



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 14TH JULY 2009

Venue: LANCASTER TOWN HALL

Time: 6.00 P.M.

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

A G E N D A

1. Apologies for Absence

2. Appointment of Vice-Chairman

3. Declaration of Interests

4. Minutes

Minutes of the Meeting held on 31st March 2009 (previously circulated)

5. Items of Urgent Business authorised by the Chairman

6. Corporate Performance Monitoring Report (Pages 1 - 25)

The Cabinet Member with Responsibility for Performance Management has been invited to deliver the report.

7. Annual Report 2008/09 (Pages 26 - 59)

Report of Corporate Performance Manager

8. Partnership Mapping and Evaluation (Pages 60 - 66)

Report of Corporate Director (Finance and Performance)

9. Work Programme Report (Pages 67 - 69)

Report of Head of Democratic Services

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Roger Sherlock (Chairman), Tina Clifford, Jean Dent, Keran Farrow, Sarah Fishwick, Emily Heath, Bob Roe, Keith Sowden and John Whitelegg

(ii) Substitute Membership

Councillors Chris Coates, Roger Dennison, Rebekah Gerrard, Karen Leytham, Roger Plumb, Peter Robinson, Sylvia Rogerson, Morgwn Trolinger, and Paul Woodruff

(iii) Queries regarding this Agenda

Please contact Jane Glenton, Democratic Services - telephone (01524) 582068 or email jglenton@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Members' Secretary, telephone 582170, or alternatively email memberservices@lancaster.gov.uk.

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

Published on Monday, 6th July 2009

**2008/09 4th Quarter
CORPORATE PERFORMANCE REVIEW TEAM MEETING
9.00 am Thursday 21 May 2009 – Roger Muckle's Office**

In attendance: Councillor S Charles
Roger Muckle
Nadine Muschamp
Richard Tulej

The fourth round of Performance Review Team (PRT) meetings for 2008/09 took place between 27 April and 8 May 2009.

Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.

Attached are:

- PRT meeting/attendance timetable
- Updated Action from 2008/09 Q3 meeting
- Escendency report showing red indicators Q4
- Q4 Corporate Financial Monitoring Report
- Treasury Management Monitoring Report

JEB/15 May 2009

(SERVICE BASED) PERFORMANCE REVIEW TEAMS for 2008/09

Timetable for 4th Quarter – 27 April to 08 May 2009

SERVICE	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting)	Action Note received	Additional Info.
LEGAL AND HR	3.00 pm 28 April	John Gilbert David Kerr	Mark Cullinan	Sarah Taylor	✓ ✓	✓	Also attending – Elaine Frecknall and Aian Humphreys
DEMOCRATIC	4.30 pm 30 April	John Gilbert	Mark Cullinan	Gill Noall	✓ ✓	✓	Mark Cullinan did not attend the meeting
FINANCE	12.30 12 May	Abbott Bryning	Roger Muckle	Nadine Muschamp	✓ [N/A – no action to update]	✓ (No actions)	
CORPORATE STRATEGY	4 pm 27 April	Roger Mace Jon Barry (5 th) Jane Fletcher (5 th) David Kerr	Roger Muckle Peter Loker	Richard Tulej	✓ ✓	✓	Peter Loker did not attend either meeting
ROGER MACE (Community Cohesion & LSP)	10 am 5 May	Eileen Blamire (27 th) John Gilbert (27 th) Susie Charles (5 th)					Roger Muckle attended 27/4 only
INFORMATION AND CUSTOMER SERVICES	11.30 5 May	John Gilbert	Roger Muckle	Jane Ailder	✓ ✓	✓	Roger Muckle not able to attend.
REVENUES	10.30 5 May	John Gilbert	Roger Muckle	Richard Mason	✓ [N/A]	✓ (No actions)	Roger Muckle not able to attend.
CITY COUNCIL (DIRECT) SERVICES	10.00 28 April	Jon Barry	Peter Loker	Mark Davies	✓ ✓	✓	
COUNCIL HOUSING	2.00 pm 27 April	David Kerr	Peter Loker	Steven Milce	✓ ✓	✓	
HEALTH AND STRATEGIC HOUSING	1.30pm 28 April	David Kerr John Gilbert	Peter Loker	Suzanne Lodge	✓ ✓	✓	
John Gilbert (Homelessness)	(JG) 2.150pm						
H&SH – CIVIL CONTINGENCIES	9.30 am 27 April	Eileen Blamire	Peter Loker	Suzanne Lodge Mark Bartlett	✓ [N/A]	✓	
CULTURAL	10am 29 April (JF). 9am 5 May (SC). SB to meet with DO.	Susie Charles Jane Fletcher Shirley Burns	Heather McManus	David Ower	✓ [N/A]	✓	Cllr Burns did not attend

SERVICE	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting)	Action Note received	Additional Info.
PLANNING	12pm 5 May (AB, SC) 12pm 8 May (EA, EB)	Abbott Bryning Eileen Blamire Eve Archer Susie Charles	Heather McManus	Andrew Dobson	✓ [N/A]	✓ (No actions)	
ECONOMIC DEVELOPMENT AND TOURISM	11am 5 May (AB, SC, SB) 11am 8 May (EA, RM)	Roger Mace (was Abbott Bryning) Eve Archer Shirley Burns Susie Charles	Heather McManus	Peter Sandford	✓	✓	
PROPERTY	1pm 5 May (AB) 10am 8 May (EA)	Evelyn Archer Roger Mace	Heather McManus	Graham Cox	✓ [N/A]	✓ (No actions)	
NEIGHBOURHOOD MANAGEMENT (NO MORE PRTs)		Roger Mace Evelyn Archer David Kerr	Peter Loker Heather McManus	John Deacon			
Corporate PRT	9 am 21 May	Susie Charles	Roger Muckie	Richard Tulej Nadine Muschamp			
PERFORMANCE MANAGEMENT GROUP	22 May	N/A	All	Nadine Muschamp Richard Tulej			
CABINET	2 June	All	All				
BUDGET AND PERFORMANCE PANEL	9 June	N/A	Roger Muckie				

PERFORMANCE REVIEW TEAM MEETING – Q3 2008/09

SERVICE AREA: CORPORATE













DATE: 3 March 2009

PRESENT: NADINE MUSCHAMP, RICHARD TULEJ
COUNCILLOR SUSIE CHARLES (PERFORMANCE MANAGEMENT)











APOLOGIES ROGER MUCKLE

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
	Actions brought forward from Corporate PRT Q2 08		None
1	£56K of external funding has been secured to develop a dance strategy for the district but further funding is required. Information is requested as to the potential impacts upon the Council's budget (and other resources) for 2009/10 and future years.	DO	Discussion on-going with external funders as to whether LUDUS can "host" and be the accountable body.
2	In view of the continuing staffing issues in Information / Customer Services and its impacts upon Service performance, information is requested as to what actions are being put in place to address these issues.	JA	The sickness issues are being addressed with HR on a case by case basis and vacancies have been advertised
3	Development Control - the continuing decline in fee income is noted. Information is requested as to how the situation is being managed and what level of resource is being transferred from development control work to Local Development Framework activity and for what period.	AD	1 x external case worker contract terminated, saving £12,000. 1 x senior case worker voluntarily reduced to part time for 12 month period saving £14,736.




Corporate PRT Report Q4 2008-09

Ref No.	Performance Indicator	Measurement Interval	Type Of Measurement	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Q4	Year To Date	Status	Performance Commentary
1	BV02a Level of Equality Standard Achieved	Annually	Snapshot	1	2.00	High				1	1	 Failing	Staff resources are still directed at the fair pay process and has impacted on this area of work.
2	BV02b Duty to promote race equality - checklist score	Annually	Snapshot	42.1	57.89%	High				42.1	42.10%	 Failing	Staff resources are still directed at the fair pay process and has impacted on this area of work.
3	BV170a Overall use of museums	Annually	Cumulative	1097	1350.00	High				966	966	 Failing	The National Benchmark for an Upper Quartile District Council is 968 (07/08), and the Service has achieved 966. There may be a case for reviewing the local target as there were just passed on to Cultural Services.
4	BV212 Average Time to Relet LA Housing	Quarterly	Snapshot	32.19 Days	32.00 Days	Low	45.1	47.43	43	41.89	41.89Days	 Failing	This continues to show signs of improvement and it is now taking an average of 41.89 days at the end of Q4 compared to 43 days at the end of Q3. 47.4 days at the end of Q2 and 45.1 days at the end of Q1. We have not achieved our target of 32 days. On average to date this year it is taking us 10 days longer to turn round properties compared with last year. Actions will be maintained to continue to reduce the average time taken to relet. For further details see Action Plan.
5	CH09 Current Tenants Owing Over 13 Weeks Rent	Quarterly	Snapshot	2.85%	2.80%	Low	2.88	3.43	3.2	3.41	3.41%	 Failing	The percentage of tenants in serious arrears owing £250 or more and over the equivalent of 13 weeks net rent: The percentage of tenants in serious arrears has unfortunately increased to 3.41%, following the decrease to 3.2% reported in Q3. The target for the year end we had set ourselves 2.8% has not been achieved. The dramatic change is the current economic climate over the last year will have had some influence. For further details see Action Plan.
6	CH11 Rent Lost Through Vacancies	Quarterly	Snapshot	1.20%	1.00%	Low	1.5	1.1	1.6	1.6	1.60%	 Failing	The percentage of rent loss through vacancies remains at the end of Q4 at 1.6% against a target of 1%. Over 2008/2009 we have seen an increase in turnover and have had a total of 377 voids. This compare with 336 voids in 2007/2008. As has been commented on in previous PRT reports the increase in rent loss through vacancies is also partly attributable to the losses caused through fire damaged properties notably the flats at Aldingham Court. These flats have now been relet following extensive work. The continuing need of having to undertake significantly more work on empty properties to bring them back to our relettable standard also is a contributory factor. The situation remains that on average to date this year it has taken us 10 days longer to turn round properties compared with last year.
7	CS23 % Community Engagement Framework complete	Quarterly	Snapshot	-	80.00%	High	20	35	40	45	45.00%	 Failing	The project plan has been revised and the expected completion date is early July 2009.
8	Cult01 Parks: Alternative management arrangements report	Quarterly	Snapshot	-	Yes	High	Yes	No	No	No	No	 Not Achieved	Due to other service commitment which have been undertaken such as involvement in Williamson Park, the deadline of March 2009 was not met. This work will be carried over into 2009/10
9	Cult04 New SLA Models for Arts, on target?	Quarterly	Snapshot	-	Yes	High	Yes	Yes	No	No	No	 Not Achieved	Work to review the SLA with all the arts organisations has been completed. However, work to produce a report on reviewing the funding arrangements will be carried forward for completion in 2009/10.
10	Cult05 Achieve Quest Accreditation for SASC	Quarterly	Snapshot	-	Yes	High	No	Yes	Yes	No	No	 Not Achieved	Work required by SASC completed. Awaiting accreditation by Quest - process delayed by their office relocation.
11	Cult24 Produce a Dance Strategy - on target?	Quarterly	Snapshot	-	Yes	High	Yes	Yes	No	No	No	 Not Achieved	This task is being undertaken in partnership with Arts Council England (ACE). The timescales are set by ACE.
12	Cult26 Targeted Individuals	Quarterly	Cumulative	-	300.00	High	0	0	0	68	68	 Failing	Programme underway as of January 09, but not fully implemented due to external funding delays. This work will be carried forward into 2009/10.

Corporate PRT Report Q4 2008-09

Ref No.	Performance Indicator	Measurement Interval	Type Of Measurement	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Q4	Year To Date	Status	Performance Commentary
13	Cult29 Effective swimming development programme	Quarterly	Snapshot	-	95.00%	High	74	72	73	72	72.00%	 Failing	As stated in PRT03, evidence supports that the original target is over ambitious. Target for 09/10 will be set at 80%
14	Cult30 Increase visitor attendances at cultural events	Half-Yearly	Snapshot	-	25.00	High		39		7.5	7.5	 Failing	The result indicates the difficulty in gathering the data (see Cult12), not the actual % of visitors. For PRT02 the outcome was well above target [39%, against a target of 25%]. This work will be carried forward into 2009/10.
15	Cult44 Dome feedback	Half-Yearly	Snapshot	-	95.00	High		0		1	1	 Failing	The ongoing works during Qtr3 to develop feedback systems ceased as a result of cabinet decision to close The Dome. Feedback post Dec 2008 has been substantial as can be seen by public participation on Websites such as Facebook, in the local media and received at The Dome from customers, promoters and agents expressing their disappointment. The Dome from customers, promoters and agents expressing their disappointment. Subsequently the cabinet decision of was reviewed / overturned in March 09 for The Dome to operate a 9 month year during 09/2010. This feedback confirms that Dome programming has identified and supported the requirements of the community in previous years, and should continue with existing programming philosophy for 09/2010. Separate to this feedback The Dome has had several successful events which have now been re programmed for 2009. The work to develop tools for all forms of feedback are currently being re - established.
16	DS11 08/09 - % of Distribution runs leaving by 2pm	Quarterly	Snapshot	84.6	100.00%	High	100	92.31	83.33	75	75.00%	 Failing	Of 12 distributions, 3 failed to meet the target. In each case this was because of the late production of the Cabinet Agenda. On two of these occasions, Cabinet papers had to be delivered either by special courier delivery or by staff members.
17	ICS06 Abandoned Calls	Monthly	Average	2.68	3.00	Low	2.81	6.63	11.7	6.33	6.87	 Failing	Staff sickness and unfilled vacancies are having an effect on services.
18	ICS10 Progress Access to Services Programme	Quarterly	Snapshot	-	47.00%	High	20	27	28	28	28.00%	 Failing	Programme is severely delayed due to loss of Customer Services Project Manager and staff sickness in the IT team.
19	LL05: Property Transactions documentation sent out within 20 working days of receiving full instruction	Quarterly	Snapshot	-	95.00	High	96.8	95	100	33	33	 Failing	Performance for this indicator was on target until the last quarter. The drop in performance is due to the long term sickness absence of the postholder responsible for this work.
20	NI155 Number of affordable homes delivered	Annually	Snapshot	-	60.00	High				28	28	 Failing	This is an interim figure and is subject to confirmation through physical survey of the completions in the District there will be an update on position at PRT Q1 09/10
21	NI158 % non decent homes	Half-Yearly	Snapshot	-	.00	Low		1		1	1	 Failing	The stock condition survey has highlighted that 1% of the housing stock does not meet the new Decency Standard. The updated information from the stock condition survey is being used to inform our capital and planned maintenance programmes and any necessary adjustments will be made to bring all the stock back into decency. Our target is to bring back the stock into decency by the end of 2009/2010.
22	NI188 Planning to adapt to climate change	Half-Yearly	Snapshot	-	1.00	High		0		0	0	 Failing	Target to be revised to be achieved in 2009/10

Corporate PRT Report Q4 2008-09

Ref No.	Performance Indicator	Measurement Interval	Type Of Measurement	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Q4	Year To Date	Status	Performance Commentary
23	NM02 Increase the provision of affordable housing throughout the district	Quarterly	Cumulative	-	44.00	High	7	16	5	0	28	 Failing	A further 17 properties are should be completed before the end of the year. The Housing Corporation are considering a bid to add a further 10 social rented units to the Mossgate development.
24	PROP03 % of sustainable energy used	Annually	Snapshot	31.7	60.00%	High				30	30.00%	 Failing	All of the authorities electricity is obtained from sustainable energy, this represents 30% of kwh purchased.
25	SH25 No. of properties accredited	Quarterly	Cumulative	55	30.00	High	2	1	5	6	14	 Failing	The council has little control over how may Landlords request accreditation but capacity issues in the team mean that no proactive work can be carried out



LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Corporate Financial Monitoring

March 2009 | Quarter 4

Report of the Head of Financial Services
Corporate PRT meeting | 21 May 2009

HEADLINE INFORMATION

REVENUE	Current (Underspend) / + Overspend	Projected (Underspend) / + Overspend	Projected After Known Est. C/F Requests
General Fund	(£676,000)	(£1,137,000)	(£1,037,000)
Housing Revenue Account	+£256,000	+£618,000	+£679,000

Please note that the above projections are very provisional, as the closure of accounts is still underway. A review of Provisions and Reserves still needs to be completed; in particular, this will consider the need to make any provisions in connection with Icelandic investments. Various Carry Forward requests are also expected.

CORPORATE FINANCIAL MONITORING

March 2009 | Quarter 4

1. INTRODUCTION

This monitoring report of expenditure and income for 2008/09 sets out an indicative corporate picture of the Council's financial performance relating to the period ending March 2009 (*week 52*). The report only provides a snapshot of the financial position as at the end of March and many year end processes are still being finalised, hence the figures are likely to change significantly. A more accurate statement will be produced in July, once the final accounts have been produced.

The report summarises the variances reported through Services quarterly PRT meetings, and also identifies any omissions, updates and/or actions required. In addition there are specific sections for salary monitoring, capital expenditure and financing, Housing Revenue Account, revenue collection performance and Insurance and Risk Management. Note, however, that the closure of accounts requirements and Financial Regulations and Procedures already provide for specific reporting and actions to be addressed, e.g. re overspending etc.

2. GENERAL FUND REVENUE MONITORING

2.1 General Fund Summary Position

The current overall general fund summary position shows that at the end of March there is a net underspend of **£676K** against the revised budget. Taking into account further expected year end transactions the net underspending may increase to **£1.1M**, although a substantial proportion of this relates to outstanding VAT recovery claims and further information is being sought to inform their year-end accounting treatment. As such, an update will be provided at the meeting and this report may change as a result. Furthermore around £100,000 has already been requested to be carried forward. In addition, the year-end review of reserves and provisions will be undertaken as part of the closure of accounts process and this is expected to reduce the underspending (see below). At this point in time though, as an interim position the projected net underspend after allowing for estimated carry forward requests is assumed to be just over **£1M**, subject to approval and any further changes as part of the closedown process.

As part of the review of provisions and reserves, an assessment of the latest position on Icelandic investments will be undertaken, which is expected to have an adverse impact on the final outturn position. At present, the Council has chosen not to account directly for any potential losses in 2008/09, in accordance with the options provided by the Secretary of State. However, it will be prudent to make provision as at 31 March 2009, especially should the Council's outturn position generally prove better than otherwise expected – but as yet, no such provision has been made in the estimated outturn as set out in this report.

VARIANCES	Current £000	Projected £000
Major Variances (see section 2.3)	(541)	(1,002)
Salaries (see section 2.4)	(135)	(135)
Sub Total	(676)	(1,137)
Carry Forward Requests	--	+100
Provision for Icelandic Investments	--	??
Review of Other Reserves / Provisions	--	??
ESTIMATED OUTTURN (NET UNDERSPEND)		(1,037)

One of the key financial indicators is to keep any under or overspends within 2% of the overall net controllable revenue budget, and the following table shows that at the end of the year this has been achieved.

	£000
Net Controllable Budget	23,934
2% Target	+/() 478
Provisional Controllable Net Underspend	(433)
Percentage of Net Controllable Budget	1.8%

2.2 Actions Arising from Previous Quarter

At the time of writing this report information on progress against previous actions has not been received. For information, the agreed actions are shown in the table below; a verbal update will be provided at the PRT meeting.

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
	Actions brought forward from Corporate PRT Q2 08		None
1	£56K of external funding has been secured to develop a dance strategy for the district but further funding is required. Information is requested as to the potential impacts upon the Council's budget (and other resources) for 2009/10 and future years.	D.Owen	
2	In view of the continuing staffing issues in Information / Customer Services and its impacts upon Service performance, information is requested as to what actions are being put in place to address these issues.	J.Alder	
3	Development Control - the continuing decline in fee income is noted. Information is requested as to how the situation is being managed and what level of resource is being transferred from development control work to Local Development Framework activity and for what period.	A.Dobson	

2.3 Major Budget Variances

Appendix A details the major true variances that have been included within individual Services' PRT reports. The variances reported are either +/- £5K in value and cover premises, transport, supplies and services and general income.

SUMMARY BY SERVICE	Current £000	Projected £000
REPORTED VARIANCES :	() Favourable / + Adverse	
Democratic Services	(45)	(44)
Legal & Human Resources	(11)	(3)
Information & Customer Services	(82)	(82)
Financial Services	(116)	(615)
CC(D)S	(11)	(10)
Property Services	(55)	(58)
Econ Development & Tourism	(1)	(1)
Other Regeneration	(64)	(64)
Cultural Services	+46	+73
Health & Strategic Housing	(61)	(61)
Planning Services	(92)	(88)
Revenue Services	(49)	(49)
	(541)	(1,002)
VARIANCES NOT REPORTED :		
N/A	--	--
TOTAL NET UNDERSPEND	(541)	(1,002)

The variances listed in **Appendix A** show that there are a number of significant underspends, the main one being a potential reimbursement from HMRC of £600K relating to VAT on cultural and leisure activities. The main overspends relate to energy costs at the Community Pools and Salt Ayre Sports Centre which total £86K.

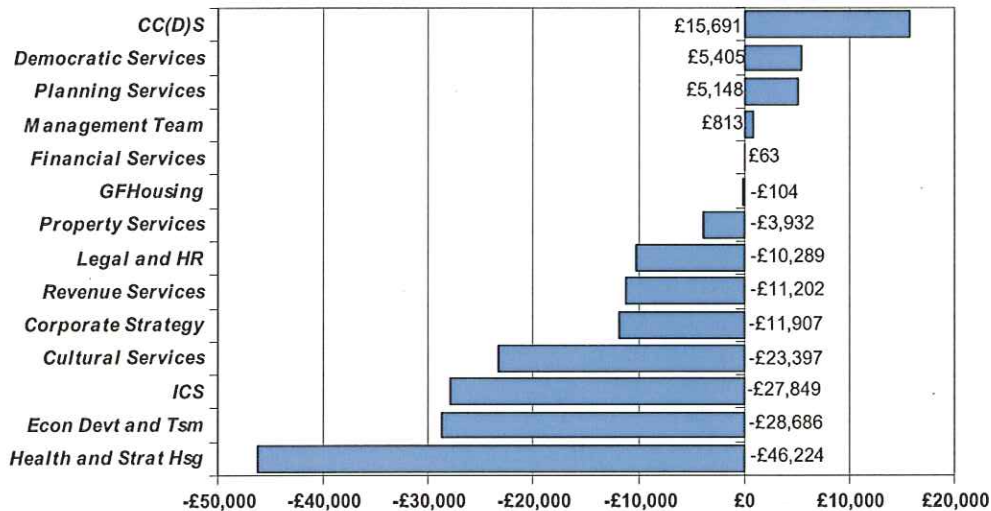
A full analysis of all variances will be provided as part of the provisional outturn report presented to Cabinet in July 09.

2.4 General Fund Salary Monitoring

Salary monitoring has been reported separately as there are a number of small variances that fall below the threshold for major items, however their aggregate effect is fairly significant.

To date savings of £135K have been achieved against the revised salary budget. Whilst the majority of Services have underspent, some have gone over budget. CC(D)S have incurred £15K more on Grounds Maintenance due to extra winter work, and staffing costs at the Community Pools are again over budget by £21K which have not been offset by additional income, although Cultural Services have generated overall savings of £23K. Other minor overspends in Democratic Services and Planning Services relate to more employees entering the pension scheme than estimated and new appointments having to be made at higher scale points than anticipated. The reason for the comparatively large apparent underspending on Health & Strategic Housing is being investigated further.

The following graph shows the savings on a Service by Service basis.



3 GENERAL FUND CAPITAL PROGRAMME

3.1 Capital Expenditure & Financing

Capital Expenditure (General Fund)

The capital programme has been revised as part of the current budget process and reported through to Cabinet accordingly.

At the end of March there was spend of £10.160M against the revised programme of £11.653M. This leaves a potential slippage balance of £1.5M, which is an improvement of 21% compared to the previous year. At present, officers are finalising the capital accounts, therefore a detailed analysis of scheme outturns is not available. In addition, further slippage requests are being collated and will be presented for approval at a later stage, at which point the overall capital programme position will be reported in detail.

Capital Receipts (General Fund)

The value of capital receipts is in line with the approved financing schedule. However, as mentioned above, a full analysis of scheme over/under spends will need to be completed before the final position can be determined.

4 HOUSING REVENUE ACCOUNT (HRA) MONITORING

4.1 HRA Revenue Position

At the end of March the position for the Housing Revenue Account shows an overspend of **£256K** against the revised budget, which is currently projected to increase to an overall net overspend of **£618K** by the end of the year. After allowing for carry forward requests of £61K, the projected overspend would be £679K. The main reasons for the large overspend are due to a significant

increase in spend on Responsive Maintenance, despite the budget being increase by £185K as part of the revised budget process, and apparent insurance repairs, for which the spending position and ability to make further claims is still unclear.

Financial Services' Officers are investigating the position and will report back to Cabinet as part of the provisional outturn report to be presented at the end of July. Notwithstanding this, there are concerns regarding Council Housing finances generally and these are being raised with management.

	Variations to Date	Project to Yr End	Comments
	£000	£000	
Council House Rents	+74	+74	See section 4.2 below.
Estates : electricity	(39)	(39)	Delays installing photo electric cells in communal areas – Carry forward request.
Estates : gas	+9	+9	Unbudgeted price increase from June 08 re communal boilers.
Miscellaneous charges	+14	+14	Reduced right to buy discount penalties.
Rental income – Commercial Properties	+10	+7	Reduced income due to sale of property.
Rental Income – mobile phone masts	(10)	(6)	Increased charges.
Insurance Repairs (Net)	+132	+282	Major cost mainly relating to fire at Aldingham Court.
R&M – contracted services	+21	+21	Mainly due to an increase in demand on void properties.
R&M – software maintenance	(9)	(9)	PDA Mobile working programme deferred to 2009/10 – Carry forward request.
Responsive Maintenance	+132	+345	Increase demands and additional cost of 50 voids.
Grounds Maintenance	(8)	(8)	Demand led – reduced projects identified.
Lifeline Equipment (Net)	(13)	(13)	Sales replaced by rentals of existing and returned stock.
Council Hsg - Salaries	(24)	(24)	3 posts vacant and 2 employees maternity leave.
Council Hsg - Training	(7)	(7)	Reduced demand and Energy Advice training deferred due to maternity leave – Carry forward request.
Council Hsg – Printing & Stationery	(6)	(6)	Changes to stationery deferred until 2009/10 – Carry forward request
Council Hsg - Electricity	(20)	(20)	Electricity included in rental agreement, therefore budget no longer required.
Total (Net Overspending)	+256	+618	

4.2 Council House Rent Collection

This section analyses the Council Housing rent income due, and shows that the income collected for the year is 0.7% less than the revised estimate mainly due to year end void adjustments.

	2007/08	2008/09
	£	£
Estimate	(10,612,500)	11,075,100
Actual	(10,647,000)	11,000,892
Difference	(34,500)	74,208

4.3 Council Housing Capital Programme

This section analyses actual spend against the Council Housing Capital Programme to the period ended March 2009. Overall, there has been an underspend of £798K against the revised programme of £3.586M. This represents 22% of the overall programme. The main area affected is external refurbishments.

	Current Approved Programme £000	Spend to Date £000	Budget Remaining £000
Adaptations	250	237	(13)
Bathroom / Kitchen Refurbishment	705	598	(107)
External Refurbishment	915	685	(230)
Rewiring	281	192	(89)
Renewal of Heaters	251	122	(129)
Environmental / Crime Prevention	430	346	(84)
Re-roofing / Window Renewals	152	152	--
Energy Efficiency Works	478	381	(97)
Ryelands Development	1	1	--
Housing Office Alterations	3	2	(1)
Non Sheltered Housing Scheme	60	60	--
IT Replacement	60	12	(48)
TOTAL	3,586	2,788	(798)

The outturn position is still subject to slippage requests, however the overall underspend will be investigated and reported back to Members as part of the slippage approval process. It should be noted that there was a similar underspend at the end of 2007/08 (£751K).

5 REVENUE COLLECTION PERFORMANCE

5.1 Council Tax & Business Rates

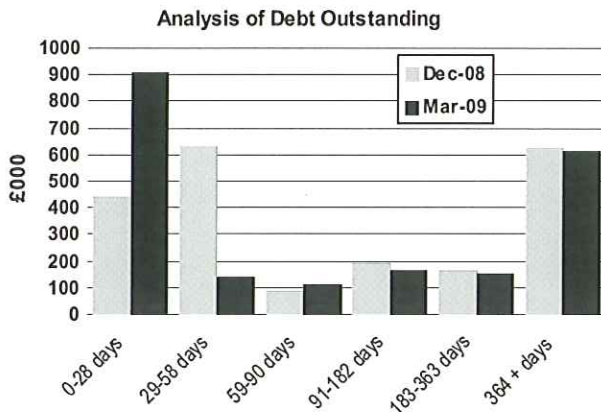
This section analyses the Council Tax and Business Rate collection statistics. Performance against the in-year collection targets is slightly down, 0.48% for Council Tax and 0.83% for Business Rates. The economic downturn has made meeting collection targets impossible this year and this will have to be reflected in the expectations for the next year or two. The Head of Revenues Services has reported that most authorities have experienced the same difficulties.

Percentage Collected	2007/08	2008/09	2008/09	2008/09	Status
	%	%	Target	Actual	
	All Years		In Year		
			%	%	
Council Tax	92.65	92.34	97.10	96.62	0.48% below
Business Rates	99.08	98.88	99.20	98.37	0.83% below

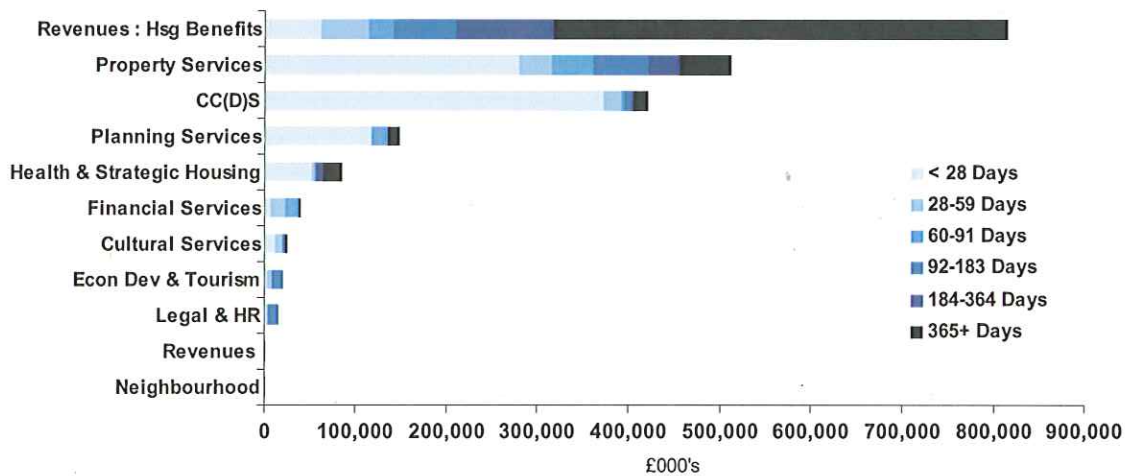
5.2 Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of March the total debt outstanding was just under £2.1M, which is over £0.5M less than the same period last year.

The level of debt over 1 year old remains at 29% of the total outstanding debt. However, the total value of all debt over 3 months old has reduced by £59K from the previous quarter.



	Dec 08	Mar 09
	£000	£000
0-28 days	442	911
29-58 days	633	139
59-90 days	84	111
91-182 days	190	163
183-363 days	167	152
364+ days	626	609
Total	2,142	2,085
Previous Year	1,755	2,564



6 INSURANCE & RISK MANAGEMENT

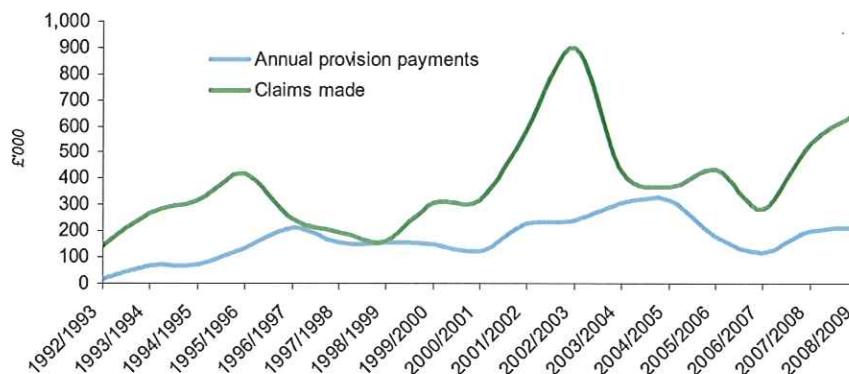
6.1 Insurance Monitoring

The current balance on the insurance provision is £289K, after making net payments of £442K in settlement of claims made, and receiving £222K as credits from the insurers in respect of claims above the excess.

At present, our insurers estimate that the value of claims outstanding is £606K, which relates to a total of 263 claims made over a 13 year period. This estimate assumes that all these claims will be settled at the maximum reserve limit; however, recent statistics show that, on average, only 54% of the total reserve will be paid. The estimated cost of claims outstanding could therefore reasonably be valued at around £327K, which is £38K above the current provision.

It is highly unlikely that all these outstanding claims will fall due for payment in the same financial year, but the uncertain nature of insurance claims payments means that accurate predictions are difficult. Nonetheless, the overriding principle is that the Council must make reasonable provision for all its known liabilities. Whilst the balance on the provision as at 31 March has not yet been formally reviewed, it is reasonable to assume that some additional contribution will be required, and this would also reduce the overall net underspending for last year.

Analysis of claims made, paid and outstanding by year.



6.2 Other Risk Management

As a result of the Internal Audit Report on Risk Management (08/0742), the Council's risk management procedures have recently undergone a substantial review.

The objectives of the audit were;

- To provide assurance as to the effectiveness of Services' current risk management arrangements, particularly focussing on risk associated with business objectives.
- To assist with the development of current risk management arrangements, particularly focussing on integration with the Performance Management Framework.
- Where possible, help the Council improve on its Use of Resources Assessment.

The most significant Agreed Action that came out of the Audit was to develop the Code of Practice for Managing Risk and Opportunity – 'A Sense of Proportion'. This replaces the previous Policy and Strategy and explains the Authority's reviewed approach to risk management, and the framework that will operate to ensure that risks are effectively managed.

This Code of Practice has now been developed and was formally adopted by Audit Committee at its meeting on 22 April 2009. Arrangements are underway to communicate and provide training on the new Code.

SUMMARY OF MAJOR VARIANCES (Qtr 4 2008/09)

(Not included elsewhere in the report)

Service	Service Area	Reason for Variance & Action being taken	C/Fwd Request	Variance to Date	Projected Variance to Year End
				£	£
				+ = Adverse	
				() = Favourable	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)					
Democratic Services	Civic & Mayoral Expenses	Contribution to Duke of Lancaster Colour Belt and past Mayoral badges. Carry forward request for cost of Civic Heads Day for the outgoing Mayor held in April.	C/Fwd	(3,000)	(3,000)
	Democratic Representation	A number of budget heads relating to Member support, such as catering provision, stationery supplies, travel and Overview and Scrutiny expenses have not been fully utilised during the year.		(5,900)	(5,000)
	Electoral Registration	Additional grants from central government and increased efficiencies have produced savings.		(24,300)	(24,000)
	Youth Games	Cheaper flights were obtained to Aalborg and the number of participants were reduced.		(10,000)	(10,000)
	Miscellaneous Grants	£1,500 that was carried forward from 2007/08 remains unclaimed and will not be paid now. The remaining underspend is as a result of claims for grants being less than allocated.		(2,300)	(2,300)
Legal & HR	Legal & Court Costs	Cost of legal advice to resist Town Green application.		+5,500	+10,000
	Search Fee Income	Fewer searches as a result of the economic downturn and decline in housing market.		+10,000	+10,000
	Hackney Carriage Licences	More demand for licenses than anticipated.		(8,600)	(5,000)
	Licensing Act - Premises	More income than anticipated from new and variation applications.		(17,500)	(17,500)
Information & Customer Services	Customer Insight	Project delayed - Carry forward request.	C/Fwd	(5,200)	(5,200)
	Stationery	More printing being done externally - transferred to Property Services in 2009/10.		(9,800)	(9,800)
	Printers and Copiers	New printers and contracts and some printing being done externally.		(22,300)	(22,300)
	Telephony	New tariff and reduced calls and lines.		(11,900)	(11,900)
	Mobile Telephones	New tariff and reduced calls.		(11,000)	(11,000)
	Software - Anite/Task	Project delayed - Carry forward request.	C/Fwd	(13,000)	(13,000)
	Software - Puma	Finance project delayed - Carry forward request.	C/Fwd	(9,000)	(9,000)
Financial Services	Investment Interest	In line with Qtr 3 projection for year (follows reduction to Base Rate).		+42,000	+42,000
	Interest Payable	Net position, taking account of costs of short term borrowing and savings on Public Works Loan Board (PWLB) debt repayment, arranged in this quarter.		(37,000)	(37,000)
	Software & Related Services	Covers software costs for BACS & Civica Financials System, & hosted electronic payments service. Initial indications are that these costs will either need to be accrued for in 2008/09, or be subject to carry forward requests (position being finalised for outturn).		(73,000)	+0
	Audit Fees	Awaiting confirmation of Audit Commission position, but underspend is expected.		(48,000)	(20,000)
	VAT Recovery Claim	Awaiting information from HMRC, but net recovery on VAT on cultural / leisure activities expected to be around £600K, assuming claim is successful.		+0	(600,000)
CC(D)S	Transport Costs : Fuel	Savings due to reduction in oil prices.		(12,000)	(24,000)
	Recycling Income	The market for recyclables collapsed (as widely reported in the media) in the autumn.		+6,000	+19,000
	Trade Refuse - Waste Disposal Costs	Tonnage down therefore costs reduced.		(20,000)	(20,000)
	Trade Refuse Income	Latest predictions suggest a fall in trade refuse income.		+15,000	+15,000
Property Services	St. Leonard's House - Electricity	March invoice to be accrued, but usage to be reviewed.		(10,700)	(8,400)
	St. Leonard's House - Gas	Still awaiting March invoice, estimated at £5K. Overspend to be reviewed.		+2,200	+7,200
	Storey Institute - Hire of Premises	Windfall income for room hire.		+0	(16,000)
	Kellet Road - Rental Payments	2008/09 payments charged into 2007/08 in error resulting in a current year saving.		(12,200)	(18,000)
	Kellet Road - Rental Income	2008/09 income credited into 2007/08 in error resulting in reduced income in this year.		+10,600	+8,000
	Lancaster Market - Rental Income	Reduced tenancies due to market's uncertain future.		+16,600	+16,600
	Lancaster Market - Service Charges	Reduced tenancies due to market's uncertain future.		+14,100	+14,100
	Postage	Underspend due to additional savings in first year of TNT contract.		(17,500)	(9,600)
	Municipal Buildings - Gas	Overspend due to market forces. Usage to be reviewed.		+4,700	+6,500
	Municipal Buildings - Room Hire	Additional income received from bookings - mainly in the last quarter.		(12,700)	(13,200)
	Mgt & Admin - General Services	Underspend due to failure of consultant/contractor to provide services in final quarter for which appointment was made.		(15,600)	(12,700)
	Off-Street Parking - Electricity	Energy initiative introduced in Qtr 2 with the extraction fans at St. Nicholas Arcades car park has produced savings but monitoring is being commissioned to confirm air quality implications.		(15,900)	(10,400)
	Off-Street Parking - Fee Income	Since revised budget was set, income has been 2% above target in December, 1% above in January and March and 1.5% below in February.		(15,900)	(26,900)
	Off-Street Civil Parking Enforcement	The off-street account has not performed as well as expected and a year end review is currently being undertaken to inform the remaining Parkwise arrangements up to September and beyond.		+9,000	+9,000
	On-Street Civil Parking Enforcement	The on-street account has improved but is still likely to be in deficit at year end but this has no impact on the City Council's budget due to the funding arrangements with the County Council.		(7,000)	+0
	On-Street Residents Parking - Contracts (Permits)	Increased resident permits, visitor card and tradesman permit sales.		(5,500)	(5,000)
	Concessionary Travel Expenses	Awaiting projected outturn pooling figures from County Council.		?	?

SUMMARY OF MAJOR VARIANCES (Qtr 4 2008/09)

(Not included elsewhere in the report)

Service	Service Area	Reason for Variance & Action being taken	C/Fwd Request	Variance to Date	Projected Variance to Year End
				£	£
				+ = Adverse	
				() = Favourable	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)					
Economic Development & Tourism	Business Development Grants	Underspend on Business Development scheme. The uncommitted balance of £4.3K on the Rent Grant scheme will be put forward as a carry forward request	C/Fwd	(6,300)	(6,300)
	Morecambe Visitor Centre - Souvenirs	Income of only £16.5K has been achieved this year. Income targets to be reviewed.		+5,000	+5,000
Other Regeneration	Poulton Neighbourhood Mgt	Savings on severance payments due to redeployments		(63,800)	(63,800)
Cultural Services	The Dome	Originally reported an expected overspend of £20K, however due to monitoring of spend and an additional income amount of £11.6K on admissions this is now projected to be a saving.		(2,000)	(5,300)
	Heysham Pool - Energy Costs	Additional energy costs resulting from energy supplier undercharging error.		+20,500	+23,000
	Heysham Pool - Private Hire	Loss of private hirers. Unable to sell space to other clubs.		+9,000	+9,000
	Heysham Pool - Adult Swimming	Additional grant towards swim for fitness scheme received, but not guaranteed for future years.		(7,200)	(7,200)
	Salt Ayre Sports Centre : Electricity	Small increase in consumption year on year. New contract agreed by LCC in Nov 08 which has resulted in increased charges.		+8,000	+22,700
	Salt Ayre Sports Centre : Gas	Small increased usage due to cold weather conditions. N.Power now charging transportation costs.		+17,700	+31,000
Health & Strategic Housing	DFG Administration Charges	Admin fee is based on the original capital budget for DFG, a later allocation was made increasing the DFG Capital budget thus increasing the admin charge receivable. This has resulted in a favourable variance.		(15,300)	(15,300)
	Mgt & Admin - contracted services	Budget set up on the agreement that it was for the payment of consultants to update the Housing Strategy which has not been carried out in 2008/09.		(26,400)	(26,400)
	Environmental Protection - Radiation Analysts	Difficulties in the installation of new automatic radiation monitoring equipment on third party land has led to a delay in installation costs. There has also been an unexpected one-off discount in Radmill partnership fees for 2008/09. The equipment installation costs have been budgeted within existing resources in 2009/10.		(7,200)	(7,200)
	Homelessness Services - Bed & Breakfast	An increase in the Homeless priority need order budget has led to the success of prevention initiatives, which in turn has led to less vulnerable people requiring B&B.		(6,400)	(6,400)
	Homelessness - Government Grants	Income of £11.5K for 2007/08 has been paid by central government in 2008/09. A new arrangement has been set up for payments in 2009/10.		(11,500)	(11,500)
	Pest Control - Insect Control Charges	Demand for treatments fallen due to adverse weather conditions affecting insect population.		+6,200	+6,200
Planning Services	Planning Application Fees	At Qtr 3 it was reported that an anticipated further loss of planning application fee income of £50K would be incurred. However, fee income picked up in the last Qtr, due to a number of large applications, and finally exceeded revised targets.		(12,200)	(12,200)
	Building Control - Employee Costs	Savings due to staffing reduction and prudent use of budgets.		(14,900)	(14,000)
	Building Control - Fee Income	Reduction in application numbers against revised budget and loss of large projects to Approved Inspectors.		+9,900	+14,000
	Townscape Heritage Initiative 2	Programme work delayed - Carry forward request.	C/Fwd	(16,200)	(16,200)
	Luneside East Estate Management	Delayed utility dis-connection and maintenance works - Carry forward request.	C/Fwd	(3,000)	(9,500)
	Christmas Decorations	Maintenance element of Christmas Lighting was less than predicted. Probably due to use of LED technology. Budget to be reviewed in 2009/10.		(5,400)	(5,400)
	Capital Salaries	Target for fee income exceeded.		(11,700)	(11,700)
Land Drainage	Some costs absorbed by capital scheme funded by the Environment Agency.		(21,800)	(21,500)	
	The TERN project	Two items of maintenance have cost substantially less than estimated.		(16,800)	(11,900)
Revenue Services	Council Tax / Community Charge	Various savings, including Legal / No Bail costs.		(7,000)	(7,000)
	NNDR Administration	Savings on Legal / Bailiff Fees and Bail costs.		(5,500)	(5,500)
	LHA / DWP Funding	Underspend on externally funded scheme - Carry forward request	C/Fwd	(36,000)	(36,000)

VARIANCES NOT REPORTED THROUGH PRT PROCESS

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TOTAL VARIANCES			(541,400)	(1,002,200)
			Known Carry Forward Requests to date	+96,200
Net Projected Underspend (excluding salaries), should known C/F requests be approved				(906,000)

PERFORMANCE REVIEW TEAM

2008/09 Treasury Management Progress Report to 31 March 2009

Report of Head of Financial Services

1. Introduction

It is a requirement of the CIPFA Code of Practice on Treasury Management that regular monitoring reports are presented to Members on treasury activities. These reports will normally be presented soon after the end of June, September, December and March.

Cabinet approved the Treasury Strategy for 2008/09 on 19 February 2008 and the Investment Strategy was approved by Council at its meeting on 27 February 2008. This report outlines activities undertaken in pursuance of those strategies during the financial year. It should be noted, however, that some figures are still provisional and may well change in completing the closure of accounts.

Please note that colour copies of the graphs contained in this report are available on request.

2. Summary

- The administrators of the Icelandic bank KSF (with whom the Council has £2M) have published their intention to pay a dividend of £0.10 per £1 before the end of 2009 with a minimum total payment of £0.50 per £1. We await further news from KSF as to the exact amounts and timing as well as notification from Glitnir and Landsbanki.
- Quarter 4 has seen a further move towards lowering counterparty risk whilst trying to maintain some level of return on the Council's treasury operations. This has been achieved by repaying £5.6M of PWLB loans, which were costing the authority 4.49% in interest. This saving outweighs any return that could be obtained on investing an equivalent sum and also reduces counterparty risk through lowering investment levels.
- Some limited temporary borrowings have been required due to the Council having less cash than anticipated towards the end of the year, mainly down to repayment of PWLB loans mentioned above and frozen Icelandic investments. These temporary borrowings have only cost 0.9% on average.
- The provisional out-turn figures for investment interest are broadly in line with the £42K deficit against the £1,003K budgeted figure, as predicted at quarter 3. This deficit is matched by the saved interest of £42.5K on PWLB loans repaid, although there is an additional £5.5K of interest payable on short term (temporary) borrowing. Overall, the net outturn (before finalising any further year end transactions) is around a £2K net cost. This is felt reasonable, given the reductions in interest rates over the last quarter.

3. Icelandic banks update

The administrators of KSF issued an update to creditors on 17th April 2009. This states the intention to pay £0.10 per £1 to creditors at some point over the summer of 2009. In addition, a minimum total dividend figure of £0.50 per £1 has been disclosed as the lower threshold for the total return. The Council currently has £2M of frozen investments with KSF plus £48K of interest due, up to the point the bank went into administration on the 8th October 2008. This would mean an initial dividend of £205k with minimum recovery of £1,025K. A full copy of the report is available at:

<http://www.kaupthingsingers.co.uk/pages/3962>

The administrators of Glitnir (£3M held, £126K of interest accrued) and Landsbanki (£1M held, £88K of interest accrued) have yet to make any comment over likely returns.

Furthermore, CIPFA are due to release an update to the accounting Statement of Recommended Practice (SORP) that will deal explicitly with how to account for Icelandic investments the final accounts. At present, in terms of the budget, the Council has assumed that the interest earned on these investments will be receivable, but up to the date that the banks went into administration.

4. Debt Portfolio

There have been some changes to the Council's debt portfolio in Quarter 4. £5.6M of PWLB loans were repaid at the end of January and this has saved interest costs at 4.49% on the loans. This is an attractive alternative to investing the money, which would have retained a higher counterparty risk and would have earned at most 1% interest in the current climate.

As we have less cash available due to repayment of loans and the assets frozen in Iceland, there has been the need to borrow short term on occasion to manage our day to day cash flow. This can be typical towards the end of any financial year, as cash from monthly instalments of Council Tax and Business Rates income generally falls off in February and March (such instalments being spread over 10 months, not 12). The cost of short term debt is currently very low with the average rate on these loans being 0.9%.

The Council had £8.5M of such short term loans as at 31/3/09 which, in the main, may reflect the £3M that was due back at year end from Glitnir, together with the £5.6M of PWLB loans repaid. At the year end the Council's total level of borrowing was £47.7M. This is comfortably within both the Operational Boundary (£49.1M) and the Authorised Limit (£56.3M) for external borrowing (see **Appendix A** for definitions of the above).

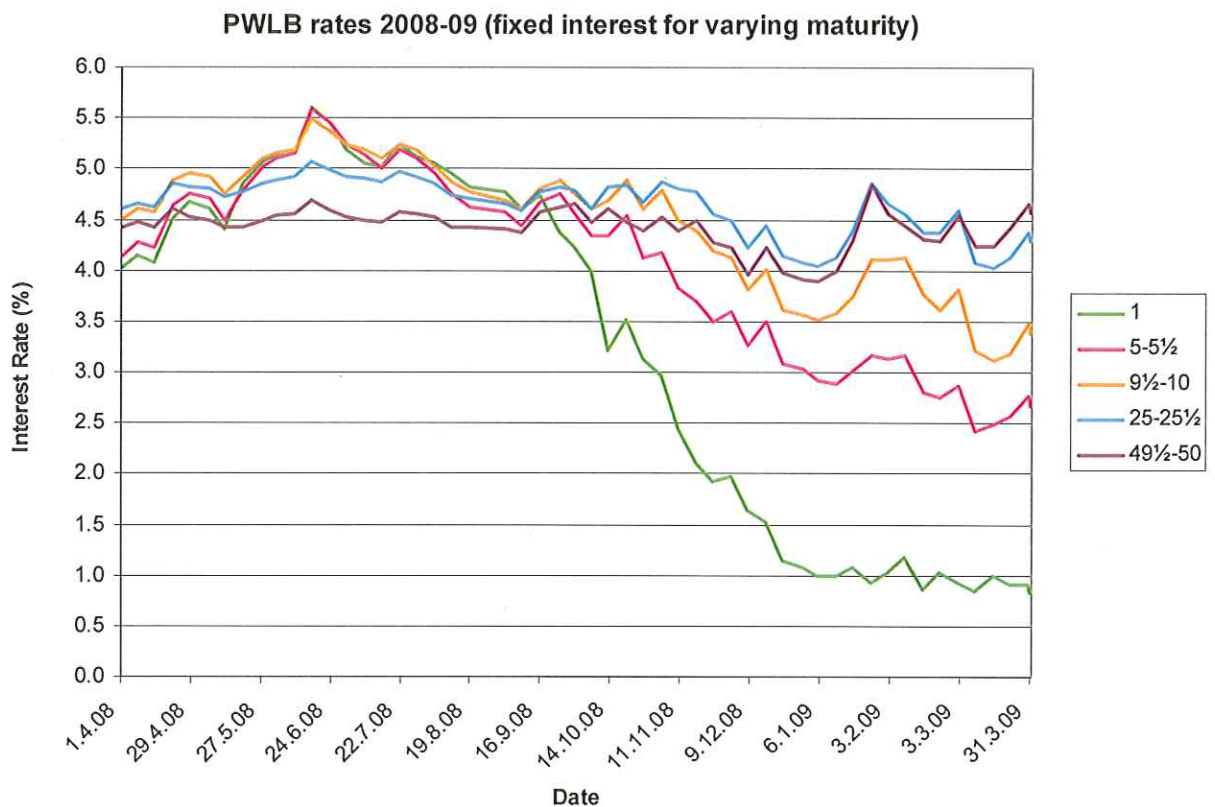
As reported for Quarter 3, the medium term forecast position on external borrowing remains static despite the fact that by the end of 2008/09 there will be a cumulative increase in the underlying need to borrow of £3.584M (2006/07 £1.608M, 2007/08 £1.762M, 2008/09 £0.214M) for which no actual long term additional borrowing has been taken up. This is because the twin issues of the amounts set aside for the future repayment of debt, and a cashflow position which is forecast to remain relatively strong, mean that there is no immediate need to take out new long term loans.

It is anticipated that as the remaining fixed term investments mature during the 2009/10, there will be no need for short term borrowings. Overall this will leave the Council with fewer cash investments but less debt. Given that the Council's loans currently cost more than investments could earn, this is a good option in terms of both VFM and counterparty risk.

5. Cost of borrowing

The graph below shows that the rate for short term (1 year) borrowing has seen a sharp decline to around the 1% level over the year. Medium term borrowing (5 to 10 years) has seen a less dramatic reduction to around the 3% level. Long term rates have fluctuated around the 4.5% level.

The implications of this disparity between long term and short term rates are, firstly, that short term borrowing is relatively cheap. Although the graph only shows PWLB rates, experience to date suggests that these rates reflect the general market rates for short term loans. Secondly, further opportunities to pay off more expensive long term debt may still arise. Similar to the repayment performed in January, this may be a good option in terms of both VFM and reduction of counterparty risk. The position will be monitored throughout 2009/10, with reference to forecast cash balances.



6. Investing Activities

No fixed term investments have been placed since September 2008. Any surplus cash has been managed on a day to day basis using the call accounts. A full list of the investments placed during the year is enclosed at **Appendix B**.

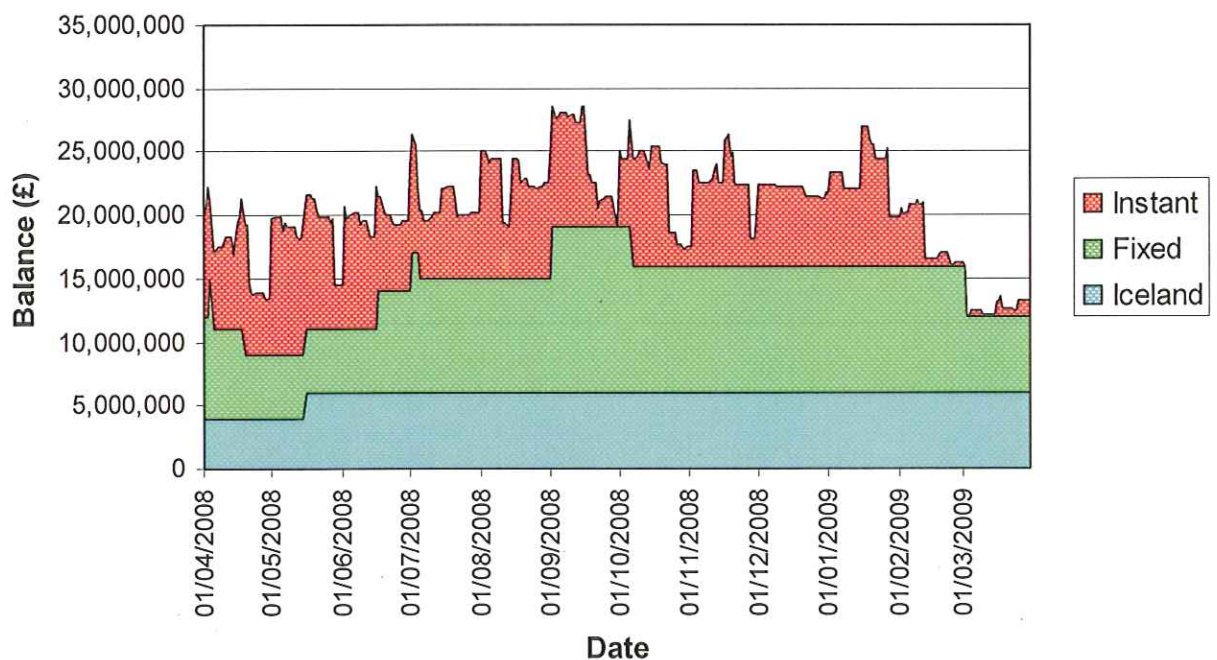
The aim with Investments is to prioritise security and liquidity. This is to minimise any further chance of a counterparty failing and the Council not being able to remove its deposits. The use of the call accounts meets these requirements although since the repayment of the PWLB loans, the amount of surplus cash has been minimal (average daily balance of £1.6M after 28/1/09 vs. £6.9M before that date).

The split of fixed term investments and the balances held within the call accounts is shown graphically below (see also further details in **Appendix B**). At the year end, the fixed term balances were made up of £6M of Icelandic investments, a £3M deposit with Irish Permanent that matured on the 2nd of April and a further £3M held with Anglo Irish, due to mature on 17th June 2009. There was £1.3M on call at the year end.

During the Quarter Anglo Irish were removed from the Council's list of approved counterparties, although their short term ratings are still strong (F1+, P-1, A-1, as at 24/4/2009). Following discussion with the bank, there is no option to recover this deposit before it matures but Officers are monitoring the situation in partnership with the Council's treasury consultants.

The Irish government has guaranteed all deposits (such as the City Council's) although their sovereign rating has dropped to AA+ from the AAA gold standard. A further possible mitigating factor is that Ireland is a member of the EU which may increase the chance of external support. Overall, there is currently judged to be minimal risk of not receiving the full principal and interest back on this investment – although as mentioned above, the situation is being monitored.

Investment values over the period (fixed vs instant access)



7. Summary of Budget Position and Performance at 31 March 2009

Based on preliminary out-turn figures, interest earned in the year came to £964K against the revised budget of £1,003K. This variance is slightly better than the predicted out-turn as reported for Quarter 3, which estimated a budget shortfall of £42K for the year. The variance is due to a reduced return on call account balances, as these are linked to the base rate.

In addition though, costs have been incurred for short term borrowing, amounting to £5.5K although there has been a saving in year of £42.5K from the repayment of PWLB loans.

Taking account of the above, the net position across investments and borrowings is a £2K shortfall against the revised budget. This does however assume that interest on Icelandic bank deposits is receivable up to 8/10/08.

In terms of performance against external benchmarks, the return on investments compared to the LIBID and bank rates over the year is as follows:

Base Rate	3.61%
3 Month LIBID	4.59%
Lancaster CC Investments	5.46%
Lancaster CC investments*	4.69%

*This rate includes £6M frozen in Icelandic banks, at 0% from 8/10/08.

This performance appears good but it should be noted that it is affected by the longer term investments that were taken out previously when rates were high. Furthermore, it does not take account of any potential losses in connection with Icelandic investments. Also, it is reiterated that at present emphasis is very much on security and liquidity of deposits, not investment returns.

8. Risk management

The main focus of risk within treasury management is security of deposits and their liquidity. The Council's investment strategy is designed to engineer risk management into investment activity largely by reference to credit ratings and length of deposit, together with supporting advice etc. Officers have been maintaining the portfolio well within the agreed limits by utilising instant access call accounts and avoiding any new fixed term investments. In addition, no further investments have been made with Irish counterparties since doubts were raised over the strength of some institutions and their overall economy. The use of sovereign credit ratings has been integrated into the 2009/10 investment strategy.

There is also a liquidity risk associated with accessing cash when it is needed, on a day to day basis. At present Officers are utilising short term borrowing but there is a slim possibility that there could be in a position where cash is required but cannot be obtained. However, it is not judged that this is a significant risk. The Council enjoys a privileged status as a local authority in that other lenders still see councils as safe places in which to deposit money, and councils also have access to the PWLB. As the Council's remaining fixed term investments mature, it is expected that the need for short term borrowing will reduce throughout 2009/10 although the situation will be monitored and reviewed, particularly should short term rates start to rise or should there be any potential issues with obtaining credit.

9. Conclusion

The news from KSF suggests that the administration process is making progress and that the Council will hopefully receive some money back over the summer. Progress of the administrators of Glitnir and Landsbanki is still unclear. The cash frozen in Iceland is starting to have an effect on day to day operations and there has been the need to take on some short term borrowings, although the final two months of the year can be difficult anyway, in cashflow terms.

In addition, during this Quarter Officers have taken the decision to reduce long term loan balances. This has benefits in terms of counterparty risk and value for money. Going forward, as the cash position recovers, this may well be an attractive option for any further surplus cash, as the cost of existing PWLB debt is likely to out-strip any investment returns, especially given that the focus is on keeping invested sums liquid and with highly secure counterparties. In addition, the Council's status as a privileged borrower means that it does not run the same risks as private institutions in terms of raising credit if required.

The full annual treasury management report for 2008/09, including performance against prudential indicators, will be presented to Cabinet and Council later in the year.

PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL
Quarter 4 Update on Treasury Management activities, Performance Review Team,
31 March 2009

2008/09
£'000

AFFORDABILITY

PI 1: Estimates of ratio of financing costs to net revenue stream	Non - HRA	13.4%
	HRA	9.4%
	Overall	12.1%
PI 3: Original estimate of impact of Capital Investment decisions on the Council Tax		£0.28
This includes the impact of all elements of funding, including any increase in the need to borrow, required to finance new schemes added to the Capital Programme		0.16%
PI 4: Estimates of impact of Capital Investment on Housing Rents		Nil

PRUDENCE

PI 6: Original estimates of capital expenditure	Non - HRA	31,133
	HRA	3,280
	Total	34,413
PI 8: Original estimates of Capital Financing Requirement	Non - HRA	30,642
	HRA	15,303
	Total	45,945
PI 10: Authorised Limit		
Authorised Limit for Borrowing		56,290
Authorised Limit for Other Long Term Liabilities		310
Authorised Limit for External Debt		56,600
PI 11: External Debt: Operational Boundary		49,100

TREASURY MANAGEMENT

PI 13: Treasury Management: adoption of CIPFA code of Practice	The Council adopted the CIPFA code of Practice for Treasury Management at its meeting on the 13th March 2002.	
PI 14: Fixed Interest Rate Exposure		100%
The Authority will limit its exposure to fixed interest rate costs to the amounts payable on the following proportion of its outstanding debt.		
At 31 March 2008 the Council was exposed to fixed interest rate costs on 100% of its outstanding debt		
PI 15: Variable Rate Interest Rate Exposure		30%
The Authority will limit its exposure to variable interest rate costs to the amounts payable on the following proportion of its outstanding debt.		
At 31 March 2008 the Council was exposed to variable interest rate costs on 0% of its outstanding debt		
PI 16: Maturity Structure of Borrowing		
Upper and Lower Limits	Under 12 months	0% to 35%
	12 months and within 24 months	0% to 5%
	24 months and within 5 years	0% to 10%
	5 years and within 10 years	0% to 20%
	10 years and above	60% to 100%
Maturity Profile of Current Outstanding Debt at 31 March 2008	Under 12 months	0%
	12 months and within 24 months	0%
	24 months and within 5 years	0%
	5 years and within 10 years	0%
	10 years and above	100%
PI 17: Investments for periods longer than 364 days		
Maximum principal sum to be invested		6,000
The above limit does not include sums for forward deals placed up to six months in advance for periods of 364 days or less.		
At 31 June 2008, the total amount of investments placed by the Council during the year, for periods of greater than 364 days, was £3m (see Appendix B).		

AUTHORISED LIMIT - The maximum amount of external debt, including both borrowing and other long-term liabilities, into which the Council may enter in the specified period.

OPERATIONAL BOUNDARY - The working boundary of total external debt, including both borrowing and other long-term liabilities, which will provide the day-to-day focus for Treasury Management activities. Unlike the Authorised Limit, it is not an absolute limit. It provides a mechanism to highlight whether or not external debt is being managed within the expected levels. The Operational Boundary can be exceeded if developing circumstances require, but if this happens then it will be the trigger for either corrective action or a revision of the relevant indicators.

APPENDIX B

INVESTMENT INTEREST EARNED TO 31 March 2009

Name	Start	End	Rate %	Days up to 31/3/09	Principal £	Interest £
Fixed term investments						
Deposited 2007/08						
Northern Rock (1 Yr Fwd Deal)	31-Mar-08	18-Apr-08	4.98	18	2,000,000	4,912
Landsbanki Islands	31-Mar-08	08-Oct-08	6.25	191	1,000,000	32,705
EBS B.S.	31-Mar-08	03-Apr-08	5.90	3	2,000,000	970
Glitnir	31-Mar-08	08-Oct-08	5.76	191	3,000,000	90,346
Deposited 2008/09						
Bradford & Bingley	04-Apr-08	04-Jul-08	6.05	91	2,000,000	30,167
EBS B.S.	04-Apr-08	06-Oct-08	6.02	185	3,000,000	91,537
Kaupthing, Singer & Friedlander	16-May-08	08-Oct-08	6.00	145	2,000,000	47,671
Anglo Irish Bank Corporation	17-Jun-08	17-Jun-09	6.56	288	3,000,000	155,283
Irish Permanent Plc	02-Jul-08	02-Apr-09	6.31	273	3,000,000	141,586
Scarborough BS	02-Sep-08	02-Mar-09	5.98	181	2,000,000	59,308
Kent Reliance	02-Sep-08	02-Mar-09	6.02	181	2,000,000	59,705
Sub total						714,191
Call accounts						
Abbey National						181,095
Allied Irish						64,301
Yorkshire bank						4,295
Subt total						249,691
TOTAL						963,882

For investments highlighted, the counterparties have since been downgraded and removed from the counterparty list as noted in the quarter 2 report. Those in yellow (Anglo Irish & Irish Permanent) have also been removed from the counterparty list since the 2009/10 investment strategy came into force but were still on the list for Quarter 4 in 2008-9. The Irish Permanent and Bradford and Bingley deposits have now been returned.

Icelandic banks have been accounted for up to 8/10/08, the point at which they went into administration.

As at 25 November, no monies are held in the Allied Irish Call Account.

Call account information

The maximum balance on the call accounts during the quarter was £11M (vs total approved limit of £12M)

The minimum balance during the quarter was 0.

The opening balance was £5.73M

The closing balance was £1.3M

Budget & Performance Panel**Annual Report 2008/09****14th July 2009****Report of Corporate Performance Manager****PURPOSE OF REPORT**

To advise Members of the publication of the Annual Report.

This report is public

1. RECOMMENDATIONS

- 1.1 That the report be noted.
- 1.2 That the Annual Report be used as a base line reference document for considering the Council's performance in the coming year and, where appropriate, to inform the future work programme of the Panel.

2. REPORT

- 2.1 Lancaster City Council published its Annual Report for 2008/09 on 30th June 2009. It provides an overview of the Council, as well as a snapshot of how the Council performed against targets set nationally for its services and the goals it set itself. It looks back at the financial year 2008/09 and forward to the challenges of the year ahead.
- 2.2 The report provides information on key priorities for the coming year (as outlined in the Corporate Plan) and satisfies the Council's duty to make performance information publicly available.
- 2.2. Attention is drawn to the performance tables held within the document, which highlight those indicators where we did not achieve the targets we set ourselves. To view the Annual Report on your computer, click the link below:

http://www.lancaster.gov.uk/Annual_Report_2008_2009.pdf

Extracts of the Annual report may be considered by Performance Review Teams as appropriate. Outcomes of PRTs will be reported to this Panel in line with the usual reporting timetable.

FINANCIAL IMPLICATIONS

None

SECTION 151 OFFICER'S COMMENTS

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

LEGAL IMPLICATIONS

The Council has a duty to continuously improve within the terms of the Local Government Act 1999 (the duty of Best Value). Legal Services have been consulted and have 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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Telephone: 582150

E-mail: Estokes@lancaster.gov.uk

City | Coast | Countryside

Annual Report 2008-09



Introduction

This Annual Report reflects the achievements of Lancaster City Council in the last financial year (2008-09).



As I became a member of the council's Cabinet in May 2009, it is appropriate to thank the previous leaders of the council for their service last year and to recognise their hard work. The coming year will not be easy

because of the many challenges we face locally, nationally and internationally. However, we are well placed to meet those challenges and to continue to serve the people of this district.

Looking back on the council's performance in 2008/09, this report:

- gives a snapshot of some of our initiatives and achievements
- looks ahead to what we believe will be a challenging year
- sets out our key priorities in the coming year (outlined in our Corporate Plan).

Every area of the country is feeling the effects of the economic recession and clearly these extraordinary events provide a serious challenge to all local authorities.

This has meant some tough decisions being made by the city council in the last year and a reluctant acceptance that the council simply cannot do everything it might wish to.

In the coming year more savings are necessary to safeguard vital local services and keep Council Tax levels down to 4% or less.

As well as the recession, which is of course reducing income and significantly reduced investment interest, there have been higher than expected costs for the council in areas such as concessionary travel (there has been significantly more take up than provided for in the Government grant), and an increase in rent at Lancaster Market.

We are closely scrutinising all aspects of what we do to ensure the services we provide are delivered in the most cost-effective and value for money way possible. For example, we have

already made significant efficiency savings.

This can also be partly achieved by working even more closely with our partners, something we have already embraced in order to be better able to tackle district-wide issues. As community leaders, we are committed to working with all those who can help us to have a positive impact upon life in this district, such as the county council, police, fire, education, health, private companies, voluntary organisations and community groups through the Lancaster District Local Strategic Partnership (LDLSP).

Having set our budget, we are confident that in 2009/10, and with a clear concept of what we need to achieve, how and who with, we will be in a strong position to deliver our main priorities for the coming year which are:

Supporting for our local economy

We will continue to work with a range of organisations to ensure a strategic approach to regeneration.

Cleaner and greener spaces

We will continue to keep our public places clean and develop local responses to the challenge of climate change.

Safer and healthy communities

Both through our own services and alongside partners we will continue to address both crime related and health improvement issues.

Supporting our local communities

With partners we will aim to meet the differing needs of our communities and improve the standard, availability and affordability of housing.

We hope you will find this document interesting and informative. It is important that our residents have a real say in how their council is performing, so we welcome all comments and feedback on this report and its content or any aspect of council services.

Stuart Langhorn

Leader of the Council

About the council

Lancaster City Council's aim is to achieve lasting opportunities for all in a safe and healthy district that's proud of its natural and cultural assets.

In the coming year, our 13% share of the overall council tax bill, will together with other funding received, give us a budget of around £23.99m.

Together, around 1,000 staff provide a whole range of quality services including rubbish and recycling collection, planning and building control, community safety, housing and homelessness, environmental health, car parking, leisure and sport, economic development, tourism, events and festivals, licensing, benefits, council tax collection and support for the community and voluntary sector and lots more.

We have 60 elected councillors who collectively agree the council's policies and budget. Decisions within this framework are made by a Cabinet with representation from five of its six political groups. An Overview and Scrutiny Committee holds Cabinet to account and can challenge the decisions they make. There are also a number of other committees such as Planning, Audit, Licensing and Personnel.

The council is committed to open governance and so has an 'open door' policy which means that all our meetings wherever possible, are open to the public and agendas and decisions are posted on the website.

For more information about the council and a full A-Z listing of council services, visit our website www.lancaster.gov.uk



Service	Cost
Council tax and business rates collection	0.00
Electoral registration and elections	0.20
Culture and heritage	0.30
Recreation and sport	0.22
Environmental health services	0.25
Street cleansing	0.46
Waste collection and recycling	0.29
Planning and building control	0.22
Economic development and tourism	0.14
Economic development and tourism	0.19
Concessionary travel schemes	1.01
Services costs	
Total	£3.56

The weekly cost of your city council services for a Band D property is £3.56

Connecting residents to the council and its services

Local people should be at the forefront of decision making. Our work in the last year and our future plans, clearly show our commitment to enabling local people to play a fuller role in shaping their communities.

There's no doubt our residents' views help us to deliver improved services. The Corporate Plan for 09/10 was developed following consultation with the public and partner organisations. These views help to make sure we are focusing on the right things, shape our priorities and improve where we need to. That's why we regularly test public satisfaction on a whole range of council services. We aim to reach every part of our diverse and geographically distinct communities and understand that some people may be 'hard to reach' and need our particular attention.

The council has carried out approximately 62 consultations in 2008/09 and in the appendix to this document you will find just a few examples on how the results have been used to shape our service delivery. The council's consultation web page provides information on how you can get involved including the 2009/10 consultation plan and current consultations. You can register onto our online consultation system to receive emails when online consultations are of interest to you.

If you do not have access to the internet and would like more information or would like to become a member of our community consultation register and get involved in future consultations of interest to you, please contact the council's consultation officer, Jennifer Williams by calling 01524 582268.

Leading local responses to climate change

Tackling climate change is a key issue for this council.

Lancaster City Council is working hard to meet the challenges presented by the changing climate. As you will have read earlier, tackling climate change is one of our Corporate Plan priorities. The council has signed both the Nottingham Declaration on Climate Change and the North West Climate Change Charter. These are clear public statements of this council's commitment to work locally, regionally and nationally with all our partners to mitigate and adapt to the effects of climate change.

As community leaders we believe we must set a strong example within the district, so we have already adopted an in-house plan to reduce the council's environmental impact, whilst ensuring local residents continue to receive the high quality responsive service they expect.

We will continue to work to ensure our carbon footprint decreases. In some places we are doing very well. Our council homes are some of the most energy efficient in the country, but elsewhere there is much to improve.

Over the next three years we will be working closely with our partners at the Energy Saving Trust who is providing free, tailored one-to-one support, which will help us to develop a range of projects which will dramatically reduce the carbon footprint of both the council and the district as a whole.



Our two town halls represent a particular challenge. Built in the early 20th Century, they were not constructed with the present need for energy efficiency in mind. However, our buildings managers continue to investigate ways to increase the energy efficiency of our important listed buildings whilst ensuring we can retain the special character of these historic landmarks. In addition, our vehicle managers are exploring ways to lower the carbon emissions from our council vehicles.

As a coastal authority, we understand that tackling climate change must be at the centre of our vision. This is why mitigating and adapting to climate change is a key feature in the future development of this council and the Lancaster district as a whole.

	CO2 from buildings (tCO2)	CO2 from transport (tCO2)	CO2 from waste (tCO2)	Total CO2 emissions (tCO2)
2008-2009	3034.34	1528.97	43.18	4606.49
2007-2008	2409	1504.52	43.18	3905.49
2006-2007	2494.06	1504.52	43.18	4041.33
2005-2006*	2208.42	1496.61	43.18	3748.21
2004-2005	1875.2	1443.35	43.18	3361.73

* Revised figures for 2005-2006 include emissions estimates for Salt Ayre Sports Centre for first time

my
council



“...is here to help”

Lancaster City Council's friendly staff are on hand to answer your queries at our customer services centres, or why not visit us online at www.lancaster.gov.uk

01524 582000

www.lancaster.gov.uk/makeeverypennycount

Making a difference

It is right that councils are held to account for the improvements to peoples lives that the services provided achieve.

We aim to provide as much information as possible in a transparent and accessible format. In the appendix to this report you will find detailed tables which show how we performed against agreed targets in 2008/09.

But it is sometimes difficult to see how these performance measures relate to the impact on the ground. The following section shows some of the ways we have made a positive difference in the district in 2008/09 and gives you a taste of some of the human stories behind the statistics.

A helping hand for business

With many businesses feeling the effects of the credit crunch, Lancaster City Council launched a new grant to offer new-start and early stage businesses a helping hand.

The council offered grants towards rent for businesses that are within their first three years of trading. The grants are worth up to 50% of the first year's basic rent on new leases, for premises located across the whole of the district.



The council offered grants towards rent for businesses that are within their first three years of trading.



More than 35 young people from 12 schools and colleges, Lancashire Young People's Service and the YMCA took part in a special council meeting.

Right 2B Heard!

Young people from across the district gathered together to talk about how they can become more involved in the services provided by Lancaster City Council.

More than 35 young people from 12 schools and colleges, Lancashire Young People's Service and the YMCA took part in a special council meeting at Lancaster Town Hall. The aim of the day was for the young people to identify effective ways for them to become involved in decision making, planning and development of services.

Following a morning of workshops, they presented their findings to councillors.

The results of the council meeting will help the council implement its own Young People's Engagement Strategy - www.lancaster.gov.uk/children-young-people

Planning for the future

Lancaster City Council became the first local authority in the north west of England to receive official endorsement for a new style forward planning document. The Lancaster District Core Strategy will help shape the district for the next 15 years and details 18 policies on how the council will maximise the district's potential.

The Core Strategy was tested by a government inspector at an independent examination against nine highly demanding 'tests of soundness'. Following this, the strategy was given the official thumbs up by the inspector, meaning that Lancaster was the first council in the North West of England to pass these tests.

This is a major achievement as elsewhere in the country a number of councils have had their plans rejected. Hundreds of people and organisations were consulted to ensure that the final document reflects the views of the community.

Tatton

Players from Morecambe FC threw their weight behind Lancaster City Council's gardeners in their attempts to dig up gold at the RHS Flower Show at Tatton.

Their entry to the National Flower Bed Competition of the show, which ran from July 23 to 27, was entitled "*Bring me football*" and celebrated Morecambe FC's achievement in gaining promotion to the Football League.

It featured a colourful display of flowers laid out in the shape of Morecambe FC's Christie Park. In the centre of the pitch, a replica of the famous sculpture of Eric Morecambe which adorns the seafront, looked out over the stands. Unfortunately the team of expert gardeners only managed a bronze medal in the competition, but the entry received much national publicity and brought Morecambe to the attention of thousands of people. Watch out for this year's entry!

Did you know...

Since October 2005, the council has opened up more than 20km of additional safe travel for cyclists?

Sandcastle Festival

Hundreds of people grabbed their buckets and spades and flocked to the golden sands of Morecambe beach to take part in the second Sandcastle Festival.

The event, which was organised by Lancaster City Council, saw 32 teams battle against high winds for the title of Super Sandcastle Builder.

Held on the beach behind the newly reopened Midland Hotel, Morecambe was bustling with life as people of all ages joined in with the summer festivities. And, according to Morecambe Tourist Information Centre, it was their busiest day of the year, with 746 visitors passing through the doors.



Morecambe was bustling with life as people of all ages joined in with the summer festivities.

my
council



“...listened to my views”

Young people told Lancaster City Council they wanted a skateboard park - so we built them one! Find out how you can have your say at www.lancaster.gov.uk/consultation

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www.lancaster.gov.uk/makingeverypennycount

LANCASTER
CITY COUNCIL
Promoting City, Coast & Countryside

Morecambe mum benefits from lifesaving training

A Morecambe mum had to put first aid skills into action only an hour after passing a lifesaving course at Carnforth Community Pool. Mandy Duffy was driving through Torrisholme when she saw a man lying on the pavement with a head injury and in obvious distress.

She quickly pulled over and went to help, telephoning for an ambulance and making sure he was comfortable until paramedics arrived. Carnforth Community Pool is run by Lancaster City Council and holds lifesaving courses on a regular basis.

The courses train people to NaRS (National Rescue Standard) and teach essential skills including CPR, first aid and breathing techniques. Mandy took the course as she helps out with the Carnforth Otters swimming club, of which her daughter, Georgia, and son, Marcus, are both members.

"I think it's something everyone should do, especially if you have children," Mandy added.

"You never know when you might be called upon to help someone and potentially save their life."

Did you know...

Residents living in an average household are paying just £3.56 a week in council tax?

Clock this - children unveil new mural

Local children contributed to a wonderful piece of artwork which was installed at the Clock Tower in Morecambe.

The montage of Morecambe was the result of months of workshops run by artist Chas Jacobs in primary schools in Poulton.

Children from Years 5 and 6 from Poulton-le-Sands, Morecambe Bay and St Mary's Primary School were asked what Morecambe means to them, and to paint pictures to reflect their thoughts. The pupils came up with ideas including the Midland Hotel, the TERN birds, the Winter Gardens, Eric Morecambe and the Stone Jetty.



The montage of Morecambe was the result of months of workshops run by artist Chas Jacobs in primary schools in Poulton.

Play Rangers

Melissa Martin and Melanie Walker, affectionately known as 'The Mels', joined the council as Play Rangers.

Funded by a grant from the Big Lottery Fund, their job is to organise free activities for children including arts and crafts, gardening, bug hunting, fire building, family orientated games, den building and junk modelling.

Activities planned by 'The Mels' have taken place at events such as the Sandcastle Festival, Love Parks Week and the West End Gardens fun day.



Activities planned by 'The Mels' have taken place at events such as the Sandcastle Festival, Love Parks Week and the West End Gardens fun day.

Morecambe school joins the fight to tackle litter

A Morecambe primary school won £1,000 to help target one of the scourges of modern society – litter. Lancaster City Council challenged primary schools across the district to come up with some creative ways of combating rubbish on our streets.

Pupils were asked to think of ideas their school could use to improve the overall cleanliness of the district, or reduce litter.

Lancaster Road School in Morecambe won the competition and the top prize of £1,000.

Tourism centre given top marks

Top marks were awarded to Lancaster City Council's two visitor information centres following a mystery shopper visit by the North West Development Agency.

Both Morecambe Visitor Information Centre and Lancaster Tourist Information Centre achieved a score of 100% in the report, which was carried out by an independent assessor. During the visits the assessor scored marks against the overall appearance of the centres, first impressions, displays, staff interaction and service. At both centres the assessor enquired about making a hotel reservation for the evening and ideas of what to see and do during their stay.

Comments from the assessor included "the assistant was very enthusiastic", "lots of gifts attractively displayed", "centre was warm and welcoming", "friendly, helpful staff".

Morecambe receives coastal award

Morecambe was branded the country's Best Reinvented Seaside Town in a national awards ceremony. The town received the accolade in this year's Coast Magazine Awards, beating rivals Blackpool and Folkestone.

Readers were asked to nominate entries to the awards and, following the town's shortlisting, Lancaster City Council was asked to put together a case for why Morecambe should win the category. A panel of judges representing all aspects of coastal life fiercely debated the entries before declaring Morecambe the winner in the Best Reinvented Seaside Town category.

In recognition of the award the council has been given a plaque, which now has pride of place in Morecambe's Visitor Information Centre.



A panel of judges representing all aspects of coastal life fiercely debated the entries before declaring Morecambe the winner!

my
council



“...helps keep my street clean for less than 30p a week”

The average household pays Lancaster City Council less than 30p a week to help keep the district's streets clean and litter free

01524 582000

www.lancaster.gov.uk/makeeverypennycount

Old PCs benefit the community

Parish councils across the district benefited from recycled computers donated by Lancaster City Council.

Certain modern software packages, such as cash receipting and mapping systems, will not work on older PCs and the council has had to replace 100 with newer models.

However, keen to see the computers, which are still perfectly useful for simple word processing, spreadsheets, the internet etc, put to good use, the council has donated them to Furniture Matters, the locally based reuse and recycling charity.

Furniture Matters has refurbished the computers and six have been picked up by parish councils in Carnforth, Arkholme, Nether Kellet Parish Council/Over Kellet Parish Council, Bolton le Sands, Overton and Burrow-with Burrow.

Recycling

Wheeled bins and recycling boxes were rolled out to a further 6,000 households.

Over the last six years Lancaster City Council has been making it easier for residents to recycle by introducing a 'three stream' waste collection in which households receive two wheeled bins (one for non-recyclable items, one for green garden waste) and recycling boxes.

The aim is to reduce the amount of rubbish being sent to the country's ever-dwindling landfill sites.

Thanks to residents of the district the existing phases of the schemes have been a huge success, increasing the district's recycling rate from 6% in 2002 to the current rate of 30%.

Tenants Den

Council Housing Services actively sought the views of tenants in council housing areas as to how they would like us to spend an environmental budget of £58,000 on improvements in their local areas. Council

Did you know...

There are 1,390 listed buildings in the district, more than any other part of the county?

officers set up shop in communities with a marquee and knocked on doors seeking local people's opinions.

The majority of the money, about £40,000, has been spent on improving lighting to Sheltered housing Schemes and bungalows.

£5000 has been set aside to allow all Council Tenants to have two free bulky matters collections of up to three items twice a year. £2000 has been set aside for skips – these will be used to tidy up estates or help community groups carry out litter picks etc.



The schemes have been a huge success, increasing the district's recycling rate from 6% in 2002 to the current rate of 30%

Want to know more?

Please read on to the appendix to this report which gives a more detailed account of our performance in 2008/09.



If you wish to request any of the above, or comment upon this document, please contact:

Liz Stokes
Corporate Strategy
Town Hall
Dalton Square
LA1 1PJ

Tel: 01524 582150
Email: lstokes@lancaster.gov.uk

How to contact us

Post

Town Hall, Dalton Square,
Lancaster LA1 1PJ

Telephone

General Enquiries: 01524 582000

Email

customerservices@lancaster.gov.uk

Office Hours

9am to 5pm (Monday to Friday)

Out of hours emergencies

Telephone: 01524 67099
For medical emergencies, police or fire dial 999

For a comprehensive A-Z of council services visit www.lancaster.gov.uk/makingeverypennycount or contact the council on 01524 582000.

More information about the services we provide is available on our website which also offers you the facility make on-line payments for council tax, rent and parking fines.

Visit www.lancaster.gov.uk

Need help to weather the credit crunch?

Visit our special website page www.lancaster.gov.uk/financialadvice where you will find lots of useful links on how to find help.

Our Customer Service Standards

If you write to us, we will reply within 5 working days

If you email us, we will reply within 1 working day

If we need longer to give you a fully detailed response, we will still reply to you within these stated times, and inform you when a more detailed response can be expected.

If you have a complaint, please visit our website where our complaints procedure is fully explained - www.lancaster.gov.uk/comments-complaints

This information can be made available on request in large print, braille, audio and other languages. Telephone 01524 582150.

Appendix

Detailed account of our performance in 2008/09.



Ensuring the council's high standards

The council is responsible for ensuring that:

- It acts in accordance with the law and proper standards
- Public money is safeguarded, properly accounted for and used economically, efficiently and effectively

To carry this out responsibly the council must:

- Have a sound system of internal control which ensures it carries out its functions and services effectively, including arrangements for the management of risk
- Fulfill the specific responsibilities relating to the council's financial statements

These financial responsibilities include:

- Making arrangements for the proper administration of the council's financial affairs and giving one of its officers overall responsibility for this (at Lancaster City Council that officer is the Head of Financial Services, Nadine Muschamp)
- Approving the Statement of Accounts and accounting policies

Lancaster City Council operates a system of Corporate Governance in accordance with the framework developed by CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives and Senior Managers).

An Annual Review is carried out on the effectiveness of the system of internal control and corporate governance and the results are published in a Statement on Internal Control and Corporate Governance that forms part of the council's Statement of Accounts.

All this can be viewed at the council's website at www.lancaster.gov.uk

How are we doing?

What external auditors said about us in 2008/09

Use of Resources

This assessment looked at how financial management is integrated with strategy and corporate management and whether we provide value for money. The overall score three out of four, 'performing well and consistently above minimum standards', puts us amongst the top councils in the country. Although we have made a number of improvements in the way we assess value for money there is still much to do and this remains a key focus for the current financial year.

In the coming year, as part of the Comprehensive Area Assessment (CAA) a revised methodology for Use of Resources, together with a new judgement on Managing Performance will be introduced. Confusingly, the name Use of Resources will remain, even though the scope of the review is far wider and will present an even harder test for local authorities.

Finance and Accounting

Auditors gave a clean bill of health to the council's accounts and financial management and said that the council has 'a strong approach to financial management and can demonstrate that its approach is helping to deliver improvement priorities'. Our auditors were happy to give us an 'unqualified opinion' that our accounts present a true and fair view of the council's financial position and also that the council had arrangements in place to deliver value for money. All the deadlines on the closing of accounts were met in 2008/09

The full Annual Audit and Inspection Letter is available on the council's website following publication by the Audit Commission www.lancaster.gov.uk or www.Audit-Commission.gov.uk

Our financial performance

The following snapshot covers some of the key points of the council's finances for the 2008/09 financial year, which ended on 31 March 2009.

The figures included in this summary have been produced in line with good accounting practice for Local Government, but some aspects have been simplified in order to make them more meaningful.

All the figures are still draft, however, as the council's accounts have yet to be audited by KPMG LLP, who are the council's external auditors. The full draft Statement of Accounts is available on the council's website at www.lancaster.gov.uk. Once the audit has been completed, the audited accounts will be published by 30 September. These will also be available on the website, and they will be available to view at the town halls in Lancaster and Morecambe.

Financial performance

The council has two different types of spending and income.

- The running costs of day to day services provided are known as revenue expenditure. This is paid for entirely through government grants, council tax and income from direct charges for services, which are known as revenue income.
- Spending on things like buying or improving property, where it will have a lasting value, is known as capital expenditure, or capital investment. This is paid for in a number of ways:
 - by selling other properties (from which the proceeds are known as capital receipts)
 - by borrowing money, which spreads the cost over a number of years
 - by receiving capital grants and developers' contributions
 - and also, by making some contributions from the council's revenue income or its reserves. (Revenue income can be used for either purpose – revenue or capital).

Revenue performance

During the year the council spent £24.6M on services. This represents its net revenue expenditure (which is basically total revenue expenditure on services, less any income received from direct charges for services and any grant funding towards specific activities). Overall the £24.6M outturn was £0.2M lower than expected when compared to the council's most recent budget forecast, which it updated during the autumn/winter of last year. The figures mean that only 99% of the revised budget was spent, and therefore the savings were put into balances in line with the council's policies.

The main reasons for the underspend included reduced concessionary travel costs, savings on City Council (Direct) Services functions and savings made on staff costs. There were some areas that cost the council more than it expected though. Furthermore, the council had £6M of investments with Icelandic banks, at the time of their collapse.

A summary of the council's net revenue spending is shown overleaf. This includes headings and items that the council must show, in line with its accounting practices.

2008/09 Summary Revenue Account	Draft outturn £'000
Service costs (net of income from direct charges):	
Central services to the public	2,499
Cultural, environmental and planning services	18,160
Highways, roads and transport services	1,551
Council housing services	(2,348)
Other housing services	3,601
Corporate and democratic activities	4,297
Other central costs	529
Net revenue cost of services	28,289
Less: Investment interest earned	(1,144)
Other net charges and transfers in line with statute or accounting practice	(9,146)
Add: Payments to parish councils (precepts)	284
Deficit made on trading operations (see note 1 below)	2,208
Investment losses (see note 2 below)	1,632
Interest payable (on borrowings)	2,443
Net revenue expenditure	24,566
Funded by:	
Revenue Support Grant from Government	1,897
Other general grants	1,070
Business Rates	13,626
Council Tax	7,973
Total	24,566

Notes :

1 The deficit made on trading operations is due to a downward revaluation of £2.3M on two buildings, however this does not impact on the council's overall outturn position as it is reversed out in the other net charges and transfers in line with Statute or Accounting Practice.

2 This represents the current estimate of total potential losses relating to the investments in Icelandic Banks. Effectively, around £0.4M of this loss has been provided for in 2008/09 (with some additional amounts in future years). In line with Government Regulations issued in December 2008, the remaining £1.2M of potential loss as at 31 March 2009 has been deferred and no specific provision has been made within the 2008/09 accounts. Other reserves have been increased by £800K, however, and this will give the council scope to address its investment position, and/or other potential liabilities in 2009/10.

Capital performance

In 2008/09 the city council spent £13.551M on capital schemes.

An analysis of the expenditure and funding is shown below. The council's revised Capital Programme for 2008/09 was £15.246M but due to delays in progressing a number of schemes, around £2.5M will need to be rolled forward into 2009/10.

Overall financial position (from the balance sheet)

At the end of 2008/09 the council had net 'equity' of £165M. This was made up of a property portfolio of £292M, although it had £39M long term borrowing outstanding, and also estimated future potential liabilities totalling £41M in connection with its employees' pension fund. Other net liabilities amounted to £47M. The council had money set aside in usable reserves amounting to £16M. Of these, around £15M has already been earmarked to fund future spending plans, or to provide protection against the main financial and other risks facing the council.

Conclusion

2008/09 has been a difficult financial year for the council. In particular, the downturn in the global economy has affected the council both in terms of its investments and investment interest generated from cash flows. On a more local level income receipts from some council activities have also fallen, but savings have been generated in other areas. The council's reported financial position has improved overall, with balances slightly higher than expected – but this should be considered in context of deferring the majority of currently estimated losses in connection with Icelandic investments.

2008/09 Summary Revenue Account	Draft outturn £'000
Leisure and parks facilities	605
Coast protection and flood defence schemes	338
Other environmental schemes	364
Planning and regeneration schemes	5,007
Highways and transport related schemes	602
Council housing improvements	3,034
Other private sector housing renewal and regeneration	3,113
Computer equipment and software	266
Municipal and other building improvements	222
Total capital expenditure	13,551
Financed by:	
Capital receipts from property sales	2,093
Borrowing	1,804
Capital grants and contributions	6,123
Revenue and reserves	3,531
Total	13,551

Statement of contracts on the transfer of staff

The council complies with best value requirements in procurement, including the requirements of the Code of Practice on Workforce Matters in Local Authority Service Contracts, in the awarding of contracts and the establishment of partnership arrangements. The council did not enter into any contracts requiring a transfer of staff in 2007/08 and therefore had no need to initiate the Code of Practice.

Corporate Plan – year end report

Ensuring success – managing performance

This Annual Report is in many ways the companion document to the Corporate Plan. Its main purpose is to take stock of our performance in the past year. Each of the following six sections details the performance measures which were in place for the financial year 2008/09 to help us achieve our objectives and corporate priorities. Comments are given where there is a variance against targets. ALL services and staff throughout the authority play their part and have highlighted their individual contribution in service business plans.

The council’s Performance Management Framework helps us to identify whether we are achieving our priority objectives, meeting community need and improving the services we deliver. One way the council can monitor its performance is through performance indicators. These help us to see whether we are achieving the standards we and our customers expect. Performance is reported quarterly to our Performance Review Teams to ensure a sustained focus on the things that matter.

Corporate commitment to data quality

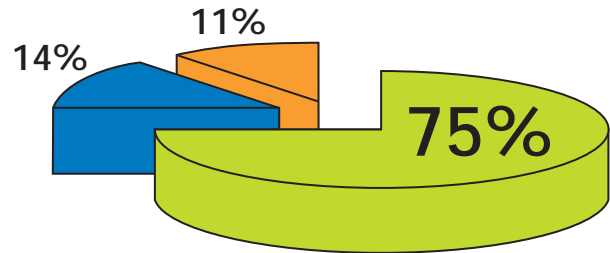
It is vitally important that the information this council produces and relies upon to make its decisions is correct. Lancaster City Council is therefore strongly committed to ensuring that all its published performance information must be correct and fit for external scrutiny.

Responsibility for ensuring the robustness of our data rests at the highest level with the cabinet member for Information Technology and Customer Services and the Corporate Director (Finance and Performance). Monitoring of strategic performance indicators takes place quarterly in the Cabinet led ‘Performance Review Teams’ and then these are scrutinised within the Budget and Performance Panel.

In this way, an awareness of performance management has been embedded into the

Corporate Plan Targets

- Targets achieved
- Behind target
- Not achieved



culture of the council and all decision makers are able to rely upon timely and accurate data. Our sound management in this area was endorsed by the Audit Commission in 2007/08 when Lancaster City Council was judged to be ‘performing well’ (i.e. Level 3 - the second highest out of four possible grades).

The introduction this year of the Comprehensive Area Assessment (CAA) framework will make reliable performance information more important. The CAA will place greater emphasis on assessments that are proportional to risk. Councils will also be required to use information to reshape services and to account to the public for performance. The CAA focuses on positive outcomes for communities and the way in which local agencies work together to deliver them, so in the coming year we will work closely with the other members of the Local Strategic Partnership. Together we will ensure that a best practice approach the production of high quality, reliable data is shared by our key partners.


Indicator Guide

A simple key will indicate performance trends















- Failing**
- Behind Target**
- On or above target**

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Support our local economy								
NI170 Vacant or derelict land	3.83	NA	NA	3.83	5.29	Low		The baseline figure for derelict land was based on the best information available at that time, this has now been updated to reflect a more accurate position. Thus the increased figure can be attributed to a changing baseline position rather than declining performance.
NI171 New Business VAT registration rate - input required from LAA to set target	41.4	NA	NA	NA	-	High		These figures are provided annually in December, the latest figures are for 07/08.
LOCAL (ED01) EDZ Financial Performance	73.38%	N/A	N/A	98.50%	98.67%	High		EDZ programme completed
LOCAL (ED13) Tourism Customer Satisfaction	94.55%	N/A	N/A	90%	100.00%	High		
LOCAL (ED14) Level of Tourism spend	259.26	N/A	N/A	267	267	High		
LOCAL (ED17) Increase the number of unique visitors to the tourism website	New	NA	NA	15000	15754.1	High		
Clean and green places								
NI185 Reduction in CO2 emissions from Local Authority operations	New	NA	NA	NA	4563.3 tonnes	Low		Baseline year
NI192 % household waste recycled and composted	32.27%*	N/A	N/A	33	34.8	High		*Although this is a new statutory indicator, we have tracked recycling and composting tonnages for a number of years for Defra and so historic data is available.
NI195b - Street Cleanliness - detritus	New	N/A	N/A	7	7	Low		
NI195d - Street Cleanliness - fly posting	New	N/A	N/A	1	0	Low		
NI195c - Street Cleanliness - Graffiti	New	N/A	N/A	3.5	1	Low		
NI195a - Street Cleanliness - litter	New	N/A	N/A	15	4	Low		
NI196 Illegally dumped waste - flytipping	New	N/A	N/A	3		Low		Final audited figure is expected from Defra later this year
LOCAL (CCS01) Bulky waste requests (days taken)	3 days	N/A	N/A	5 Days	3.83 days	Low		

Failing Behind Target On or above target

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Clean and green places								
LOCAL (CCS02) % of missed collections	0.15%	N/A	N/A	0.75%	0.20%	Low		
LOCAL (CCS03) % of households with 3 stream recycling collection	90.20%	N/A	N/A	90%	96.60%	High		
LOCAL (EP46) Dog related offending score against best practice enforcement checklist	New	N/A	N/A	70	70	High		
LOCAL (BV199a) Street Cleanliness	10.67%	6.60%	14%	14%	8.33%	Low		
Safe and communities								
NI8 The percentage of the adults (age 16 and over) population in a local area who participate in sport and active recreation	New	NA	NA	NA	28.30%	High		
NI19 Rate of proven reoffending by young offenders	1.36	NA	NA	1.68	1.38	Low		Current data available to January 2009 only.
NI20 Assault with injury crime rate	1125	NA	NA	1094	954	Low		
NI21 Dealing with local concerns about anti social behaviour and crime issues by local council and Police	New	NA	NA	NA	28.6	High		Baseline year
NI22: Perceptions of parents taking responsibility for the behaviour of their children in the area	New	NA	NA	NA	30.2	High		Baseline year
NI23: Perceptions that people in the area treat one another with respect	New	NA	NA	NA	30.5	High		Baseline year
NI27 Understanding of local concerns about anti-social behaviour and crime by the local council and police	New	NA	NA	NA	29.2	High		Baseline year


Failing  Behind Target  On or above target 

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Safe and healthy communities								
NI32 Repeat incidents of domestic violence	864	NA	NA	NA	962	Low		
NI41 Perceptions of drunk or rowdy behaviour as a problem	New	NA	NA	NA	30.9	Low		Baseline year
NI42 Perceptions of drug use or drug dealing as a problem	New	NA	NA	NA	29.2	Low		Baseline year
NI57 Children and young peoples participation in high-quality PE and sport	New	NA	NA	NA	89	High		
NI119 Self-reported measure of people's overall health and wellbeing	New	NA	NA	NA	74.5	High		Baseline year
NI184 Food Establishments broadly compliant	New	N/A	N/A	90%	89.69%	High		
LOCAL (CS05) Reduce criminal damage	3168	N/A	N/A	3057	3074	Low		
LOCAL (CS01) Reduce serious violent crime	90	NA	NA	81	81	Low		
LOCAL (Cult22) The average no. of children receiving coaching per week	2814	N/A	N/A	2400	3484	High		
Support communities								
NI1 % of people who believe people from different backgrounds get on well together	New	NA	NA	NA	76.6	High		Baseline year
NI2 % of people who feel they belong to their neighbourhood.	New	NA	NA	NA	57.2	High		Baseline year
NI3 Civic participation in local area	New	NA	NA	NA	14.4	High		Baseline year
NI4 % of people who feel they can influence decisions locally	New	NA	NA	NA	25.3	High		Baseline year
NI6 Participation in regular volunteering	New	NA	NA	NA	25.8	High		Baseline year













Failing  Behind Target  On or above target 

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Support our local communities								
NI17: Perceptions of anti-social behaviour	New	NA	NA	NA	20.4	Low		Baseline year
NI35 building resilience to violent extremism	New	NA	NA	NA	2	High		Baseline year
NI37 Awareness of civil protection arrangements in the local area	New	NA	NA	NA	16.2	High		Baseline year
NI138 Satisfaction of people over 65 with both home and neighbourhood	New	NA	NA	NA	85.1	High		Baseline year
NI139 The extent to which older people receive the support they need to live independently at home	New	NA	NA	NA	34.6	High		Baseline year
NI154 Net additional homes provided	New	N/A	N/A	400	325	High		Estimated figure, completion of survey expected July 2009
NI155 Number of affordable homes delivered	New	N/A	N/A	60	28	High		Estimated figure, completion of survey expected July 2009
NI156 No. of households living in temporary accommodation	New	N/A	N/A	21	3	Low		The authority has reduced the number of dispersed houses to 12. The authority has now met the target set by DCLG ahead of time.
NI158 % non decent homes (local authority homes)	0	N/A	N/A	0	1	Low		There is a planned maintenance programme to bring all housing stock back into decency by the end of 2009/10
NI160 Local authority tenants' satisfaction with landlord services	80.40%	NA	NA	NA	80%	High		
NI187 Fuel Poverty: % of people receiving income based benefits living in homes with a low energy efficiency rating (SAP rating of <35)	New	NA	NA	NA	7.65%	Low		Baseline year
NI187 Fuel Poverty: % of people receiving income based benefits living in homes with a high energy efficiency rating (SAP rating of >65)	New	NA	NA	NA	31.88%	High		Baseline year




Failing Behind Target On or above target

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary	
Support our local communities									
LOCAL (BV64) Empty properties back in occupation	61	112.5	12	50	64	High			
LOCAL (BV183a) Length of stay in B&B	0.74	NA	NA	1	2.36	Low			
LOCAL BV202 08/09 Rough sleepers	0	0	3	3	2	Low			
LOCAL (BV212) Average Time to Relet LA Housing	32.19Days	25Days	47Days	32Days	41.89Days	Low		After a poor start to the year performance is now improving due to remedial action including: sub contracting of more work, staff training and more effective monitoring.	
LOCAL (BV213) Homeless Prevention	7.07	4	1	8	15.35	High			
LOCAL (BV170a) Overall use of museums	1097	1123	192	1350	966	High			
LOCAL (SH12) No. of properties improved through enforcement	175	N/A	N/A	215	278	High			
LOCAL (SH13) Number of properties in which serious hazard eliminated	13	N/A	N/A	120	154	High			
LOCAL (SH16) No. of properties where risk profile reduced	86	N/A	N/A	70	144	High			
LOCAL (SH19) No. of private sector homes made decent	94	N/A	N/A	50	127	High			
LOCAL (SH20) Number of homes made decent with vulnerable occupants	13	NA	NA	20	38	High			
Co alth									
NI5 Overall satisfaction with the District	New	NA	NA	NA	79.9	High			Baseline year
LOCAL (LL01) Local searches completed within 5 working days	99.46	NA	NA	98	98.99	High			
NI14 Avoidable contact	New	N/A	N/A	52	52.21	Low			Baseline year
NI140 Fair treatment by local services	New	NA	NA	NA	66.2	High		Baseline year	

Failing  Behind Target  On or above target 

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Corporate health								
LOCAL (BV02a) Level of Equality Standard Achieved	1	N/A	N/A	2	1	High		This is the last year this indicator is to be reported - in Jan 09 a new national Equality Framework was introduced which will guide future council activity
LOCAL (BV09) % of Council Tax Collected	96.80%	98.60%	97.35%	97.10%	96.62%	High		A small number of our indicators have been affected by the global economic downturn. It is clear that financial hardship in the community will adversely effect people's ability to pay and a small dip in performance is to be expected.
LOCAL (BV10) % of NNDR collected	99.30%	99.36%	98.53%	99.20%	98.37%	High		
LOCAL (BV12) Sickness absence, days lost per employee	9.93	8.3	10.6	9.75 days	9.97 days	Low		
LOCAL (BV66a) Rent Collected	98.50%	98.61%	97.53%	98.60%	98.50%	High		
LOCAL (BV66b) Tenants Owing More Than 7 Weeks Rent	3.72%	3.43%	6.26%	3.60%	3.94%	High		
LOCAL (BV66c) Tenants with NSP's for Rent Arrears	14.40%	13.55%	36.25%	25%	19.40%	Low		
LOCAL (BV66d) % LA Tenants Evicted for Rent Arrears	3.72%	0.17%	0.43%	0.30%	0.16%	Low		
NI157a Major planning applications determined within 13 weeks	60	80.71	66.67	65	66.67	High		Local target exceeded and ahead of national target for major applications of 60%
NI157b Minor applications determined within 8 weeks (Quarterly)	86.36	83.66	70.29	80	78.72	High		National target of 65% exceeded for minor applications
NI157c % of other applications determined with 8 weeks	88.89	92.57	85.2	85	84.64	High		National target of 80% exceeded for other applications of 80%.
NI179 Value for Money - Total net value of ongoing cash-releasing value for money gains	New	NA	NA	1,046,000		High		Figures will be available later in the year.
NI180 Change of HB/CTB circumstances processed	New	N/A	N/A	11,500	13,419	High		

Failing  Behind Target  On or above target 

Performance Indicator	Historic 07/08	Upper Quartile	Lower Quartile	Target 08/09	2008/09	Good is?	Status	Commentary
Corporate health								
NI181 Time taken to process new claims	New	N/A	N/A	15	11.2	Low		
NI182 satisfaction with regulatory services	New	NA	NA	NA	82%	High		Baseline year
NI189 - Flood and coastal erosion risk management	New	NA	NA	NA	100%	High		

Failing  Behind Target  On or above target 

We asked, you said - we did/are doing

Lancaster City Council believes local people should be at the forefront of decision making. Our work in the last year and our future plans, clearly show our commitment to enabling local people to play a fuller role in shaping their communities.

The council has carried out approximately 62 consultations in 2008/09. Below are a few examples on how the results have been used.

We Asked	You Said	We Did/Are Doing
<p>Play ground closures in Whinsfell View and Wingate Avenue – January/February 2008</p> <p>This was due to anti social behaviour and equipment being in a poor state.</p>	<p>Whinsfell View - there was a 28 response rate - 21 in agreement with and 7 were against the proposal.</p> <p>Wingate Avenue - there were 92 responses - 73 in agreement; 16 against, 3 uncommitted to the proposal.</p>	<p>The play equipment was removed in June/July 2008.</p> <p>A focus group was held in August 200 at the Dukes to provide people with a chance to discuss the issues in more detail.</p>
<p>An online survey on Women's Cycling took place in April 2008.</p>	<p>350 responses were received to the online survey which was open to women in the Lancaster District.</p> <p>Some key results:</p> <ul style="list-style-type: none"> • 79% of respondents owned a bike (or had one available to them) • 20% said cycling was their main mode of transport - 51% said that the car (as driver) was their main mode • 40% cycle at least weekly, while 8% never cycle • 27% regularly cycle to work • 62% were confident or average cyclists; 33% were not confident and 4% could not cycle • The 5 main advantage of cycling were: physical health (97%), environmentally friendly (85%), low cost (82%), being outdoors (77%) and mental health (65%). 	<p>A leaflet has been produced 'women on wheels – guided cycle rides' and a number of events of events have been/are being run.</p> <p>For more information visit www.celebratingcycling.org or phone 01524 582392/01524 582616.</p>

We Asked	You Said	We Did/Are Doing
	<p>The 5 main disadvantages were: weather (77%), road safety (74%), carrying loads (63%), personal safety (49%) and bike security (43%)</p> <ul style="list-style-type: none"> • 57% expressed an interest in maintenance training, 40% in on road cycle training and 29% in off road training • 83% of respondents were possibly interested in cycling more 	
Plans for Regents Park	<p>We received 102 questionnaire responses which gave a consultation response of 34%</p> <p>The results showed that the preferred top improvements were:</p> <ul style="list-style-type: none"> • Park warden • Toilets • More festivals/events • Separate dog area • Sensory wildlife/relaxation area • Improved Lighting 	<p>The survey results helped to support a Community Design grant application.</p> <p>All the identified physical top improvement elements have been fed into the park design, although, the dog training area have not gone ahead due to health & safety issues.</p>
A postal Lifeline Connect Service customer satisfaction survey took place in April 2008.	<p>The results showed a high satisfaction with the service.</p> <p>Many people said that it has made them feel more secure and helped them to keep their independence.</p>	As a result a marketing sub group has been set up to promote the service and improve take up numbers. The system is now available to everyone in the district not just council tenants.
Sheltered housing (Prospect Grove/Penhale walk Gardens and Altham) management - April 2008.	There was an overwhelming positive response when residents were asked if the service had improved since the pilot residential management scheme had taken place.	Community facilities have been extended and upstairs guest rooms have been approved.
<p>During the Summer School Holiday's of 2008, Lancaster City Council's Children's Playschemes took place.</p> <p>Leisure Development delivered Playschemes at the following sites over the summer;</p>	535 places were offered in total. A cross section of playscheme attendees were asked to complete a playscheme consultation form for which we received 150 respondents.	The results will be used to improve this year's playscheme programme.

We Asked	You Said	We Did/Are Doing
<p>Heysham Methodist Church, Morecambe High School, Ellel School, Cockerham Village hall, Warton Village Hall, Carnforth High School, Morecambe Youth & Community Centre, Barton Rd Community Centre, St Pauls Parish Hall Scotforth, Hornby High School, Halton Community Centre.</p>	<p>There was a positive response from a mixture of gender and age groups. The majority were keen to take part in a scheme again.</p>	
<p>Tenants' Den - August 2008</p> <p>How did housing tenants from across the district want the council's £58,000 Annual Environmental Budget to be spent?</p>	<p>There were 170 responses.</p> <p>12 tenants expressed an interest in getting further involved and range of ideas were provided for spending the Environmental Budget.</p>	<p>The results were presented to the District Wide Tenants' Forum / Cabinet Liaison Group and a sub group was set up from a variety of areas (including rural) and spending was prioritised as follows:</p> <p>The majority of the money about £40,000, has been spent on improving lighting to sheltered housing schemes and bungalows.</p> <p>£5,000 has been set aside to allow all council tenants to have two free bulky matters collections of up to three items twice a year. £2,000 has been set aside for skips – these will be used to tidy up estates or help community groups carry out litter picks etc.</p>
<p>Children and Young People's Special Council Event - October 2008</p>	<p>Below are some of the comments young people made on their evaluation sheets:</p> <p>What was the best bit for you? And why</p> <ul style="list-style-type: none"> • Talking/meeting/presenting in front of the councillors • Feed back from the councillors because it was interesting to hear what they had to say • The best bit was getting to hear that the councillors want to also make a change 	<p>The comments and suggestions from the day have formed the basis of the draft Council's Youth Engagement Strategy.</p> <p>A feedback pack including a DVD of the day has been sent to everyone who attended or helped out on the day.</p> <p>The young participants and the school/youth councils will soon have the opportunity of feeding back on the strategy in its draft form and will OK the final draft that will then be approved by Council.</p>

We Asked	You Said	We Did/Are Doing
	<ul style="list-style-type: none"> • Meeting new people and hearing their views • Expressing opinions and hearing from other people • All of it because it was good <p>How could we make it better?</p> <ul style="list-style-type: none"> • To be honest, not much • More activities • One to one discussion with councillors • Actually do anything about the points we made • More time <p>Do you think this event has been successful? Yes</p> <p>31 – unanimous</p>	
<p>New Crag Bank Play Area – December 2008</p>	<p>60 replies were received. 71.6% of responses supported the proposal to relocate and improve the play area, 16.6% had no strong opinion for or against and 11.6% were against the proposal.</p> <p>12 adults and 11 children attended the community centre sessions and gave their views.</p>	<p>These results were used to inform the decision to build the new play area - work finished at the end of March 2009.</p>

BUDGET & PERFORMANCE PANEL**Partnership Mapping & Evaluation****14 July 2009****Corporate Director (Finance & Performance)****PURPOSE OF REPORT**

To inform Members of the main outcomes arising from the completed evaluations of the Community Safety and Museums Partnerships and to provide an update on progress on the agreed work programme for the evaluation of eight partnerships during 2009/10

This report is public

RECOMMENDATIONS

1. That the outcomes arising from the evaluations of the Community Safety and Museums Partnerships be considered and any further actions identified
2. That progress on the work programme for evaluating eight partnerships during 2009/10 be noted

1 Introduction

- 1.1 In February 2009, Members considered the work programme for 2009/10 for the evaluation of eight major partnerships and the completion of the evaluations of the Community Safety and Museums Partnership who had been undertaking a 'pilot' study of the effectiveness of the adopted *Partnership Development and Evaluation toolkit*.
- 1.2 This report sets out the main outcomes arising from the completed evaluations and the progress made to date in preparation for the evaluation of the eight major partnerships selected for 2009/10.

2 Overview of completed Partnership Evaluations

- 2.1 A conscious decision was made to choose two very different partnerships in terms of their purpose and overall significance to the Council to pilot the effectiveness of the *Partnership Development and Evaluation Toolkit* in practice.
- 2.2 Representatives and officers from both partnerships have said that they were able to effectively apply the toolkit to their circumstances and areas of activity/responsibility. Positive feedback has been received that the toolkit has been valuable not only as a means of assessing partnerships and the Council's involvement in them but also as a means of generating discussion in a structured way on key aspects of partnership working, including some that had not been previously considered.
- 2.3 It was reported that the toolkit had provided an opportunity for the partnership to identify what it does well and where there are areas for further improvement, and that it has '*...helped to build relationships and enabled partners to gain a greater understanding and appreciation of their contribution to the partnership and has raised the potential for this to be used more effectively in the future*'.
- 2.4 The Museums Partnership toolkit was initially completed by a representative from Lancashire County Council's Museums Service before being considered by senior County Council and City Council officers including the Head of Cultural Services. Part 2 of the toolkit, considering the Council's role and contribution to the partnership was completed by the Head of Cultural Services and the Cultural Services Manager.

- 2.5 The Community Safety Partnership took a different approach with the Community Safety Officer initially visiting several Service Heads within the Council to discuss their contributions within the partnership, before having a series of workshops with key officers from partner organisations, including representatives from the Health, Fire and Police authorities.
- 2.6 The manner in which individual partnerships undertook the evaluation was left to their discretion as it is recognised that no one approach 'fits all', but both have been successful in terms of providing information on essential aspects of partnership working including their main functions/purpose and funding, risk management, governance and value for money arrangements. The toolkit has also enabled each partnership to take stock of their overall effectiveness against a set of criteria covering the following key questions:
- **Focus** – *'Is the purpose of the partnership clear and does it make a positive contribution to the needs of the community?'*
 - **Membership** – *'Is the membership of the partnership appropriate to meet its stated aims & objectives?'*
 - **Efficiency and effectiveness** – *'Is the partnership effective and does it measure its inputs, outputs and efficiency?'*
 - **Accountability & Transparency** – *'Does the partnership demonstrate accountability and does it follow democratic principles?'*
 - **Learning & Sharing** – *'Does the partnership learn from others and share experience and expertise?'*
 - **Evaluation and Monitoring** – *'Does the partnership evaluate and monitor its progress and outputs?'*
- 2.7 Outcomes and actions arising from each evaluation are set out in Appendices A – Community Safety Partnership and B – Museums Partnership for consideration and comment. It should be noted, however, that these have yet to be considered by the full membership of each partnership, when arrangements will be made to assign responsibility and set target dates for the implementation of agreed actions and to monitor and report on progress.
- 2.8 Standing information relating to each partnership, together with details of agreed development and improvement actions will be entered in a database which will provide a central point of reference of partnership activity and enable the Partnership Mapping & Evaluation team to monitor progress in implementing the actions agreed by each partnership. This database will also be used to ensure that partnerships report annually on their activities and provide assurance on their governance arrangements and overall effectiveness.

3 Partnership Evaluation Work Programme 2009/10

- 3.1 At this relatively early stage good progress has been made against the approved work programme for 2009/10. Initial meetings have been held with lead Council officers and partner representatives from each of the eight partnerships to plan the arrangements for conducting the evaluations, five of which are now underway.
- 3.2 These meetings have been extremely positive with officers and partners seeing real benefits/opportunities in undertaking the evaluations. All have agreed to the timescales set out within the work programme and progress will be monitored by the Partnership Mapping and Evaluation Team, with any exceptions from planned activity initially being reported to the Performance Management Group for consideration. Service Heads are incorporating the resources needed to undertake the evaluations within their Service Business Plans for 2009/10.

- 3.3 Details of the actual and planned activity to date, and for the remainder of the year are set out in Appendix C. Further reports on overall progress will be submitted to both the Performance Management Group and the Budget and Performance Panel, in line with this work programme.

RELATIONSHIP TO POLICY FRAMEWORK

Effective partnership working and the Council's responsibility to provide vision and leadership to local partnerships is a key component of the Council's corporate plan. Strengthening performance management of partnerships is a corporate priority for the Council.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None identified arising from this report

FINANCIAL IMPLICATIONS

None as a direct result of this report, although as work progresses there will be a need to develop effective links with the Medium Term Financial Strategy (MTFS) and supporting processes to ensure that key financial implications and risks arising from service delivery through working in partnership are reflected and addressed within the Council's existing financial planning arrangements

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has highlighted the need to ensure that as the partnership framework becomes established there will be a need to update the Council's Financial Regulations and Procedures and Contract Procedure Rules as appropriate.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and would emphasise the need to monitor and ensure high standards of behaviour when the Council is working in partnership with other organisations

BACKGROUND PAPERS

Partnership Development and Evaluation Toolkits and project documentation

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Ref: 07/0735 B&PP report 090714

Community Safety Partnership

Development and Action Plan

Appendix A

Issues Identified	Actions Planned	Responsibility	Implementation Target Date
<p>1. Revised structure of the partnership in line with the review of the LDLSP and the requirements of the CDRP Reform Act are not yet fully established</p>	<ul style="list-style-type: none"> • Review/clarify the structure and responsibilities of the CSP and the LDLSP Safety Thematic Group and consider ways of effectively integrating the statutory responsibilities of the CSP within the LDLSP Safety Thematic Group incorporating: <ul style="list-style-type: none"> - The Executive - Sub Groups - Constitution - Stakeholders - Capacity - PACTs - MAPS - Officer Working Group 		
<p>2. The interests of agencies can override those of the partnership as a whole</p>	<ul style="list-style-type: none"> • Make it clear that everyone has 'a voice' and clearly identify roles and responsibilities of partners both individually and collectively • Consider ways to improve information sharing arrangements and ensure that priorities of other agencies/organisations are clearly understood • Review the way in which partners report back to their own organisations on the activities of the partnership and strengthen links into each organisations business planning process 		
<p>3. Continue to develop effective communications through the establishment of the LDLSP Community Engagement Strategy</p>	<ul style="list-style-type: none"> • Take advantage of the Community Engagement Framework to provide effective two-way communication and consultation with all stakeholders in order to promote more effectively the value of the partnership within communities • Use stakeholder analysis to consider 		

Issues Identified	Actions Planned	Responsibility	Implementation Target Date
3. Continued	development of stronger links with the voluntary, community and faith sector and the criminal justice system		
4. There is a need to review/set objectives in line with the Sustainable Community Strategy and agree priorities with the LDLSP within the resources available to the partnership	<ul style="list-style-type: none"> • Ensure where possible that objectives and outcomes are Specific, Measurable, Achievable, Realistic, Time-bound, Effective and Resourced • Align the priorities of LDLSP and CSP to remove the concept of conflicting and competing priorities 		
5. Performance management arrangements are underdeveloped	<ul style="list-style-type: none"> • Review arrangements resulting from the performance management framework developed by the LDLSP and establish clear KPI's • Monitor/compare performance against agreed SMARTER objectives, targets and KPI's and develop a mechanism for ensuring that performance management information received from all partners is effective, up-to-date, timely and that performance responsibilities amongst partners is understood • Establish effective action planning, monitoring and reporting arrangements for 'failing' targets • Carry out a training and skills audit (as part of the CDRP Reform Act requirements) 		
6. Risk management and value for money arrangements are underdeveloped	<ul style="list-style-type: none"> • Review issues identified in the partnership risk register • Undertake a review of project evaluation procedures to ensure the partnerships resources are providing vfm and are targeted to achieve the partnerships objectives 		

Issues Identified	Action Planned	Responsibility	Implementation Target Date
<p>1. No formal review of the Partnership agreement has been undertaken since it was established in 2003 for the management of the Council's three museums by Lancashire County Council</p>	<ul style="list-style-type: none"> • Carry out a review of the existing partnership agreement (due to end in April 2013) and ensure that any revised agreement incorporates key elements on the running of the partnership and effective partnership working, including shared purpose and values and governance arrangements 		
<p>2. The extent and relationship of the partnership to the delivery of Sustainable Community Strategy (SCS) and corporate/service objectives and priorities should be clear</p>	<ul style="list-style-type: none"> • Review partnership aims and objectives and (re)determine links to the delivery of SCS and corporate objectives • Ensure that partners agree on strategy, aims/objectives and desired outcomes and consider whether at a strategic level there are opportunities for this partnership to be subsumed within the Key Cultural Partnership or some other • Review Service Business Plans (Cultural Services) and Museum development plans (County Council) in relation to the contribution that the partnership makes to service delivery 		
<p>3. There is scope to develop working relationships between City and County Council representatives on the partnership</p>	<ul style="list-style-type: none"> • Clearly identify roles and responsibilities both individually and collectively and consider ways of improving information sharing arrangements • Review the way in which partners report back to their own organisations on the activities of the partnership and consider benefits of having an officer working group between Cultural Services and the County Museums Service • Develop ways in which partners learn from each other and share best practice, skills and knowledge 		

Issues Identified	Action Planned	Responsibility	Implementation Target Date
4. Performance management arrangements are undeveloped	<ul style="list-style-type: none"> • Review/set objectives ensuring that, where possible, these are Specific, Measurable, Achievable, Realistic, Time-bound, Effective and Resourced • Monitor/compare performance against SMARTER objectives, targets and KPI's and develop mechanisms for ensuring that performance management information is up-to-date and timely and that performance responsibilities are understood • Ensure that monitoring procedure effectively links partnership outcomes with strategic objectives and establish effective action planning, monitoring and reporting arrangements within the partnership 		
5. Risk management and value for money arrangements are underdeveloped	<ul style="list-style-type: none"> • Review risk management arrangements and consider risks identified in the partnership risk register • Undertake a review of value for money arrangements linked to performance and procurement opportunities 		
6. No exit strategy in place	<ul style="list-style-type: none"> • Develop and agree an exit strategy 		

BUDGET AND PERFORMANCE PANEL**Work Programme Report
14th July 2009****Report of Head of Democratic Services****PURPOSE OF REPORT**

To update Members with regard to the Work Programme.

This report is public

RECOMMENDATION

That a detailed Work Programme be presented to the Panel at its meeting on 8th September 2009.

1.0 Introduction

- 1.1 Following scoping, and consultation with relevant officers, it is proposed that a detailed Work Programme be brought to the meeting of the Panel on 8th September 2009 for consideration.
- 1.3 Members are invited to propose any issues they would like the Panel to consider as part of its Work Programme. The Panel's Terms of Reference are attached for Members' information.

The Panel is requested to agree the recommendation.

BACKGROUND PAPERS

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BUDGET AND PERFORMANCE PANEL

TERMS OF REFERENCE

- 1 To scrutinise the Council's arrangements and performance in relation to financial planning, including budget / target setting. e.g. items within the Budget Framework including :
 - reviewing the effectiveness of the budget setting process,
 - role of Star Chamber,
 - contents of the Medium Term Financial Strategy and
 - Capital Investment Strategy and
 - financial targets in the Corporate Plan.
- 2 To review the management of resources by scrutinising the Council's financial performance in year against agreed budgets or other targets. e.g.
 - capital and revenue spending against approved budgets,
 - specific activities including treasury management, generation of revenue and capital income targets and
 - monitoring of financial savings/efficiency targets (MTFS/Gershon).
- 3 To monitor and review by exception reporting within the PRTs the performance of the Council's services and contractual arrangements in delivering specific strategic and operational objectives and outcomes. e.g.
 - receive Performance Review Team reports,
 - monitor the delivery and effectiveness of Service Level Agreement targets,
 - assess performance against key performance indicators and benchmarks,
 - assess whether services are delivering their expected outcomes.
- 4 To review the effectiveness of the Council's overall performance management arrangements in relation to partnership working and to scrutinise the performance of the Council's major partnerships.
- 5 To scrutinise the Council's policies and procedures and other supporting arrangements for securing value for money (i.e. economy, efficiency, effectiveness) e.g.
 - value for money strategy,
 - procurement practices,
 - income management and collection arrangements,
 - asset management practices
 - insurance arrangements.
- 6 To consider risk management issues in reviewing and scrutinising performance.
- 7 To make recommendations as appropriate in respect of the above.

BUDGET AND PERFORMANCE PANEL
WORK PROGRAMME

Matter for consideration	Officer Responsible	Meeting date
Partnership Mapping and Evaluation – Community Safety Partnership	H.CS	14.07.09
Partnership Mapping and Evaluation – Museums Service Partnership	H.Cult.S	14.07.09
Partnership Mapping and Evaluation – West End Partnership	To be confirmed	08.09.09
Partnership Mapping and Evaluation – CCTV	H. Prop.S	08.09.09
Highlight Report	Principal Auditor	08.09.09

Requests for Cabinet Member attendance

PRT Reports 4 th Quarter	Cabinet Member with Responsibility for Performance Management	14.07.09
PRT Reports 1 st Quarter	Cabinet Member with Responsibility for Performance Management	08.09.09

Briefing Notes requested

Date requested	Topic	Officer responsible	Progress