Priority: Sustainable Economic Growth</b>	
<b>Outcome: The attractiveness and offer of the district, as a place to visit or invest in, will be improved</b>	
<p>Lancaster and Morecambe urban centres will be enhanced by investment in the built environment, heritage assets and the public realm</p>	<p><b>Half Yearly Measure: Lancaster:</b> Substantive phases of improvements as part of <i>Lancaster Square Routes</i> were completed by the end of 2014/2015. No further phases are as yet budgeted for or pending. Since, the focus of activity has moved to how the city centre is managed. Activities include:-</p> <ul style="list-style-type: none"> <li>• Work with the Lancaster BID team to bring in an enhanced arrangements for street cleansing</li> <li>• Support to the county council in monitoring and enforcing the new experimental traffic regulation order to better manage vehicular access to, movements and parking within the pedestrian zone.</li> <li>• Continuing work on an area by area basis to encourage property owners to maintain the appearance of properties in good condition.</li> </ul> <p>Ongoing is work to facilitate investment and to secure appropriate development though development management.</p> <p><b>Morecambe:</b> Activity as part of the Morecambe Area Action Plan (MAAP) is focused on making the town centre more attractive, growing footfall and supporting trading. The council continues to work closely with Lancashire County Council being a key partner as the Highways authority. There is also close liaison with key private stakeholders including the new owners of the Arndale to optimise the improvements that can be achieved.</p> <p>The '<i>Connecting Eric</i>' project to improve the layout of the central seafront and amenities is almost complete with parking rationalised, a new play area and more pedestrian space and improved pedestrian access to the town centre.</p> <p>Commencement of improvement works on Euston Road, Market Street and Victoria Street (parts), part of the '<i>Connecting Victoria Street</i>' project is scheduled for February 2016.</p> <p>Important also is work to support investment and development by third parties and to assure that proposals fit to the MAAP. As part of this the council is liaising closely with New River Retail, the new owners of the Arndale.</p> <p>Outline proposals for further improvements by the city council are being worked on. These include improvements in partnership with Lancashire County Council, subject to budget considerations.</p> <p>Ongoing is work to facilitate investment and to secure appropriate development though development management and, as in Lancaster city centre, to encourage building owners to maintain properties in good appearance.</p>
<b>Outcome: Lancaster and Morecambe Bay will be recognised as important destinations</b>	
<p>Destination brands for Lancaster and the Lune Valley and Morecambe Bay will be developed with partners to establish these areas as important visitor destinations</p>	<p><b>Quarterly Measure:</b> The Lancaster and Morecambe Bay brands continued to be rolled out with broad take-up of the brands using the online brand toolkit. The Online Toolkit continues to be developed in partnership with Marketing Lancashire. Business workshops have been delivered in the district, and support to partner authorities has been offered for the delivery of workshops outside of the district. The next phase for delivery, and planning for broader destination management continues to be considered in closer detail.</p>

Measure	Comments
<b>Priority: Sustainable Economic Growth</b>	
<b>Outcome: Lancaster and Morecambe Bay will be recognised as important destinations</b>	
Visitor spend will be increased	<p><b>Quarterly Measure:</b> Vintage by the Sea 2015 attracted over 40,000 visitors again over the 2 days on the 5-6 September. The weather was very favourable with a full programme of activities and no major event management issues to report. Full economic impact evaluation on the event is still to be estimated and finalised (end of Nov).</p> <p>In Quarter 2 gross income at Lancaster and Morecambe VIC totalled £80,000 (comprising of £65,000 Morecambe VIC and £15,000 Lancaster VIC). Income at Morecambe VIC is concentrated on the sales of Platform tickets (Morecambe VIC being the sole agent) and Stagecoach bus passes and tickets, Morecambe VIC is the only agent in the Morecambe area selling Stagecoach tickets.</p> <p>Income at Lancaster VIC is concentrated on ticket sales commission and bespoke Lancaster gifts and souvenirs. Lancaster VIC sells tickets for a wide range of local venues and festivals.</p>
Visitor numbers will be increased	<p><b>Quarterly Measure:</b> Since January 2015, the council has hosted destination pages on Marketing Lancashire's visitlancashire.com website. The number of 'unique visitors' to visitlancashire.com site from 1 April 2015 to 30 September 2015 was 954,198 which is up 141,776 (17%) on the same period for 2014 (812,422).</p> <p>In Quarter 2 Lancaster and Morecambe VIC's dealt with over 35,000 enquiries (comprising of 16,971 enquiries at Lancaster VIC and 18,551 at Morecambe VIC). Integration with The Storey and The Platform is progressing well with VIC staff involved in both the operational and marketing aspects of both buildings with positive relationship being developed with companies based in The Storey, for example, where the Lancaster the VIC are the sole agents for selling tickets for a variety of events. Staff at Morecambe VIC provide a professional reception and support and promotion for all events held at The Platform.</p> <p>The Visitor Information Centre Team has been chosen as a finalist in the prestigious Lancashire Tourism Awards 2015 in the Customer Care Category with the winners to be announced on 5 November</p>

**CABINET**

**Budget and Policy Framework Update 2016 to 2020  
01 December 2015**

**Report of Chief Officer (Resources)**

<b>PURPOSE OF REPORT</b>			
This report provides an update on the Council's financial position to help inform development of Cabinet's corporate planning and budget proposals.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Referral from Officer</b>	<b>X</b>
<b>Date of notice of forthcoming key decision</b>	02 November 2015		
<b>This report is public.</b>			

**OFFICER RECOMMENDATIONS:**

1. That Cabinet notes the draft budgetary position for current and future years as set out in the report, accepting that this is an interim update.
2. That the update be referred on to December Council for information.
3. That for the next Cabinet meeting in January, Cabinet determines its draft corporate planning and associated budget proposals to balance the General Fund budget to 2020, drawing on information from this report, the budget options currently being collated by Officers, and Government's announcements regarding the Spending Review and the Settlement.
4. That Cabinet indicates whether it wishes any additional facilitation to be arranged in support of the above.
5. That the proposals referred to in 3) above be published at the earliest opportunity, to allow feedback and due consultation.
6. That Cabinet notes the working principle regarding surplus balances outlined at section 3.3.3, drawing on existing approved financial strategy.

**1 INTRODUCTION**

- 1.1 This report provides an update on the Council's budgetary position in view of its financial strategy. Given that at the time of writing, neither the Government's Spending Review nor the Local Government Settlement had been announced, and other budgetary work is not yet scheduled for completion, the report is an interim update only primarily for information. It does make recommendations on the work required to feed into the next formal Cabinet meeting, however.

## 2 STRATEGIC CONTEXT

### 2.1 THE COUNCIL'S POLICY FRAMEWORK

2.1.1 For its 2015/16 Corporate Plan, the City Council retained its priorities as:

- Sustainable Economic Growth
- Health and Wellbeing
- Clean, Green and Safe Places, and
- Community Leadership

2.1.2 These are underpinned by an Ensuring Council ethos.

2.1.3 In Cabinet approving this year's budget timetable, provision was made for it to determine its initial views on draft priorities with some external facilitation, drawing on the outcomes of the public satisfaction survey as attached at **Appendix A**. Cabinet's views will be informed by the various budget options being developed by Officers at the request of Cabinet. The expectation is that whatever priorities go forward, the range and nature of the supporting activities being undertaken will reduce significantly.

2.1.4 During December, therefore, Cabinet is recommended to use all the information available to it, in order to determine its initial corporate planning and budget proposals for January Cabinet, and in time for these to be presented to the open Budget and Performance meeting to be held on 26 January. This is in line with the timetable approved by Cabinet back in September. Depending on what options are put forward there may well be additional consultation needed and if so, this will have to be addressed also.

2.1.5 Other public bodies are going through similar exercises. In particular, the County Council has very recently produced its budget options and these really do underline the scale of reductions and change that local government is undergoing. The County's proposals (and those of other public authorities) will have major implications for the district, with significant knock on implications for the City Council and its own delivery of services.

2.1.6 As well as considering the budgetary proposals for specific functions, to inform future corporate strategy Cabinet is requested to consider what sort of direction it wishes the Council to pursue or explore. For example, does it wish to develop its culture and risk approach to:

- *explore the potential for becoming more commercial through trading?* This would involve assessing the external market potential and internal capability and capacity requirements for trading in services, typically through the setting up of a company.
- *become leaner and more agile in terms of its decision-making and operational processes?* This would involve reviewing the democratic decision-making arrangements, delegations for Members and Officers, and supporting processes for how staff go about their business, with a view to streamlining and speeding things up.
- *push forward with digital leadership and transformation?* This would involve developing the Council's capacity and capability to redesign how it does its



business, to better meet the changing needs and wants of its communities, using technology.

- 2.1.7 All of the above would need resourcing in some form, and would require leadership and commitment to change. They would also require the Council to accept and embrace a greater risk appetite, as well as the potential opportunities that should flow. Crucially, this means accepting that not everything will go right, lessons will be learned ahead of 'moving on'. This still supports good governance and accountability. Realistically though, the Council cannot be risk averse (or risk unaware) if it wants to be innovative and transformational. They do not go hand in hand – but there is a choice over what sort of direction, culture and approach the Council wishes to adopt.
- 2.1.8 The following budget update should be considered in context of all the above points.

### 3 GENERAL FUND REVENUE BUDGET: SUMMARY

#### 3.1 CURRENT YEAR POSITION

- 3.1.1 In support of the existing Corporate Plan, at Council on 26 February Members approved the current year's budget at £17.052M, excluding parish precepts but after allowing for £1M use of Balances, giving rise to a council tax requirement of £7.9M. Since then, various changes have become apparent through monitoring and more significantly, numerous savings measures have been taken in preparation for future years' challenges. This proactive approach is an important element of the Council's financial strategy.
- 3.1.2 To draw the changes together, an in-depth update of the current year budget has now been completed, the results of which are included at **Appendices B and C**. Net spending of £16.444M is now forecast, giving a projected net underspending of £608K prior to the review of reserves and Balances. The position is explored further in section 3.4 of this report. That said, there is still time for the revised budget position to change further over the coming weeks.

#### 3.2 FUTURE YEARS' FORECASTS

- 3.2.1 The first full draft of future years' budgets has also been produced, in accordance with Financial Regulations and the budget strategy approved in September. Members should note that the revenue projections now cover four years, rather than the previous three year horizon.
- 3.2.2 The forecasts are summarised at **Appendix B** and in simple terms the outlook is as follows:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Original Net Spending Limit Less Forecast Use of Balances	18,218 --	18,590 --	n/a New Forecast	n/a New Forecast
<b>Net Revenue Budget</b> [Approved Mar 2015]	<b>18,218</b>	<b>18,590</b>		
<b>Current Net Forecast</b>	<b>17,035</b>	<b>17,209</b>	<b>18,659</b>	<b>18,790</b>
<b>Reduction in forecast Net Spending</b>	<b>(1,183)</b>	<b>(1,381)</b>	<b>n/a</b>	<b>n/a</b>

### 3.2.3 A number of key points are highlighted:

- Provisional increases in respect of pay, price and other economic conditions have been provided for, but these are being updated to reflect the Bank of England's November Inflation report. They are therefore still subject to change.
- Whilst operational savings have been built in, the draft position does not include any specific savings options and proposals, nor does it allow for any new growth options (or the continuation of previous fixed term ones).
- New Homes Bonus income estimates have been updated, reaching a maximum of £2.5M in 2019/20. For eligible properties, the bonus is paid for six years and as the scheme started in 2011/12, from 2017/18 the early years' allocations are starting to drop out. It is not known whether, or to what extent, the NHB scheme will remain as a permanent funding feature or if it does, how its continuation might impact on other future Government funding streams. This a significant risk, therefore.
- Capital financing costs have been updated to reflect the latest draft capital programme, set out later in this report. In line with recent guidance, there has also been a review of the asset lives over which financing costs may be spread. This has extended that spread, meaning that estimated financing costs have reduced by £275K in 2016/17 with similar reductions thereafter. The financing period now extends up to 60 years for property related schemes, and this is still considered prudent given the relevant assets' nature and expected life.
- There is no use of Balances built into the projections.

### 3.2.4 The budget review work done to date provides a good base on which to plan and prioritise.

## 3.3 PROVISIONS, RESERVES AND BALANCES

### 3.3.1 Although provisionally the projections allow for increased contributions into the Bad Debts provision and they allow for the normal in-year application of funds, there has been no wider review of reserves and provisions as yet.

- 3.3.2 In terms of Balances, if the current year's forecast underspending proved accurate, this would mean that the budgeted £1M use of Balances would reduce by £608K, falling to £392K in 2015/16. This would result in Balances reaching £4.233M by 31 March 2016. If advice on the minimum level (currently set at £1M) remains unchanged, then £3.233M of Balances would be available to help achieve a sustainable budget over the coming years.
- 3.3.3 These matters will be explored further in the coming weeks, at which time the s151 Officer will give her formal advice on this issue. Drawing on the Council's existing Medium Term Financial Strategy (MTFS), in broad terms the working principle is that surplus Balances would be used to help manage the risks, lead-in times and up-front investment costs associated with implementing savings measures. Cabinet is requested to note this.

**3.4 VARIANCE ANALYSIS: WHY HAVE BUDGET PROJECTIONS CHANGED?**

- 3.4.1 To draw informed conclusions about the robustness or otherwise of the Council's budgeting, it is necessary to understand more on the nature and reasoning behind the variances, and to understand the comparators.
- 3.4.2 Both Cabinet and Budget and Performance Panel have considered these aspects in recent weeks. In terms of net spending, the analysis is attached at **Appendix B**. A summary of the estimated budget movements is provided below:

	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
<b>Reduction in Forecast Net Spending</b>	<b>(1,183)</b>	<b>(1,381)</b>
% Change (compared to original net forecasts)	6.5%	7.4%
% Change (compared to original gross forecasts)	1.2%	1.4%

- 3.4.3 It is pleasing to note that underspendings continue to arise from proactive efficiency savings measures, as well as other budgetary changes. As stated earlier making savings during the year is an important and accepted element of the Council's approved financial strategy.
- 3.4.4 As in previous years, staff turnover continues to deliver large savings but they will be offset in next year by increased National Insurance contributions. As reported to earlier meetings, levels of assumed turnover have been increased, drawing on recent trends.
- 3.4.5 Income generation and capital financing changes account for the bulk of other savings and underspendings.
- 3.4.6 Numerous cost pressures have been confirmed since Quarter 2 monitoring, however. These range from the Queen's visit, to Elections and Commercial Property income. Together with some capital financing aspects, they account for the change in the forecast underspending in the current year (down from £842K to £608K).
- 3.4.7 Overall, the Council's monitoring and budgeting arrangements do give scope for continuing improvement – they will never be perfect - but on the whole, performance is considered to be reasonably good. The most notable changes in budgeting

approach relate to being less cautious about staff turnover and income forecasts – meaning an increase in the Council’s financial risk appetite. It is assumed that Members are comfortable with this.

#### 4 LOCAL TAXATION

##### 4.1 Council Tax Rates and Targets

4.1.1 Alongside the Settlement, Government is expected to confirm its proposals regarding council tax referendum thresholds and the future of the council tax freeze compensation scheme. This is another area in which there has been much speculation, but no firm announcements.

4.1.2 Simply mirroring last year, a local referendum threshold of just below 2% (1.99%) is still assumed, in line with existing MTFs targets. A 1% change in council tax is likely to amount to around £80K.

4.1.3 Once Government has made the relevant announcements, the various scenarios will be presented to Cabinet in order that informed recommendations can be made regarding future council tax rates and targets.

##### 4.2 Localised Council Tax Support (LCTS)

4.2.1 Following on from Council’s decision to retain existing support levels, the expected financial impact from the scheme has continued to be monitored. In next year effectively a projected cost of £9.5M has been allowed for. In future years, the impact is simply expected to rise broadly in line with council tax rates, i.e. a little under 2%. There are risks around the knock on impact of other potential welfare reforms but there is also the chance that more generally caseload and total awards will continue to fall, in line with recent trends.

##### 4.3 Council Tax Collection

4.3.1 Council tax income (i.e. the amount collectable) continues to rise in year. The increase is the net result of all the various changes that occur in the tax base, be they in relation to new homes being built, empty properties coming back into use, changes in LCTS awarded from that budgeted, and the myriad of other banding, discount and exemption changes that occur on a daily basis. Furthermore, actual collection is holding up reasonably well.

4.3.2 These points result in the current estimated surplus of approaching £500K on the council tax Collection Fund, based on Quarter 2 monitoring, to be shared with other major precepting authorities. About £60K would be due to the City Council and this is reflected in the 2016/17 draft budget. Figures will be finalised in January in line with statutory requirements.

4.3.3 Looking ahead for next year onwards, the council tax base projections have been provisionally updated as follows:

- in 2016/17, the estimated base has increased from 39,100 to 39,700, equating to £125,000 additional income;
- in 2017/18, the base has increased from 39,700 to 40,300, equating to £127,000 additional income;

- this trend has been factored in up to 2019/20 also.

4.3.4 It is impossible to forecast the tax base with absolute certainty and so risks will always exist. Nonetheless, the exposure is considered manageable and all indications are that housing needs will continue to grow. The tax base forecasts do not yet make any specific assumptions regarding future land allocation policy, however.

4.3.5 On the downside, a bigger population increases the demands and pressures on many council services (such as refuse collection, tax collection, planning and environmental health services, from the City Council's perspective). As far as possible these are considered in drafting the budget but this is not an exact science and as ever, the pressures will need to be kept under review. This will be particularly so, once land allocations have been determined.

#### 4.4 **Business Rates Income**

4.4.1 This continues to pose the biggest headache, in financial planning and budgeting terms.

4.4.2 Government is currently consulting on reforms to the rating appeals process, but more fundamental and significant changes are expected to be consulted on at some point – though this may be into the summer of next year.

4.4.3 The Council's hugely disproportionate exposure to rating appeals continues to be at the centre of forecasting uncertainties, but issues like the 2017 revaluation and the planned 100% retention of business rates by 2020 are now added to the mix. Specific difficulties with regard to major infrastructure hereditaments such as power stations and communications networks have gained much higher profile of late – it is known that Government is aware of them - but as yet there are no firm proposals on what the solution might be. Sadly there is no simple, easy fix. The position continues to be monitored, ahead of any relevant action being taken through appropriate lobbying and consultation.

4.4.4 Whilst all this uncertainty continues, the Council's current position is this:

- Along with two other authorities and as reported in September, the City Council is not in a position to consider taking part in proposals for a Lancashire business rates pool. That said, Government has not been able to confirm whether there will be any new pools created for next year as in time, other Government plans will effectively undermine the existence of the current pooling arrangements.

- In current and future years, the Council is effectively budgeting at safety net levels for retained business rates income. This is because of the potential impact of outstanding appeals. During January, the Council will have to formalise its estimates and assumptions in line with statutory requirements. In-year monitoring has demonstrated how susceptible to change the income forecasts are, but unfortunately there is nothing to indicate that the position will stabilise any time soon. For this reason, budgeting at safety net is highly likely to continue and so if any improvement in retained income is secured at some point, this would result in a bonus. Developments such as the M6 link road should present good opportunities for business rate growth, but this could still be wiped out by the outcome of appeals and other changes.

4.4.5 All the above points will be tested further over the course of the next month or so.

### 5 GOVERNMENT FUNDING PROSPECTS

5.1 By the time of the Cabinet meeting Government will have announced the outcome of its Spending Review, due on 25 November. This should provide some useful headline messages on what Local Government's funding prospects are over the next few years, but it will not provide information at individual authority level.

5.2 That level of detail will be gained through the Local Government Settlement, but at the time of writing this report it was not yet known when it is due to be announced.

5.3 A briefing note will be produced for all Members once the Settlement has been received and its impact assessed. In any event, it will be reported formally into January's Cabinet meeting.

5.4 The content of the Spending Review will have direct bearing on both the impact and timing of the Settlement. As a recap:

- In the absence of any indicative projections from Government, the MTFS approved back in March simply assumed a 5% year on year cash reduction (up to 2018/19) in the Settlement Funding Assessment (SFA) from Government. The SFA is typically the combined total of Business Rates baseline income and Revenue Support Grant (RSG).
- More recently, in September, further modelling was undertaken drawing on the Government's summer budget and other announcements, as well as updating the Council's own net spending forecasts. This indicated a range of potential outcomes, giving a budget deficit of between £2.7M to £4.6M by 2020.
- The indications at that time were that the bulk of funding reductions would be implemented before 2019/20, meaning that the pressures would not really increase from thereon in.

5.5 More recently, Government has made clear the intention that by 2020, local Government should be wholly funded by local taxation, in that it may retain 100% of business rates but would lose RSG and potentially other related grants, whilst gaining other responsibilities – the overriding point being that such changes should be 'revenue neutral'. Even more recently, it has been reported that the Department for Communities and Local Government (DCLG) has agreed to budget reductions of 8% per year for the next 4 years and there is obvious speculation about whether this is what local authorities should expect to face over the coming years.

5.6 To summarise, Government funding uncertainties have continued to grow.

### 6 BALANCING THE GENERAL FUND BUDGET TO 2020

6.1 Given that the Settlement announcement is imminent, at this stage there is little benefit to be gained from spending much time on modelling different funding scenarios; real information is needed at this stage in the process.

- 6.2 Nonetheless, some very limited high level work has been done to update the budget deficit scenarios, in order to not lose sight of how uncertain and challenging the position is.
- 6.3 To keep things simple, the Government funding scenarios outlined back in September have been retained. The following table shows the indicative range of savings that would be needed to balance the budget to 2020, allowing for the updated net spending forecasts outlined earlier.
- 6.4 Taking account of the projected reductions in net spending and the increases in council tax yield, in broad terms the outlook is around £1.5M better by 2020, when compared with September's expectations. There is still a significant need to make further savings, however.

Year	Indicative General Fund Budget Deficits or Saving Requirements (Cumulative, Rounded)			
	Original MTFS Projections	Updated MTFS Projections	Better Case	Worse Case
2016/17	£1.5M	£0.5M	£0.4M	£0.9M
2017/18	£2M	£0.8M	£0.6M	£1.5M
2018/19	N/A	£2.1M	£1.7M	£3.3M
<b>2019/20</b>	<b>N/A</b>	<b>£1.7M</b>	<b>£1.2M</b>	<b>£3.1M</b>

- 6.5 The bottom line 2019/20 budget deficit range is emboldened, as tackling it is the main aim of this budget strategy. It is no longer about balancing just one year or taking a short term view. That said, the 2018/9 projections currently show the worst position, although this could readily change.
- 6.6 In line with that central budget aim, Officers have been working towards identifying £4M of budget options by the end of November, for Cabinet's consideration.
- 6.7 At the time of writing this report, good progress was being made on this but the exercise was still underway. More savings ideas were expected but also, the need for up-front investment was also expected to grow. Furthermore, the timing of options will need more work and this is necessary in order to feed into the review of Reserves and Balances. Nonetheless, in early December it will be possible to circulate a set of budget options for Cabinet's initial consideration and prioritisation. A further update will be provided at the Cabinet meeting.
- 6.8 Cabinet is recommended to consider the budget proposals and all other relevant information becoming available over the coming weeks, so that by the time of the January Cabinet meeting, it will be in a position to set out its corporate planning and budget proposals for consultation and referral on to Council, for initial feedback.
- 6.9 Clearly Management Team will provide whatever support is required, but Cabinet is also requested to indicate whether it wishes to arrange any additional facilitation.

- 6.10 Finally, Cabinet is encouraged to publish its draft proposals as soon as practical, in support of due consultation and to allow as much time as possible for feedback. This should also help with managing and addressing the expectations of communities and other stakeholders.

## 7 GENERAL FUND CAPITAL PROGRAMME

- 7.1 Alongside updating revenue expectations, the capital programme has been updated for known changes to date. To keep revenue and capital planning horizons the same, the programme still covers the period to 2019/20.
- 7.2 Gross capital investment of £18.892M is currently forecast over the period, resulting in an increase in the Capital Financing Requirement (or underlying need to borrow) of £15.1M. This is now £2.057M higher, predominantly as a result of slippage being brought forward from last year.
- 7.3 Other changes have been made to reflect known pressures such as ICT system upgrades and provisionally the corporate property programme has been increased to reflect recent additional essential works in Lancaster Town Hall and other cost pressures (given that the condition survey that informed the programme is now 3 to 4 years old). Over the coming weeks, ways of offsetting these costs will be explored.
- 7.4 Additionally, arrangements are in hand to review the Council's planned property disposal schedule and this too will be fed into the budget process.
- 7.5 Equally important is the consideration of any up-front investment needs attached to budget savings options.
- 7.6 A full capital programme summary is included at **Appendix D**, and the movements to date are summarised below.

	Gross Programme	Change in Underlying Borrowing Need: CFR
	£000	£000
<b>Original Approved Programme (2015/16 to 2019/20)</b>	<b>29,786</b>	<b>+13,049</b>
<b>Key Changes:</b>		
Approved Slippage ( <i>Cabinet July 2015, minute 28</i> )	+2,526	+1,511
Quarter 2 Monitoring: Officer Delegated Changes	+1,120	--
Wave Reflection Wall Changes / Re-profiling	-106	-106
Vehicle, Plant and Equipment Renewals	-678	-678
ICT Upgrades	+404	+404
Corporate Property Works: Increased Costs	+851	+851
Additions / Increases in Other Council Funded Schemes	+78	+63
Other Net Changes in Externally Funded Schemes	-36	+12
<b>Total Changes</b>	<b>4,159</b>	<b>+2,057</b>
<b>Resulting Draft Capital Programme (to 2019/20)</b>	<b>33,945</b>	<b>+15,106</b>



7.7 As stated each year, all of the Council's capital investment plans need to be affordable, sustainable and prudent, and capital investment is intrinsically linked to the revenue budget. As such, the draft programme will continue to be updated during January and February as Cabinet's budget proposals develop; all in all there is scope for considerable change. This particularly so given the potential for upfront capital investment requirements attached to any invest to save or similar budget proposals. The current update may be regarded simply as a snapshot, therefore.

## 8 COUNCIL HOUSING (HOUSING REVENUE ACCOUNT- HRA)

8.1 As reflected in the MTFs, Cabinet's current rent policy for council housing is based on:

- an average rent of £71.31 for 2015/16, representing a 2% increase on the previous year; and
- target average rent increases of 3% year on year thereafter.

8.2 The aim of the policy was to strike a balance between keeping rents affordable, managing financial risks, and increasing and improving council housing provision. For information a 1% change in rent equates to approaching £140K.

8.3 In recent months, however, Government has made various announcements and issued draft legislation that, if enacted, would undermine the Council's current rent policy. Although clarity is still needed on various Government proposals, the main working assumption for the future is that:

- for most properties, rents will have to reduce 1% year on year, except where properties become vacant and their rents have not yet reached convergence with other social housing providers (i.e. they are below what is referred to as 'formula rent'). In these circumstances, then the rents to be charged for new tenancies can increase up to the formula rent level, less the 1% year on year reduction.

8.4 The policy details and operational implications for other potential changes, such as charging higher rents for those tenants on high incomes and selling off high value properties, are by no means clear. At this stage therefore, the implications are unknown.

8.5 Government's emerging policy for social housing rent has massive implications for the viability of Council Housing's 30-year business plan. Initial estimates indicated a shortfall of around £90M over the period, as was reported back in September.

8.6 In response to this challenging environment, an annual savings target of £500K was set for the HRA. Whilst various business functions are being reviewed, it is crucial that the 30-year business plan review is completed to inform the future capital programme and other planned/reactive maintenance provisions. Linked to this, the outcome of the recent high level review of the Repair and Maintenance Service needs to be finalised and reported through, together with any resulting action plan. Similarly, a decision will need to be reached on whether any new build plans go ahead, or whether they are formally put on hold for the time being.

8.7 Arrangements are in hand to ensure these points are addressed for reflecting in the January report to Cabinet. At that meeting, full HRA budget proposals for 2016/17

and beyond (as far as the latter can be developed) will be presented for Cabinet's consideration.

- 8.8 Once Government policy is clarified, there may well be a need to stand back and appraise future prospects for the viability of local authority housing provision, and how best they can be managed. If so, in all likelihood this would be a matter for consideration during 2016/17, assuming that Government policy and the legislative framework is settled by then.

## 9 DETAILS OF CONSULTATION

- 9.1 The outcome of high level public consultation is set out at **Appendix A** for Members' information and consideration.
- 9.2 Consultation on General Fund matters will be undertaken primarily with relevant stakeholders through the Budget and Performance Panel meeting in January, prior to Budget Council in early March. More specific consultation may be required depending on the budget savings options being considered. Consultation on council housing matters will be undertaken through the District Wide Tenants' Forum. This is in line with the Council's consultation strategy.

## 10 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 10.1 Given that this report is primarily for information, no specific options are put forward.

## 11 CONCLUSION

- 11.1 Budget work is progressing pretty much as planned but as more Government announcements are made, the scope for change and uncertainty increases. The only certainty is that of austerity but at the time of writing this report, the scale of that austerity was not yet known.
- 11.2 Whatever the position, ahead of its next formal meeting Cabinet needs to make the most of the time available to it, by progressing its prioritisation and consideration of budget and planning options. This is so that it can be in a position to present its budget proposals to Budget and Performance Panel towards the end of January. This is essential to allow due consultation and to help manage community expectations. Inevitably deadlines are tight but this is unavoidable given the timing of the Government funding announcements and the statutory deadline (11 March) for setting the budget.
- 11.3 Focus must be on setting a four-year plan. For General Fund in particular, this is the only way in which reasonable planning can be achieved for the Council's reserves and Balances. Various savings proposals will have up-front costs, risks and lead-in times attached – Balances are a key tool with which these can be managed.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The budget should represent, in financial terms, what the Council is seeking to achieve through its Policy Framework.</p>	
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc)</b></p> <p>None directly arising in terms of the corporate nature of this report – any implications would be as a result of specific decisions on budget proposals affecting service delivery, etc.</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>As set out in the report.</p>	
<p><b>SECTION 151 OFFICER’S COMMENTS</b></p> <p>The section 151 Officer (as Chief Officer (Resources)) has produced this report as part of her responsibilities.</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>Legal Services have been consulted and have no observations to make on the report.</p>	
<p><b>MONITORING OFFICER’S COMMENTS</b></p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>None. Background information has previously been published as part of earlier committee reports, as appropriate.</p>	<p><b>Contact Officer: Nadine Muschamp</b>  <b>Telephone: 01524 582117</b>  <b>E-mail:nmuschamp@lancaster.gov.uk</b></p>

Lancaster  
Residents Survey 2015  
Research Report

LANCASTER  
CITY COUNCIL

*Promoting City, Coast & Countryside*

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## 1 Executive Summary

### 1.1 Overview of approach

The approach to understand residents' views on Council priorities and their local community comprised of two distinct methods. A robust piece of street interview research captured a **random sample of 600 Lancaster City Council residents**, the findings of which provide a representative view of the population. A supplementary open-access consultation was made available online, using various communication channels, to gather the views and opinions of other interested residents.

The key findings in 1.2 to 1.4 are based on the robust research findings, with any noticeable differences in the response to the online consultation summarised in 1.5.

### 1.2 Local priorities and Council spending

- Welfare benefits and community support, job prospects and affordable decent housing are most important to residents and the areas where they don't want to see spending reduced reflects this
- Job prospects are most important to residents aged 16 to 44
- Arts funding and museums are universally considered least important and hence the services residents are most willing to see reductions in spending to
- Over half of residents who use the services would pay more for venue hire and to use Salt Ayre Sports Centre
- Parking is the service residents are least willing to pay more for

### 1.3 The local community

- Around a third of residents might consider taking a more active role in their community but two thirds would not
- The main reason given for not doing so was a lack of time, followed by lack of interest
- Over half of residents aged 65 or over indicated that health reasons prevent them from taking a more active role
- People are most likely to take part in litter picks than any other voluntary activity
- Around three in five residents understand what the role of their local councillor is, but this varies depending on age with younger people less likely to understand than older people

- More residents disagree than agree that their local councillor encourages people to get involved in their local community

### 1.4 Contacting the Council

- Traditional contact methods, in person or over the telephone, dominate residents' first choice for getting in touch with the Council
- However, online channels become more prominent in second and third choice selections
- Indeed, one in four residents who prefer traditional methods are also willing or able to use online methods of contact as a second or third choice

### 1.5 Notable findings in the online consultation

- Respondents to the online consultation indicated that waste and recycling was most important to them, whereas it was ranked 8<sup>th</sup> in the research sample
- Online respondents were most likely to prefer email as a method for contacting the council
- People contributing to the open-access consultation were more willing to play a more active role in their local area, but less likely to be interested in the voluntary activities suggested by the council
- Respondents were more likely to understand the role of their local councillor compared to people interviewed on the street, but they shared a similar level of agreement (or lack of) that councillors encourage people to get involved in their local community

## 2 Background and Methodology

### 2.1 Background

Lancaster City Council is facing a bleak financial future and needs to make annual savings of approximately £2 million over the next couple of years and in every year that follows. This is effectively 11% of its Net Revenue Budget of £17 million. The council has saved over £5 million per year, over the last five years (since 2010/11).

To make further savings, it will need to reduce or stop providing even more of the things it does and increase income opportunities, where possible. This means that the council has some very difficult decisions to make.

To help inform these decisions about where limited resources should be targeted, Lancaster City Council commissioned a piece of research and consultation to gather residents' views on Council priorities, the local community and how they prefer to contact the Council.

Specifically, the objective of the research was to understand:

- What is most important and least important to people in their local area
- Services residents think should and should not see reductions in spending
- Services that residents would be willing to pay more for
- Willingness of people to take a more active role in their community
- Specific volunteering activities which interest local people
- Understanding and awareness of the role of local councillors
- Preferred methods when contacting the Council
- Any comments or suggestions about the Council and how it could save money or increase income

### 2.2 Methodology – Street Research

Two methodological approaches were adopted to meet the objectives outlined above whilst ensuring a balance was achieved between engaging residents of Lancaster and nearby areas and conducting a robust piece of research.

Robust research was undertaken in the form of structured street interviews with residents of Lancaster City Council. The interviews lasted approximately 5 minutes and were undertaken in Lancaster, Carnforth and Morecambe in accordance with the Market Research Society Code of Conduct.

The street interviews were conducted on a range of days, including both weekdays and weekends, to gather a varied spread of resident views and maximise opportunities



to participate in the research. Moreover, on initial approach a screening question was used to ensure the sample comprises of local residents only.

**600 interviews** were conducted with residents of Lancaster City Council between 9 July and 15 August 2015. 300 were undertaken in Lancaster and 150 in each of Morecambe and Carnforth.

How well the sample represents the population is gauged by two statistics – the confidence interval and confidence level. This is a standard way of reporting representativeness in research. **The research has a confidence level of plus or minus 3.99% at the 95% confidence level** based on a Lancaster City Council population of 138,375 (2011 Census). This means that if the survey was conducted 100 times, the data would be within 3.99 percentage points above or below the percentage reported in 95 of 100 cases.

**Figure 2.1: Confidence intervals at 95% confidence level**

Sample size	Confidence interval
1000	+/- 3.1
750	+/- 3.6
<b>600</b>	+/- 4.0
500	+/- 4.4
250	+/- 6.2
100	+/- 9.8

*\*Confidence interval percentage to one decimal place*

However, when sub-samples are analysed such as specific demographic groups this confidence interval will be higher as it is based on a smaller sample size. This has been considered when presenting the findings within this report.

When analysing literal responses (comments made by respondents in their own words, rather than responses which selected from options provided by the researchers), comments were manually grouped into key categories to enable some quantitative analysis, supported by example comments. Any exploration of comments within this report is not necessarily representative of the views of the wider sample.

The data has been weighted by gender, age, disability and ethnicity to ensure the results presented are representative of the Lancaster City Council population. Weighting the data means that the views of over-represented groups do not skew the

findings, while the views of under-represented groups are not under-reported in the analysis. Throughout this report percentages used are based on the weighted data.

### 2.3 Methodology – Open Access Consultation

An open-access online survey was hosted on the Lancaster City Council website between Monday 6 July and Monday 17 August 2015.

This was actively promoted in the following ways:

- Press releases (page 5 of the Visitor on 8 July 2015 and page 8 of the Lancaster Guardian on 9 July 2015)
- Website presence as the main news story
- Via the Council's Facebook and Twitter social media accounts
- Posters in council buildings and libraries
- Promotion on customer service and library screens
- An article in a CVS bulletin
- Councillors were also made aware of the consultation via the press release

**183 responses** were received to the online consultation.

As already referred to, these findings have been kept separate from the street interview research sample. The online survey should be considered a consultation whereby anybody interested in having their say could take part. This introduces an element of self-selection bias and often online responses and comments tend to be more vociferous than those expressed through a random research sample approach.

### 3 Street Research Findings

This section presents the main findings from the street interview research undertaken.

#### 3.1 Who responded?

As outlined in section 2.2, data from the 600 street interviews undertaken has been weighted to ensure the results are representative of the Lancaster City Council population.

Gender, age, disability and ethnicity fields were weighted. Population data used to calculate the weighted results has been taken from the 2011 Census to reflect the actual Lancaster local authority area working-age (16 or over) population breakdowns.

Encouragingly, a good response was achieved from the younger age groups who are usually more difficult to reach using other methods such as postal surveys.

**Figure 3.1: Gender, age, disability and ethnicity weighting (base – 600)**

	Unweighted		Weighted	
	Count	%	Count	%
<b>Gender</b>				
Male	284	48%	286	48%
Female	313	52%	315	52%
<b>Age</b>				
16 to 24	69	12%	121	20%
25 to 34	69	12%	80	13%
35 to 44	90	15%	89	15%
45 to 54	138	23%	94	16%
55 to 64	120	20%	86	14%
65 or over	111	19%	130	22%
<b>Limiting long-term illness or disability</b>				
Yes, limited a lot	47	8%	55	9%
Yes, limited a little	87	15%	61	10%
No	452	77%	486	81%
<b>Ethnicity</b>				
White	581	97%	575	96%
BME/ Other	17	3%	26	4%

Whilst the respondents' ward area has not been weighted due to the small sample sizes, figure 3.2 overleaf demonstrates the spread of responses achieved from residents across the Borough.

A proportion of residents interviewed were not willing to provide a full postcode, although they did confirm that they lived within the Borough.

Due to the small sub-samples when broken down to this level no analysis will be undertaken by ward area as the findings would not be reliable.

**Figure 3.2: Response by ward (base – 600)**

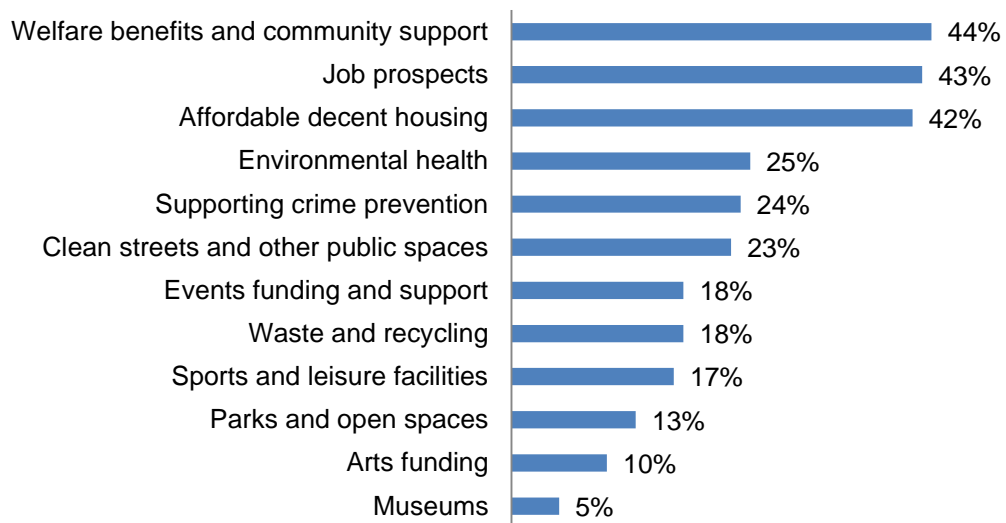
	Count	%
Bare	23	4%
Bolton Le Sands & Slyne with Hest	28	5%
Bulk	23	4%
Carnforth & Millhead	60	10%
Castle	27	5%
Ellel	13	2%
Halton with Aughton	6	1%
Harbour	38	6%
Heysham Central	6	1%
Heysham North	11	2%
Heysham South	32	5%
John O'Gaunt	21	4%
Kellet	9	2%
Lower Lune Valley	10	2%
Marsh	19	3%
Overton	3	1%
Poulton	37	6%
Scotforth East	14	2%
Scotforth West	29	5%
Silverdale	13	2%
Skerton East	29	5%
Skerton West	33	6%
Torrisholme	13	2%
University and Scotforth Rural	3	1%
Upper Lune Valley	5	1%
Warton	13	2%
Westgate	14	2%
Carnforth - no exact postcode	23	4%
Lancaster - no exact postcode	29	5%
Morecambe - no exact postcode	16	3%

### 3.2 Council Priorities

Q1 – Thinking generally, which of the following do you think are most and least important in your local area?

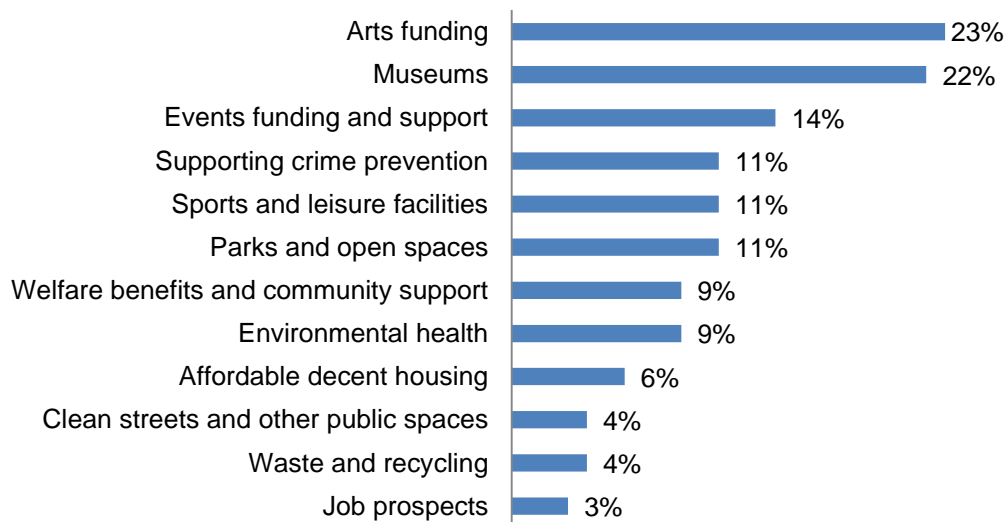
Welfare benefits and community support appear most important to residents of Lancaster City Council, closely followed by job prospects and affordable decent housing.

**Figure 3.3: Most important to residents (base – 600)**



Conversely, arts funding and museums are considered least important.

**Figure 3.4: Least important to residents (base – 600)**



There are some differences in local priorities when the results are analysed by demographics, despite the overall top three remaining unchanged throughout.

Job prospects appear particularly important to those residents aged 25 to 34. Indeed, job prospects are most important for all age groups between 16 and 44.

Half of residents aged 65 or over consider affordable decent housing to be an important issue in their local area.

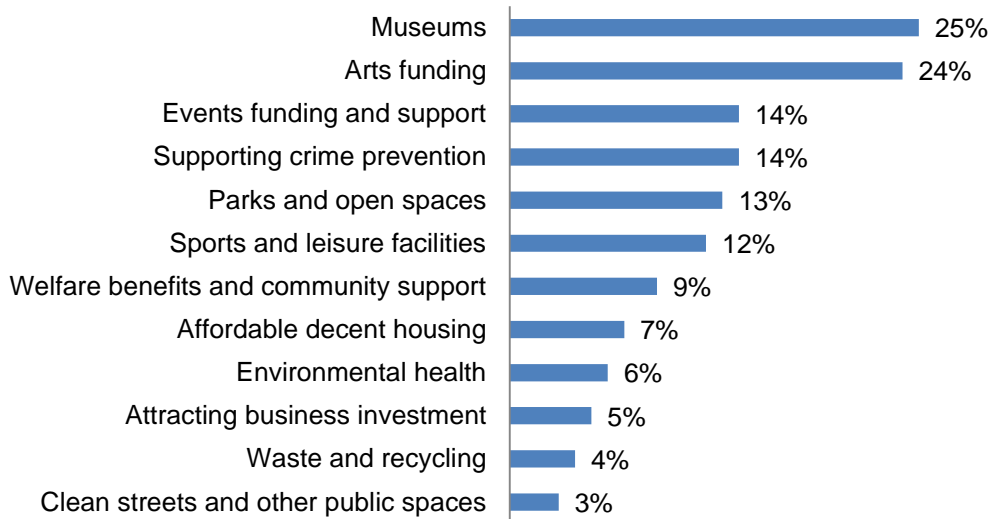
**Figure 3.5: Top three priorities by age and gender**

	1st	2nd	3rd
<b>Gender</b>			
Male	Job prospects (49%)	Welfare benefits and community support (48%)	Affordable decent housing (43%)
Female	Affordable decent housing (41%)	Welfare benefits and community support (40%)	Job prospects (38%)
<b>Age</b>			
16 to 24	Job prospects (44%)	Affordable decent housing (36%)	Welfare benefits and community support (35%)
25 to 34	Job prospects (60%)	Affordable decent housing (48%)	Welfare benefits and community support (48%)
35 to 44	Job prospects (47%)	Welfare benefits and community support (44%)	Affordable decent housing (42%)
45 to 54	Welfare benefits and community support (53%)	Job prospects (44%)	Affordable decent housing (40%)
55 to 64	Affordable decent housing (37%)	Welfare benefits and community support (37%)	Job prospects (34%)
65 or over	Affordable decent housing (50%)	Welfare benefits and community support (47%)	Job prospects (35%)

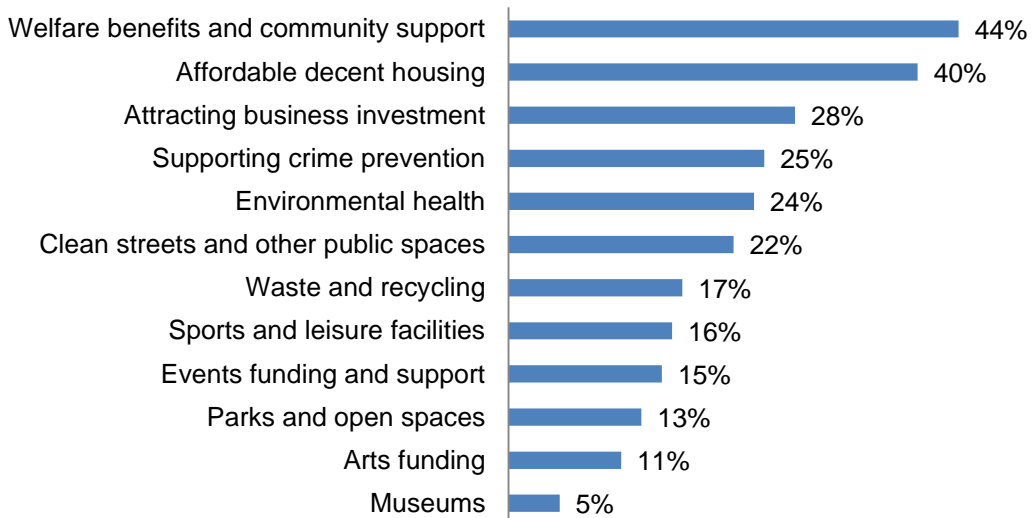
Q2 – Please choose three services where you think reductions in spending should be made and three services where reductions in spending should not be made.

Where residents think spending on services should be reduced and where it should be protected very much reflect the priorities they value above. Around a quarter of residents indicated that spending should be reduced on museums and arts funding.

**Figure 3.6: Where to reduce spending (base – 600)**



**Figure 3.7: Where not to reduce spending (base – 600)**



When analysed by gender and age, museums and arts funding are unanimously the top two services where residents indicated spending should be reduced.

However, there is some variation in the third selection. Males would rather see reductions to parks and open spaces, a view shared by the 16 to 24 and 65 or over age groups. Whereas females and residents aged 45 to 54 suggest spending should be reduced in events funding and support. The third highest selection for the 35 to 44 age group was reductions in spending on supporting crime prevention.

**Figure 3.8: Top three reductions in spending by age and gender**

	1st	2nd	3rd
<b>Gender</b>			
Male	Museums (26%)	Arts funding (24%)	Parks and open spaces (18%)
Female	Arts funding (24%)	Museums (23%)	Events funding and support (14%)
<b>Age</b>			
16 to 24	Museums (23%)	Arts funding (18%)	Parks and open spaces (15%)
25 to 34	Arts funding (36%)	Museums (31%)	Events funding and support (23%)
35 to 44	Arts funding (33%)	Museums (30%)	Supporting crime prevention (20%)
45 to 54	Museums (29%)	Arts funding (24%)	Events funding and support (16%)
55 to 64	Arts funding (21%)	Museums (19%)	-
65 or over	Arts funding (20%)	Museums (19%)	Parks and open spaces (18%)

*Q3 – If you use or would use any of the following services, would you be willing to pay a fee or pay more than you currently do?*

Following on from questions on local area priorities and spending reductions, residents were asked if they would be willing to pay a fee or pay more than they currently do for a range of different services.

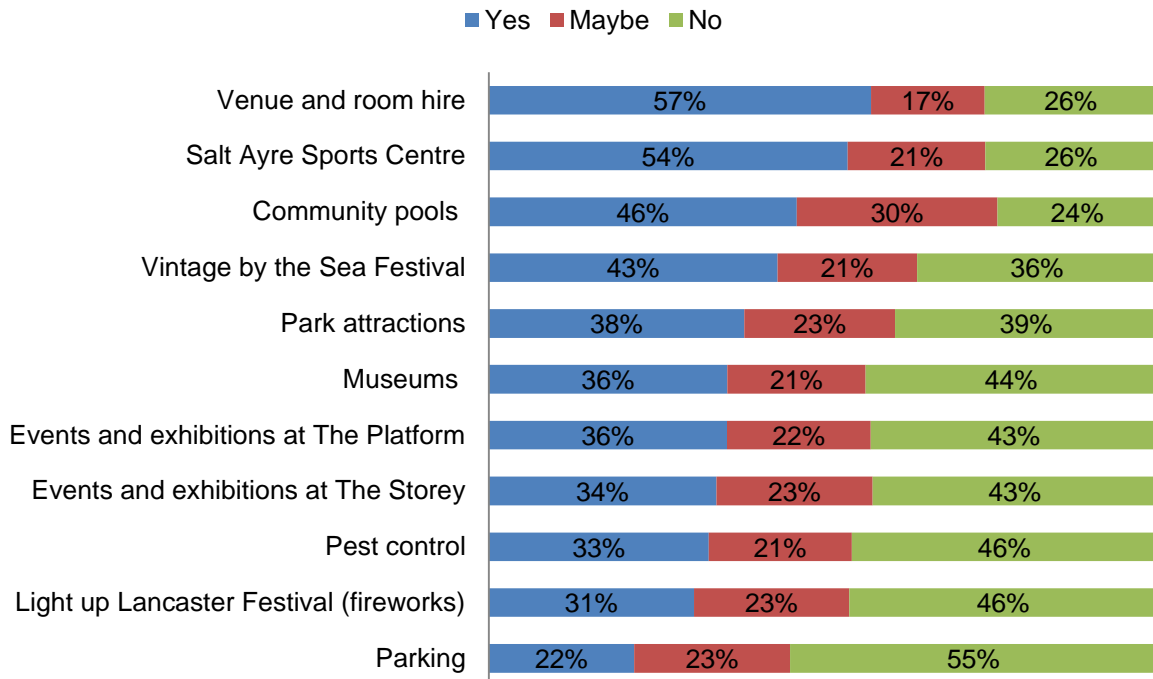
The following chart is based on those residents who do or would use the different services offered by Lancaster City Council.

57% of residents indicated that they would be willing to pay a fee, or more than they currently do, for venue and room hire.

Parking is the service residents are least willing to pay more for.



**Figure 3.9: Willingness to pay a fee, or more, for services (base – 449 to 541)**

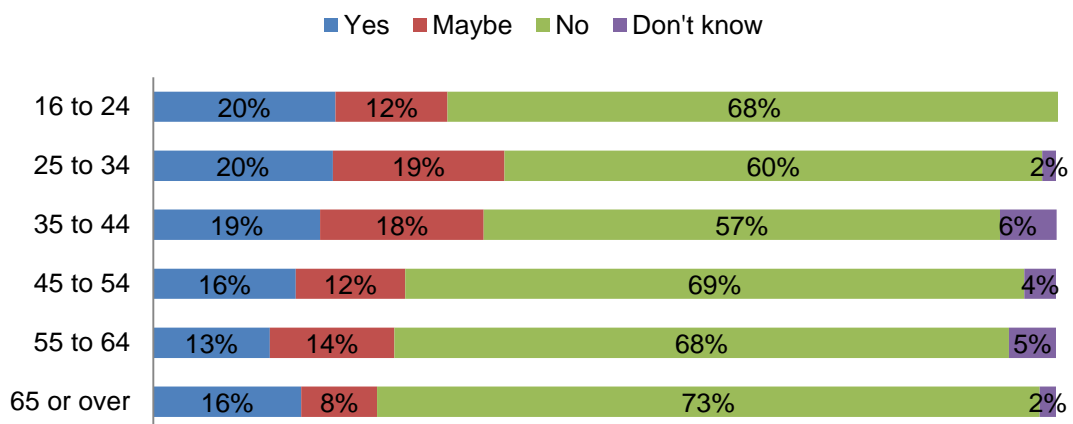


### 3.3 The Local Community

*Q4 – In light of the financial savings that need to be made, the council may need local people to help support some services in future. Would you be willing to consider taking a more active role in your community?*

Residents were asked if they would be willing to take a more active role in their community. Overall, 17% of residents would take a more active role and a further 14% might do. However, two thirds would not. It appears that younger residents are more likely to get involved, particularly the 25 to 34 age group.

**Figure 3.10: Willingness to take a more active role in the community, by age (base – 599)**



*Q5 – If not, what is it that would prevent you from doing so?*

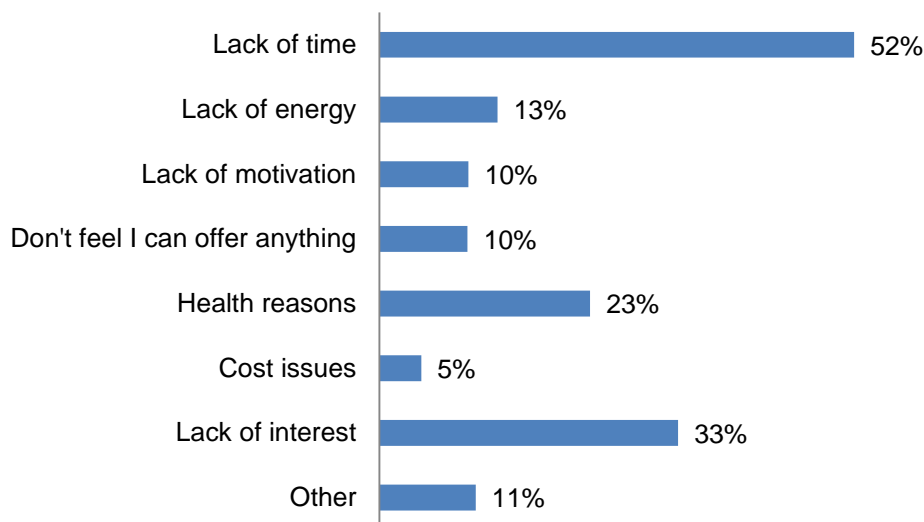
Those who are not willing to take a more active role were asked what is preventing them from doing so.

The main reason given is a lack of time, followed by lack of interest and health reasons. Lack of time was a particular barrier for those aged 25 to 34 (64%) and 35 to 44 (60%).

54% of residents aged 65 or over cited health reasons as stopping them from taking a more active role in the community.

Other reasons given for not being able to take a more active role in the community include residents who already volunteer, a view that local people should be paid to help, childcare and issues with transport.

**Figure 3.11: What is preventing residents from taking a more active role in their community (base – 441)**

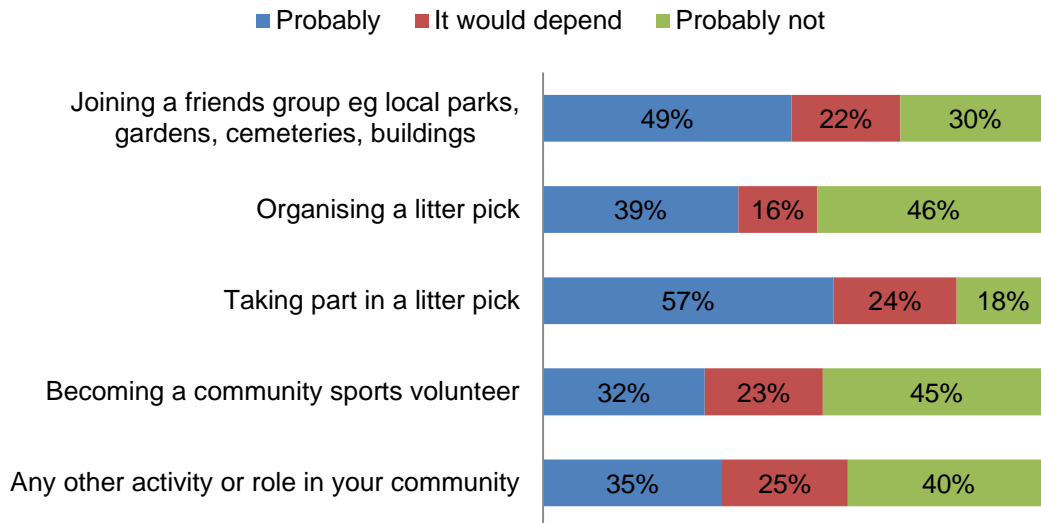


*Q6 – If you would be willing to take a more active role, which, if any, of the following activities might you be interested in?*

Of those residents who indicated they are or maybe willing to take a more active role in the community were then asked which, if any, of a range of voluntary activities they would be interested in.

57% are probably interested in taking part in a litter pick with a further 24% suggesting it would depend. Interest in organising a litter pick is considerably lower.

**Figure 3.12: Voluntary activities residents would be interested in (base – 162)**

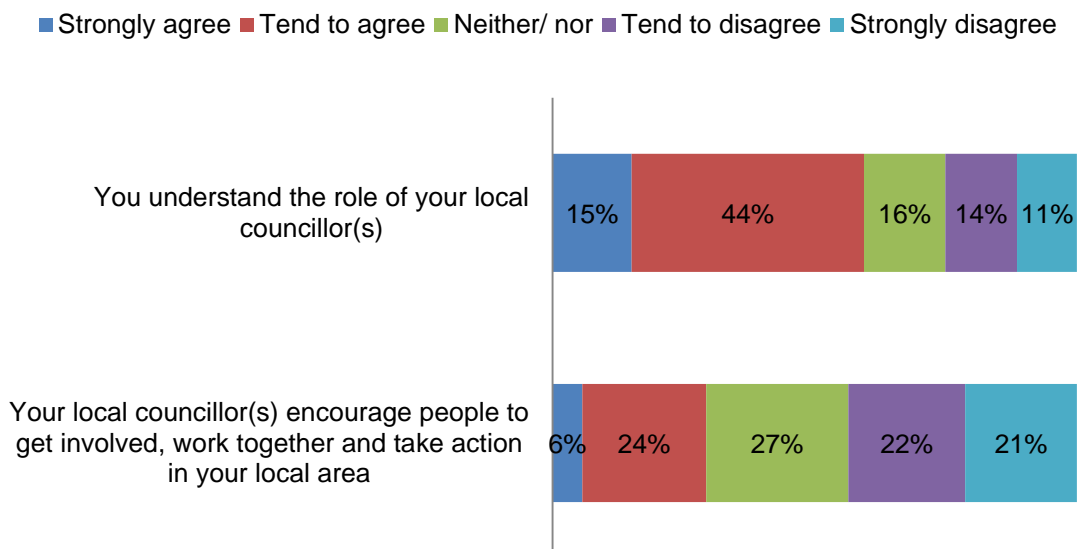


*Q8 – To what extent do you agree or disagree with the following statements about your local councillor(s)?*

59% of residents strongly or tend to agree that they understand the role of their local councillor. 25% tend to or strongly disagree. Understanding is highest amongst residents aged 65 or over (72%) and lowest for those aged 16 to 24 (48%).

43% of residents strongly or tend to disagree that their local councillor encourages people to get involved, work together and take action in their local area.

**Figure 3.13: Agreement with local councillor statements (base – 598)**



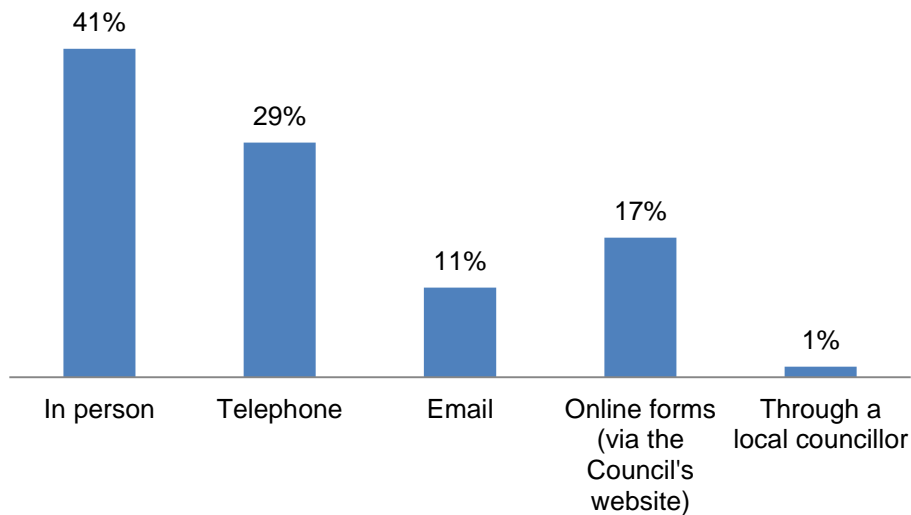
### 3.4 Contacting the Council

Q9 – Which of the following ways do you/ would you prefer to use to contact the council?

Residents were asked what methods they do or prefer to use to contact the Council and were given the option to provide to first, second and third choice.

Looking at residents' first choice contact method, traditional methods are more popular than online channels.

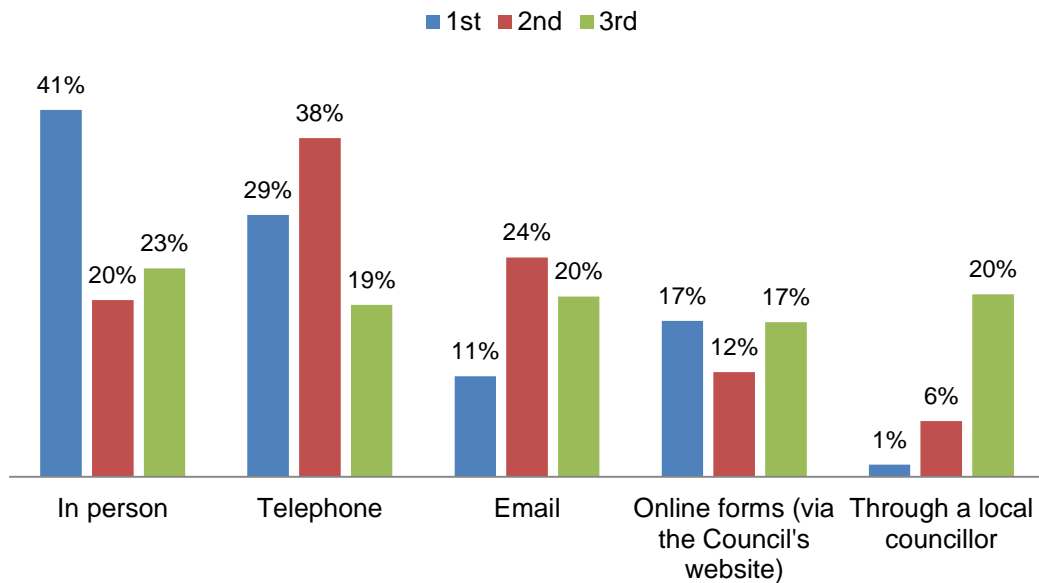
**Figure 3.14: First choice method for contacting the Council (base – 599)**



Of the 420 residents who identified a traditional method (in person or telephone) as their first choice, 107 selected either email or online forms as their second choice. This suggests that one in four residents who prefer traditional methods of contact are also willing or able to use online methods of contact.

Figure 3.15 overleaf highlights the first, second and third choice contact methods for Lancaster residents. Whilst email is not a popular first choice, residents are more likely to consider it a second or third choice option.

**Figure 3.15: First, second and third choice methods for contacting the Council (base – 598, 547 and 417 respectively)**



Q10 – Do you have any other comments or suggestions that you would like to make about Lancaster City Council, e.g. ways we could make savings or increase income?

Finally, residents were given the opportunity to make any comments about the Council or suggest ways in which savings could be made or income increased. A variety of comments were made as captured in the below word cloud (the larger the theme, the more it was mentioned).



A number of comments suggested that volunteers or job seekers could help the Council and do more in the community. For example:

- “More council volunteers and public volunteers at events rather than paying for security”
- “Have residents being responsible for cleaning their own areas”
- “Claimants should play a more active role in the council and duties the council puts forward to them”
- “Invest more on utilising the unemployed”

Several comments from residents indicated that reducing parking charges would be welcomed and would also help to stimulate business in the town centres. Comments included:

- “Reduce parking costs to encourage more people into town”
- “Parking should be free for 2 hours in Morecambe”
- “Reduced parking charges at certain times of the day”
- “Reduced parking costs or offers like ‘first hour free’”

Some people indicated that they were prepared to see a small increase in their Council Tax to protect services, although this wasn't a view shared by all residents.

- “Small Council Tax increase”
- “The Council Tax could be increased within reason to keep things going”
- “Charge students Council Tax”

Generally, the range and mix of comments emphasise the challenge that the Council faces when looking at where to reduce spending. A few comments suggest that all services should be protected and there are various conflicting priorities emerging from the resident feedback, including focus on investment and business.

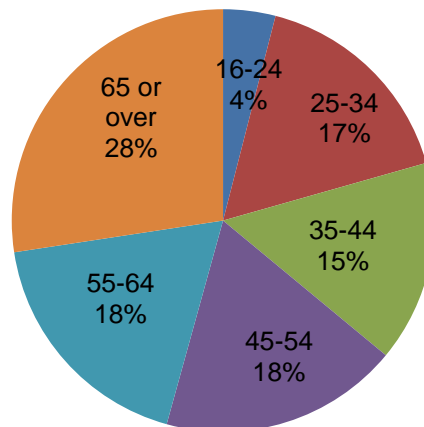
- “Don't cut any services, arts services really important”
- “Don't reduce any funding if possible”
- “No cuts to front line services”

## 4 Open Access Consultation

### 4.1 Who responded?

Of the 183 respondents to the online consultation, 55% were male, 40% were female and 5% did not indicate their gender. The age profile of consultation respondents is older than the research sample. Of those who indicated the age group they belong to, 28% were aged 65 or over. Just 4% were aged between 16 and 24.

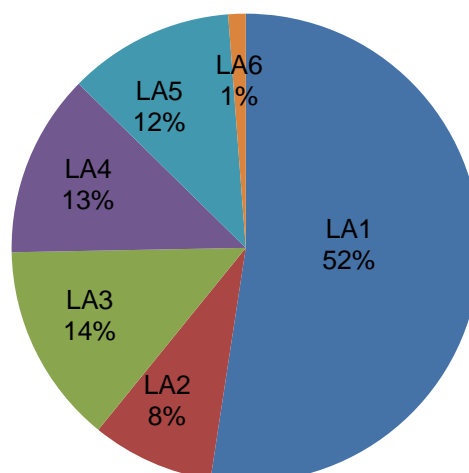
**Figure 4.1: Age of online respondents (base – 175)**



28% of the online respondents consider themselves to have a limiting long-term illness or disability, although only 6% indicated that it limits them a lot. Like the research sample and the overall Borough population, the majority of respondents were of White ethnicity.

166 home postcodes were provided from the 183 respondents, although a proportion of these were partial postcodes. Over half were from the LA1 area.

**Figure 4.2: Postcode area of online respondents (base – 166)**

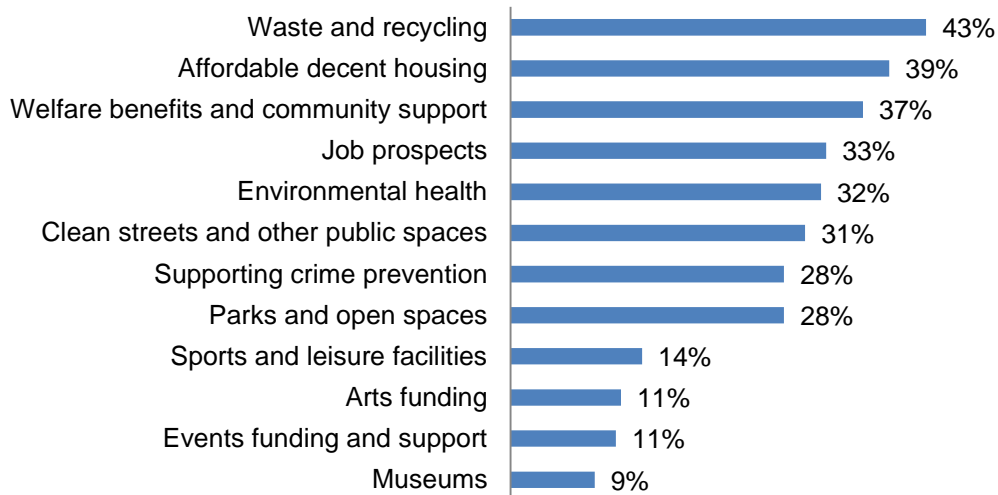


## 4.2 Council Priorities

Q1 – Thinking generally, which of the following do you think are most and least important in your local area?

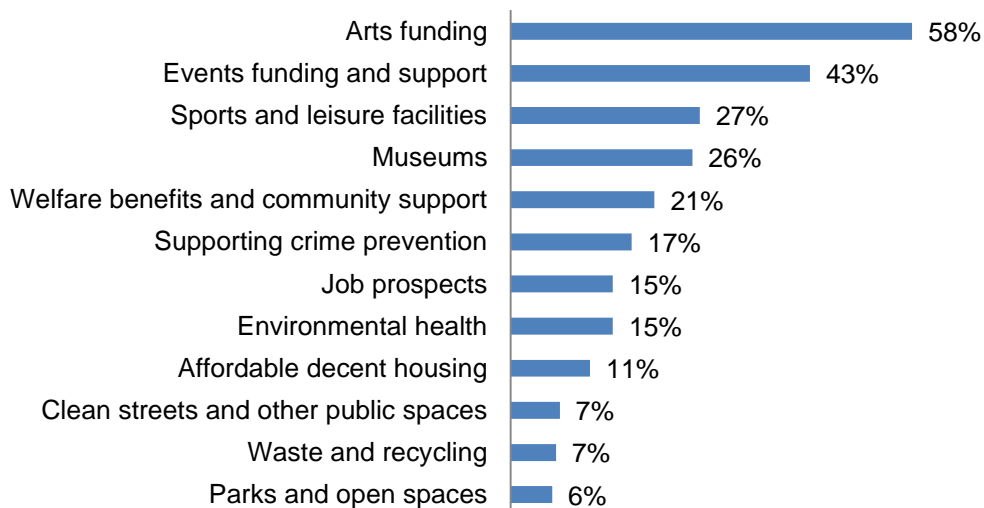
Respondents were asked to select a maximum of three things which are most and least important to them in their local area. Waste and recycling is the most important issue to people responding to the online consultation, followed by affordable decent housing and welfare benefits and community support. Comparatively, waste and recycling was considered the 8<sup>th</sup> most important thing to people in the research sample.

**Figure 4.3: Most important to online respondents (base – 183)**



Arts funding and events funding and support are considered least important.

**Figure 4.4: Least important to online respondents (base – 183)**

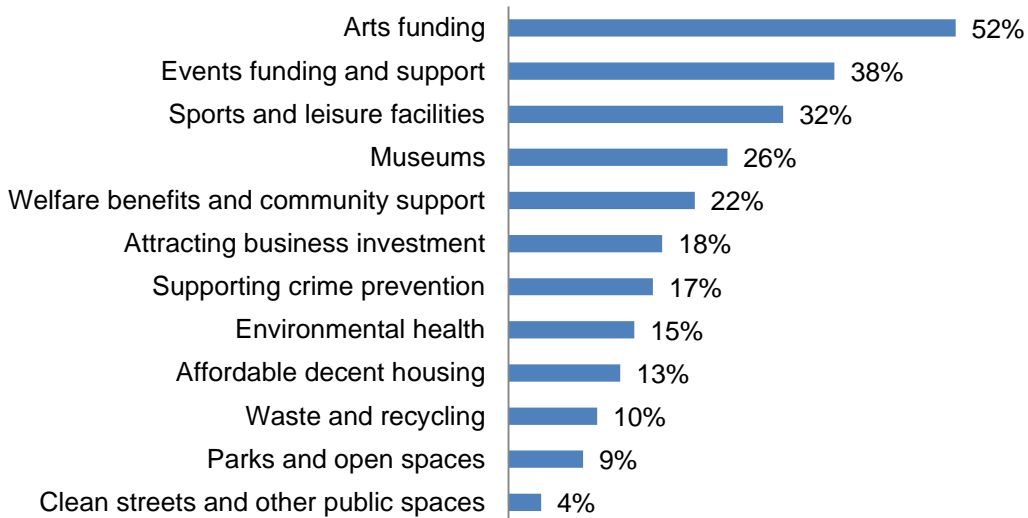




Q2 – Please choose three services where you think reductions in spending should be made and three services where reductions in spending should not be made.

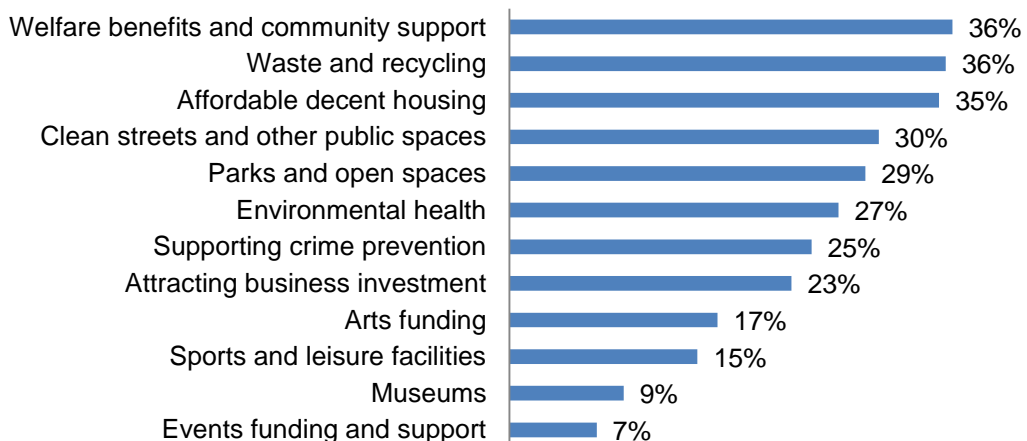
Aligning to what they find least important, over half of online respondents indicated that arts funding should be reduced. Moreover, 38% suggested events funding and support should be reduced and 32% identified sports and leisure facilities as an area where spending should be cut.

**Figure 4.5: Services where spending should be reduced (base – 183)**



Welfare benefits and community support, waste and recycling and affordable decent housing are the services which online respondents felt should not be reduced.

**Figure 4.6: Services where spending should not be reduced (base – 183)**

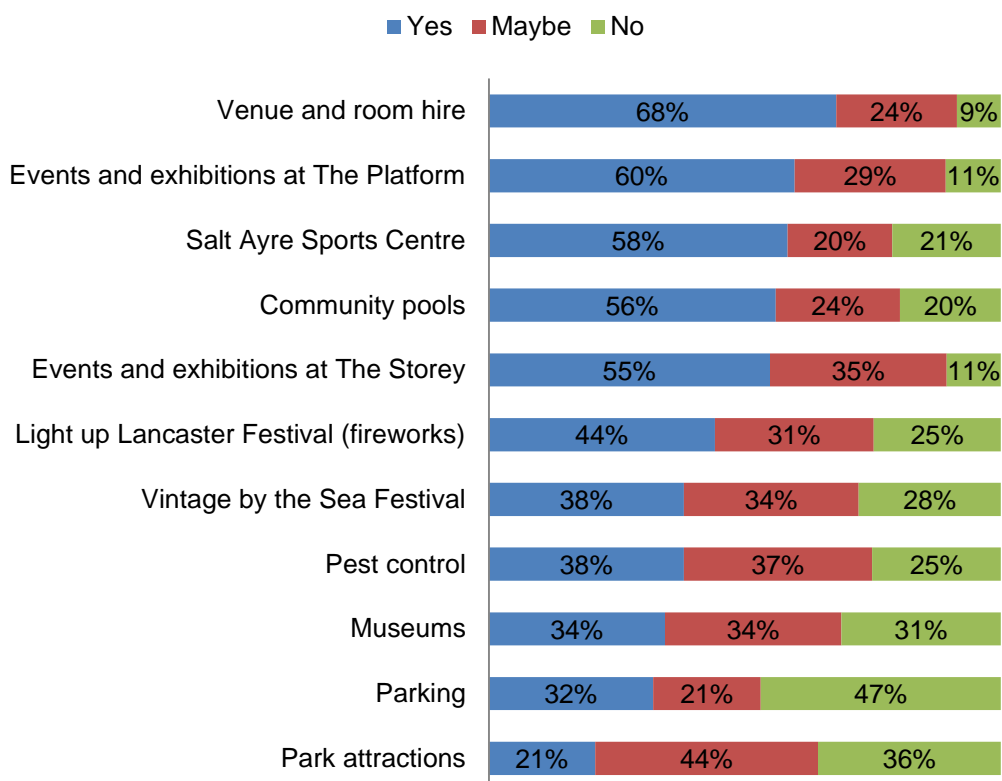


Q3 – *If you use or would use any of the following services, would you be willing to pay a fee or pay more than you currently do?*

Of those that use the range of services listed, generally speaking there is a good level of willingness to pay a fee or more than they currently do. Indeed, nearly seven in ten online respondents would pay more for venue and room hire.

Like the street research, people are least willing to pay more for parking.

**Figure 4.7: Willingness to pay for services (base – 126 to 162)**



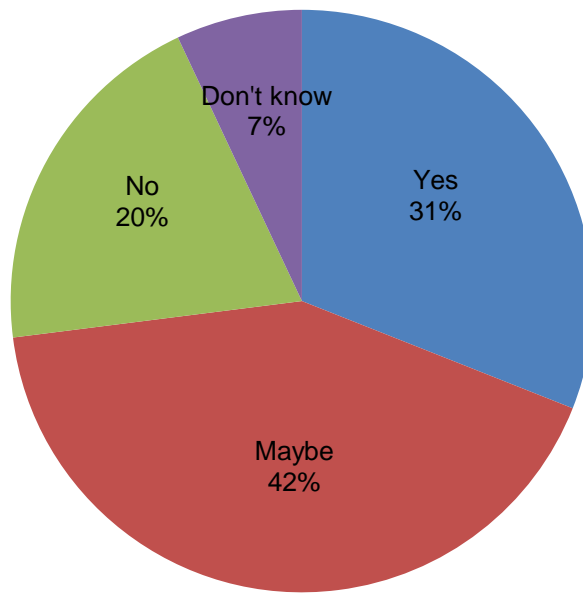
### 4.3 Local Community

Q4 – *In light of the financial savings that need to be made, the council may need local people to help support some services in future. Would you be willing to consider taking a more active role in your community?*

31% of online respondents indicated that they would be willing to take a more active role in their community. This is higher than the street research sample of 17%.

Moreover, 42% would ‘maybe’ consider taking a more active role.

**Figure 4.8: Willingness to take a more active role in the community (base – 178)**

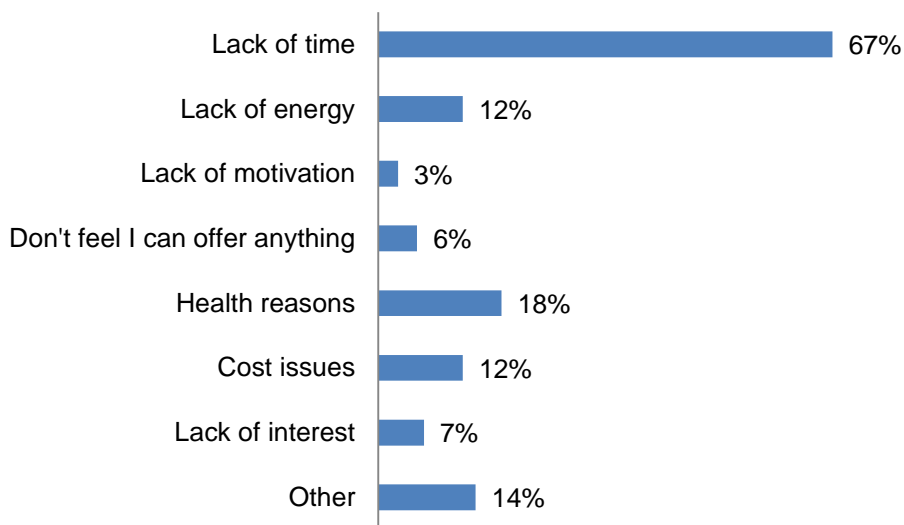


*Q5 – If not, what is it that would prevent you from doing so?*

Two thirds of those who are not willing to take a more active role indicated that this is due to a lack of time. Only 7% of online respondents suggest that lack of interest is a barrier, compared to 33% of the research sample.

‘Other’ reasons include already being active in the community and volunteering, a lack of transport/ accessibility and a sense that people should be paid to help.

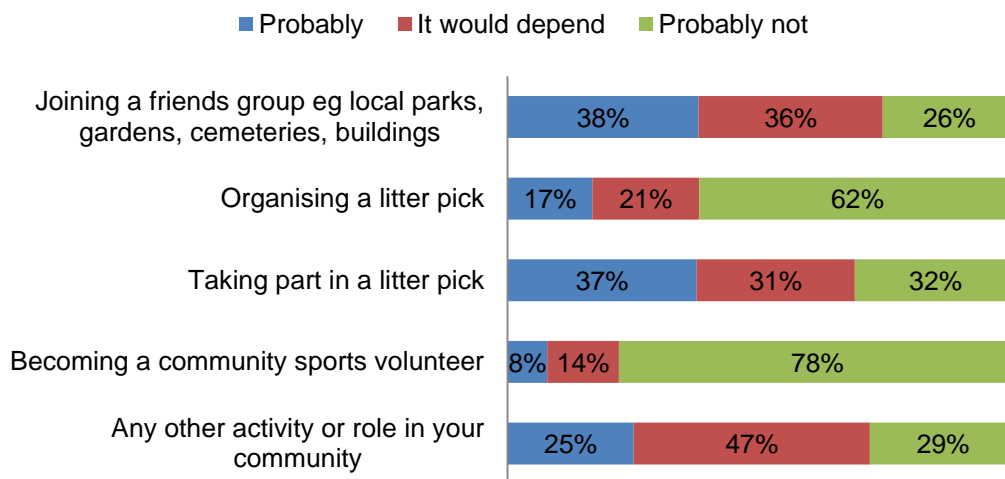
**Figure 4.9: Reasons preventing people from taking a more active role (base – 105)**



Q6 – If you would be willing to take a more active role, which, if any, of the following activities might you be interested in?

Of those willing to take a more active role, friends groups and litter picks appear to be the most appealing activities. Interest in organising a litter pick and becoming a community sports volunteer is low. Overall, willingness amongst the online respondents is lower than those interested from the street research.

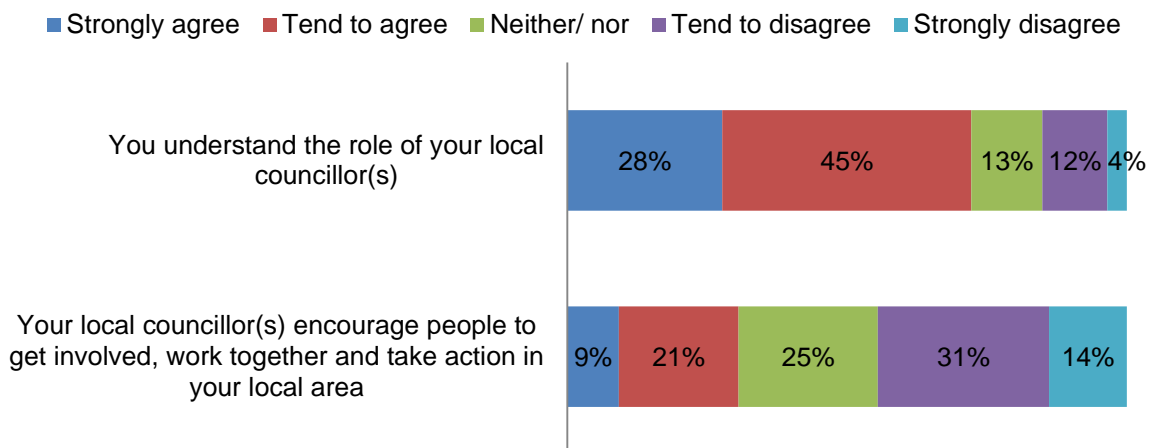
**Figure 4.10: Voluntary activities people would be interested in (base – 128 to 149)**



Q8 – To what extent do you agree or disagree with the following statements about your local councillor(s)?

73% of online respondents strongly or tend to agree that they understand the role of their local councillor. More respondents disagree (45%) than agree (30%) that their local councillor encourages people to get involved in their local area.

**Figure 4.11: Agreement statements relating to local councillors (base – 173)**

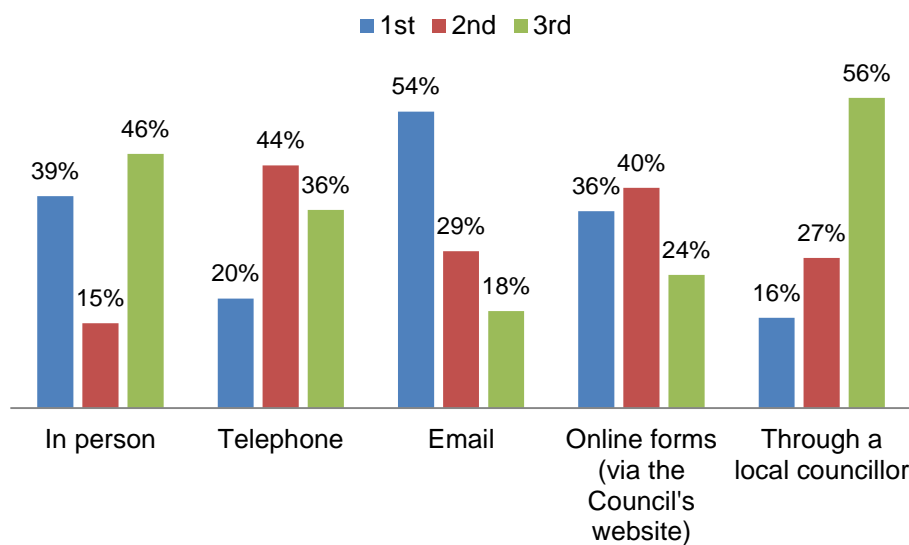


Q9 – Which of the following ways do you/ would you prefer to use to contact the council?

Online respondents were asked what their first, second and third choice communication methods are for contacting the Council.

The most popular contact method for online respondents is email as might be expected given the response method to the survey. Comparatively, just 11% of the research sample identified email as their first choice contact method.

**Figure 4.12: Top 3 contact methods (base – 183)**



Q10 – Do you have any other comments or suggestions that you would like to make about Lancaster City Council, e.g. ways we could make savings or increase income?

105 online respondents made a comment in the residents survey. Like the face-to-face research, the views expressed were wide ranging but a couple of significant themes emerged.

A number of respondents suggested that the amount of staff and councillors could be looked at or pay and terms and conditions reviewed. Comments included:

- “Too many managers, flexi time being abused”
- “Sack all the officers occupying nonsense jobs created by excessive regulation”
- “Reduce Chief Executive pay or share a Chief Executive”
- “Reduce councillors’ expenses”
- “You could save money by freezing the pay of all council employees earning over £25,000 a year”

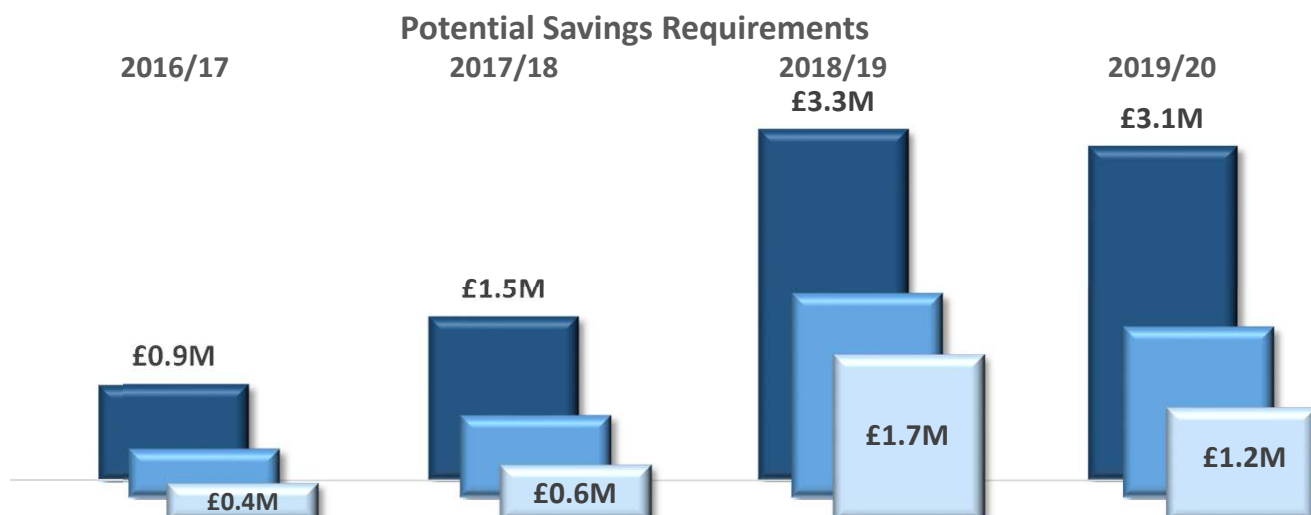
Some respondents feel more could be done by the Council when it comes to fining people for anti-social behaviour, particularly in relation to littering and dog fouling:

- “People who do not use the recycling bins should be fined”
- “Zero tolerance on litter and dog mess”
- “Increase penalties for people caught dropping litter, dog fouling”

# GENERAL FUND REVENUE BUDGET 2015/16 TO 2019/20

For Consideration by Cabinet 01 December 2015

BUDGET PROJECTIONS		2015/16	2016/17	2017/18	2018/19	2019/20
		£000	£000	£000	£000	£000
	<b>Original Revenue Budget &amp; Projections</b>	17,052	18,218	18,590	0	0
	<i>Allowing for budgeted use of Balances</i>	(1,000)	0	0	0	0
	Changes to Budget Projections - <i>Cabinet 01 December</i>	(608)	(1,183)	(1,381)	18,659	18,790
	Additional Contribution to / (from) Balances	608	0	0	0	0
	<b>Projected Net Revenue Budget</b>	<b>17,052</b>	<b>17,035</b>	<b>17,209</b>	<b>18,659</b>	<b>18,790</b>
	Estimated Collection Fund Surplus	(131)	(60)	0	0	0
	Target Council Tax Requirement <i>(To fit with a council tax increase of 1.99% per year)</i>	(7,853)	(8,259)	(8,550)	(8,850)	(9,159)
	<i>Tax Base Projections</i>	<i>38,500</i>	<i>39,700</i>	<i>40,300</i>	<i>40,900</i>	<i>41,500</i>
<b>Settlement Funding Needed (to Balance Budget)</b>	<b>9,068</b>	<b>8,716</b>	<b>8,659</b>	<b>9,809</b>	<b>9,631</b>	
<b>Indicative Funding Shortfalls (i.e. Savings Requirements) based on:</b>						
<b>Updated MTFS (Sept 2015)</b>		496	836	2,076	1,736	
<b>Better Case</b>		400	589	1,722	1,179	
<b>Worse Case</b>		898	1,533	3,307	3,146	



# Page 71 GENERAL FUND VARIANCE ANALYSIS

Appendix C

For Consideration by Cabinet 01 December 2015

	2015/16 Revised Compared to Original Budget		2016/17 Estimate Compared to Original Forecast	
	£	£	£	£
<b>ORIGINAL BUDGET OR FORECAST</b>	<b>17,052,100</b>		<b>18,218,400</b>	
<b>EXPENDITURE</b>	<b>Adverse / (Favourable)</b>			
<b>Employee Savings</b>				
Net turnover, incremental progression & restructures	(353,700)		(71,000)	
New Fraud Team - offset by savings on Revs & Bens Management Fee	0		60,600	
Additional overtime (Environmental Services)	13,900		(16,300)	
Impact of National Insurance changes	0		250,800	
Increase in turnover provision	<u>0</u>	<b>(339,800)</b>	<u>(200,600)</u>	<b>23,500</b>
<b>Transport</b>				
Vehicle leasing, hire & insurance	12,800		(5,300)	
Vehicle repair & maintenance	13,800		11,900	
Reduced fuel costs	(92,500)		(124,800)	
Pool Cars (linked to phasing out of Essential User Allowance)	17,100		21,500	
Reduced Car allowances & Essential User Allowance (phased savings)	<u>(10,600)</u>	<b>(59,400)</b>	<u>(49,400)</u>	<b>(146,100)</b>
<b>Premises</b>				
Energy (gas & electricity - Corporate Properties)	(63,600)		(96,000)	
Water charges (mainly Happy Mount Park & Cemeteries Surface Water)	(2,300)		(23,000)	
Business Rates increases	<u>29,800</u>	<b>(36,100)</b>	<u>3,200</u>	<b>(115,800)</b>
<b>Supplies &amp; Services</b>				
Waste Collection savings on replacement bins & boxes	(34,000)		(35,400)	
Elections - additional cost due to increased staffing	45,000		0	
Member Allowances & training	(10,400)		(10,500)	
HR&OD - various minor savings	(7,200)		(13,800)	
Building Control consultancy - net of salary savings	20,100		(900)	
Saving re new christmas lights	0		(7,100)	
Cost of Queen's Visit	32,600		0	
Museum Partnership - reduced charge from County Council	(12,700)		(11,800)	
ICT consultancy budget reduced following restructure	(27,000)		(30,100)	
Reduced rental/usage charges for Multi Functional Devices (printers)	(5,000)		(10,000)	
Reduced Revenues & Benefits Management Fee (net of original saving target)	(31,500)		(113,900)	
Net reduction in Housing Benefit Subsidy	(47,500)		(27,500)	
Increased cost of funding HRA Central Control	<u>39,000</u>	<b>(38,600)</b>	<u>63,000</u>	<b>(198,000)</b>
<b>INCOME</b>				
Additional Government Grants - New Homes Bonus & Ctax New Burdens	(47,600)		(333,500)	
Williamson Park - net additional sales income	(14,400)		(26,600)	
Increased Waste Collection income	(10,000)		(10,200)	
Legal Services - additional court costs awarded	(14,400)		200	
Search Fees - increase in full searches	(16,800)		(16,000)	
Reduction in Taxi fee income - following move to 3 & 5 year licences	20,500		5,800	
Increase in Cemeteries income	(12,400)		(11,400)	
Salt Ayre Sports Centre - net additional income	(78,300)		(61,900)	
Hornby Pool reduced income	10,500		10,900	
Storey Institute - break-even target	0		(17,300)	
HMO Licenses - new HMO's identified	(12,600)		(2,200)	
Additional fee income from building regs, planning apps & pre app advice	(221,000)		(256,000)	
Coast protection - reduction in time charged to capital schemes	31,100		54,100	
Commercial property - net reduction in income	34,000		36,500	
Investment interest - reduced cash flow & increased allocation to HRA	<u>47,700</u>	<b>(283,700)</b>	<u>64,400</u>	<b>(563,200)</b>
<b>CAPITAL FINANCING, RESERVES &amp; PROVISIONS</b>				
Revenue cost of capital financing (Minimum Revenue Provision)	(91,900)		(274,500)	
Direct revenue financing of capital programme reprofiling	(100,000)		100,000	
Increase in Election Reserve contribution	0		10,000	
Contribution to Apprenticeship Reserve no longer required	0		(16,700)	
Contribution to Bad Debt Provision increased	<u>250,000</u>	<b>58,100</b>	<u>100,000</u>	<b>(81,200)</b>
<b>Other Net Service Variances</b>		<b>91,400</b>		<b>(102,600)</b>
		<u><b>(608,100)</b></u>		<u><b>(1,183,400)</b></u>
<b>LATEST BUDGET POSITION</b>	<b>16,444,000</b>		<b>17,035,000</b>	



**GENERAL FUND CAPITAL PROGRAMME**  
For Consideration by Cabinet 01 December 2015

Service / Scheme	2015/16			2016/17			2017/18			2018/19			2019/20			5 YEAR PROGRAMME		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
<b>Environmental Services</b>	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Allotments	5,000		5,000			0			0			0			0	5,000	0	5,000
Vehicle Renewals	697,000		697,000	1,160,000		1,160,000	1,584,000		1,584,000	994,000		994,000	926,000		926,000	5,361,000	0	5,361,000
Vehicle Tracking System	24,000		24,000			0			0			0			0	24,000	0	24,000
Bins & Boxes Scheduled Buy-Outs	21,000		21,000	74,000		74,000	50,000		50,000			0			0	145,000	0	145,000
Car Parks Improvement Programme	92,000		92,000	72,000		72,000			0			0			0	164,000	0	164,000
Middleton Solar Farm Feasibility Study			0	30,000		30,000			0			0			0	30,000	0	30,000
Happy Mount Park - Pathway Replacements			0	43,000		43,000	23,000		23,000	23,000		23,000	23,000		23,000	112,000	0	112,000
Williamson Park Improvements & Enhancements	107,000	30,000	77,000			0			0			0			0	107,000	30,000	77,000
<b>Health and Housing</b>																		
Disabled Facilities Grants	600,000	600,000	0	1,168,000	1,168,000	0	783,000	783,000	0	783,000	783,000	0	783,000	783,000	0	4,117,000	4,117,000	0
Warmer Homes Scheme	6,000		6,000			0			0			0			0	6,000	0	6,000
Salt Ayre Sports Centre - Replacements & Refurbishments			0	30,000		30,000			0			0			0	30,000	0	30,000
<b>Regeneration and Planning</b>																		
Toucan Crossing - King Street	3,000		3,000			0			0			0			0	3,000	0	3,000
Dalton Square Christmas Lights (Renewal)	29,000		29,000			0			0			0			0	29,000	0	29,000
Sea & River Defence Works & Studies	1,396,000	1,393,000	3,000	3,255,000	3,255,000	0	2,125,000	2,125,000	0	2,125,000	2,125,000	0	1,082,000	1,082,000	0	9,983,000	9,980,000	3,000
Amenity Improvements (Morecambe Promenade)	22,000	3,000	19,000	9,000		9,000			0			0			0	31,000	3,000	28,000
Luneside East	50,000		50,000			0			0			0			0	50,000	0	50,000
Lancaster Square Routes	106,000	95,000	11,000	19,000		19,000			0			0			0	125,000	95,000	30,000
Morecambe TH12: A View for Eric	429,000	324,000	105,000	647,000	489,000	158,000			0			0			0	1,076,000	813,000	263,000
MAAP Improving Morecambe's Main Streets	132,000	5,000	127,000	263,000		263,000	1,000		1,000			0			0	396,000	5,000	391,000
MAAP Connecting Eric	158,000		158,000			0			0			0			0	158,000	0	158,000
Albion Mills Affordable Housing s106 scheme	40,000		40,000			0			0			0			0	40,000	0	40,000
King St/Wellington Terrace Affordable Housing s106 Scheme	90,000		90,000			0			0			0			0	90,000	0	90,000
Middleton Nature Reserve s106 Scheme	17,000		17,000	4,000		4,000			0			0			0	21,000	0	21,000
Pedestrian/cycle links Sainsbury's Morecambe s106 scheme	59,000		59,000			0			0			0			0	59,000	0	59,000
Bold Street Housing Regeneration Site Works	24,000		24,000			0			0			0			0	24,000	0	24,000
Chatsworth Gardens	1,878,000		1,878,000			0			0			0			0	1,878,000	0	1,878,000
Lancaster District Empty Homes Partnership	100,000		100,000	100,000		100,000			0			0			0	200,000	0	200,000
AONB Vehicle Replacement	25,000		25,000			0			0			0			0	25,000	0	25,000
<b>Resources</b>																		
ICT Systems, Infrastructure & Equipment	376,000		376,000	352,000		352,000	510,000		510,000	310,000		310,000	100,000		100,000	1,648,000	0	1,648,000
Corporate Property Works	2,057,000	10,000	2,047,000	2,564,000		2,564,000	1,905,000		1,905,000	1,482,000		1,482,000			0	8,008,000	10,000	7,998,000
<b>GENERAL FUND CAPITAL PROGRAMME</b>	<b>8,543,000</b>	<b>2,460,000</b>	<b>6,083,000</b>	<b>9,790,000</b>	<b>4,912,000</b>	<b>4,878,000</b>	<b>6,981,000</b>	<b>2,908,000</b>	<b>4,073,000</b>	<b>5,717,000</b>	<b>2,908,000</b>	<b>2,809,000</b>	<b>2,914,000</b>	<b>1,865,000</b>	<b>1,049,000</b>	<b>33,945,000</b>	<b>15,053,000</b>	<b>18,892,000</b>
<b>Financing :</b>																		
Specific Grants and Contributions	2,460,000			4,912,000			2,908,000			2,908,000			1,865,000			15,053,000		
General Capital Grants	6,000			0			0			0			0			6,000		
Capital Receipts	641,000			370,000			370,000			0			0			1,381,000		
Direct Revenue Financing	234,000			204,000			50,000			0			0			488,000		
Earmarked Reserves	681,000			600,000			230,000			280,000			120,000			1,911,000		
	4,022,000			6,086,000			3,558,000			3,188,000			1,985,000			18,839,000		
<b>Increase / Reduction (-) in Capital Financing Requirement (CFR) (Underlying Change in Borrowing Need)</b>	<b>4,521,000</b>			<b>3,704,000</b>			<b>3,423,000</b>			<b>2,529,000</b>			<b>929,000</b>			<b>15,106,000</b>		
<b>TOTAL FINANCING</b>	<b>8,543,000</b>			<b>9,790,000</b>			<b>6,981,000</b>			<b>5,717,000</b>			<b>2,914,000</b>			<b>33,945,000</b>		
<b>SHORTFALL / SURPLUS (-)</b>	<b>0</b>			<b>0</b>			<b>0</b>			<b>0</b>			<b>0</b>			<b>0</b>		