



Committee: CABINET

Date: TUESDAY, 7 NOVEMBER 2017

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 3rd October 2017 (previously circulated).

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

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

4. **Declarations of Interest**

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

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

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

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

5. **Public Speaking**

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

Reports from Overview and Scrutiny

None

Reports

6. **Request for Approval to Proceed with Grant Application to the Clean Bus Technology Fund (Pages 1 - 8)**

(Cabinet Member with Special Responsibility Councillor Warriner)

Report of Chief Officer (Health & Housing)

7. **Corporate Property Review - Cabinet Liaison Group (Pages 9 - 11)**

(Cabinet Member with Special Responsibility Councillor Leyshon)

Report of Chief Officer (Resources)

8. **Corporate Financial Monitoring Quarter 2 - 2017/18 (Pages 12 - 27)**

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of Chief Officer (Resources)

9. **2017 – 2018 Performance Monitoring Quarter 2 (Pages 28 - 33)**

(Cabinet Member with Special Responsibility Councillor Blamire)

Report of Chief Officer (Environment)

10. **Strategic Planning (Pages 34 - 40)**

(Cabinet Members with Special Responsibility Councillors Blamire & Whitehead)

Report of Chief Executive

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Darren Clifford, Brendan Hughes, James Leyshon, Margaret Pattison, Andrew Warriner and Anne Whitehead

(ii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email ebateson@lancaster.gov.uk.

(iii) Apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on Monday, 30th October, 2017.

CABINET

**Request for Approval to Proceed with Grant
Application to the Clean Bus Technology Fund
7 November 2017**

Report of Chief Officer, Health & Housing

PURPOSE OF REPORT				
To request Cabinet approval to proceed with an application to the Clean Bus Technology Fund.				
Key Decision	X	Non-Key Decision	Referral from Cabinet Member	
Date of notice of forthcoming key decision	18 October 2017			
This report is public.				

RECOMMENDATIONS OF ANDREW WARRINER, CABINET MEMBER AND PORTFOLIO HOLDER FOR HOUSING & ENVIRONMENTAL HEALTH:

- (1) That Cabinet agrees to the city council submitting a bid to the Clean Bus Technology Fund 2017-2019 and undertakes the role of Accountable Body for the funds should the application be successful.
- (2) That the General Fund Capital Programme be updated as appropriate in 2017/18 and 2018/19 to reflect the additional expenditure and associated grant funding, subject to there being a nil impact on the council's resources.
- (3) That Cabinet delegates authority to the Chief Officer (Health & Housing), in agreement with the Section 151 Officer, to approve the making and acceptance of further external funding bids above the key threshold where:
 - a. Any such bid is for the purposes of improving air quality in the district; and
 - b. It can be contained within the budget and policy framework and would not require redirection of resources between service areas, functions or activities on an ongoing basis.
- (4) That Cabinet further delegates authority to the Section 151 Officer, in agreement with the Chief Officer (Health & Housing), to adopt the role of "Accountable Body" where appropriate, in order to support future air quality improvement initiatives in the district, subject to due diligence and any financial implications being contained within the budget and policy framework.

- (5) That the above delegations remain in place until November 2019 and be subject to review at that time.

1.0 Introduction

- 1.1 The Clean Bus Technology Fund is a scheme operated by the Department for Transport in conjunction with DEFRA to award funding to local authorities for projects to modify buses with technology that improves engine emissions.
- 1.2 A successful bid was submitted in 2015 to upgrade 17 buses that regularly travelled through the Lancaster Air Quality Management Area from Euro Standard IV to Euro Standard VI. This submission was made in conjunction with Lancashire County Council acting as the Accountable Body and Stagecoach Cumbria and North Lancashire.
- 1.3 Lancashire County Council have advised that they are no longer able to act as the Accountable Body for this latest funding round due to capacity reasons.

2.0 Proposal Details

- 2.1 The Department for Transport announced on 17 September 2017 that another scheme would be open to submissions for 2017-19. The deadline for applications is 17 November 2017.
- 2.2 The grant scheme is split across two years - £15 million in 2017/18 and a further £15 million in 2018/19.
- 2.3 Submissions that are made which meet the evaluation criteria but are unsuccessful will be rolled forward into the second year of the scheme. The scheme fund of £30 million has been halved across the two years.
- 2.4 With support from city council Legal and Procurement services, preliminary discussions with Stagecoach confirm that they would be amenable to another project to upgrade some of their vehicles operating on services in Lancaster. The approved technology provider has also been involved in these initial discussions.
- 2.5 Although specific details are yet to be worked through, the project could potentially cover a further 36 vehicles requiring a grant award of up to £600K. The vehicles to be upgraded are anticipated not only be operating in the Lancaster Air Quality Management Area (AQMA), but also the Galgate AQMA (the main service through the Carnforth AQMA (the 555 service) is already Euro VI lower emission buses).
- 2.6 The submission will broadly replicate the previous successful application mentioned in section 1.2. With this previous experience we are confident that the submission will meet the evaluation criteria.
- 2.7 The Air Quality Lead Officer, located in Environmental Health will act as project manager, with support from officers working in Finance, Procurement and Legal to ensure that the requirements for the grant award, such as financial management, procurement, outcome monitoring, etc, stipulated by

the awarding body are met throughout the delivery of the project.

2.8 The grant award is for capital only and therefore no funding can be used to cover the cost of submission preparation or project management work.

2.9 Details of Consultation

2.10 No formal consultation has been undertaken. Relevant council service areas have been involved in the preliminary discussions to ensure a high quality submission, smooth delivery of the project if a submission is successful.

3.0 Options and Options Analysis (including risk assessment)

	Option 1: Do not submit a bid for Clean Bus Technology.	Option 2: Submit a bid for Clean Bus Technology and act as Accountable Body.
Advantages	Council resources, i.e. officer time, can be utilised on other work.	Potential opportunity to reduce bus emissions in areas of poorer air quality.
Disadvantages	Lost opportunity in that bus emissions affecting areas of poor air quality will remain as they are now.	Some officer time will have to be allocated to producing a submission within a short timescale.
Risks	Council criticised for not pursuing opportunities to attract external funding.	Officer time could be spent on an unsuccessful submission.

4.0 Officer Preferred Option (and comments)

That a submission is made to the Clean Bus Technology Fund and the city council undertakes the role of Accountable Body. Given the experience obtained in the previous successful submission and with the initial preparatory work already undertaken, we are confident of making a high quality submission. The application will act to support the council’s corporate priorities, particularly in relation to ‘Health and Wellbeing’ and ‘Clean and Green Places’. It also supports the government’s policy and direction of tackling problems of nitrogen dioxide concentrations around roads.

5.0 Conclusion

5.1 A submission to the Clean Bus Technology Fund could potentially allow the upgrading of a significant number of buses that are currently operating in the Lancaster and Galgate AQMAs therefore reducing the contribution from this type of vehicle to poorer air quality.

RELATIONSHIP TO POLICY FRAMEWORK

A submission to the Clean Bus Technology Fund is aligned to both the Health and Wellbeing and Clean and Green Places priorities of the Corporate Plan.

CONCLUSION OF IMPACT ASSESSMENT

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

Reducing bus emissions supports the sustainability agenda.

LEGAL IMPLICATIONS

Legal to advise on the contents of the application, in particular with regard to any State Aid implications, and also the terms and conditions for any subsequent grant award passed onto Stagecoach.

FINANCIAL IMPLICATIONS

It is not expected that there will be any additional financial implications arising for the Council from submitting the bid and accepting any subsequent grant award if successful.

The grant is restricted to reimbursement of capital costs for retrofitting buses with Accredited Technology and monitoring equipment and is a two year grant scheme. The Grant Agreement is due to start in January 2018 and will end on 31 March 2019. Grant recipients will need to submit interim progress reports every 3 months after project inception, with a draft final report reflecting on the impact of the activities initiated by the grant funding no later than 30 September 2019.

The Council is experienced in managing external funds and any associated / ongoing monitoring requirements, as well as undertaking the role of Accountable Body. It is expected therefore that the proposal can be managed within existing staff resources.

It should be noted that any potential State Aid implications will need to be resolved prior to bid submission, although at this stage, it is not expected that there will be any arising as Stagecoach are the only operator in the District. This is currently being looked at by Legal Services, however, and as referred to under the Legal Implications section, they will advise accordingly.

If approved, the General Fund Capital Programme will need to be updated as appropriate in 2017/18 and 2018/19 to reflect the additional expenditure and grant funding, subject to there being a nil impact on the Council's resources.

For the purpose of expedience, it is further recommended that Cabinet delegates authority to officers to approve the making of and acceptance of further external funding bids (including acting as "Accountable Body" where appropriate) for the purposes of improving air quality in the District should the opportunity arise, and for this to remain in place until November 2019, to be further reviewed at that time. Should any specific financial implications arise in relation to an individual scheme, then these would be reported to Cabinet for their consideration in the usual way.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None identified

Information Services:

None identified

Property:

None identified

Open Spaces:

Included in the body of the report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comments to add.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Contact Officer: Paul Cartmell
Telephone: 01524 582728
E-mail: pcartmell@lancaster.gov.uk
Ref: C139

Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

Service

Title of policy, service, function, project or strategy

Type of policy, service, function, project or strategy: Existing New/Proposed

Lead Officer

People involved with completing the EIA

Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Step 1.3 – Is there a need to consult!

Equality Impact Assessment

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

Consultation has taken place with the parties directly affected by the application process and need to provide input to the application and provide subsequent support. These bodies are Stagecoach Cumbria and North Lancashire, a technology provider (Green Urban), County Council Highways and the Councils legal, finance and procurement services.

Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

Age: Air quality improvements arising from bus emission improvements may particularly benefit the old and very young, as air pollution is recognised to have potentially have a more significant impact on these groups.

Disability: Air quality improvements arising from bus emission improvements may particularly benefit persons with existing illnesses (particularly respiratory or circulatory issues) as air pollution is recognised to have potentially have a more significant impact on these groups.

Faith, Religion or Belief: No differential impact

Gender including Marriage, Pregnancy and Maternity: Air quality improvements arising from bus emission improvements will be generally beneficial to persons living within the Lancaster district, particularly those living along bus routes. The benefit will include any pregnant mothers.

Gender Reassignment: No differential impact

Race: No differential impact

Sexual Orientation including Civic Partnership: No differential impact

Rural Communities: The benefit for rural communities will be less pronounced than for those living in urban locations which are more affected by bus emissions.

Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

There is no perceived discrimination arising from this proposal

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

Information regarding the potential air quality benefits of reducing bus emissions will be assessed and submitted as part of the application.

Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

If successful, the application will contribute towards actions included in a district under a new Air Quality Action Plan arising from the Transport Masterplan for Lancaster.

Q9. If you are not in a position to go ahead, what actions are you going to take?

Equality Impact Assessment

If the application is unsuccessful in the first round it is likely to be 'rolled over' to the second round of bidding under the scheme.

Q10. How do you plan to monitor the impact and effectiveness of this change or decision?

If the application is successful the outcomes will be monitored through on board technology monitoring buses and through existing air quality monitoring undertaken within the district and particularly the Air Quality Management Areas.

CABINET

Corporate Property Review – Cabinet Liaison Group

07 November 2017

Report of Chief Officer (Resources)

PURPOSE OF REPORT			
To seek Cabinet's approval for the terms of reference for the Property Review Cabinet Liaison Group.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/> Referral <input checked="" type="checkbox"/>
Date of notice of forthcoming key decision	N/A		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR LEYSHON

- (1) That the terms of reference for the Property Review Cabinet Liaison Group, as set out at Appendix A, be approved.

1.0 Report

- 1.1 At its meeting on 26 June 2017 (Minute 6 refers), Cabinet approved the establishment of a Property Review Cabinet Liaison Group (CLG). This follows the need for the Council to update its corporate property strategy and consider rationalisation of its office accommodation.
- 1.2 During the last budget the Council created additional capacity to develop asset management and as part of Property Services' restructuring, that capacity will be in place shortly.
- 1.3 Further to discussions with the Portfolio Holder, terms of reference for the CLG have been drafted as set out at **Appendix A**, for Cabinet's consideration. Members will see that the initial focus of the Group would centre on the accommodation review, which in turn would feed into wider property strategy.

2.0 Details of Consultation

- 2.1 None at this stage.
- 2.2 For Cabinet’s information, the Portfolio Holder has been invited to attend an Overview and Scrutiny meeting on 06 December to discuss property strategy.

3.0 Options and Options Analysis (including risk assessment)

- 3.1 The options are essentially to agree to the terms of reference as attached, or propose alternatives, subject to Cabinet’s desired focus for the CLG. As long as any terms fit with the Constitution, there is no Officer preferred option.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>The aims and objectives of future property strategy will be aligned to support the Council’s Corporate Plan.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):</p> <p>None directly arising at this stage.</p>	
<p>LEGAL IMPLICATIONS</p> <p>None directly arising at this stage.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None directly arising at this stage.</p>	
<p>OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:</p> <p>None directly arising at this stage.</p>	
<p>SECTION 151 OFFICER’S COMMENTS</p> <p>The s151 Officer has produced this report (in her capacity as Chief Officer (Resources)).</p>	
<p>DEPUTY MONITORING OFFICER’S COMMENTS</p> <p>The Deputy Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>None.</p>	<p>Contact Officer: Nadine Muschamp Telephone: 01524 582117 E-mail: nmuschamp@lancaster.gov.uk Ref:</p>

APPENDIX A

Property Review Cabinet Liaison Group

Chairman:

Cabinet Member with Responsibility for Property Services, Car Parking, ICT, Digital Strategy, Customer Services

Terms of Reference:

Generally:

To act as an engagement and consultative forum for the Cabinet Member:

- to help develop and promote ideas for improving best practice / value for money from the Council's corporate property portfolio, in support of the Council's Corporate Plan; and
- to help develop proposals regarding the Council's wider corporate property strategy.

Initial Focus:

To act as an engagement and consultative forum for the Cabinet Member:

- to share information and views on the accommodation review, to inform its development and future decision-making.

Expected Outputs:

Feedback into Cabinet's decision-making (which may then require referral on to Council).

Frequency:

As required (initial meeting to be arranged as soon as practical).

CABINET

**Corporate Financial Monitoring 2017/18 – Quarter 2
07 November 2017
Report of the Chief Officer (Resources)**

PURPOSE OF REPORT				
To provide an overview of the Council's financial position for Quarter 2 of the 2017/18 monitoring cycle, and the supporting actions underway.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public.				

OFFICER RECOMMENDATIONS:

(1) That Cabinet notes the report and the supporting actions set out.

1. Overview

1.1. The corporate financial monitoring report for Quarter 2 is attached at **Appendix A**. The headline projections are as follows:

- The General Fund net revenue budget of £15.839M is currently overspent by a net £228K, forecast to increase to £241K by the year end.
- The Housing Revenue Account is also currently over by a net £274K against the original budget, and this is expected to increase to £569K by the year end.

1.2. In terms of the General Fund projected net overspending for the year, the key variances relate to Green Waste (£290K net income shortfall, unchanged from Qtr1), and Salt Ayre Leisure Centre (£187K net income shortfall – new variance). A separate update on Salt Ayre is included at **Annex A**, which sets out the headline messages and key factors for the change in the budgetary position. The main favourable variance relates to staffing across all services (£226K saving), which is still expected to exceed the £400K turnover target.

1.3. Whilst a net overspending of £241K for the year is being projected against the overall General Fund budget, officers are currently reviewing all estimates as part of the 2018/19 budget setting process. Efforts are focusing on addressing this position, either through generating additional income or through achieving expenditure savings. However, should a net overspending still be forecast then General Fund unallocated balances would need to be used to fund it. The

current unallocated Balance is £4.890M.

- 1.4. In terms of the Housing Revenue Account, the net overspending is being driven by increases in the cost of repairs and maintenance (£400K) and loss of income from increased level of voids (£169K). At present, voids are running at 2.9% against an original estimate of 1.9%. Again, actions are being focussed on addressing this position, however should they remain unchanged after the budget review process, then HRA unallocated balances would need to be used to fund the net shortfall. The current unallocated Balance is £2.117M.
- 1.5. In support of corporate financial monitoring, the latest Treasury Management update report is included at **Appendix B**.

2. Performance Monitoring

In terms of performance monitoring details are contained in a separate report elsewhere on this agenda.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>This report is in support of the delivery of the Council's overall policy framework, and more specifically its Corporate Plan.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</p> <p>None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.</p>	
<p>LEGAL IMPLICATIONS</p> <p>None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>As set out in the attached.</p>	
<p>OTHER RESOURCE IMPLICATIONS</p> <p>Human Resources / Information Services / Property / Open Spaces:</p> <p>References and any related implications are contained within the report and related appendices.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>This report is in the name of the s151 Officer, albeit in her capacity as Chief Officer (Resources).</p>	
<p>DEPUTY MONITORING OFFICER'S COMMENTS</p> <p>The Deputy Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>None.</p>	<p>Contact Officers: Andrew Clarke, Financial Services Manager Telephone: 01524 582138 E-mail: acclarke@lancaster.gov.uk Ref:</p>

CORPORATE FINANCIAL MONITORING 2017/18

QUARTER 2

INTRODUCTION

This report provides the key variances to note as at the end of September, in terms of the revenue and capital budgets and local taxation. It also includes updates on key reserves and income collection.

REVENUE BUDGET

General Fund – Current net overspending of **£228K**, forecast to increase to **£241K** (as compared with a net £6K underspending at Qtr 1) by year end, taking account of various assumptions drawing on last year's outturn. The main variances are summarised in the table below. In addition, a more detailed monitoring statement on Salt Ayre Leisure Centre is included at **Annex A**. Details relating to Green Waste were reported at Qtr 1.

	Qtr 2 £000's	Full Year Forecast £000's
General Fund Net Revenue Budget	15,839	15,839
Employees	(187)	(226)
Premises	(35)	(47)
Transport	(3)	+6
Supplies & Services	+13	+94
Grant Income - Revenues	(104)	(91)
Other Income	(3)	+28
Green Waste Collection	+273	+290
Salt Ayre Leisure Centre	+274	+187
Updated Net Revenue Budget	16,067	16,080
Net Overspend (+)	+228	+241

The projected position has deteriorated since Qtr 1, mainly due to the latest forecasts for Salt Ayre Leisure Centre (£187K shortfall by year end). This is after allowing for forecast savings from staff turnover (£226K) and additional government grants (£91K) being received in relation to Revenues & Benefits.

Officers are currently reviewing all estimates as part of the 2018/19 budget setting process, and actions are being focused on addressing the net overspending. Should any shortfall remain then General Fund unallocated balances would need to be used to cover it.

Housing Revenue Account – Current net overspending of **£274K**, but now forecast to increase to **£569K** (£204K Overspending at Qtr 1) by year end. The main reasons relate to additional repairs and maintenance costs (+£400K) and income losses on voids (+£184K). At present, voids are running at 2.9% compared to the 1.9% originally budgeted for. It should also be noted that a review of the bad debt provision is still required and may result in an additional contribution in light of the increased level of tenant arrears.

Similar to the General Fund, if after the budget review there is still a net shortfall then HRA unallocated balances would need to be used.

OUTSTANDING ACTION:

The Chief Officer (Environmental Services) reports back on actions/improvements being taken to reduce void losses and secure other operational improvements within RMS.

CAPITAL**Expenditure**

General Fund – Original approved programme of £13.181M has been increased by £1.955M slippage from 2016/17 and additional increases approved under delegated authority of £346K (see below), giving an updated programme of £15.482M. Spend and commitments at the end of September totalled £5.462M leaving £10.020M still to spend.

Lancaster Square Routes – additional works funded by grant from County Council	£15K
Bay Cottage Play Area – externally funded scheme	£47K
ICT Systems, Infrastructure & Equipment – funded from Renewals Reserve	£137K
Disabled Facilities Grants – expenditure grossed up due to increased funding	£147K
Total Increase	£346K

Housing Revenue Account – Original approved programme was £4.077M. Spend and commitments at the end of September totalled £1.036M leaving £3.041M still to spend.

Financing

There are no changes at Qtr 2 to report - further updates will be incorporated into the next review of the capital programme as part of the forthcoming 2018/19 budget setting process.

LOCAL TAXATION

Council Tax – Current surplus of £153K (£59K at Qtr1). Main changes are:

- Deficit from previous year +£197K
- Reduced cost of Council Tax Support (£315K)
- Reduced charge for Second/Empty Homes +£54K
- Other Movements in Tax Base (£89K)

In tax base terms this equates to approximately 90 additional net chargeable Band D equivalent properties, bringing the total tax base to 40,896 gross properties.

Retained Business Rates – The latest position on business rates shows net income down by £64K (up by £220K at Qtr1) when compared to the original estimate. The Net Rates Payable is down by £1.229M mainly due to additional reliefs and transitional protection being awarded. However, this is offset by a reduction in appeals of £1.165M.

	Original £000's	June £000's	Sept £000's	Movement From Original £000's
Net Rates Payable	-63,377	-62,432	-62,148	+1,229
Appeals	6,759	5,594	5,594	-1,165
Business Rates Income	-56,618	-56,838	-56,554	+64
City Council Retained Income (40%)	-22,647	-22,735	-22,622	
Less Tariff	19,662	19,662	19,662	
Add Small Business Rates Relief Grant	-1,251	-1,259	-1,289	
Net Retained Income	-4,236	-4,332	-4,249	
Safety Net Payment	-720	-624	-707	
Total Retained Income	-4,956	-4,956	-4,956	

Overall, this does not change the Council's budgeted position as it is still in safety net.

Collection Performance

Council Tax is slightly behind target and Business Rates ahead – no specific action is required.

	Full Year Target	Target to Date	Actual to Date
Council Tax	96.4%	56.8%	56.7%
Business Rates	98.8%	54.4%	55.5%

In terms of local taxation (both Council Tax and Business Rates), all figures will be reviewed as part of the current budget setting process.

RESERVES**Budget Support Reserve**

Opening Balance	£1,000K
Previous Reported Allocations:	
Cabinet 14 February 2017 - Senior Leadership Team	£85K
Council 19 July 2017 – Community Pools	£96K
Balance	£819K
Expected Allocations	
Investors in People	£14K
Review of Constitution	£5K
Information Governance Project – see below	£100K
Latest Balance	£700K

The Information Governance Project spend is subject to a report due to be presented to December Cabinet.

General Fund Unallocated Balances

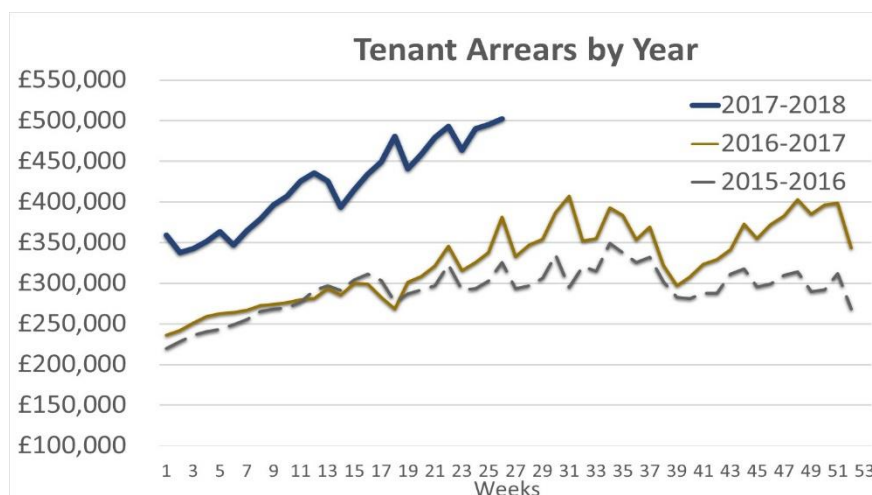
The current level of General Fund Unallocated Balances stand at £4.890M, which is £249K more than originally estimated due to the revenue underspend in 2016/17.

Housing Revenue Account (HRA) Unallocated Balances

The current level of HRA Unallocated Balances stand at £2.117M, which is £112K more than originally estimated due to the revenue underspend in 2016/17.

INCOME COLLECTION**Council Housing Rent Arrears –**

At the end of September the level of arrears was £502K (2015/16 Qtr 2 £381K) which is a significant increase on the previous year, and £77K up on Qtr 1 this year. As previously reported, the impact of the Universal Credit introduction has had a detrimental impact on collection.



OUTSTANDING ACTION:

The Chief Officer (Health & Housing) reports back on the actions being taken to reduce arrears and improve collection.

Sundry Debts – At the end of September the level of debt was £3.453M which is an increase of £17K from Qtr1. Housing Benefit debts have increased by £114K whereas general sundry debts have decreased by £97K. The bad debt provision currently stands at £2.424M which is £49K more than the required level. No action is required at present but a further review of the provision will be made at Qtr3.

Note also that a separate Briefing Note will be circulated to Members in respect of Housing Benefit Overpayments (£2.092M debt) and the recovery processes currently being taken.

SERVICE	< 28 Days	28-59 Days	60-91 Days	92-183 Days	184-364 Days	365+ Days	2017/18 QUARTER 2 TOTALS	Compared to 2016/17 Quarter 2 totals
	£	£	£	£	£	£	£	£
Environmental Services	403,248	35,711	12,790	261,526	7,472	15,696	736,444	753,016
Regeneration & Planning	14,675	3,456	125	5,774	7,455	3,356	34,842	37,937
Resources	182,851	47,403	60,015	73,379	42,859	68,373	474,879	408,218
Health & Housing	61,210	3,083	1,406	16,341	11,697	20,131	113,868	173,523
Governance	-	300	-	-	960	-	1,260	-
Hsg Benefits (Revenues)	90,454	98,732	83,582	159,509	188,942	1,470,801	2,092,020	2,007,954
2017/18 Quarter 2 Totals	752,438	188,686	157,917	516,529	259,386	1,578,357	3,453,312	3,380,648
2016/17 Quarter 2 Totals	767,692	190,005	90,227	489,819	436,395	1,406,510	3,380,648	

CONTRACT PROCEDURE RULES AND OTHER EXCEPTIONS TO TENDER

Exceptions to Tender – There was one exception to tender in Qtr 2:

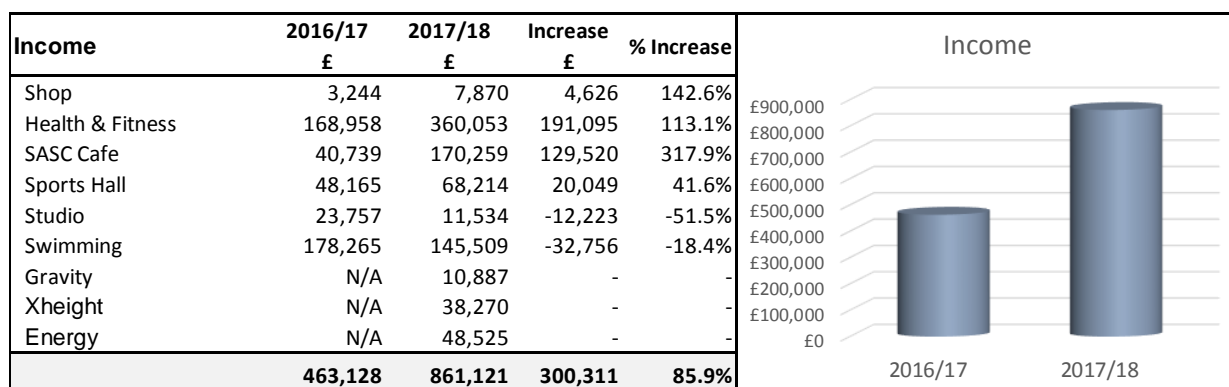
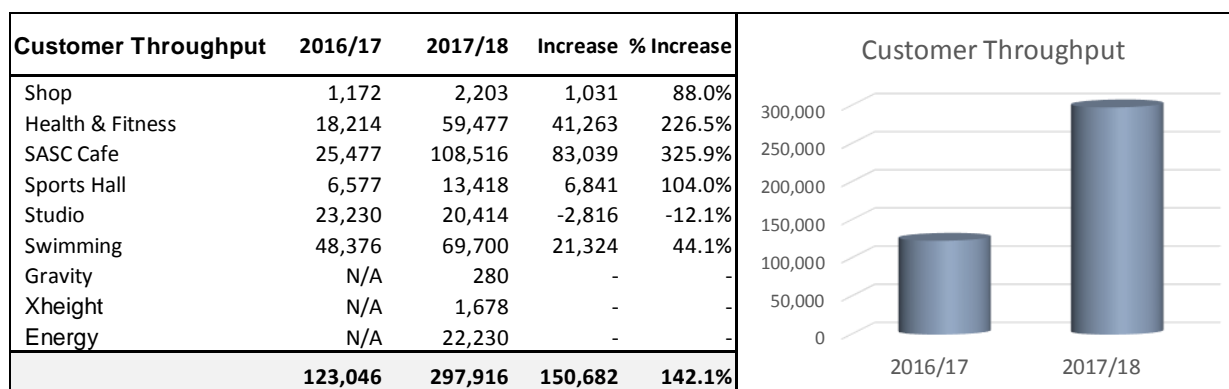
- Renewal of fire doors to high rise flat blocks. Exception was granted as it was necessary to quickly award the contract, on recommendation by fire officers, and a contractor was already working on the flats, and it would also reduce the disruption to tenants.
-

SALT AYRE LEISURE CENTRE

2017/18 QUARTER 2 PERFORMANCE MONITORING

Key messages

- 84% improvement on the direct net operating cost so far in 2017/18 compared to 2016/17. (£126K for 17/18 vs £789K for 16/17).
- 31% improvement in total net cost including reserve contributions and capital financing costs. (£804K in 17/18 vs £1.165M in 16/17).
- 142% increase in footfall to the centre since the development.
- 226% increase in throughput to the new gym.
- Gym and training zone nominated for the UK best gym of the year at the prestigious National Fitness Awards in December.
- Income to the end of this quarter is falling short of original projections by £284K, but this is predicted to reduce to £242K by year end.
- The trend for October however, shows an increasing income for that month compared with September.
- Overall, a net shortfall of £187K is projected for the year.



	2016/17 Full Year Actuals	2017/18 Original Full Year Budget	Qtr2 Budget	Qtr2 Actual	Qtr2 Variance	Full Year Projection	Variance to Original Budget	Percentage of Original Budget
	£	£	£	£	(Favourable) / Adverse £	£	(Favourable) / Adverse £	
Expenditure								
Employees	1,000,255	1,256,400	607,890	576,282	(31,608)	1,215,700	(40,700)	(3%)
Premises Costs	613,613	603,900	413,070	404,248	(8,822)	588,600	(15,300)	(3%)
Transport Costs	14,714	13,300	4,506	8,526	4,020	14,200	900	7%
Supplies and Services	424,726	449,500	225,159	291,620	66,461	504,900	55,400	} 0%
Funding from Renewals Reserve	0	0	0	(55,400)	(55,400)	(55,400)	(55,400)	
Income								
Fees and Charges	(1,263,912)	(2,383,800)	(1,206,986)	(922,616)	284,370	(2,141,700)	242,100	(10%)
Direct Net Operating Cost / (Surplus)	789,396	(60,700)	43,639	302,660	259,021	126,300	187,000	
Support Service Costs	325,388	349,900	174,950	174,950	0	371,900	0	
Total Net Operating Cost	1,114,784	289,200	218,589	477,610	259,021	498,200	187,000	
Renewals Reserve Contribution	50,000	150,000	75,000	75,000	0	150,000	0	
Capital Financing Costs - MRP re £5M development	0	177,600	88,900	88,900	0	177,900	300	
Total Net Cost	1,164,784	616,800	382,489	641,510	259,021	826,100	187,300	

Comments from Leisure Services Manager

At this early stage since the transformation, the overall picture is a huge improvement on previous years. The centre has exceeded expectations in terms of customer feedback, industry accolades, visitor numbers etc.

The centre has been chosen for a national case study by UK active research institute (supported by Sport England) who are showcasing Salt Ayre as an exemplar leisure centre and using the information as evidence for further investment in physical activity and to show the benefits of local authorities investing in facilities to reduce subsidy. They have also collated information about improvement in participation levels and health outcomes.

However, a major change project such as this will always bring huge challenges for staff not used to working in such a commercial environment and lessons have been learned along the way. In addition, trying to predict realistic income targets is difficult for any project, and the table above indicates that targets here have been over ambitious.

Never having delivered a project of such magnitude before, means it was not going to be easy. The impact on all staff at all levels of the change in culture and business is now fully appreciated and with hindsight more investment in training and capacity would have been beneficial.

There are a number of other operational reasons why the income is lower than expected including:

- Poor weather this summer meaning the outside gravity tower was closed for longer periods than expected.
- Staffing issues in some areas have resulted in changes in staff and the consequential downtime for recruitment. This impacted on customer service standards and led to income shortfalls, particularly in the café.
- Issues with the replacement and integration of the Leisure Management System with existing council systems have impacted on the ease of on line booking and payment for customers.

These issues are being addressed as far as possible so that the trend of improved income levels seen in October continue for the rest of the year.

In addition, officers continue to work closely with Alliance Leisure to improve marketing, promotion and advertising and the recent opening of the Spa facility has seen over 300 new members join as part of a bolt on package with the main gym, which is above initial expectations / forecasts. Recent efforts to increase our social media presence has proved successful.

**Treasury Management Update
Quarter Ended 30 September 2017
Report of Chief Officer (Resources)**

Treasury Management Update

Quarter Ended 30 September 2017

1. Introduction

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (through the reporting of the Treasury Management Strategy, and annual and midyear reports). This report is in line with best practice in accordance with that Code, to help demonstrate transparency and promote accountability. As such, it is a requirement that this half yearly update be referred onto Council for information.

2. Economic Background (provided by Capita Asset Services)

After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that the Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It, therefore, looks very likely that the MPC will increase the Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in the Bank Rate. As at the start of

October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

3. Interest Rate Forecast

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.

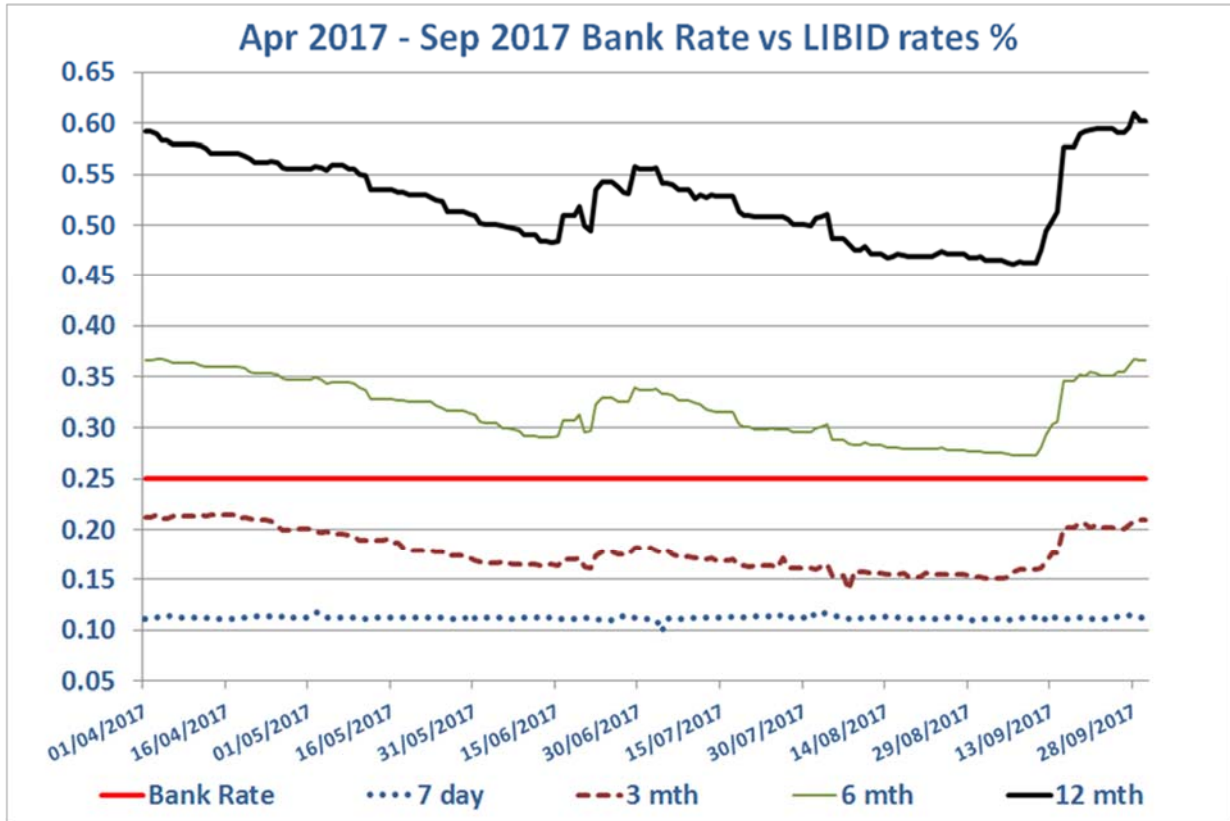
The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.

4. Annual Investment Strategy Update

The Treasury Management Strategy (TMS) for 2017/18, which includes the Annual Investment Strategy, was approved by the Council on 01 March 2017. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

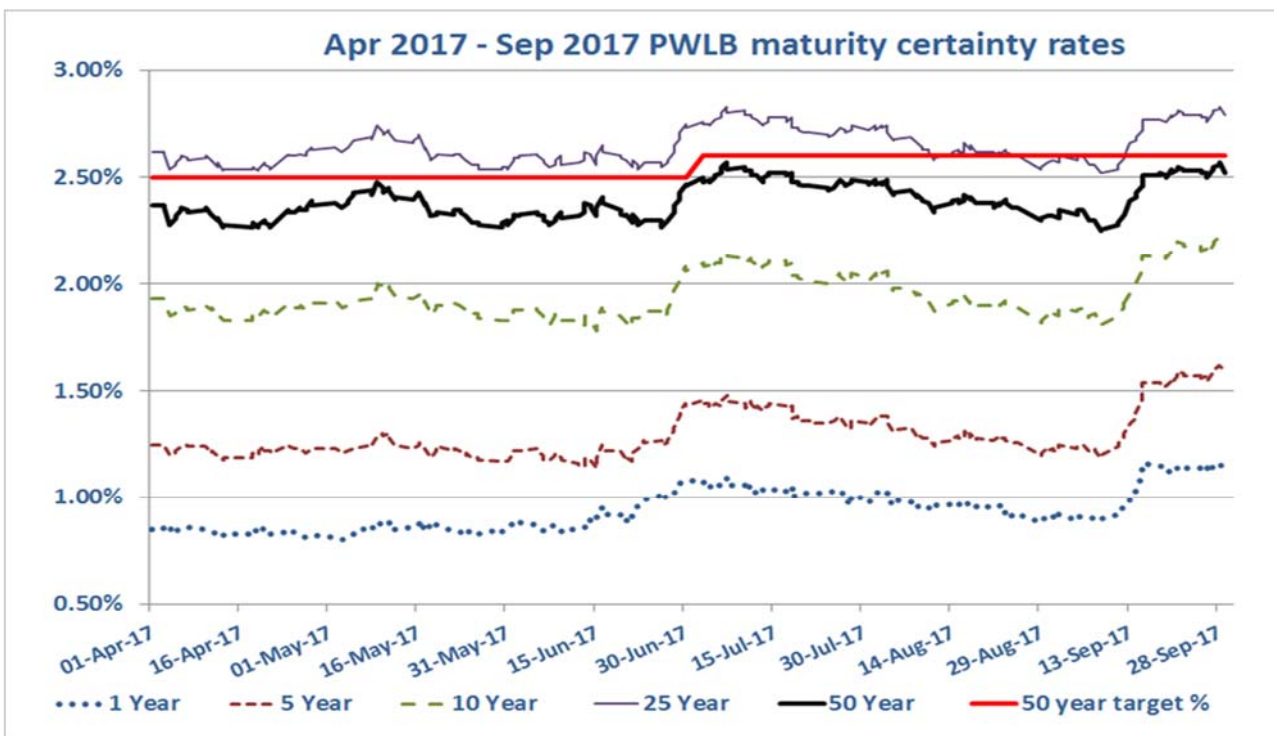
The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered



5. Borrowing (commentary provided by Capital Asset Services)

The Council's capital financing requirement (CFR) for 2017/18 is £86.7m. The CFR denotes the Council's underlying need to borrow for capital purposes. Due to the overall financial position there is no new underlying need to borrow for capital purposes (the Capital Financing Requirement – CFR), therefore no new borrowing has been undertaken.

The graph below shows the movement in PWLB maturity certainty rates for the first six months of the year to date.



6. Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

7. Compliance with Treasury and Prudential Limits

During the financial year to date the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy and in compliance with the Council's Treasury Management Practices.

It is a statutory duty for the Council to determine and keep under review its affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) as at 30 September are attached at Annex A. No changes are proposed so the information is only for noting.

8. Risk Management (Key Aspects)

Investment Security:

There is still significant inherent risk generally affecting counterparties (i.e. who investments are placed with). These are considered to be managed effectively through the creditworthiness framework currently applied.

Liquidity:

Liquidity risks are considered to be managed effectively, through cash flow monitoring arrangements and the periods chosen for investment, to help ensure that the Council will have sufficient cash available to meet its payment obligations and deal with the resulting impact on its cash flow.

Interest Risk:

Investment Returns are inevitably low. The Council has risk exposure because all of its borrowings are long-term/fixed, and inevitably its investments are shorter term, meaning that generally they are more affected or influenced by the Bank Rate. There is little that can be done to mitigate this risk at this point.

9. Other Issues

Canal Corridor North

Should the project proceed then it will have significant implications for the Treasury Management Strategy for 2018/19 and beyond. These will be factored into the review of the Strategy currently being undertaken and will also be highlighted in the relevant Canal Corridor North reported to be presented to Members in due course.

Revised CIPFA Codes

The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments such as investing in property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on this authority.

Markets in Financial Instruments Directive (MIFID II)

The EU has now set a deadline of 03 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will entail increased administration for each institution dealing with this authority and for each type of investment instrument we use. The fact that a significant proportion of the Councils investment portfolio is held in simple term deposits (which are excluded from MIFIDII) will mean that this will have minimal impact on the Authority.

CABINET

2017 – 2018 Performance Monitoring Quarter 2

07 November 2017

Report of Chief Officer (Environment)

PURPOSE OF REPORT			
To report on the overall performance of key indicators and projects as at 30 September 2017 – Quarter 2			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/> Referral from Cabinet Member
Date of notice of forthcoming key decision	N/a		
This report is public			

RECOMMENDATIONS OF EILEEN BLAMIRE, LEADER OF THE COUNCIL

(1) That Cabinet considers and comments on the performance of key indicators at the end of Quarter 2 2017 – 2018 (30 September 2017)

1. PERFORMANCE MONITORING QUARTER 2 - 2017-18

Key Performance Indicators (Appendix A)

- 1.1 The attached appendix provides details of the performance on the recently developed suite of performance indicators as at 30 September 2017.
- 1.2 It provides headlines of performance in key areas that Cabinet can assess whilst taking into account the wider context, including:
 - *Financial Position, and;*
 - *Existing and emerging corporate priorities*
- 1.3 As the new corporate plan and priorities are developed these key performance indicators will be further refined.
- 1.4 Additional indicators will be added to the Quarter 3 report for the corporate Clean and Green Places in relation to minimising the impact on the environment. One, yet to be fully worked up, will be around air quality and the monitoring of pollution. Three others, that will be lagging performance indicators (i.e. reported 3 months behind) are:
 - *Cost/M² spent on energy usage across corporate buildings*
 - *Amount of energy usage in council buildings (Gas/KwH)*
 - *Amount of energy usage in council buildings (Electricity/KwH)*
- 1.5 As suggested by Members, four community safety performance indicators, where the Council contributes as part of the wider Lancaster District Community Safety Partnership (CSP) will no longer be reported as part of the quarterly monitoring. Instead, these will be part of a separate report showing how the CSP collectively works together to make the district's communities safer and how it performs overall compared to other district councils.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>This report is a requirement of the council's Performance Management Framework in support of the delivery of key priorities and outcomes as set out in the overall policy framework and specifically in the Corporate Plan 2016 – 2020 and the revised and approved performance indicators for 2017 – 18.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):</p> <p>None directly arising from this report</p>	
<p>LEGAL IMPLICATIONS</p> <p>None directly arising from this report</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None directly arising from this report</p>	
<p>OTHER RESOURCE IMPLICATIONS: Human Resources / Information Services / Property / Open Spaces:</p> <p>None directly arising from this report</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>Section 151 Officer has been consulted and has no further comments</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>Section 151 Officer has been consulted and has no further comments</p>	
<p>BACKGROUND PAPERS</p>	<p>Contact Officer: Bob Bailey, Organisational Development Manager Telephone: 01524 582018 E-mail: rbailey@lancaster.gov.uk Ref: Cabinet 07/11/2017</p>



Performance Information		Quarter 1		Quarter 2		Direction of Travel	Comments
Indicator	High/Low/Neutral	Target	Actual	Target	Actual		
Community Leadership							
Outcome: Business and customer needs and expectations are met through use of modern technology							
Number of services with fully transactional on-line self service capability	High is Good	Baseline	49	Baseline	49	→	Baseline: No change from the previous quarter. Work is ongoing to increase the number of on-line services and a target for this indicator will be worked up
Outcome: Reputation, quality and value-for-money of council services maintained							
Average number of days of sickness absence per full time employee	Low is Good	1.75	1.25	1.75	1.37	↑	Green (on or above target): The cumulative average number of days taken for sickness absence per full time employee for the first half of the year is 2.62 days
Outcome: Council operates within available resources							
Percentage of council housing rent due that is collected	High is Good	99.40%	98.60%	99.40%	97.78%	↓	Amber (within 10% of target): The percentage of rent collected remains higher than at Q4 2016/2017 outturn of 97.3% but the impact of the roll out Universal Credit is significantly increasing the level of rent arrears as more tenants move from directly paid weekly Housing Benefit to Universal Credit which is paid directly to the tenant monthly in arrears. Since the roll out of Universal Credit there has been a reduction from 73% of tenant's rent being either wholly covered or partially covered by direct weekly Housing Benefit payment to just 52%. A 1% reduction in the annual collection of council housing rent due is estimated to be £150k (37k per quarter). Despite these challenges the collection rate remains high.
Amount of current Council House rent arrears (dwellings)	Low is Good	£343,584	£425,630	£343,584	£502,425	↑	Red (below target): The "real" arrears figure is lower than reported due to DWP Universal Credit managed payments or rent arrears deduction being paid monthly in arrears. These direct payments can only be requested from the DWP if a tenant has accrued rent arrears to the value of two month's rent or more to recover the rent arrears. At the end of Quarter 2, the September DWP "managed payment or rent arrears deduction" monthly payment had not been received - estimated value £35,000. The October Direct Debit payments also totalled £117,000. The current balance showing on accounts as at 11 October 2017 is £438,555. The amount of current rent arrears is 3.5% of the annual debit, largely as a result of Welfare Reforms. The 1% rent decrease imposed over the past two years has also resulted in the reduction of the annual rent debit.
Total number of subscriptions to the Garden Waste Scheme	High is Good	30,000	21,805	30,000	23,888	↑	Red (below target): Target of 30,000 was based on information from a Council that had already rolled out a Garden Waste subscription scheme. Going forward the more relevant information will be to what extent the take up of the service in this district is increasing on a year by year basis. Take up on 23,888 subscriptions represents £612,531 of income.
Outcome: Reputation, quality and value-for-money of council services maintained							
Average time taken to process new Housing Benefit and Council Tax claims	Low is Good	23	28	23	26.9	↓	Amber (within 10% of target): As was the case in Quarter 1, welfare reforms, particularly Universal Credit, have led to a higher complexity of new claims and delays are being experienced in receiving information from the Department for Work and Pensions, but performance generally improves as the year progresses and therefore it is still hoped that targets will be met by year end.

Performance Information		Quarter 1		Quarter 2		Direction of Travel	Comments
Indicator	High/Low/Neutral	Target	Actual	Target	Actual		
Health and Wellbeing							
Outcome: People live safe, healthy, active and independent lives							
Number of people statutorily homeless	Low is Good	25	10	25	20	↑	Green (on or above target): The total figure for Qtr 1 & Qtr 2 is 30. Even though this is an increase on the previous quarter homeless prevention is still preventing statutory applications given the numbers of households we are seeing coming through our service.
Number of Disabled Facilities Grants completed	High is Good	50	58	100	104	↑	Green (on or above target): The cumulative number of DFG completions for the first half of the year is 104 an average of 17 grants completed per month. The average number for the same period in 2016/17 was 16.
Number of properties where 'category 1 hazards' have been eliminated	High is Good	25	27	25	16	↓	Red (below target): This indicator measures the number of proactive inspections carried out. It has been purposely reduced this quarter to allow officers to focus on more pressing housing projects such as the delivery of the £700,000 flood grant programme and ensuring Syrian Refugee's were settled in good quality accommodation. Both projects took significant staff resource. Although the proactive inspection programme was reduced, officers still responded to complaints from tenants about poor private sector housing conditions and were able to take action to address these.
Percentage of premises scoring 4 or higher on the food hygiene rating scheme	High is Good	90%	88.15%	90%	88.35%	↑	Amber (within 10% of target): Increased by 0.2% since last quarter. Consumers respond positively to higher food hygiene ratings (4 and 5) which are awarded to food businesses with good management and which pose low risks to consumers. The council is driving a focus on raising hygiene standards and scores on the doors. This is why we are working hard and innovatively with businesses to maximise good hygiene ratings. We have an above average percentage of 4 and 5 rated businesses and expect this to rise further.
Percentage of high risk food hygiene inspections completed	High is Good	100%	100%	100%	85%	↓	This relates to the number of "A" rated high risk premises inspected. High risk ratings are assigned to food businesses with exceptionally complex processing methods (e.g. manufacturers), food businesses with chequered compliance histories, and businesses demonstrating a recent drop in food safety standards. Thirty premises were inspected in the quarter. Inspections of four premises were not carried out due to a significant amount of time and resource being spent on two highly complex health and safety prosecution cases and individual complexities. Each of the four premises had, however, been receiving special attention and are now in the process of being inspected.
Total number of admissions to Salt Ayre Leisure Centre	High is Good	130,000	131,856	180,000	145,669	↑	Red (below target): Although this is below target, the figure represents an increase of 10% against swimming, 83% gym and classes and 267% against activities in general compared to the equivalent period last year. The number of active gym members has increased by 419% (UK Active data analysis) and 16000 paying customers used Energy during this period. The figures for Energy exclude attendance by parents/carers and as such an estimate of an additional 32,000 people attending site above the figure submitted would be more accurate.
Time taken to re-let council houses	Low is Good	38	66.99	38	71.67	↑	Red (below target): The overall average relet time remains high but actions are being taken to recover the position. The average relet time of properties let during September was 63.97 days, and the number of properties remaining empty has been reduced by 28% since the end of Q1.

Performance Information		Quarter 1		Quarter 2		Direction of Travel	Comments
Indicator	High/Low/Neutral	Target	Actual	Target	Actual		
Clean and Green Places							
Outcome: High standards of cleanliness maintained							
Number of fly tipping reports actioned within 5 days	High is Good	125	162	125	394	↑	Green (on or above target): Between 1st July and 30th September 2017 Public Realm received 532 service requests in relation to Fly Tipping. On the customer service request system LAGAN, 394 of these were closed on the system within 5 working days. This equates to 74.06% of the total number.
Number of fly tipping enforcement notices issued	High is Good	164	202	199	190	↓	Amber (within 10% of target): Number of fly tipping enforcement notices issued is 190 for Q2 and represents Investigation, warning letters and notices in that period. With effect from 16th October 2017 the Enforcement function within Environmental Services has transferred to Health and Housing under a larger corporate Enforcement and Anti-Social Behaviour Team. The reporting of this measure will therefore transfer to that team. In terms of the responses to fly tipping whilst the figure is only slightly lower than the previous quarter (202 No.) there has been a reduction in capacity with the team reduced from two officers to one.
Percentage of household waste recycled (Lagging)	High is Good	N/A		45%	36.5%		Red (Below target): This is a 'lagging' indicator with data being reported a quarter behind the reporting period, so the data now reported covers the period 01 April 2017 to 30 June 2017. The direction of travel of this indicator will be reported in the next quarterly monitoring cycle.
Kilogrammes of residual waste per household (Lagging)	Low is Good	N/A		90.00	89.2		Green (on or above target): This is a 'lagging' indicator with data being reported a quarter behind the reporting period, so the data now reported covers the period 01 April 2017 to 30 June 2017. The direction of travel of this indicator will be reported in the next quarterly monitoring cycle. This measure show a reduction in waste collected per head compared to the same period in 2016/17.
Outcome: Minimising impact on the environment							
Diesel Consumption - Council Vehicle Fleet (Litres)	Low is Good	121,728	125,532	121,728	123,610	↓	Amber (within 10% of target): Road diesel usage for Q2 represents a decrease of 1,877.10 litres when compared to the same quarter in 2016. The cumulative total of fuel consumption for the first half of the year is 249,142.

Performance Information		Quarter 1		Quarter 2		Direction of Travel	Comments
Indicator	High/Low/Neutral	Target	Actual	Target	Actual		
Sustainable Economic Growth							
Outcome: City, town and rural areas are enhanced and improved							
Number of empty properties brought back into use	High is Good	15	17	15	19	↑	Green (on or above target): A total of 36 properties have been brought back into use so far this year, of which there were 19 in Quarter 2. Of those brought back into use in Quarter 2, one was through the Council's partnership with Methodist Action with the property now providing accommodation for a family who were homeless. Three properties had been empty for more than 10 years and four more for over 5 years. The occupation of these properties will have a positive effect on the surrounding area through the renovation of previously rundown buildings and help to reduce the potential for criminal and anti-social behaviour whilst increasing the peace of mind for neighbours.
Percentage of minor planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	92.13%	100%	92.13%	98%	↓	Green (on or above target): This figure (rounded from 98.44%) indicates that 64 Minor applications were determined in Quarter 2, of which 63 were determined within 8 weeks or a mutually agreed time with the applicant. This degree of certainty for timely decision-making benefits applicants and developers, helping to stimulate the local economy.
Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	70%	98.67%	70%	100%	↑	Green (on or above target): All 179 applications in the Other category (which includes householder applications) were determined within time or within a mutually agreed period of time with the applicant. This degree of certainty for timely decision-making benefits applicants and developers, particularly for those wishing to extend their own domestic properties.
Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	High is Good	60%	100%	60%	100%	→	Green (on or above target): All 10 Major applications that were determined in Q2 were determined within time, or within a mutually agreed timeframe with the applicant. This degree of certainty for timely decision-making benefits applicants and developers of major schemes, thus giving certainty for programme management and scheme completion.
Outcome: City, town and rural areas are enhanced as destinations for residents and visitors							
Number of followers on Lancaster City Council's Twitter Page	High is Good	9,000	8,668	9,000	8,835	↑	Amber (within 10% of target): Number of people following @lancastercc has increased since last quarter.
Number of page visits made to 'Welcome Lancaster' webpage	High is Good	19,250	17,304	19,250	17,254	↓	Red (below target): This is a combination of page visits to our Lancaster page on www.visitlancashire.com and our new standalone website - www.visitlancaster.org.uk. There has been an increase in visits to our standalone website but there has been a decline in the views on visitlancashire.com which is managed by our partner - Marketing Lancashire. The visitlancashire.com website is becoming increasingly out-dated (not mobile friendly) and we are told there will be a new version soon which is mobile responsive and thus will assist with greater page views again.
Number of page visits made to 'Welcome Morecambe' webpage	High is Good	9,750	10,614	9,750	12,794	↑	Green (on or above target): The visitlancashire website is becoming increasingly out-dated (not mobile friendly) and we are told there will be a new version soon which is mobile responsive and thus will assist with greater page views again. We are in the process of producing our own morecambebay visitor website - similar to the one that has been done for Lancaster - where we are in control of our own editorial and performance of the site overall.

CABINET

**Strategic Planning
07 November 2017**

Report of Chief Executive

PURPOSE OF REPORT			
To seek endorsement of Cabinet's initial outline Corporate Plan proposals, to enable further development work and engagement to progress.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Officer	X
This report is public.			

RECOMMENDATIONS OF COUNCILLORS BLAMIRE AND WHITEHEAD:

- (1) That the draft corporate planning principles and priorities attached at Appendix A be endorsed and be used to inform further development of the draft Corporate Plan, together with supporting budget proposals.
- (2) That the outline timetable as set out at Appendix B be approved, noting the intention for Cabinet to publish before Christmas further information on its Corporate Plan proposals, alongside its draft budget proposals.
- (3) That the resolutions above be fed into the November meeting of Budget and Performance Panel with a request for their initial feedback, but highlighting the scope for these initial proposals to change in response to any emerging issues as the budget and planning exercise progresses.

1.0 Introduction

- 1.1 To progress the Council's strategic planning, the following proposals have been developed regarding the Corporate Plan, to inform future detailed work and engagement on Cabinet's budget proposals.
- 1.2 This report, and the resolutions arising from the Cabinet meeting, will BE referred on to the November meeting of Budget and Performance Panel as the first step in that engagement.

2.0 Proposed Principles and Priorities

- 2.1 A series of workshops involving Cabinet Members and Officers has produced four suggested principles (with the purpose of underpinning all the Council's activity) and four suggested priorities (to clearly state the Council's ambitions for the district).

2.2 The suggested principles are:

- **Community Leadership**
Engaging meaningfully with residents, businesses and other partners
- **Shaping the Place**
Acting as a champion for the development of the district as a place to live, work and visit
- **Ambition and Commercialisation**
Taking a business-like approach to delivering value-for-money services
- **Valuing Distinctiveness**
Recognising the distinctiveness of the district's localities and communities

2.3 The suggested priorities are:

- **Clean and Safe Neighbourhoods**
- **Healthy and Happy Communities**
- **A Thriving and Prosperous Economy**
- **An Ambitious and Forward-Thinking Council**

2.4 A working draft of these draft principles and priorities is summarised at **Appendix A**. Cabinet is requested to endorse them, and subject to any amendments, Officers would then use them to develop more detailed corporate planning proposals, as well as supporting budget proposals.

3.0 Proposed Consultation and Engagement Timetable

3.1 Cabinet is seeking to take a more consultative approach to the development of the Corporate Plan and Budget, from both an internal and external perspective – this is through engagement with other Members, as well as residents, businesses and the Council's partner organisations, to help establish a consensus across the district.

3.2 It is therefore proposed that such engagement activity takes place alongside the Corporate Plan and Budget development phase. The outline timetable can be found at **Appendix B**.

3.3 The exact extent of public engagement would be driven by the nature of Cabinet's strategic planning and budget proposals – significant change would warrant more extensive consultation, for example.

3.4 The nature of Cabinet's proposals will be influenced by the Council's financial outlook and any emerging national policy changes, however, and there is still much uncertainty around these.

3.5 As a result, the detail of external engagement/consultation plans will be addressed in the coming weeks. The key points highlighted at this stage are:

- Cabinet would receive an update on the overall budget position and financial outlook at its meeting on 05 December. Between then and Christmas, Cabinet would refine its corporate planning and budget proposals.
- Cabinet would publish those planning and budget proposals by Christmas,

to underpin consultation and engagement.

- Corporate planning and budget proposals would then flow through the usual round of Cabinet, Council and Budget and Performance Panel meetings in the lead up to Budget Council.
- The detail of public engagement events to be held after Christmas and any other arrangements would be confirmed in due course. The plan at this stage is to hold a small number of informal drop-in sessions at key locations across the district, to enable the public and any interested groups to find out more about Cabinet’s proposals and give their views.

4.0 Options and Options Appraisal

4.1 Cabinet may either approve the proposals or set out, or make changes depending on its views regarding the Council’s strategic direction, and/or its appetite for consultation and engagement. The implications of any alternatives put forward would be highlighted at the meeting as far as possible, or subsequently appraised and reported back.

5.0 Conclusion

5.1 Once endorsed, Cabinet’s initial corporate planning ideas would give a sound basis on which to develop further its more detailed strategic planning and budget proposals, and the planned engagement would help in communicating and potentially shaping those proposals ahead of Budget Council.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>The proposals are in support of reviewing the Corporate Plan, it being the key part of the Council’s policy framework.</p>
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):</p> <p>Full equality impact assessments would be undertaken in due course, in respect of detailed proposals. Cabinet has taken account of much information in developing its proposals to date, to help ensure that they provide a framework to help focus on any key issues such as equality.</p>
<p>LEGAL IMPLICATIONS</p> <p>There are no legal implications arising at this time; specific matters would be considered and addressed as Cabinet’s proposals develop.</p>
<p>FINANCIAL IMPLICATIONS</p> <p>None directly arising (the same as for legal implications).</p>
<p>OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:</p> <p>None directly arising (the same as for legal implications).</p>

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to this report and she has no further comments to add.

DEPUTY MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

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Ref:

Corporate Plan | *Outline Framework*

Principles

Community Leadership

- Meaningful engagement / collaboration with the public, other public institutions, businesses, community groups, voluntary sector
- Socially, environmentally and fiscally responsible in decision-making
- Accessible and transparent

Shaping the Place

- Champion for development of district as a destination
- Enabler / facilitator for change
- Thoughtful co-design of services with key stakeholders

Ambition and Commercialisation

- Investing to initiate or reinforce regeneration activities
- Investing to generate income to reinvest in organisation
- Investing to make savings
- Delivering value through services regardless of revenue or chargeability
- Business-like approach

Valuing Distinctiveness

- Distinctiveness of localities within the district: City, Coast, Countryside
- Flexible approach to standardised or bespoke service delivery

Priorities

Clean and Safe Neighbourhoods

- Recognised for good stewardship of public space
- Neighbourhoods feel safe
- Specific neighbourhood-focused approach to addressing needs

Healthy and Happy Communities

- Addressing health inequality, food and fuel poverty, mental health, loneliness
- Enhancing community cohesion
- Improving access to arts and leisure, meaningful work, public open space, quality housing
- Addressing inequality and discrimination

A Thriving and Prosperous Economy

- Canal Corridor North and Bailrigg Garden Village
- Skills development
- Building organisational capacity
- Community wealth-building
- Promoting employment and economic sustainability
- Promoting environmental sustainability

Corporate Plan | *Outline Framework*

An Ambitious and Forward-Thinking Council

- Making best use of digital and other technology to provide quality services
- Financially self-sufficient, making best use of resources and assets
- Clear understanding of future trends
- Continuing to celebrate the past in a contemporary way
- Punching above our weight as a District
- Updating our brand and message
- Confident yet considered approach to risk
- Designing the organisation to respond to needs: agile and resilient
- Developing procurement strategy for the benefit of the local community

**Outline Corporate Planning and Budget Timetable
For Consideration by Cabinet 07 November 2017**

Oct / Nov	Cabinet / Portfolio Holder / Chief Officers (through informal sessions)	Begin addressing the priorities in greater depth with a focus on: <ul style="list-style-type: none"> - What we know - Our services - What we will do - How others can help - Outcomes and measures of success Develop budget proposals (savings and growth) in line with emerging corporate planning priorities and principles.
Tue 7 Nov	Cabinet	Consider report: Approve outline corporate plan (principles and priorities) Approve outline consultation / engagement plan
Nov / Dec	Cabinet / Portfolio Holder / Chief Officers (informal sessions)	Consideration and development / refinement of corporate plan in light of November meeting alongside development of budget proposals to ensure alignment.
Tue 14 Nov	Budget and Performance Plan	Present November Cabinet report, to start high level consultation/engagement.
Tue 5 Dec	Cabinet	Overview of Council's financial outlook and draft budget and corporate plan progress updates (may include budget referral matters to December Council).
By Christmas		In light of financial outlook and budget position, Cabinet to publish its more detailed Corporate Plan proposals, alongside publication of its initial budget proposals (including savings and growth).
During Jan	Public Events	Present draft Corporate Plan and budget proposals for consultation / engagement. Event details (and any other arrangements) to be confirmed in due course.
Tue 16 Jan	Cabinet	Consider and agree latest draft Corporate Plan, alongside Budget, for referral to B&PP / Council.
Tue 23 Jan	Budget and Performance Plan	Annual meeting, on Corporate Plan and Budget proposals.
Wed 31 Jan	Council	Initial consideration of Corporate Plan and Budget, to give feedback to Cabinet.
Tue 13 Feb	Cabinet	Receive feedback and finalise Corporate Plan and Budget for referral to Council.
Wed 28 Feb	Council	Approve Corporate Plan and Budget.