



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 11 JULY 2017

Venue: LANCASTER TOWN HALL

Time: 6.10 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Appointment of Vice-Chairman**

To Appoint a Vice-Chairman for the duration of the 2017/18 Municipal Year.

In accordance with Part 3, Section 11 of the Constitution, the holder of this appointment may not come from the largest political group on the Cabinet.

3. **Minutes**

Minutes of the Meeting held on 21st February 2017 (previously circulated).

4. **Items of Urgent Business authorised by the Chairman**

5. **Declaration of Interests**

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.

6. **Provisional Revenue, Capital and Treasury Management Outturn 2016/17 (Pages 1 - 33)**

Report of the Financial Services Manager.

7. **Performance Monitoring and Reporting** (Pages 34 - 56)

Report of the Chief Officer (Environmental Services) and Organisational Development Manager.

8. **Work Programme Report** (Pages 57 - 61)

Report of the Chief Executive.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Susan Sykes (Chairman), Dave Brookes, Sam Armstrong, Tracy Brown, Andrew Gardiner, Tim Hamilton-Cox, Terrie Metcalfe, John Reynolds and Roger Sherlock

(ii) Substitute Membership

Councillors Nathan Burns, Ron Sands, John Wild, Nicholas Wilkinson and Peter Williamson

(iii) Queries regarding this Agenda

Please contact Sarah Moorghen, Democratic Services - telephone 01524 582132 or email smoorghen@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or 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 Thursday 29th June, 2017.

Budget and Performance Panel

Provisional Revenue, Capital and Treasury Management Outturn 2016/17

11 July 2017

Report of Financial Services Manager

PURPOSE OF REPORT

To provide Members of the Panel with the Provisional Revenue, Capital and Treasury Management Outturn for 2016/17.

This report is public.

RECOMMENDATIONS

(1) That the report be noted.

1.0 Introduction

1.1 A copy of the report considered by Cabinet at its meeting on 26 June 2017 is appended for consideration by the Budget and Performance Panel.

CONCLUSION OF IMPACT ASSESSMENT

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

None arising from this report.

FINANCIAL IMPLICATIONS

See attached report – no other implications arising directly.

SECTION 151 OFFICER'S COMMENTS

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

LEGAL IMPLICATIONS

There are no legal implications directly arising.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

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CABINET

**Provisional Revenue, Capital and Treasury Management
Outturn 2016/17
26 June 2017
Chief Officer (Resources)**

PURPOSE OF REPORT			
This report provides summary information regarding the provisional outturn for 2016/17, including treasury management. It also sets out information regarding the carry forward of capital slippage and other matters for Members' consideration.			
Key Decision		Non-Key Decision	Officer Referral
			X
Date of Notice of Forthcoming Key Decision		N/A	
This report is public.			

OFFICER RECOMMENDATIONS:

1. That the provisional outturn for 2016/17 be endorsed, including the transfers to Provisions, Reserves and Balances actioned by the Chief Officer (Resources), and the position regarding overspendings.
2. That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendix G be endorsed, with the Capital Programme being updated accordingly.
3. That the Annual Treasury Management report and Prudential Indicators as set out at Appendix H be noted and referred on to Council for information.
4. That the implications of business rate growth be noted, with them being fed into the next update of the Council's Medium Term Financial Strategy (MTFS).

1 BACKGROUND

- 1.1 All local authorities have a legal duty to produce annual accounts, in support of openness and accountability. By the time of the Cabinet meeting the work required to close the Council's 2016/17 accounts is expected to be complete, in support of the Statement of Accounts being signed off by the Chief Officer (Resources) by the statutory deadline (30 June for this year). The draft Statement itself will be freely available on the Council's website.
- 1.2 This report provides Cabinet with an update on the provisional outturn, including treasury management, and seeks endorsement for certain matters. If there are any further updates to the position these will be fed into the Cabinet meeting. The Council's financial performance is integral to its service performance overall and Members are advised to consider this report in that context.

1.3 Note that larger copies of the appendices are available on request.

2 PROVISIONAL REVENUE OUTTURN: SUMMARY

2.1 A summary of the revenue outturn position for the main service accounts of the Authority is set out below.

	Revised Budget Position £'000	Provisional Outturn £'000	Variance (Favourable) / Adverse £'000
Housing Revenue Account (HRA) – relates to Council Housing services	(133)	(245)	(112)
General Fund Council Tax Requirement – covers all other Council services (but excludes parish precepts)	8,296	8,047	(249)

3 HOUSING REVENUE ACCOUNT (HRA)

3.1 The Housing Revenue Account was underspent in last year by approximately £112K net (2015/16 comparative: £348K underspend).

3.2 A summary of the HRA provisional outturn is included at **Appendix A**. Discounting any notional and presentational variances, the main items of interest are as follows:

- overspending on repair and maintenance of £134K;
- a reduced revenue funding requirement for capital, mainly shown as a lower call on the Major Repairs Reserve (£485K net saving overall);
- an increased depreciation charge of £249K;
- a variety of other net underspendings amounting to £10K.

3.3 With regard to repair and maintenance services (RMS), a number of factors have resulted in the overspending. The following explanations have been provided by the service:

- The number of voids increased beyond expectation during the last quarter of the year, and more specifically major work voids.
- Increased pressure to improved void turn-around times have increased costs, as well as changes to legislative and regulatory requirements relating to health and safety. Overall void property costs have increased by 24% since 2015/16.
- The incidence of sickness has required the use of more external contractors, in addition to other in-house capacity issues resulting again in the use of external contractors.

- 3.4 As reported previously, RMS remains an area under review, and the above outturn performance will feed into that review, with the aim of securing improvements in financial management and reporting.
- 3.5 The increased depreciation charge resulted from an upward revaluation of property values which is undertaken at year end but applied from 01 April 2016. As such this could not have been anticipated when the budget was set. However, as depreciation is transferred into the Major Repairs Reserve and then used to finance the capital programme this has simply meant a reduced call on revenue to fund the remainder of the programme – the overall impact is therefore neutral.
- 3.6 At outturn the HRA’s financial standing still remains sound. As at 31 March its Balances stood at £1.938M, this being £112K higher than budgeted. A summary of all its Balances, reserves and provisions is included at **Appendix D**.

4 GENERAL FUND

4.1 Revenue Outturn

- 4.1.1 The 2016/17 financial year saw further substantial reductions in Government funding, amounting to around £1.166M or 13%. The outturn for General Fund should be considered in that context.
- 4.1.2 After allowing for various year-end adjustments, there has been a net underspending of £249K against the overall Revised Budget for 2016/17 and a summary statement is included at **Appendix B**. The underspending represents 1.5% of the Council’s net revenue budget (*2015/16 comparative: £331K underspend, 1.9% of budget*) or 3% of the council tax requirement (*i.e. the amount raised from council tax; this measure is growing in prominence*). If compared with the Council’s gross budget, however, which is in the region of £100M+, the level of net underspending is very minor.
- 4.1.3 Variance analysis is provided at **Appendix C**, the key elements of which are summarised below:

Main Areas for net variances	Gross Budget (For comparison) £'000	Value (Favourable) / Adverse £'000
Operational:		
Employee Related	20,328	(109)
Premises Related	9,282	(236)
Transport and other Supplies and Services	14,594	65
General Income	(16,007)	(91)
Other minor variances		(35)
Other Areas:		
Extra Contribution to Reserves		50
Extra Contribution to Provisions		107
Net Total		(249)

- 4.1.4 Employee savings continued to be generated after the revised budget had been set, and consideration will be given to applying an additional turnover target as part of the 2018/19 budget setting process.
- 4.1.5 Underspends have occurred on repair and maintenance of property and sea and river defences totalling £156K. These are due to a variety of reasons such as vacancies within the Coast Protection team meaning works could not progress. In addition, significant utility savings have also been generated either through on-off circumstances or reduced usage.
- 4.1.6 Additional income of £233K has been generated across the Council and it is anticipated that a large element of this will continue in the future. Key areas are Council Tax/NNDR legal and court costs recovered (£74K), DFG administration charges (£41K), Off-street car parking income (£36K).
- 4.1.7 In contrast there have also been reductions in income of £142K. The majority of this was a one-off back dated VAT refund to HMRC relating to Trade Waste (£100K). The reason for this is currently being investigated by Officers. One further point to note is that Green Waste income of £125K was generated in last year, this being only £5K below target. The current year's position is expected to be more challenging but this will be covered in future monitoring reports.
- 4.1.8 Overall the outturn position is positive, which is encouraging given the significant financial uncertainty and challenges ahead. Reducing net service costs will continue to be encouraged where it does not damage performance; indeed current financial strategy is still based on taking proactive management decisions to save money and maximise income during the year. Other reasons for underspending do occur though and so it is important that appropriate analysis is undertaken. This will be undertaken as normal alongside monitoring arrangements, with the aim of drawing out further savings and any service performance or financial improvements needed. Any budgetary matters arising will be reported through corporate monitoring and incorporated into the half-yearly Medium Term Financial Strategy (MTFS) review.
- 4.1.9 This process will lead into the 2018/19 budget and planning process, for which the timetable and other arrangements are due to be considered by Cabinet over the summer.

4.2 Provisions, Reserves and Balances

- 4.2.1 In closing the accounts for last year the Council's reserves and provisions have been reviewed; this is in accordance with the policy and schedule approved by Council back in March. A full statement is attached at **Appendix D** and the main issues and transfers regarding General Fund are highlighted specifically below:
- An additional contribution of £50K has been made into the Corporate Property Reserve, it being funded from corporate property repair and maintenance budgets. The transfer will provide additional cover primarily for one-off maintenance issues that cannot be capitalised as part of the on-going capital programme of works.
 - An additional amount of £107K has been transferred into the Insurance Provision to provide increased cover against outstanding claims, in particular those relating to very old liabilities (pre-1990).
- 4.2.2 The transfers have already been reflected in the General Fund summary position outlined earlier, hence Cabinet is asked to endorse them.

4.2.3 After allowing for these transfers, the General Fund net underspending of £249K has been transferred into Balances by the Chief Officer (Resources). This means that as at 31 March 2017 Balances amount to £4.725M, as compared with the budgeted figure of £4.476M. Similar to the HRA, the General Fund's financial standing is currently sound but as Members know, General Fund still has much uncertainty and major challenges ahead.

5 'CARRY FORWARD' OF UNDERSPENDINGS AND OVERSPENDINGS

5.1 Under the financial strategy, provisions exist to adjust budgets between years by carrying forward under- or over-spending. These arrangements help to:

- provide some flexibility in delivering the Council's stated objectives
- remove the incentive to spend up budgets unnecessarily by year end, and
- promote good financial management.

5.2 With regard to the carry forward of revenue underspends, there are no requests for Cabinet to consider.

5.3 With regard to overspendings, arrangements require that:

- any overspending on any expenditure budget, or shortfall on any income budget, under the control of a Chief Officer (or their nominated representative) will be automatically carried forward to the following year as part of the closure of accounts process except where the relevant Chief Officer and the s151 Officer agree that it does not make operational sense to do so, or where the overspending is trifling in value.
- The s151 Officer will report to Cabinet on overspendings and their treatment as part of year-end reporting. Such reporting will also include the reasons for any overspends occurring and details of any actions taken to prevent the situation recurring.

5.4 There are only a small number of revenue overspendings occurring and given their nature, Officers have agreed that there is no case for carrying these forward to reduce the current year's budgets. **Appendix E** sets out the relevant details, for Cabinet's consideration and endorsement.

5.5 Capital related carry forward matters are covered later in section 7 of this report.

6 COLLECTION FUND

6.1 The Collection Fund deals with local taxation matters and as such, its performance has a direct bearing on General Fund services. For this reason, a high level review of its outturn is presented for Members' information.

6.2 Council Tax

6.2.1 At the end of the financial year there was a comparative small deficit of £197K in relation to council tax, whereas a balanced position was forecast back in January of this year. The deficit represents a net reduction of approximately 122 chargeable Band D dwellings (0.3% of the estimated Tax Base) over the period from when the estimate was set, to the end of March. As the City Council funds 13% of the deficit this would

mean an additional charge against the revenue budget of £26K in 2017/18. The Fund's movements will continue to be monitored and reported to Members as part of the quarterly financial monitoring process.

6.3 Retained Business Rates

- 6.3.1 The position for business rates remains much more complicated and significant. At the end of 2016/17 the provision for appeals was reassessed down by £30M, mainly as a result of one major appeal being settled at a significantly lower value than originally estimated. Combined with in-year deficit recovery payments and other changes in gross rates payable, it gave an in-year surplus of £38.2M for 2016/17 (the Council's share being 40% or about £15.3M).
- 6.3.2 As result of that in-year movement, the opening deficit of £40M as at 01 April 2016 has been reduced to a closing deficit of £1.8M as at 31 March 2017. Of the £1.8M closing deficit, the City Council's share is £720K, but this will not be recouped for some time and it will not impact directly on the Council's budget.
- 6.3.3 The workings of the Business Rates Retention Scheme have meant, however, that despite there still being a deficit at year end, the significant in-year surplus has actually translated into additional business rates income being recognised, over and above that budgeted. In total that extra income amounts to £9.3M, of which 50% (£4.65M) will be paid over to the Government. The remaining 50% (£4.65M) is retained by the City Council, but it cannot be realised until 2018/19. In the meantime, it will be held within the Collection Fund Adjustment Account (as prescribed) and it could still be affected by further fluctuations in business rate appeals and other changes in the amount collectable.
- 6.3.4 Cabinet Members may recall that during the last budget, the expectation was that potentially, extra income of £3.7M may be retained. It is excellent news that the figure has risen to £4.65M, and it is hoped that nothing arises in the interim to offset that amount. The position will continue to be monitored and an update factored into the next MTFS review, as will current and future years' expectations. (Practically this work can be picked up only after outturn has been completed).
- 6.3.5 In addition, the City Council continues to benefit from renewable energy income amounting to £917K in last year (£622K in 2015/16). For renewable energy schemes approved by the Council as planning authority, the current regulatory framework provides for the City Council retaining 100% of such business rate income, outside of the operation of the main rates retention system and the safety net.

6.3.6 In summary, the main business rate transactions are presented as follows.

	2016/17 Estimate £'000	2016/17 Outturn £'000	Variance £'000
Retained Business Rates	(24,074)	(24,074)	0
Central Government Tariff	20,216	20,216	0
Net Retained Business Rates	(3,858)	(3,858)	0
Small Business Rate Relief Grant	(1,072)	(1,324)	(252)
2016/17 Estimated Deficit	5,733	5,733	0
2016/17 Actual Surplus	-	(15,300)	(15,300)
Transfer to/(from) Collection Fund Adj. Account	(5,375)	5,464	10,839
2015/16 Renewable Energy realised in 2016/17	(930)	(917)	13
Growth Levy payable to Central Government	0	4,703	4,703
Safety Net Payment from Central Government	(13)	(13)	0
Net Revenue Funding from Business Rates	(5,515)	(5,512)	3

7 CAPITAL OUTTURN

7.1 **Appendix F** includes a provisional capital expenditure and financing statement for the year, which is summarised in the following table:

Capital Programme	Revised Budget	Expenditure (before slippage)	Overspend or (Underspend)	
	£'000	£'000	£'000	%
Council Housing	4,314	4,077	(237)	(5.5)
General Fund	14,496	12,632	(1,864)	(12.9)
Total Programme	18,810	16,709	(2,101)	(11.2)

7.2 Capital Slippage

7.2.1 Details of individual slippage requests from services have been received, a schedule of which is attached at **Appendix G**. In considering these, Cabinet is asked to note that many of the associated capital schemes are already underway and expenditure may already have been incurred in this year – the actual carry forward of slippage can be a formality. If Members have any questions on particular requests and/or are minded to not to endorse (and refuse) any, it would be useful to know prior to the meeting, to ensure that sufficient detailed information is available.

- 7.2.2 Information on recent years' slippage is also included below for comparison. Slippage has increased in 2016/17 mainly due to two schemes - Wave Reflection Wall (£642K) and the Salt Ayre Redevelopment (£786K). For the former, as mentioned earlier measures are in place to try to address recruitment issues and regarding the latter, the project remains on target, hence there are no specific concerns to highlight.

	2016/17 £'000	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000
Council Housing	0	36	95	0	16
General Fund	2,410	576	2,526	1,706	438
Total Slippage Requested	2,410	612	2,621	1,706	454

7.3 Capital Overspends / Accelerated Spending

- 7.3.1 The requirements relating to revenue overspends (as set out in section 5) also apply to capital overspends. At the end of 2016/17 there was one HRA scheme and three General Fund schemes where overspends exceeded £10K:

	Revised Budget £'000	Actual Spend £'000	Overspend £'000
Housing Revenue Account			
Boiler Replacements	575	586	+11
General Fund			
Disabled Facilities Grants	850	997	+147
Energy Efficiency Works	40	379	+339
Application Systems Renewal – Salt Ayre	240	306	+66

- 7.3.2 The HRA overspending was due to increased cost of materials, such as copper, and boiler price increases. Future budgets will need to be reviewed in light of the increased costs, but no further action is required.
- 7.3.3 The Disabled Facilities Grants apparent overspend is actually accelerated spending (ahead of schedule) on grants. The additional cost is fully funded from the DFG grant allocation of £1.463M for 2016/17, and will need a corresponding adjustment to the 2017/18 budget, but no other action is required.
- 7.3.4 The Energy Efficiency Works apparent overspending is again actually accelerated spending on works at Salt Ayre Leisure Centre. There will therefore be a corresponding reduction in the 2017/18 budget. Other than this adjustment no further action is required.
- 7.3.5 The Salt Ayre ICT system replacement overspending was due to the new leisure management system needing to be "on premise" and not in the Cloud as originally envisaged. As a result, additional costs were incurred on enhancing the server room, providing extra resilience, and upgrading the power supply cabling. As the situation was unforeseen, with the preferred supplier not being able to provide a Cloud based

system, no further budgetary action is required, although actions are underway to help prevent such a situation occurring again.

7.4 Summary Position

7.4.1 The following table pulls together the financing position after allowing for slippage. Overall the under and overspendings are considered comparatively minor when viewed against the programmes as a whole.

Capital Programme	Revised Estimate	Comparative Adjusted Expenditure	Overspend Or (Underspend)
	£'000	£'000	£'000
Council Housing	4,314	4,077	(237)
General Fund	14,496	14,556	60

8 TREASURY MANAGEMENT

8.1 The annual treasury management report is attached at **Appendix H** and sets out the performance of treasury operations for 2016/17 in terms of long and short term borrowing, investment activities and relevant borrowing limits and prudential indicators. This must be referred on to Council for information.

8.2 Whilst the topic is complex, it does have strong linkages with other aspects of the outturn, for example the capital position and business rates income.

9 TIMETABLE FOR COMPLETION OF ACCOUNTS AND ASSOCIATED MATTERS

9.1 As in previous years, key aspects of the outturn will be made available to Members and other stakeholders for their due consideration, in line with the following timetable:

Monday 01 July	Commencement of 30 working day period for public inspection, questioning and objecting to unaudited accounts.
Monday 10 July	Audit of accounts commences.
Tuesday 11 July	Budget and Performance Panel: consideration of outturn.
Wednesday 19 July	Council: annual Treasury Management report for information.
Wednesday 06 September	Audit Committee: consideration of audited accounts.

During July the first quarterly monitoring report for 2017/18 will be produced. This will draw on the outturn for last year, to identify any implications for current and future years.

10 DETAILS OF CONSULTATION

10.1 As reflected in section 9 above, the statutory arrangements regarding the public's rights in relation to the accounts provide for a fixed 30 working day period, to commence on 01 July for this year.

11 OPTIONS AND OPTIONS ANALYSIS

11.1 The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. For these aspects, therefore, there are no alternative options for Cabinet to consider. Members are being asked to endorse certain actions taken by the Chief Officer (Resources), and Cabinet should consider whether it has sufficient information to do so or whether it requires any further justification.

11.2 The report requests Cabinet to consider a number of revenue overspending, capital slippage and other budget adjustment matters. The framework for considering these is set out in the report but basically Cabinet may:

- Endorse any number of the items / requests, in full or part.
- Refuse various requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet should note, however, that this may impact on other areas of service delivery.
- Request further information regarding them, if appropriate.

12 OFFICER PREFERRED OPTION AND JUSTIFICATION

12.1 The Officer preferred options are as set out in the recommendations, on the assumption that Members continue to support their previously approved spending plans.

13 CONCLUSION

13.1 Although the General Fund budget and associated Government funding reduced again in 2016/17, the Council continued to manage the financial pressures well and it has again improved the Fund's overall financial standing as at 31 March 2017. Similarly, the HRA's standing is currently sound. Whilst net revenue underspendings were experienced on both General Fund and HRA, their scale is again lower than in previous years, reflecting the much tighter financial environment within which the Council is working. Although various actions have been outlined in the report, there are no wholly new matters arising that have not previously been reported or highlighted in some form, and this should give some comfort with regard to the adequacy of the Council's financial planning and monitoring arrangements. This is especially so, given that local government finance appears to be getting more complex, as evidenced perhaps by the business rates outturn position for last year.

RELATIONSHIP TO POLICY FRAMEWORK

The Outturn and Statement of Accounts report on all the financial resources generated and/or used by the Council in providing services or undertaking other activities under the Policy Framework.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc)

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

FINANCIAL IMPLICATIONS

As set out in the report.

SECTION 151 OFFICER'S COMMENTS

This report forms part of the Section 151 officer responsibilities, with the outturn being subject to external audit. Accordingly the report is in her name (as Chief Officer (Resources)).

LEGAL IMPLICATIONS

There are no legal implications directly arising.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

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HOUSING REVENUE ACCOUNT OUTTURN 2016/17

For Consideration by Cabinet 26 June 2017

	Original Budget £	Revised Budget £	Actual £	Variance £	Adjusted Variance £
INCOME				(Favourable) / Adverse	(Favourable) / Adverse
Rental Income - Council Housing	(13,700,500)	(13,679,000)	(13,656,185)	22,815	22,815
Rental Income - Other (Shops and Garages etc.)	(228,700)	(229,500)	(227,200)	2,300	2,300
Charges for Services & Facilities	(1,600,000)	(1,673,200)	(1,662,235)	10,965	10,965
Grant Income	(7,700)	(7,700)	(7,736)	(36)	(36)
Contributions from General Fund	(95,800)	(101,000)	(102,557)	(1,557)	(1,557)
Total Income	(15,632,700)	(15,690,400)	(15,655,913)	34,487	34,487
EXPENDITURE					
Repairs & Maintenance	4,518,800	4,982,500	5,116,419	133,919	133,919
Supervision & Management	3,063,200	3,044,600	3,006,651	(37,950)	(39,054)
Rents, Rates & Insurance	191,500	183,400	183,711	311	311
Contribution to Provision for Bad and Doubtful Debts	145,100	157,500	161,436	3,936	3,936
Depreciation & Impairment of Fixed Assets	2,006,000	2,146,100	4,365,726	2,219,626	249,116
Debt Management Costs	1,100	1,100	1,100	0	0
Total Expenditure	9,925,700	10,515,200	12,835,043	2,319,843	348,229
NET COST OF HRA SERVICES	(5,707,000)	(5,175,200)	(2,820,871)	2,354,329	382,715
Capital Grants and Contributions Receivable	0	(34,000)	(22,469)	11,531	11,531
Interest Payable & Similar Charges	1,967,000	1,960,200	1,953,524	(6,676)	(6,676)
Premiums & Discounts from Earlier Debt Rescheduling	(600)	(600)	(573)	27	27
Interest & Investment Income	(80,300)	(53,200)	(57,118)	(3,918)	(3,918)
Pensions Interest Costs & Expected Return on Pensions Assets	185,300	231,700	506,063	274,363	(0)
Self Financing Debt Repayment	0	0	0	0	0
(SURPLUS) OR DEFICIT FOR THE YEAR	(3,635,600)	(3,071,100)	(441,443)	2,629,657	383,680
Adjustments to reverse out Notional Charges included above	1,023,100	1,075,200	(900,993)	(1,976,193)	(34)
Net Charges made for Retirement Benefits	0	0	(269,818)	(269,818)	(0)
Transfer to/(from) Earmarked Reserves - for Revenue Purposes	0	0	0	0	0
Capital Expenditure funded from Major Repairs Reserve	2,146,600	1,697,500	1,067,960	(629,540)	(629,540)
Transfer from Earmarked Reserves - for Capital Purposes	(26,800)	(2,000)	142,616	144,616	144,616
Financing of Capital Expenditure from Earmarked Reserves	217,000	167,000	156,142	(10,858)	(10,858)
TOTAL (SURPLUS) / DEFICIT FOR THE YEAR	(275,700)	(133,400)	(245,536)	(112,136)	(112,136)
Housing Revenue Account Balance brought forward	(1,344,417)	(1,692,066)	(1,692,066)	0	0
HRA BALANCE CARRIED FORWARD	(1,620,117)	(1,825,466)	(1,937,602)	(112,136)	(112,136)

Note: The shaded items relate directly to financing the capital programme, and comprise depreciation on Council Dwellings, grants and contributions, use of the Major Repairs Reserve and specific Earmarked Reserves.

The first variance column includes notional variances mainly relating to pensions charges and revaluations that have to be included within the relevant service areas, but they are then reversed out and so do not impact on the 'bottom-line' outturn position. The adjusted variance column excludes these items and therefore shows a clearer outturn position.

GENERAL FUND REVENUE BUDGET SUMMARY

For Consideration by Cabinet 26 June 2017

	Original Budget £	Revised Budget £	Actuals £	Variance £ (Favourable) / Adverse	Adjusted Variance £ (Favourable) / Adverse
Management Team	0	0	0	0	389
Environmental Services					
Service Support	0	0	0	0	27,603
Public Realm	1,795,100	1,929,800	1,931,078	1,278	(24,852)
Repairs & Maintenance	0	0	0	0	(14,415)
Safety	195,500	190,800	185,135	(5,665)	(3,631)
Waste / Recycling	1,977,300	2,367,600	2,496,817	129,217	108,784
	3,967,900	4,488,200	4,613,030	124,830	93,489
Governance Services					
Democratic Services	1,512,400	1,520,900	1,533,143	12,243	1,493
Human Resources & Organisational Developer	218,200	218,200	216,298	(1,902)	(22,216)
Legal	(57,000)	(77,300)	(80,883)	(3,583)	(7,876)
	1,673,600	1,661,800	1,668,558	6,758	(28,599)
Environmental Health	1,379,500	1,353,800	1,353,645	(155)	(53,192)
General Fund Housing	169,900	176,800	179,686	2,886	2,263
Licensing	8,400	(2,000)	(9,865)	(7,865)	(15,358)
Sport and Leisure	2,345,200	2,340,700	2,314,509	(26,191)	(46,465)
Strategic Housing	826,600	800,500	752,465	(48,035)	(62,505)
Health & Housing Services	4,729,600	4,669,800	4,590,440	(79,360)	(175,257)
Development Management	576,500	882,400	1,067,093	184,693	(3,936)
Economic Development	1,785,700	1,899,000	1,836,044	(62,956)	(55,006)
Regeneration	3,415,300	3,535,200	9,689,701	6,154,501	(256,029)
Service Support	62,800	55,300	54,430	(870)	(7,714)
Regeneration & Planning	5,840,300	6,371,900	12,647,268	6,275,368	(322,685)
Audit	68,600	63,800	62,359	(1,441)	(7,272)
Financial Services	0	0	0	0	2,654
ICT	0	0	0	0	(21,029)
Property Group	(147,100)	(20,700)	1,836	22,536	(35,448)
Revenues and Benefits	1,134,600	879,400	837,318	(42,082)	(99,562)
Resources	1,056,100	922,500	901,513	(20,987)	(160,657)
Central Services	2,043,100	2,035,200	2,323,740	288,540	235,538
Central Services	2,043,100	2,035,200	2,323,740	288,540	235,538
Capital Financing	2,622,000	2,577,200	2,480,754	(96,446)	(96,446)
Reversal of Notional Charges	(4,260,500)	(4,694,200)	(635,060)	4,059,140	(37,885)
Treasury Management	942,500	979,500	(3,877,642)	(4,857,142)	(16,617)
Other Government Grants	(1,917,500)	(1,917,500)	(1,938,109)	(20,609)	(20,609)
Appropriations (to / (-) from Reserves)	(456,500)	(588,800)	(6,520,344)	(5,931,544)	277,887
Appropriations (to / (-) from Balances)	17,400	17,400	17,400	0	0
Other Income & Expenditure	(3,052,600)	(3,626,400)	(10,473,001)	(6,846,601)	106,330
Net Revenue Budget	16,258,000	16,523,000	16,271,548	(251,452)	(251,452)
Financed by:					
Retained Business Rates	(25,177,700)	(25,730,900)	(25,728,117)	2,783	2,783
Less Business Rates Tariff	19,927,600	20,215,800	20,215,859	59	59
Baseline Funding Level	(5,250,100)	(5,515,100)	(5,512,258)	2,842	2,842
Revenue Support Grant	(2,651,900)	(2,651,900)	(2,651,908)	(8)	(8)
Total Settlement Funding	(7,902,000)	(8,167,000)	(8,164,166)	2,834	2,834
Council Tax Surplus	(60,000)	(60,000)	(60,000)	0	0
Council Tax Requirement	8,296,000	8,296,000	8,047,382	(248,618)	(248,618)

Note the underspend of approx £249K will be transferred to Unallocated Balances to balance off the Fund accounts.

The first variance column includes notional variances relating to numerous capital and pensions charges that have to be included within the relevant service areas, but they are then reversed out (within the Corporate Accounts section) and so do not impact on the 'bottom-line' outturn position. The adjusted variance column excludes these items and therefore shows a clearer outturn position - the full analysis of this is shown at Appendix C.

GENERAL FUND VARIANCE ANALYSIS

For Consideration by Cabinet 26 June 2016

	2016/17 Outturn Compared to Working Budget	
	(Favourable) / Adverse	
	£	£
COUNCIL TAX REQUIREMENT		8,296,000
EXPENDITURE		
Employee Savings		(108,685)
Premises		
Repair & Maintenance underspends	(155,973)	
Utility Savings	(80,165)	(236,138)
Transport Expenses		
Additional fleet maintenance costs	51,184	
Increased petrol and derv costs	13,994	65,178
Supplies & Services		
Stores stock write-off re Highways	14,008	
Consultancy/Agency savings	(25,220)	(11,213)
INCOME		
Additional Income from Fees & Charges	(232,794)	
Reduced Income from Fees & Charges	142,209	
Net balance on Housing Benefits Subsidy Claim	(25,544)	
De-minimis capital receipts	(16,375)	
Interest - mainly additional investment interest	(16,617)	
Additional government grants - New Burdens and extra NHB Grant	(20,609)	(169,730)
Other Net Service Variances		(4,984)
SPECIFIC VARIANCES NOT INCLUDED ABOVE:		
Capital Financing (Net) - Mainly relating to additional ICT software costs		59,954
Provisions and Reserves:		
Corporate Property Reserve - additional contribution		50,000
Insurance Provision - additional contribution to cover pre-1990 claims		107,000
TOTAL VARIANCES		(248,618)
PROVISIONAL OUTTURN 2016/17		8,047,382

RESERVES AND PROVISIONS STATEMENT (INCLUDING BALANCES)

For consideration by Cabinet 26 June 2017

GENERAL FUND	OUTTURN					AS CURRENTLY BUDGETED																								
	31/03/16	Contributions to Reserve		Contribution from Reserve		31/03/17	Contributions to Reserve			Contribution from Reserve			31/03/18	Contributions to Reserve			Contribution from Reserve			31/03/20	Contributions to Reserve			Contribution from Reserve			31/03/21			
		£	From Revenue	To Capital	To Revenue		£	From Revenue	To Capital	To Revenue	£	From Revenue		To Capital	To Revenue	£	From Revenue	To Capital	To Revenue		£	From Revenue	To Capital	To Revenue	£	From Revenue		To Capital	To Revenue	£
General Fund Balance	(4,459,011)		(266,018)			(4,725,029)		(164,900)			(4,889,929)			(4,889,929)			(4,889,929)				(4,889,929)				(4,889,929)					
Earmarked Reserves:																														
Apprenticeships	(39,654)			39,654		0					0			0			0				0				0					
Business Rates Retention	(381,458)					(381,458)					381,500	42		42			42				42				42					
Business Support	0					0		(1,000,000)	85,000		(915,000)		135,200	(779,800)		57,900	(721,900)				(721,900)				(721,900)					
Canal Corridor	0					0		(400,000)			(400,000)		40,500	(359,500)		42,100	(317,400)			44,000	(273,400)				(273,400)					
Capital Support	(526,455)	(173,856)		248,800		(451,510)		(30,300)	126,000		(355,810)			(355,810)			(355,810)				(355,810)				(355,810)					
Corporate Property	(328,106)	(104,100)		14,700		(417,506)		(99,000)	59,000	100,000	(357,506)			(357,506)			(357,506)				(357,506)				(357,506)					
Economic Growth	0					0		(500,000)			(500,000)			(500,000)			(500,000)				(500,000)				(500,000)					
Elections	0	(40,000)				(40,000)		(40,000)			(80,000)	(40,000)		(120,000)	(40,000)	160,000	0	(40,000)			0	(40,000)			(40,000)					
Highways	(219,604)			219,604		0					0			0			0				0				0					
Homelessness Support	(76,459)	(18,016)				(94,475)		(3,100)			(97,575)	(9,800)		(107,375)	(10,100)		(117,475)	(10,100)			(117,475)	(10,100)			(127,575)					
Invest to Save	(1,469,557)	(350,700)				(1,820,257)				314,300	(1,505,957)			(1,505,957)			(1,505,957)				(1,505,957)				(1,505,957)					
Local Plan	(71,574)	(78,720)				(150,293)				87,400	(62,893)			(62,893)			(62,893)				(62,893)				(62,893)					
Markets	(54,099)			54,099		0					0			0			0				0				0					
Morecambe Area Action Plan (MAAP)	(114,469)		70,012	15,027		(29,430)					(29,430)			(29,430)			(29,430)				(29,430)				(29,430)					
Renewals (all services)	(812,263)	(402,800)	280,463	77,500		(857,100)		(479,300)	280,000	33,700	(1,022,700)	(479,300)	382,000	46,400	(1,073,600)	(479,300)	114,000	102,900		(1,336,000)	(479,300)	38,000	28,200		(1,749,100)					
Restructuring / Budget Support	(602,922)	(333,600)		386,397		(550,125)			48,500		(501,625)			(501,625)			(501,625)				(501,625)				(501,625)					
S106 Commuted Sums - Open Spaces	(104,010)			22,497		(81,513)			20,900		(60,613)		16,600	(44,013)		15,600	(28,413)			11,800	(16,613)				(16,613)					
S106 Commuted Sums - Affordable Housing	(261,777)	(59,714)	90,000			(231,491)					(231,491)			(231,491)			(231,491)				(231,491)				(231,491)					
S106 Commuted Sums - Highways, crossing & cycle paths	(844,073)	(68,426)	578,849	1,500		(332,150)		(50,000)	190,500	6,800	(184,850)	(75,000)	75,000	6,700	(178,150)	(75,000)	75,000	4,400		(173,750)					(173,750)					
Welfare Reforms	(396,284)	(59,286)		190,000		(265,571)			170,300		(95,271)			(95,271)			(95,271)				(95,271)				(95,271)					
Youth Games	(32,914)			32,914		0					0			0			0				0				0					
Reserves Held in Perpetuity:																														
Graves Maintenance	(22,201)					(22,201)					(22,201)			(22,201)			(22,201)				(22,201)				(22,201)					
Marsh Capital	(47,677)					(47,677)					(47,677)			(47,677)			(47,677)				(47,677)				(47,677)					
Total Earmarked Reserves	(6,405,556)	(1,689,217)	1,019,324	1,302,692		(5,772,757)		(2,601,700)	655,500	1,248,400	(6,470,557)	(604,100)	457,000	245,400	(6,372,257)	(604,400)	189,000	382,900		(6,404,757)	(529,400)	38,000	84,000		(6,812,157)					

Note - For various provisions and reserves, not all spending needs are reflected and so over the period their balances will reduce from the levels shown above, as and when spending commitments and their timing are confirmed.

Provisions	31/03/16	Contributions to Reserve	Net Payments from Reserve	31/03/17
	£	£	£	£
Bad Debts	(1,959,915)	(534,182)	128,143	(2,365,954)
Legal	(164,468)		25,741	(138,727)
Insurance	(399,617)	(257,842)	292,493	(364,966)
Total Provisions	(2,524,000)	(792,024)	446,377	(2,869,647)

HOUSING REVENUE ACCOUNT	OUTTURN				AS CURRENTLY BUDGETED																
	31/03/16	Contributions to Reserve		Contribution from Reserve	31/03/17	Contributions to Reserve	Contribution from Reserve		31/03/18	Contributions to Reserve	Contribution from Reserve		31/03/19	Contributions to Reserve	Contribution from Reserve		31/03/20	Contributions to Reserve	Contribution from Reserve		31/03/21
		From Revenue	To Capital	To Revenue			From Revenue	To Capital			To Revenue	From Revenue			To Capital	To Revenue			From Revenue	To Capital	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
HRA BALANCE	(1,692,066)		(245,536)		(1,937,602)	(179,900)		(2,117,502)	(18,700)		(2,136,202)				351,100	(1,785,102)				507,700	(1,277,402)
Earmarked Reserves:																					
Business Support Reserve	(8,436,881)				(8,436,881)			(8,436,881)			(8,436,881)					(8,436,881)					(8,436,881)
Major Repairs Reserve	0	(3,468,407)	3,468,407		0	(3,834,200)	3,834,200	0	(3,962,200)	3,962,200	0	(3,660,200)	3,660,200	0	(3,801,400)	3,801,400					0
Flats - Planned Maintenance	(690,738)	(133,000)	156,142		(667,596)	(133,000)	200,000	24,300	(576,296)	(133,000)	200,000	85,100	(424,196)	(133,000)	200,000	51,100	(306,096)	(133,000)	100,000	58,000	(281,096)
I T Replacement	(591,195)	(57,000)		46,253	(601,942)	(57,000)			(658,942)				(658,942)								(658,942)
Office Equipment Reserve	(36,009)	(3,000)			(39,009)				(39,009)				(39,009)								(39,009)
Sheltered - Equipment	(240,953)	(65,784)		3,208	(303,529)	(31,800)		38,000	(297,329)	(28,100)		40,700	(284,729)	(27,900)		31,300	(281,329)	(27,900)		30,900	(278,329)
Sheltered - Planned Maintenance	(126,014)	(102,421)		12,986	(215,449)	(50,000)		20,000	(245,449)	(57,500)		20,000	(282,949)	(52,500)		20,000	(315,449)	(52,200)		20,000	(347,649)
Sheltered Support Grant Maintenance	(445,075)				(445,075)	(28,000)			(473,075)	(28,100)			(501,175)	(27,900)			(529,075)	(27,900)			(556,975)
Total Earmarked Reserves	(10,566,865)	(3,829,612)	3,624,549	62,447	(10,709,481)	(4,134,000)	4,034,200	82,300	(10,726,981)	(4,208,900)	4,162,200	145,800	(10,627,881)	(3,901,500)	3,860,200	102,400	(10,566,781)	(4,042,400)	3,901,400	108,900	(10,598,881)

Provisions	31/03/16	Contributions to Reserve	Net Payments from Reserve	31/03/17
	£	£	£	£
Bad Debts	(522,138)	(161,436)	161,436	(522,138)

Carry Forward of Controllable Overspends

For Consideration by Cabinet 26 June 2017

Services and Detail of Overspend		Revised Budget £	Actual £	Variance £	Comments
GENERAL FUND REVENUE					
Environmental Services					
Waste Collection / Street Cleaning	Vehicle Repair and Maintenance	390,000	443,078	53,078	Delays in the procurement of replacement vehicles (largely due to longer lead-in times) and keeping vehicles for longer have resulted in higher levels of repairs required in year. Going forward, all new vehicles have been purchased with longer warranties, in addition further work on reviewing the replacement programme is underway, to ensure that decisions take account of VFM / cost benefit analysis. As such no further budgetary action is required at this time.
Waste Collection	Garden Waste Income	(130,300)	(124,896)	5,404	New scheme - take-up rates fell just short of the estimated level of demand resulting in a slight shortfall in income. Initial monitoring of 2017/18 projections indicate a continuing lower level of take-up, but targeted marketing campaigns are currently underway. The position will be monitored and reported through the quarterly corporate monitoring process. As a result, no further budgetary action is required.
Trade Refuse	Trade Refuse Income	(1,322,700)	(1,241,190)	81,510	The trade refuse function outperformed the expected position with the exception of a payment of £100K made to HMRC regarding an outstanding VAT issue. This was a one-off cost, therefore no further budgetary action is required.
White Lund Depot	Materials	3,700	17,708	14,008	Higher levels of stock were written-off in year following termination of the Lancashire Highways Partnership agreement and review of obsolete stock. This was a one-off cost, therefore no further budgetary action is required.
Governance					
City Council Elections	Printing & Stationery / Postages / Misc. Licences	317,900	327,275	9,375	Net additional costs mainly relating to Individual Electoral Registration (IER) legislative changes. This was a one-off cost, therefore no further budgetary action is required.
Health & Housing					
Environmental Protection	Services - Pollution Surveys	1,500	6,663	5,163	Additional costs mainly relating to a complicated planning application concerning acoustics at the Gillows Building. This was a one-off cost, therefore no further budgetary action is required.

Officer Decisions: That no further action be taken as all overspends are offset by other savings. On-going implications are still being reviewed.

Lancaster City Council - Capital Expenditure 2016/17

For consideration by Cabinet 26 June 2017

HOUSING REVENUE ACCOUNT	Revised Estimate	Expenditure in 2016/17	Expenditure to be financed in 2016/17	SCHEME FINANCING					Total Scheme Specific Financing	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
				Grants & Contributions	Grant Unapplied	Earmarked Reserves	Specific Revenue Financing	Major Repairs Reserve (HRA Only)		
	£	£	£	£	£	£	£	£	£	
COUNCIL HOUSING										
Bathroom Kitchen Refurbishment	906,000	875,718.51	875,718.51					875,718.51	875,718.51	0.00
External Refurbishment	921,000	893,430.05	893,430.05	19,915.07				873,514.98	893,430.05	0.00
Re-roofing / Window Renewals	510,000	492,006.59	492,006.59					492,006.59	492,006.59	0.00
Environmental / Crime Prevention Works	784,000	738,296.23	738,296.23			135,964.79		602,331.44	738,296.23	0.00
Energy Efficiency Works	575,000	586,299.55	586,299.55					365,750.18	365,750.18	220,549.37
Rewiring	68,000	67,029.90	67,029.90					67,029.90	67,029.90	0.00
Adaptations	350,000	227,608.90	227,608.90					0.00	0.00	227,608.90
Fire Precaution Works	200,000	196,785.03	196,785.03	2,553.92		20,177.21		174,053.90	196,785.03	0.00
Lift Replacement	0	-467.92	-467.92					-467.92	-467.92	0.00
TOTAL - HRA	4,314,000	4,076,706.84	4,076,706.84	22,468.99	0.00	156,142.00	0.00	3,449,937.58	3,628,548.57	448,158.27

GENERAL FUND	Revised Estimate	Expenditure in 2016/17	Expenditure to be financed in 2016/17	SCHEME FINANCING					Total Scheme Specific Financing	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
				Grants & Contributions	Grant Unapplied	Earmarked Reserves	Specific Revenue Financing	Major Repairs Reserve (HRA Only)		
	£	£	£	£	£	£	£	£	£	
ENVIRONMENTAL SERVICES										
Vehicle Renewals	486,000	395,410.18	395,410.18				17,217.00	17,217.00	378,193.18	
Bins & Boxes Buy-out	74,000	67,737.88	67,737.88				67,737.88	67,737.88	0.00	
Car Park Improvement Programme	57,000	840.00	840.00					0.00	840.00	
Langridge Way Play Area	23,000	22,630.00	22,630.00	16,000.00			6,630.00	22,630.00	0.00	
Sub-Total	640,000	486,618.06	486,618.06	16,000.00	0.00	0.00	91,584.88	107,584.88	379,033.18	
HEALTH & HOUSING										
Disabled Facilities Grants	850,000	997,377.70	997,377.70	997,377.70				997,377.70	0.00	
Warmer Homes Scheme	1,000	830.00	830.00		830.00			830.00	0.00	
Salt Ayre Sports Centre	4,405,000	3,619,231.38	3,619,231.38					0.00	3,619,231.38	
Sub-Total	5,256,000	4,617,439.08	4,617,439.08	997,377.70	830.00	0.00	0.00	998,207.70	3,619,231.38	
REGENERATION & PLANNING										
Artle Beck Improvements	5,000	0.00	0.00					0.00	0.00	
Strategic Monitoring Baywide	2,000	1,717.20	1,717.20	1,717.20				1,717.20	0.00	
Wave Reflection Wall Construction	3,773,000	3,131,417.62	3,131,417.62	3,131,417.62				3,131,417.62	0.00	
Amenity Improvements	6,000	158.15	158.15					0.00	158.15	
Luneside East	30,000	31,890.10	31,890.10				8,000.00	8,000.00	23,890.10	
Morecambe THI 2: A View for Eric	375,000	306,565.30	306,565.30	229,476.73			39,000.00	268,476.73	38,088.57	
Morecambe Area Action Plan (Improving Streets)	527,000	368,281.31	368,281.31	9,681.42		155,012.00	3,000.00	167,693.42	200,587.89	
King St & Wellington Terrace Affordable Housing	90,000	90,000.00	90,000.00			90,000.00		90,000.00	0.00	
Middleton Nature Reserve s106 Scheme	4,000	4,360.46	4,360.46			4,000.00		4,000.00	360.46	
Pedestrian Cycle Link - Sainsburys Mcbe s106	1,000	299.98	299.98					0.00	299.98	
Lancaster District Empty Homes Partnership	99,000	51,144.33	51,144.33				51,144.33	51,144.33	0.00	
Bay Arena Improvements	50,000	41,805.72	41,805.72	41,805.72				41,805.72	0.00	
S106 Highways Works	485,000	484,783.00	484,783.00			484,783.00		484,783.00	0.00	
Sub-Total	5,447,000	4,512,423.17	4,512,423.17	3,414,098.69	0.00	733,795.00	101,144.33	4,249,038.02	263,385.15	
Resources										
ICT Systems, Infrastructure & Equipment	799,000	618,812.94	618,812.94	68,348.65		265,526.16	65,600.00	399,474.81	219,338.13	
Energy Efficiency Works	40,000	379,359.33	379,359.33					0.00	379,359.33	
Corporate Property Works :	2,314,000	2,017,683.32	2,017,683.32	8,288.80		14,936.88		23,225.68	1,994,457.64	
Sub-Total	3,153,000	3,015,855.59	3,015,855.59	76,637.45	0.00	280,463.04	65,600.00	422,700.49	2,593,155.10	
TOTAL - GENERAL FUND	14,496,000	12,632,336	12,632,336	4,504,113.84	830.00	1,014,258.04	258,329.21	5,777,531.09	6,854,804.81	

GENERAL FUND HOUSING REVENUE ACCOUNT	Revised Estimate	Expenditure in 2016/17	Expenditure to be financed in 2016/17	SCHEME FINANCING					Total Scheme Specific Financing	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
				Grants & Contributions	Grant Unapplied	Earmarked Reserves	Specific Revenue Financing	Major Repairs Reserve (HRA Only)		
	£	£	£	£	£	£	£	£	£	
	14,496,000	12,632,335.90	12,632,335.90	4,504,113.84	830.00	1,014,258.04	258,329.21	0.00	5,777,531.09	6,854,804.81
	4,314,000	4,076,706.84	4,076,706.84	22,468.99	0.00	156,142.00	0.00	3,449,937.58	3,628,548.57	448,158.27
TOTAL CAPITAL EXPENDITURE & FINANCING	18,810,000	16,709,042.74	16,709,042.74	4,526,582.83	830.00	1,170,400.04	258,329.21	3,449,937.58	9,406,079.66	7,302,963.08

2016/17 CAPITAL EXPENDITURE FINANCING			Housing Revenue Account	General Fund	Total for all Funds
			£	£	£
Amounts to be financed by General Capital Resources			448,158.27	6,854,804.81	7,302,963.08
Financed by:					
Underlying Borrowing Need - Increase in Capital Financing Requirement			0.00	6,453,562.95	6,453,562.95
Usable Capital Receipts			448,158.27	401,241.86	849,400.13
General Grants Unapplied			0.00	0.00	0.00
Total Financing from General Capital Resources			448,158.27	6,854,804.81	7,302,963.08

CAPITAL SLIPPAGE - INTO FINANCIAL YEAR 2017/18
For Consideration by Cabinet 26 June 2017

	Slippage Requested	Percentage of Revised budget	Source of Funding			Reasons for Slippage Requests
			LCC Funded	Grants & Contributions	Total	
	£		£	£	£	
GENERAL FUND						
Environmental Services						
Vehicle Renewals	90,000	19%	90,000		90,000	Delayed procurement of 2 cleansing vehicles (£45K each). West View Car Park scheme delayed for logistical and operational reasons.
Car Parks Improvement Programme	56,000	98%	56,000		56,000	
	146,000		146,000	0	146,000	
Health and Housing						
Salt Ayre Sports Centre Redevelopment	786,000	18%	786,000		786,000	Overall programme spend on target, but profile not as originally anticipated.
	786,000		786,000	0	786,000	
Regeneration and Planning						
Wave Reflection Wall	642,000	17%		642,000	642,000	Elements of Phase 1 delayed until April 2017 due to staff vacancies. Delays in progressing scheme due to staff vacancies. Difficulties in agreeing with owners works to improve untidy properties in Morecambe. Project delays relating to Connecting Victoria St, Euston Rd and New Town Square. Property grant payments delayed until April 2017. Outstanding works for Art and Environmental features. Two schemes delayed due to quotations not being finalised.
Artle Beck Improvements	5,000	100%		5,000	5,000	
Amenity Improvements	6,000	100%	6,000		6,000	
MAAP Improving Morecambe's Main Streets	159,000	30%	159,000		159,000	
THI 2 - A View for Eric	68,000	18%	16,000	52,000	68,000	
Bay Arena Improvements	8,000	16%		8,000	8,000	
Lancaster District Empty Homes Partnership	48,000	48%	48,000		48,000	
	936,000		229,000	707,000	936,000	
Resources						
ICT Systems, Infrastructure & Equipment	246,000	31%	246,000		246,000	Delayed implementation of CRM system, and storage upgrades. Delays in progressing a number of schemes, mainly LTH disabled access ramp and other works (£135K) , Ashton Memorial (£58K) and Lancaster Museum (£67K).
Corporate Property Works	296,000	13%	296,000		296,000	
	542,000		542,000	0	542,000	
GENERAL FUND TOTAL	2,410,000		1,703,000	707,000	2,410,000	
Accelerated Spend						
GENERAL FUND						
Health and Housing						
Disabled Facilities Grants	-147,000			-147,000	-147,000	Funded from 2016/17 grant allocation of £1.463M.
Resources						
Energy Efficiency Works	-339,000		-339,000		-339,000	Works brought forward in conjunction with Salt Ayre Redevelopment programme.
	-486,000		-339,000	-147,000	-486,000	
OVERALL NET SLIPPAGE	1,924,000		1,364,000	560,000	1,924,000	

Annual Treasury Management Report
2016/17

For Noting by Cabinet 26 June 2017

Annual Treasury Management Review 2016/16

Purpose

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2016/17. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2016/17 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 02 March 2016)
- a mid-year (minimum) treasury update report (Council 14 December 2016)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, Members have received quarterly treasury management update reports that were presented to Cabinet and Budget and Performance Panel.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

The Council confirms that it has complied with the requirement under the Code to give prior scrutiny (by Budget and Performance Panel) to all of the above treasury management reports before they were reported to full Council.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
 - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
 - The actual prudential and treasury indicators;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
 - Summary of interest rate movements in the year;
 - Detailed debt activity; and
 - Detailed investment activity.
-

1. The Council's Capital Expenditure and Financing 2016/17

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- if insufficient financing is available from the above sources, or a decision is taken not to apply such resources, the capital expenditure will give rise to a borrowing need (also referred to as "unfinanced", within the tables and sections below).

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund (GF) £M	2015/16 Actual	2016/17 Estimate	2016/17 Actual
Capital expenditure	7.52	14.50	12.63
Financed in year	3.10	7.58	6.18
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	4.42	6.92	6.45

HRA £M	2015/16 Actual	2016/17 Estimate	2016/17 Actual
Capital expenditure	4.88	4.31	4.08
Financed in year	4.88	4.31	4.08
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	0.000	0.000	0.000

2. The Council's Capital Financing Requirement 2016/17

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2016/17 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury function organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWL] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to

make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs in purpose from other treasury management arrangements, which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2016/17 MRP Policy (as required by Government Guidance) was approved as part of the Treasury Management Strategy Report for 2016/17 on 02 March 2016.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which effectively increase the Council's borrowing need. No borrowing is actually required against these schemes, however, as a borrowing facility is included in the contract (if applicable).

CFR (£M): General Fund	31 March 2016 Actual	31 March 2017 Estimate	31 March 2017 Actual
Opening balance	32.52	35.38	35.37
Add unfinanced capital expenditure (as above)	4.42	6.92	6.45
Less MRP	(1.46)	(1.12)	(1.12)
Less finance lease repayments	(0.11)	(0.10)	(0.08)
Closing balance	35.37	41.08	40.62

CFR (£M): HRA	31 March 2016 Actual	31 March 2017 Estimate	31 March 2017 Actual
Opening balance	43.59	42.52	42.52
Add unfinanced capital expenditure (as above)	0.00	0.00	0.00
Less Debt Repayment	(1.07)	(1.04)	(1.07)
Closing balance	42.52	41.48	41.45

CFR (£M): Combined	31 March 2016 Actual	31 March 2017 Estimate	31 March 2017 Actual
Opening balance	76.11	77.90	77.89
Add unfinanced capital expenditure (as above)	4.42	6.92	6.45
Less Debt Repayment, Finance Leases and MRP	(2.64)	(2.26)	(2.26)
Closing balance	77.89	82.56	82.07

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2016/17), plus the estimates of any additional capital financing requirement for the current (2017/18) and next two financial years. This essentially helps to demonstrate that the Council is not borrowing to support revenue expenditure, whilst allowing some flexibility in 2016/17 to borrow in advance of future capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with the legal requirements underpinning this prudential indicator.

	31 March 2016 Actual	31 March 2017 Estimate	31 March 2017 Actual
Gross borrowing position	£66.42M	£65.29M	£65.29M
CFR	£77.89M	£82.55M	£82.07M

The authorised limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2016/17 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator helps identify the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2016/17 Actual
Authorised limit	£100.000M
Maximum gross borrowing position	£66.29M
Operational boundary	£83.53M
Average gross borrowing position	£65.94M
Financing costs as a proportion of net revenue stream - GF	13.9%
Financing costs as a proportion of net revenue stream - HRA	17.4%

3. Treasury Position as at 31 March 2017

The Council's debt and investment position is administered to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2016/17 the Council's treasury (excluding borrowing relating to finance leases) position was as follows:

	31 March 2016 Principal	Average Rate	Average Life yrs	31 March 2017 Principal	Average Rate	Average Life yrs
Fixed rate funding:						
PWLB	£66.29M	4.59%	37	£65.25m	4.61%	36
Total debt	£66.29M			£65.25M		
CFR	£77.89M			£82.07M		
Over / (under) borrowing	(£11.60M)			(£16.82M)		
Total investments	£39.22M	0.47%		£30.25M	0.37%	

All investments were placed for under one year.

The loan repayment schedule is as follows:

	31 March 2016 actual	31 March 2017 actual
Under 12 months	£1.04M	£1.04M
12 months and within 24 months	£1.04M	£1.04M
24 months and within 5 years	£3.12M	£3.12M
5 years and within 10 years	£5.21M	£5.21M
10 years and within 20 years	£10.41M	£10.41M
20 years and within 30 years	£10.41M	£10.41M
More than 30 years	£34.01M	£32.98M

The average rate of interest payable on PWLB debt in 2016/17 was 4.61%. A total of £3.04M interest was incurred during the year, of which £1.95M was recharged to the HRA.

Interest Payable

	2016/17
Estimate	£3.07M
Actual	£3.04M

Prudential Indicators also provide exposure limits that identify the maximum limit for variable / fixed interest rate exposure, based upon the debt position. The table below shows that the outturn position was within the limits set by Members at the beginning of the year. The Council currently only has fixed interest rate debt, although again this could change in future if market conditions warrant or facilitate it.

Fixed/Variable rate limits

	Prudential Indicator (%)	Actual (%)
Fixed Rate	100	100
Variable Rate	30	0

4. Interest Rates: Investment Strategy for 2016/17

The expectation for interest rates within the treasury management strategy for 2016/17 anticipated a low but rising Bank Rate. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

5. The Economy and Interest Rates (supplied by Capita Asset Services)

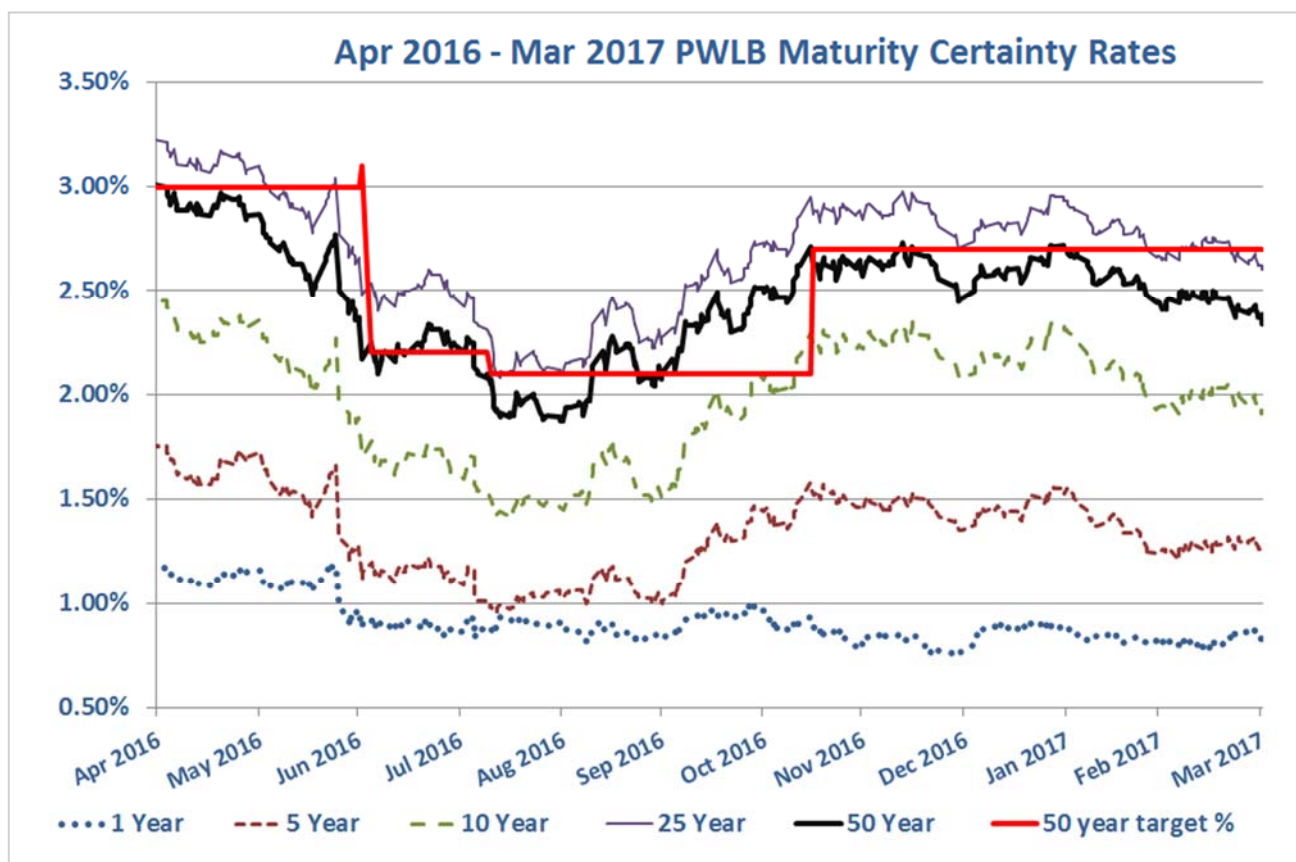
The UK GDP annual growth rates in each calendar year 2013 – 2016 of 1.9%, 3.1%, 2.2% and finally 1.8%, have all been the top rate, or near top rate, of any of the G7 countries in every year. It is particularly notable that this UK performance was repeated in 2016, a year in which the Bank of England had forecast in August that growth would be near to zero in the second half of the year due to the economic shock it expected from the result of the Brexit referendum in June. However, it has had to change its mind and in its February 2017 Inflation Report, the Bank again upgraded its forecasts for growth in 2017 and 2018 to 2.0% and 1.6%. However over this two year period, it also expects inflation to accelerate towards nearly 3% as increases in costs as a result of the fall in the value of sterling since the referendum, gradually feeds through into the economy. This fall has been steepest against the US dollar where its value has fallen 17%. Provided those cost pressures do not feed through into significantly higher domestically generated inflation within the UK, the MPC is expected to 'look through' this one off blip upwards in inflation. Wage inflation, which is a key driver of domestically generated price pressures, is currently subdued.

The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August 2016 in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. At that juncture, it also gave a strong steer that it was likely to cut Bank Rate again by the end of 2016. However, since August, growth has been robust; also, inflation forecasts have risen substantially as a result of the sharp fall in the value of sterling since the referendum. Consequently, Bank Rate has not been cut again, and, on current trends, it now appears unlikely that there will be another cut. Nevertheless, that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is unlikely that the MPC will do anything to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

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

	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%	0.75%
5yr PWLB rate	1.40%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%
10yr PWLB rate	2.10%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%
25yr PWLB rate	2.70%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%
50yr PWLB rate	2.50%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

PWLB certainty maturity borrowing rates - the graphs and table for PWLB rates below show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



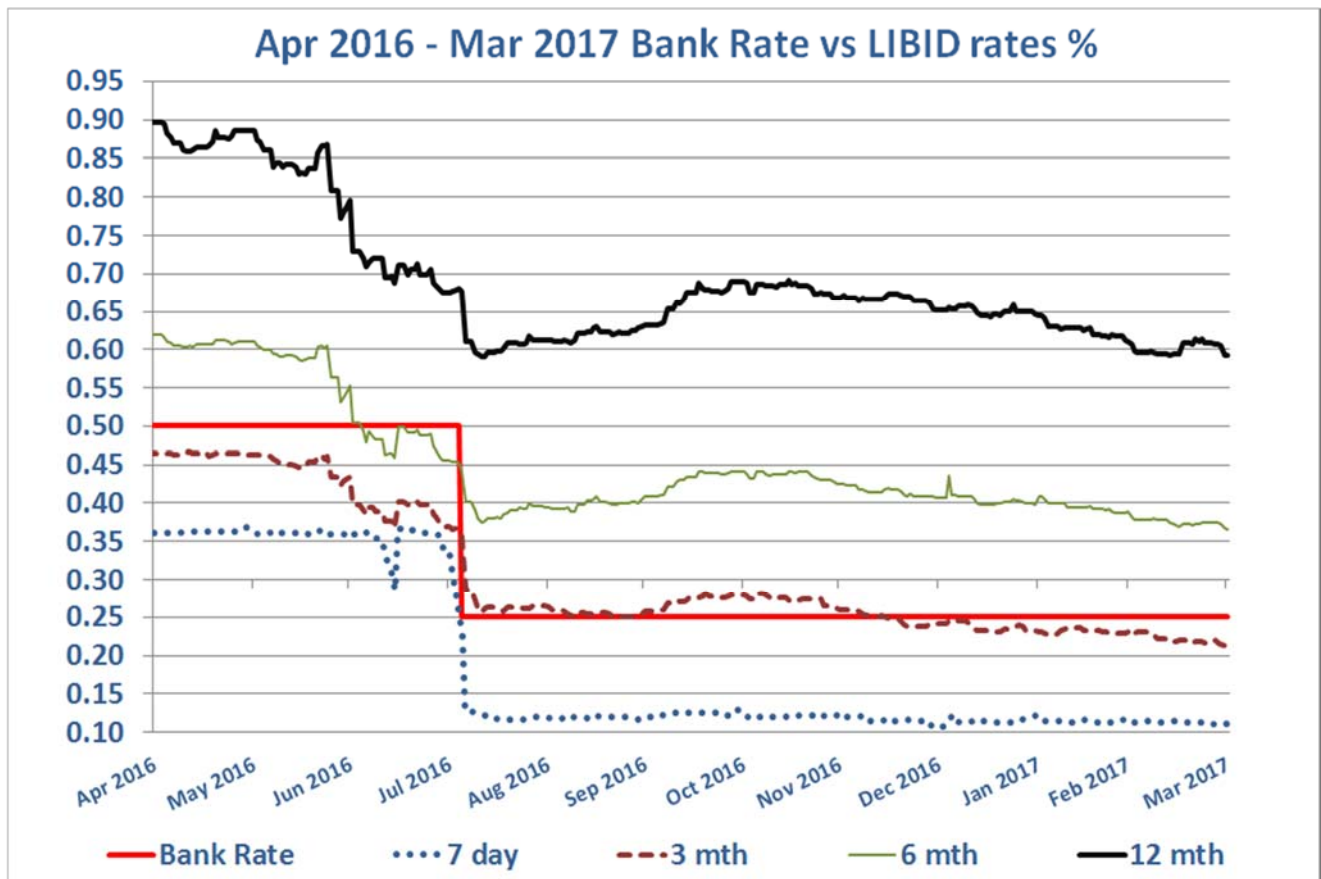
No actual borrowing was undertaken during the year.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

8. Investment Rates in 2016/17

The Bank Rate was cut on 04 August from its then historic low of 0.5% to 0.25%. Investment rates available in the market fell sharply during the first quarter of the year before partially recovering but then subsiding gently again in the final quarter.



9. Investment Outturn for 2016/17

Investment Policy – the Council's investment policy is governed by Government investment guidance, which underpins the annual investment strategy approved by the Council on 02 March 2016. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources were comprised of the following:

Balance Sheet Resources (£M)	General Fund		HRA		TOTAL	
	31/03/16	31/03/17	31/03/16	31/03/17	31/03/16	31/03/17
Balances	4.46	4.73	1.69	1.94	6.15	6.67
Earmarked reserves	6.51	6.61	10.57	10.71	17.08	17.32
Provisions	0.56	0.50	0.00	0.00	0.56	0.50
Working Capital	24.07	20.13	3.01	2.56	27.08	22.69
Total Resources	35.60	31.97	15.27	15.21	50.87	47.18
Amount Over / (Under) Borrowed					(11.60)	(16.82)
Baseline Investment Balances					39.27	30.36
Actual Investment Balances					39.22	30.25

Investments held by the Council - the Council maintained an average investment balance of £47.2M of internally managed funds. The average rate of interest earned was 0.37% is compared to the base rate and average 3-month LIBID rate as set you below.

	2015/16	2016/17
Lancaster CC Investments	0.47%	0.37%
Base Rate	0.50%	0.25%
3 Month LIBID	0.46%	0.32%

In terms of performance against budget the actual interest earned in 2016/17 was £173K compared to a budget of £161K.

10. Other Risk Management Issues

Many of the risks in relation to treasury management are managed through the setting and monitoring of performance against the relevant Prudential and Treasury Indicators and the approved Investment Strategy, as discussed above.

The Authority's Investment Strategy is designed to engineer risk management into investment activity by reference to credit ratings and the length of deposit to generate a pool of counterparties, together with consideration of other creditworthiness information to refine investment decisions. The Council is required to have a strategy is required under the CIPFA Treasury Management Code, the adoption of which is another Prudential Indicator. The strategy for 2016/17 complied with the latest Code of Practice (November 2011) and relevant Government investment guidance.

11. Conclusion

The Council's treasury activities were in line with its approved policies and strategies. With respect to investments, some longer fixed term investments were placed with other Local Authorities which helped to increase the average yield for the year. Cash balances have, however, reduced significantly during the year following the completion of transactions relating to business rate appeals. This in turn will reduce investment interest going forward, something which has already been factored into future forecasts.

LANCASTER CITY COUNCIL
TREASURY MANAGEMENT POLICY STATEMENT

Last reported to Council on 02 March 2016

This reflects the revised CIPFA Treasury Management Code of Practice (Code updated in 2011).

1. This organisation defines its treasury management activities as:

“The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

 2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

 3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
-

Treasury Management Glossary of Terms

- **Annuity** – method of repaying a loan where the payment amount remains uniform throughout the life of the loan, therefore the split varies such that the proportion of the payment relating to the principal increases as the amount of interest decreases.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations, also the standard setting organisation for Local Government Finance.
- **Call account** – instant access deposit account.
- **Counterparty** – an institution (e.g. a bank) with whom a borrowing or investment transaction is made.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. It is based on any information available regarding the institution: published results, Shareholders' reports, reports from trading partners, and also an analysis of the environment in which the institution operates (e.g. its home economy, and its market sector). The main rating agencies are Fitch, Standard and Poor's, and Moody's. They currently analyse credit worthiness under four headings (but see changes referred to in the strategy):
 - **Short Term Rating** – the perceived ability of the organisation to meet its obligations in the short term, this will be based on measures of liquidity.
 - **Long Term Rating** – the ability of the organisation to repay its debts in the long term, based on opinions regarding future stability, e.g. its exposure to 'risky' markets.
 - **Individual/Financial Strength Rating** – a measure of an institution's soundness on a stand-alone basis based on its structure, past performance and credit profile.
 - **Legal Support Rating** – a view of the likelihood, in the case of a financial institution failing, that its obligations would be met, in whole or part, by its shareholders, central bank, or national government.

The rating agencies constantly monitor information received regarding financial institutions, and will amend the credit ratings assigned as necessary.

- **DMADF and the DMO** – The DMADF is the 'Debt Management Account Deposit Facility'; this is highly secure fixed term deposit account with the Debt Management Office (DMO), part of Her Majesty's Treasury.
 - **EIP** – Equal Instalments of Principal, a type of loan where each payment includes an equal amount in respect of loan principal, therefore the interest due with each payment reduces as the principal is eroded, and so the total amount reduces with each instalment.
 - **Gilts** – the name given to bonds issued by the U K Government. Gilts are issued bearing interest at a specified rate, however they are then traded on the markets like shares and their value rises or falls accordingly. The Yield on a gilt is the interest paid divided by the Market Value of that gilt.
-

E.g. a 30 year gilt is issued in 1994 at £1, bearing interest of 8%. In 1999 the market value of the gilt is £1.45. The yield on that gilt is calculated as $8\%/1.45 = 5.5\%$.

See also PWLB.

- **LIBID** – The London Inter-Bank Bid Rate, the rate which banks would have to bid to borrow funds from other banks for a given period. The official rate is published by the Bank of England at 11am each day based on trades up to that time.
- **LIBOR** – The London Inter-Bank Offer Rate, the rate at which banks with surplus funds are offering to lend them to other banks, again published at 11am each day.
- **Liquidity** – Relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Maturity** – Type of loan where only payments of interest are made during the life of the loan, with the total amount of principal falling due at the end of the loan period.
- **Money Market Fund (MMF)** – Type of investment where the Council purchases a share of a cash fund that makes short term deposits with a broad range of high quality counterparties. These are highly regulated in terms of average length of deposit and counterparty quality, to ensure AAA rated status.
- **Policy and Strategy Documents** – documents required by the CIPFA Code of Practice on Treasury Management in Local Authorities. These set out the framework for treasury management operations during the year.
- **Public Works Loans Board (PWLB)** – a central government agency providing long and short term loans to Local Authorities. Rates are set daily at a margin over the Gilt yield (see Gilts above). Loans may be taken at fixed or variable rates and as Annuity, Maturity, or EIP loans (see separate definitions) over periods of up to fifty years. Financing is also available from the money markets, however because of its nature the PWLB is generally able to offer better terms.
- **Capita Asset Services** – Capita Asset Services are the City Council's Treasury Management advisors. They provide advice on borrowing strategy, investment strategy, and vetting of investment counterparties, in addition to ad hoc guidance throughout the year.
- **Yield** – see Gilts

Members may also wish to make reference to *The Councillor's Guide to Local Government Finance*.

BUDGET AND PERFORMANCE PANEL**Performance monitoring and reporting****11th July 2017****Report of Chief Officer (Environmental Services) and
Organisational Development Manager****PURPOSE OF REPORT**

To inform Budget and Performance Panel of the work carried out to establish a portfolio of management performance indicators and projects that are focused on core service delivery and the achievement of corporate outcomes and priorities. The report also sets out a proposal for a new approach for reporting corporate performance and provides a review of performance against corporate plan priorities and outcomes in 2016 – 2017

This report is public

RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the draft Review of the Year 2016/17 (Appendix A) setting out progress against the Corporate Plan 2016 -2020 priorities and outcomes**
- (2) That Budget and Performance Panel considers the style and layout of the portfolio of corporate performance indicators (Appendix B) and key projects (Appendix C) for monitoring in 2017 -2018**
- (3) That Budget and Performance Panel considers the style and layout of the proposed corporate performance monitoring report (Appendix D) to be presented to future meetings of the Panel**

1 Review of the Year 2016 – 2017

- 1.1 Members will be aware that the Corporate Plan sets out the Council's *Core Purpose* and *Vision* for the district and the priorities that the Council is focusing on. It sets the direction for the delivery of our services and, together with the Medium Term Financial Strategy (MTFS) and other strategies, drives the allocation of resources as part of the council's Policy Framework.
- 1.2 The Council is committed to providing high quality value for money services to our residents and local businesses and throughout the year we monitor the overall performance of the key activities that we aim to deliver over the period of the Corporate Plan.
- 1.3 The document attached as Appendix A is part of the performance monitoring process, setting out our achievements in 2016 -2017 with progress being aligned to the corporate priorities and outcomes set out in the Corporate Plan 2016 - 2020.
- 1.4 The Review of the Year 2016/17 is a draft document for discussion by Budget and Performance Panel.

2 Portfolio of Performance Indicators and Projects

- 2.1 The ability to manage the performance of the Council is critical to its success. It enables Members and officers to assess whether we are
- achieving what we set out to do;
 - delivering value for money, and;
 - making life better for our citizens.
- 2.2 The measurement of performance provides the foundation upon which all other elements of performance management is built. It can ensure that we are focussed on our key priorities and outcomes and that areas of under (and over) performance is questioned and improved.
- 2.3 The basic approach to performance management should provide an overview of the activities, systems and culture by which the Council manages, monitors and improves its performance and achieves delivery of its core services, corporate priorities and outcomes. In other words, it should be able to show not just how well services and activities are performing but why performance is at the level it is.
- 2.4 To be really effective, performance management needs to be set within a culture of improvement where everyone in the Council is determined to improve services and outcomes.
- 2.5 However performance management alone does not guarantee improvement. This comes through process redesign, innovation and other forms of continuous improvement and, most essentially, the attitude, creativity, commitment and dedication of the people delivering services.
- 2.6 As a result, Organisational Development have been working closely with senior managers and Management Team to put together a portfolio of corporate performance indicators and projects. The appendices attached to this report are the culmination of the work providing a portfolio of core corporate indicators of performance (both quantitative and qualitative) (Appendix B) and our key projects (Appendix C).
- 2.7 This forms part of the Budget and Policy framework 2017 - 2021 that was considered by Cabinet and the Budget and Performance Panel at the end of January. This was subsequently updated and reported to Cabinet in February where they resolved that in light of the two-phased budget approach and the forthcoming strategic review of the Council's services and priorities there would be no refresh of the Corporate Plan in 2017 – 2018 but that corporate performance information during 2017 -2018 will inform new Corporate Plan proposals from 2018 – 2019 onwards.
- 2.8 The range of quantitative indicators now include measures that cover:
- a general **overview of the Council**;
 - **productivity** – the amount produced in a defined period;
 - **utilisation and demand** – the extent to which our services are, or have the potential to be, used;
 - **time** – the amount of time taken to carry out pieces of work or reach project milestones

2.9 Qualitative indicators also contribute to effective performance. In monitoring how well we are doing, there is no substitute to asking the people that matter – our residents - what they think. Work is underway to bring together existing, and to create new customer satisfaction surveys to make the most of this useful form of information.

2.10 The ‘*overview of the Council*’ and qualitative indicators now incorporated into the performance portfolio will also provide the sort of key performance information that the Budget and Performance Panel requested at their meeting in February (Minute 33 refers). To make most effective use of management information from the corporate indicators and key projects work has tried to ensure that they:

- are fully **aligned to purpose** and core activity;
- are **embedded within the work** that we do;
- provide for perspectives on the **experience of our citizens** as well as our own effectiveness;
- go beyond preventing failure to **encouraging continuous improvement** and **building capability**;
- are **focused on delivering outcomes**, not just completing tasks;
- provide **insight and evidence** to support judgements and decisions;
- demonstrate **control of the work** and **clear lines of accountability**

2.11 In addition all the performance indicators are SMART measures of performance – that is to say that they are:

Specific	simply and clearly stated so that there is little risk of confusion
Measurable	data and information is readily available and easy to collect
Achievable	based on realistic standard and targets – not wishful thinking
Relevant	related to purpose and our core activity
Timely	data and information is available soon enough and often enough

2.12 The portfolio of performance indicators and projects are draft for comment. It is proposed that future reports to Budget and Performance Panel will contain monitoring information and progress updates.

3 Performance Reporting

- 3.1 Previously, Members have been presented with a significant volume of performance information. The revised portfolio contains a number of key indicators and projects, with the intention of representing the Council's key measures.
- 3.2 Much of the performance information can be produced in a variety of formats to suit the Panel's needs and preferences. The monitoring report attached at Appendix D is a 'mock up' of a proposed reporting format for the Panel's information and comment. **Please note that the data shown here is for presentational purposes only.**
- 3.3 Using this format the monitoring report will provide a visual and easy to understand overview of actual corporate performance against agreed targets for each indicator using a 'traffic light' system where Green is '*On or above Target*'; Amber is '*Near target*' and Red is '*Under Target*'.
- 3.4 The revised report will also identify the '*Direction of Travel*' of each indicator over a period of time providing a trend analysis of the key indicators and an easy to understand visual representation of whether or not performance is improving.
- 3.5 Using this, or a similar format, for presenting performance information and data will enable the Panel to probe areas of interest and challenge activities where performance looks to be better or worse than predicated.
- 3.6 Budget and Performance Panel will continue to receive financial monitoring reports alongside the refreshed performance reporting. Planning Committee will also continue to receive information on planning performance, some of which is also included in the portfolio of corporate measures.

CONCLUSION OF IMPACT ASSESSMENT

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

No direct implications arising from this report

LEGAL IMPLICATIONS

No direct implications arising from this report

FINANCIAL IMPLICATIONS

No direct implications arising from this report

OTHER RESOURCE IMPLICATIONS

Human Resources/Information Services/Property/Open Spaces:

No direct implications arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comment to make.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer was unavailable to comment on the report at the time of publication.

BACKGROUND PAPERS

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Lancaster City Council

DRAFT End of Year Detailed Review (2016 – 2017)



LANCASTER
CITY COUNCIL
Promoting City, Coast & Countryside

Corporate Plan 2016 -2020

The Council's Corporate Plan 2016 -2020 sets out its *Core Purpose* and *Vision* for the district and the priorities that we will focus on between 2016 -2020. The Corporate Plan sets the direction for the delivery of our services and together with the Medium Term Financial Strategy (MTFS) and other strategies drives the allocation of resources as part of the council's Policy Framework.

Our Vision is for:

'A sustainable, self-contained and varied group of communities with a population remaining in balance to support its local economy, comprising:

- **Morecambe and Heysham** – a confident community with a regenerated living, working and leisure environment, acting as a focal point on Morecambe Bay to enjoy and interact with the wider landscape
- **Lancaster** – a prosperous historic city with a thriving knowledge economy
- **Carnforth** – a successful market town and service centre for North Lancashire and South Cumbria
- **Coast and Countryside** – a conserved, enhanced and diversified environment with a network of vibrant rural communities which will lead the North West in its quality of life and environmental and design standard and within which sustainable housing, economic and retail development to meet local needs will be supported

Our Corporate Plan reflects the changing needs and aspirations of local communities and the shifting priorities, opportunities and challenges that we face. We know that Central Government funding will reduce further, and that changes in population will mean that demand for some services will increase and customer expectation will change.

To ensure that **we are a council that is fit for the future** we need to continue to find new ways to deliver our services, adopt different approaches to using our resources, work collaboratively with our partners and influence more organisations and individuals to help achieve what we know are the most important priorities and outcomes for our district and our communities. Our priorities, set out in the Corporate Plan 2016 -2020 are:

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

We are committed to providing high quality services to residents and businesses that deliver value for money. Throughout the year we monitor our overall performance of the key activities we aim to deliver to drive forward our priorities. This document is part of that process, setting out our achievements in the last year (2016 -2017) towards the delivery of the key outcomes set out in our Corporate Plan 2016 -2020.

If you wish to comment on this document, please email: performance@lancaster.gov.uk

Priority: Community Leadership



What we did in 2016 -2017

We faced up to the challenges presented by the current economic climate by placing an increased emphasis on the things that matter most to people of the district and by rationalising and developing our service delivery and use of resources. As a community leader we worked collaboratively with other public services, businesses, organisations and local community groups to deliver efficient services and to take pride in, and make a positive impact on, our communities and the wider district.

Outcome: Communities are brought together and the major issues affecting the district are addressed through working in partnership

Showed our support to Syrian refugees: We worked with local authorities across Lancashire to develop a resettlement programme that will see 500 Syrian refugees resettled across the county over the next five years. In the Lancaster district this will mean identifying two suitable properties a year on average and making use of Government funding to ensure the refugees have the support and resources they need until granted asylum or safely returned to their own country.

Successful Coastal Community Team bid: We made a successful bid to form a 'Coastal Community Team' (CCT) charged with drawing up economic plans to create jobs and regenerate seaside resorts. Known as 'Promenade to Port' CCT this will see the council working in partnership with Lancashire County Council, Town and Parish Council's, business groups and volunteers. This opportunity will help improve Morecambe and Heysham, whilst other parts of the district and coastline will benefit from the new Morecambe Bay Partnership CCT which also received funding.

Took steps to tackle anti-social behaviour: We introduced a Public Spaces Protection Order (PSPO) in the city centre, giving the Police new powers to stop people drinking alcohol on the streets and to crackdown on related anti-social behaviour which has been on the increase in recent years. This action sends out a clear message that this type of behaviour is unacceptable. Anyone in breach of the PSPO is served with a fixed penalty notice. Subject to public consultation, there are plans to introduce similar restrictions in Morecambe Town Centre.

Condemned hate crime: We condemned hate crimes of any description and made a firm commitment to continue working with the Community Safety Partnership, Lancashire County Council and Town and Parish councils to challenge such behaviour and prevent these crimes. We encouraged anyone witnessing hate crime to report it anonymously at www.istreetwatch.co.uk so that racist and xenophobic harassment in public spaces can be tracked and incidents made visible to the wider community

Outcome: Well run, value-for-money services that are valued by the public and demonstrate good governance, openness and transparency

Encouraged electronic voter registration and presided over a number of elections: We encouraged residents to take advantage of the National Voter Registration Drive and to go online to register to vote. We administered and managed a number of polls, including the election of a Police and Crime

<p>Commissioner for Lancashire; five city and county by-elections and the EU referendum. More than 100,000 people were eligible to vote on the EU referendum which needed 105 polling stations and 267 polling station staff.</p>
<p>Sought views on a Community Governance Review: We sought people's views - known as a Community Governance Review – on the proposed creation of a new parish council spanning parts of the Marsh and Scotforth West Wards of the city council, called Aldcliffe-with-Stodday Parish Council. In all we provide support to 38 town, parish and neighbourhood councils across the district.</p>
<p>Outcome: Well run, value-for-money services that are valued by the public and demonstrate good governance, openness and transparency (continued)</p>
<p>Invited scrutiny of our decisions and services: Scrutiny is an important element of our local democracy, existing to hold decision-makers to account and to ensure that issues of concern to local residents and visitors are considered, so we invited people to raise issues affecting them or their communities that they would like the council to look into, whether it be a problem in the local area, a council service, or an issue where the council might take a lead to make real improvements to the lives of our residents.</p>
<p>Provided job opportunities for young people: We took on four new apprentices. All of them passed a nationally recognised qualification and achieved permanent jobs at the council. Our apprenticeship programme provides on-the-job learning and development to young people and an opportunity to gain valuable experience working alongside our skilled workforce. The programme is a fantastic example of how much we value young adults and want to invest in their future, whilst also ensuring that we have a regular flow of new ideas and ways of working and thinking into the Council. This will continue into 2017/18 with a further eight individuals due to complete their apprenticeships during the year.</p>
<p>Consulted on the council tax support scheme: We asked residents for their views on the district's council tax support scheme which provides help for people on low incomes. Following consultation we resolved to continue with 100% support for eligible claimants.</p>
<p>Outcome: Establish and implement the council's wider plans for 'digital' to understand and meet the changing needs of our communities</p>
<p>Introduced a new look website: We made big changes to our website, giving it a new look and making it easier and quicker for our residents, businesses and visitors to find the information they need. The site aims to provide a simple-to-use and easy-to-read experience, no matter what device is used. We have also made improvements to make it easy and convenient to access a wide range of services online and to provide a more efficient service for customers who prefer to phone us or call in person. During the year pages on our website were visited 2,727,099 times with nearly 2 million being unique hits. 44% of users visit our website using their laptop or PC and 41% using their smartphone, with the remainder visiting using a tablet.</p>
<p>Developed and launched our iLancaster App: Working with the University of Lancaster we launched an innovative new mobile app, called iLancaster, and made free Wi-Fi access 'hotspots' available, making it easier than ever before for residents, businesses and visitors to get the information they want about the Lancaster district whilst on the move. Our iLancaster app delivers a wide range of interactive services, local information, events listings and alerts direct to smartphones and mobile devices. In its first year, 29,000 people have signed up to the App and there are around 10,000 active users each month.</p>
<p>Outcome: Maintain a financially stable position and strong financial forecast for the delivery of services</p>
<p>Balanced the budget and made plans for a financially stable future: We increased our portion of Council Tax by around 10p a week to help to balance our budget in 2017/18 and to protect services in the short term. The long term financial outlook means that by 2020/21 an additional £2.3million will need to be saved each year due to further Government cuts. To help us bridge the financial gap we have had to make some difficult decisions and plan for changes to the way that we deliver our services, and also undertake service reviews to become more efficient and effective. We invested in the longer term future of the district, notably through the £5m scheme to improve facilities, make savings and increasing income at the Salt Ayre Leisure Centre.</p>

Priority: Health and Wellbeing



What we did in 2016 - 2017

We carried out a range of actions to support the positive health and wellbeing of our residents, including maintaining the high standards and efficiency of council houses, supporting housing renewal and improving standards in the private rented sector. We took the lead and worked in partnership to improve health outcomes through: access to sports and leisure activities, keeping vulnerable people warm in their homes, tackling homelessness and rough sleeping and delivering a variety of health functions in our communities, including environmental protection, food safety, a dog warden and pest control service, cemeteries, home improvement and civil contingency services.

Outcome: Enhanced quality of life of local residents through access to affordable, decent housing

Helped people find affordable homes: With new social housing developments in Lancaster and Morecambe we encouraged and supported anyone looking for an affordable home to find out about properties that they may be eligible to apply for through our Ideal Choice Homes Scheme. The scheme pulls together all available accommodation belonging to registered housing providers as well as our own housing stock, making it easier for people to access properties that meet their needs. Properties are available to people who do not own their own home, have a connection to the district by living or working here for three years or have close family who have lived in the district for five years or more. Some new build properties were prioritised for applicants in employment. In 2016/17, we rehoused 345 applicants into our Council houses and nominated another 207 housing applicants to Private Registered Providers of Social Housing. Of these, 90 were found accommodation in new build properties in Lancaster, Morecambe, Arkholme and Bolton-le-Sands.

Awarded for our the services we provide: The Council's Home Improvement Agency (HIA) scooped a prestigious national award as the Home Adaptations Service of the Year in recognition of the quality of work it provides. The award was for work undertaken in delivering disabled adaptations for residents in their own homes, reducing waiting times for disabled facilities grants, promoting awareness of available grants and offering clients access to a wide range of services. The award highlights the valuable contribution of the HIA in providing support to the most vulnerable in the community, being very much on the frontline of ongoing efforts nationally to join up health, housing and social care and to enable people to live healthy, independent lives. During the year, we issued 190 grants for disabled facilities and adaptations and improved 2,077 private tenant and owner occupied homes. A further 342 homes benefited from our Warm Homes Initiative.

Outcome: Health and wellbeing of our citizens is improved

Invested in the future of resident’s health and the Salt Ayre Leisure Centre plans: The aim of our £5 million pound investment in the redevelopment of Salt Ayre Leisure Centre was to improve facilities at the Centre and create a ‘community hub’ providing accessible sport and leisure facilities to the local community. Construction work started last May when the centre’s sports hall made way for a new three storey adventure play area, called ‘Energy’, with extensive soft play area features slides and obstacles for children to enjoy, and a ‘clip and climb’ facility, known as ‘X-height’, boasting 18 different climbing panels with varying levels of difficulty offering a fun and challenging experience for all the family. Since opening *Energy* and *X-height* have attracted 5,308 and 18,730 visitors respectively. Since then the development has added a fitness suite with 100 stations, an immersive spinning studio and Europe’s first ever Flight Tower, called ‘Gravity’, which was launched in February 2017. *Gravity*, measures over 60ft and is a multi-level outdoor tower and epic adventure installation offering various ways of descending including abseil, zip-line or free fall, known as The Drop! In the seven-week period to the end of March 2017, *Gravity* had already attracted 189 visitors. The final phase to be completed by the summer, will include refurbished changing rooms, a luxurious spa facility and a multi-functional training room. The income streams for almost all of the Leisure Centres activities are already ahead of target. The cost of the redevelopment will be more than offset by increased income and reduced costs in other areas that will see the investment paid back within 12 years whilst creating a premier sport and leisure facility that meets demand and provides a facility to enjoy and lead a healthy lifestyle.

Reviewed management of Community Swimming Pools: As part of the budget proposals, the decision was made to return the three community pools at Hornby, Carnforth and Heysham back to the owners, Lancashire County Council at the end of March 2017. A commitment was made to actively support the possibility of transferring the pools into community ownership. Feasibility studies showed that there was a potential business case for Carnforth and Heysham pools to be taken over by the respective schools but not the case for Hornby. The Hornby facility closed on 31 March 2017 but has a potential community asset transfer ongoing. The council funded an additional 6 months operation at Carnforth and Heysham pools to give the schools time to prepare their business cases. Heysham school are pursuing an asset transfer with funding from Sport England, Carnforth is more complex as the capital funding required is significant but work is still underway to see if a community asset transfer can go ahead.

Offered a free workshop for flood affected businesses: We provided support and help to businesses affected by Storm Desmond by working with partners to provide free workshops aimed at helping them to be more resilient to the risks posed by events of severe weather conditions both now and in the future.

Supported community contingency plans: We also hosted special meetings and worked with our partners to provide support to local community groups to help them to plan and prepare for future emergencies. With our help several groups made successful bids to the Community Foundation for Lancashire, getting funding to help them develop robust contingency plans; improve the resilience of local community centres; engage willing volunteers and equip local emergency centres. This initiative is set to continue with the aim of building a network of resilient communities in the rural and urban areas of the district.

Helped the Homeless and urged residents to help bring rough sleepers out of the cold: We promoted and encouraged our residents to use a National online service dedicated to the homeless, called StreetLink, as the most effective way of alerting specialist services and ourselves to someone who may be in desperate need of help, whatever the time of day or night. We have a committed team of staff who are on standby 24/7 to offer on the spot support and advice and to make arrangements to get them off the street and into temporary accommodation. Our work helps to maintain a commitment to ensure that ‘no-one spends a second night out on the street’ and helps to mitigate them becoming a victim of crime or developing drug or alcohol problems whilst also reducing ill-health. During 2016/17, we helped 73 individuals find suitable accommodation. Three people were sleeping rough as at 31 March 2017.

Enforced standards of food safety: We took strong action against business who failed to meet food safety standards, prosecuting and fining those who fell below these standards. Prosecutions send a strong message to food businesses that they must take food hygiene and safety seriously but we also work

proactively with local food businesses to help them to improve and maintain standards, with 88% of them reaching a broadly compliant standard for food safety (Food Hygiene Rating of 4 or above) at the end of 2016/17.

Supported responsible dog owners and prosecuted others: We offered free sessions to dog owners following new legislation making it compulsory for all dogs to be micro chipped. We microchipped over 300 dogs, saving their owners from paying a hefty £500 fine for failing to do so. The compulsory micro chipping of dogs marks a step forward in dog welfare and helps our dog warden service to reduce the time and cost of reuniting owners with their pets. Where necessary we prosecuted and fined residents who failed to comply with dog control orders on issues such as dog fouling and dogs being out of control in public places. Dog fouling will continue to be tackled in 2017/18 through our newly formed Anti-Social- Behaviour team.

Lit up the Ashton Memorial to shine a light on good causes: We illuminated our magnificent Ashton Memorial with a rainbow of colours throughout the year to raise awareness of illnesses and diseases that have an impact on countless people's lives including World Sepsis Day; World Mental Health Day, World Osteoporosis Day and in support of children suffering from cancer.

Priority: Clean and Green Places



What we did in 2016 -2017

We built upon our reputation of being a 'clean and green' district with much to offer. We maintained and operated our parks, recreation grounds and open spaces and encouraged and supported community groups and individuals to take pride in their local area and to be actively involved in protecting what we have in a sustainable way. We provided cleansing services to a high standard on our streets and public toilets as well as Morecambe Promenade and on our beaches. We dealt with litter, fly-tipping, graffiti, abandoned vehicles and provided a fortnightly waste collection service for every household in the district as well as a six day collection of commercial waste, where it was viable to do so. We delivered our services in an environmentally friendly way and introduced activities and functions to generate income and be more efficient against a backdrop of year-on-year cuts in funding.

Outcome: The impact on the environment from council operations and services will be minimised

Retained the Market Square trees: We listened to what the public had to say and retained the trees in Market Square, looking instead at innovative ways of cleaning the new surfacing around the trees and reducing the risk of people slipping due to the 'honeydew' (a sugar rich sticky liquid) being secreted onto the surfacing. We trialled different cleansing methods and products and carried out research into best practice until a solution was found whilst also introducing a realistic and affordable management and maintenance routine.

Maintained weed spraying: We worked with Lancashire County Council to find a workable solution that would enable us to continue weed spraying across the district, following a decision by the County Council to withdraw funding as part of its budget cuts. To do this we made operational changes. We also encouraged and supported local community groups and individuals to undertake clearings in their local area.

Introduced an opt-in service for the collection of green waste: We introduced a subscription only service for the collection of garden waste from households in the district (following the loss of funding that will see the cost of collecting household waste rise from £2.85million to £4.14 million over the next few years). From the beginning of January 2017, we offered a discounted rate for a maximum of 15 months to anyone opting-in to the service by March 31st 2017 with the charge rising from £30 to £37.50 after that date. The charge, whilst entirely discretionary, will help us to close the funding gap and enable us to continue providing this service which is clearly valued across the district with around 21,000 people signing up to the service by the end of March. Registration can be done online or by telephone. Anyone not wanting to opt-in to the service can dispose of their garden waste for free at one of the Household Waste and Recycling Centres or through home composting.

Took to the road to promote recycling: We carried out a series of roadshows to offer information, advice and top tips on how everyone can do their bit to reduce, reuse or recycle as much waste as possible, helping us to maintain our position as one of the best districts in the North West for recycling household waste. In 2015 we recycled 45% of waste (data not yet available for 2016). During 2016/17 we collected 351kg of household waste per 1,000 population; 879 tonnes of recyclable waste and 3,410 tonnes of commercial waste.

Outcome: The impact on the environment from council operations and services will be minimised (continued)

Enforced penalties of those causing litter problems: We took firm action on those who deliberately dropped litter in the street or illegally dumped waste by carrying out thorough investigations to gather evidence, issuing of fixed penalty notices and, where necessary, pursuing offenders through the courts to send out a strong message that we will do whatever it takes to ensure that our district is a clean and healthy environment. In 2016/17, we dealt with 3,530 incidents of fly-tipping and issued 491 notices for other waste related offences.

Maintained beaches that are among the best in the UK: We maintained our principal beaches - Morecambe's North (Clock Tower) and South (Stone Jetty to the Battery) - to a high standard with both being recognised as amongst the best in the UK as part of the *LovemyBeach* campaign and passing strict water quality standards set by the Environment Agency. *Keep Britain Tidy* also awarded us for our standards in beach management and offering visitors great facilities alongside a litter free and safe environment. The quality of our beaches means they can be enjoyed all year round by residents and visitors.

Started a review of our commercial fleet management and usage: We commenced work on reviewing the management and use of our commercial vehicles and related working practices to improve efficiency in the delivery of our services, whilst maintaining the quality. We expect to make optimum use of our fleet, make savings that can be utilised to maintain services and reduce the impact on the environment. Our transport operations and maintenance costs perform well in a number of areas compared to other local authorities and in 2016/17 we used 486,913 litres of diesel – a 4.38% reduction on the previous year.

Outcome: Local communities are clean and residents have a sense of pride in the district

Opened brand new play areas: We developed and opened a brand new play area on Morecambe seafront, next to the Clock Tower, and two others at Williamson Park. The play area located on Morecambe promenade features contemporary and innovative equipment with a climbing dome and stainless steel tubes designed to give kids a fun but challenging experience and opportunities to express themselves. Tens of thousands of children have used the play area since it was installed, with many praising the innovative design. The new play area is part the 'Connecting Eric' project, which aims to make better use of the land between the Clock Tower toilets and Northumberland Street with new benches being installed made from some of the old promenade storm boards that

are no longer required. At Williamson Park our new play areas were developed through working with volunteers from the Friends group and now cater for older children (8 years and over) as well as our younger visitors in a safe environment. We also carried out significant grounds work to improve drainage and the footpaths and landscaping, and introduced nine African meerkats into the Animal Garden! This work backs up the parks reputation as one of the best in the North West attracting over a hundred thousand visitors each year.

Awarded 'Green Flag' status for our parks: Williamson Park and Happy Mount Park – two of the five main parks that we operate and maintain - were presented with the 'Green Flag' award. This national award recognises and rewards the best parks and open spaces across the country and sets them out as being parks that boast the highest possible standards, are beautifully maintained and offer excellent facilities. For the fourth year running, Williamson Park was also awarded 'Green Heritage' status which recognises its historical and cultural interest. We also work closely with Friends groups at all five of our main parks and at three others, all of whom help us to maintain our parks to a very high standard, for the enjoyment and benefit of the whole community.

Refurbished listed buildings in Williamson Park: We carried out internal refurbishments to the inner dome of the Grade I Ashton Memorial and internal repairs and restoration to the roof of the Grade II listed Butterfly House to enhance the publics continued use and enjoyment of these two great buildings.

Established a 'masterplan' for Happy Mount Park: We worked with the Friends of Happy Mount Park and other volunteers with specialist knowledge and expertise to develop a masterplan for the park, setting out an action plan for its ongoing management and development and fundraising options to help maintain its high standards and reputation as one of our most popular attractions for the next 20-30 years, attracting tens of thousands of visitors every year.

Offered our flower beds for adoption: We gave individuals, businesses and community groups the opportunity to adopt a flower bed from a choice of available sites in Lancaster and Morecambe as part of our ideas to reduce costs and increase income arising from cuts in funding. The scheme was very popular with the contribution from each sponsor helping us maintain some of our most popular public spaces. Their generosity was marked by a plaque placed in their adopted flower bed. .

Priority: Sustainable Economic Growth



What we did in 2016 - 2017

We continued to work closely with strategic partners and businesses to capitalise on the district's exceptional opportunities and its outstanding arts and cultural heritage and entertainment offer, as well as our beautiful coastline and natural landscapes. The main prospects for economic growth relate to skills retention; the energy sector; the knowledge sector and the visitor economy but we face a pressing demographic need to secure these economic benefits through new jobs and business growth. We are working hard to improve the attractiveness of central Morecambe and to develop the retail offer of Lancaster City Centre and to enhance enjoyment and pride in its heritage assets. We facilitate festivals and events to provide economic stimulus needed to help local businesses and

in our rural areas we are focussing on the natural environment to build on their tourism appeal. In 2016, the Lancaster district was officially named as one of the 10 best places to live in the UK! This was based on data from the Office of National Statistics and the census, and statistics from surveys on key lifestyle factors, taking into account affordability of housing, jobs, business, wellbeing, culture and family life.

Outcome: Sustainable economic growth and jobs will be created in key sectors including energy, knowledge, health and the visitor economy

Consulted on the district's draft Local Plan: We launched a major consultation on a draft Local Plan aimed at shaping the future of the district over the next 20 years. Public consultation on the draft Local Plan ended in March 2017. As part of the consultation we organised a series of events across the district where anyone interested in knowing more about the plan was able to speak to council officers about any impacts that the Local Plan could have on their area. More than 1,500 people attended the 15 events to ask questions and view the Local Plan documents and supporting evidence and map. The Local Plan identifies which areas will be allocated to create employment and develop new housing to accommodate an anticipated growth in population and jobs. The areas identified are suitable, available and achievable sites to meet Government requirements to contribute to the increasing national shortfall of housing by identifying enough land for around 13,000 new homes and potentially 9,500 jobs. Once adopted, the Local Plan will set the council's strategy for development in the district up to at least 2031.

Supported consultation on neighbourhood plan applications: We provided advice and support to parish councils on the submission and public consultation of four neighbourhood planning applications submitted during the year. These applications can include development of new homes, shops and offices and, subject to an independent examination and community referendum, will be used to help make decisions on future planning applications in the designated area as part of the adopted Local Plan. It was encouraging that many of our communities are taking this opportunity to shape their local area.

Consulted on the Area of Natural Beauty (AONB) Development Plan: We worked with South Lakeland District Council (SLDC) and local town and parish councils to produce a dedicated Development Plan for the Arnside and Silverdale Area of Outstanding Natural Beauty (AONB). The plan gives residents an opportunity to comment on sites for new housing and employment that will meet local needs and create vibrant, diverse and sustainable communities; maintain a thriving local economy and, protect, conserve and enhance the landscape, wildlife, geology and heritage of the area. The AONB plan is now incorporated within the Lancaster and South Lakeland Local Plans.

Outcome: Sustainable economic growth and jobs will be created in key sectors including energy, knowledge, health and the visitor economy (continued)

Made a successful bid for a 'garden village': We were chosen by the Government as one of the first in a new wave of 'garden villages' with our proposals for the development of 3,500 homes in the Bailrigg area that will create a new settlement with its own distinct character. It is planned that high quality design, communal facilities and well-maintained community green space will bring people together and forge a true community spirit that will benefit from sustainable travel connections through public transport and cycling. The next stage is for us to work with local communities and land owners to undertake a planning exercise to shape proposals and design the key infrastructure.

Continued work on the regeneration of Morecambe: Following a series of consultations we continued work on regenerating Morecambe through the implementation of the Morecambe Area Action Plan (MAAP) that will improve the town centre for businesses, residents and visitors. Works took place to pedestrianise Morecambe town centre including new paving, lighting and street furniture on a section of Euston Road and a new Town Square. The works were

undertaken by Lancashire County Council's Highways who jointly funded the work with the aim of improving the tired appearance of the centre and to make it a much nicer place for people to visit and to spend time. There was also work on improving the area around Victoria Street with the aim of better connecting the town centre and seafront and increasing footfall to benefit businesses and trading. Other work saw the creation of a new play area on the promenade and installation of a new zebra crossing to make it easier for people to move between the seafront and the town centre. The well-known Morecambe Mosaic, formerly sited outside the Arndale Centre on Euston Road, was moved and given a new prominent setting on the seafront near to the RNLI lifeboat station.

Progressed work on the Morecambe Wave Reflection Wall: We progressed replacement of the sea wall, a £10million project to protect the town from the effects of coastal flooding. The construction incorporates a new 'up and over' feature along the length of the wall to create greater all year round access to the promenade together with viewing platforms from which to enjoy the surrounding bay. Of course, the wall will also significantly reduce the risk of flooding to large parts of Morecambe! Other features of the new wall include the integration of nearby street names and patterns inspired by the area, along with new surfacing, seating and lighting. .

Joined the Lancashire Combined Authority: Following public consultation we agreed to join other councils across the County in setting up a Combined Authority for Lancashire.

Outcome: The attractiveness and offer of the district as a place to visit or invest in will be improved

Supported proposals to make Morecambe town centre a Business Improvement District: We worked with the Lancaster Chamber of Commerce to develop and support businesses in a proposal to make Morecambe Town Centre a Business Improvement District (BID). Morecambe businesses voted 'yes' to the Business Improvement District (BID). This means that the local business community will be investing an extra £630,000 in Morecambe over a five-year period through an additional levy on their business rates that will be used to complement the work we are undertaking through the Morecambe Area Action Plan. We will continue to work very closely with the business community to create a more prosperous place to live, shop, work and visit.

Offered new opportunities to market traders: We offered a number of opportunities for new business and existing market traders through a range of fixed term free and discounted rates for pitches and stalls at our Lancaster Market and Assembly Rooms in the centre of the city and the Festival Market in Morecambe, as well as the outdoor Charter Market in Lancaster. We also refurbished the Assembly Rooms, located in a 18th century building Grade II listed buildings and created a Vintage Corner at the Festival Market dedicated to the sale of vintage wear, accessories and other items.

Became part of the Yorkshire Dales National Park: We became part of the Yorkshire Dales National Park when Leck Fell, an area in the district of special scientific interest, formed part of an extension programme for the National Park since its designation. Having a seat on the National Park's governing body enables us to play a major role in developing its Management Plan that will enhance the natural beauty, wildlife and cultural heritage and, promote opportunities for the understanding and enjoyment of the special qualities of new areas in Lancashire and Cumbria

Outcome: The attractiveness and offer of the district as a place to visit or invest in will be improved (continued)

Celebrated our rich heritage: We exploited Lancaster's newly designated status as one of Visit England's Heritage Cities by ensuring that our rich heritage is a key ingredient of our tourism strategy. We encouraged more of the district's 1,300 listed buildings and venues to take part in England's biggest heritage festival celebrating history, architecture and culture and offering people the chance to explore hidden places and buildings of every age, style and functions. We also made use of available funding to work with Lancashire County Council on an archaeological excavation on Castle Hill in Lancaster. Completely done by hand the excavation sought to uncover more about the city's Roman past as part of our Beyond the Castle project. As well as the district's listed buildings there are 38 conservation areas and the same number of monuments. We provided a series of free workshops to help people on their heritage skills and to gain a practical understanding of some traditional skills and methods including stone carving, decorative plasterwork and lime plastering and pointing.

Outcome: Lancaster and Morecambe Bay will be recognised as important visitor destinations

Secured funding to restore Morecambe's Bay Arena: We secured £50,000 to give a new lease of life to The Bay Arena located in the headland area of Morecambe's seafront. We plan to turn the former lido into an Art Park. We hope this will be the first of a series of transformational projects that will add to the vitality of the Central Promenade.

Supported and invested in major local events: We took a decision to continue to invest in, and generate additional income from, a diverse events programme across the district and to continue to support the *Vintage by the Sea* and the *Light Up Lancaster* events. *Vintage by the Sea* returned to Morecambe for the fourth season celebrating 20th century design. The event brought a vibrancy and creativity to Morecambe's Promenade with vintage music, fashion, vehicles, entertainment and much more. Unfortunately, the bad weather had a negative impact on visitor numbers with 29,000 local residents and visitors attending the events (40,000 in 2015/16), although the estimated spend over the weekend reached nearly 692,000, providing an economic boost to the local economy. *Light up Lancaster* brought a range of cultural events across the city. This annual festival saw over 28,000 visitors take to the streets for a magical city-wide experience including an illuminated art trail, artworks and installations illuminating historic buildings, squares, parks and monuments across the city. The event culminated in a spectacular fireworks display from the top of Lancaster Castle. The economic impact of the event on the local economy was estimated to be nearly £411,000. These events were made possible with the support of our partners and many other supporters across the district. Both of these events showcase the district's greatest attributes and help to establish the area as a great place for hosting top events.

Commissioned a new report on future museum provision: We considered a report presenting ideas for a complete redesign of the city council's museums. This included a radical revamp of the City Museum as the central hub of a new and reinvigorated museums service that can provide an enhanced cultural, retail and catering offer and much improved public access alongside frequently refreshed collections and exhibitions.

Appendix B

Lancaster City Council

Proposed Corporate Measures

Measure Information			
Indicator	High/Low/Neutral	Owner	Frequency
Sustainable Economic Growth			
Outcome: City, town and rural areas are enhanced and improved			
Total number of new homes built	High is Good	David Lawson/ Maurice Brophy	Quarterly
Number of affordable homes delivered	High is Good	David Lawson/ Kathy Beaton	Yearly
Number of empty properties brought back into use	High is Good	David Lawson/ Claire Taylor	Quarterly
Percentage of total planning applications approved (All Categories)	High is Good	Mark Cassidy	Yearly
Percentage of minor planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly
Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly
Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly
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	Michael Hill	Quarterly
Number of page visits made to 'Welcome Lancaster' webpage	High is Good	Mark McTigue	Quarterly
Number of page visits made to 'Welcome Morecambe' webpage	High is Good	Mark McTigue	Quarterly
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	Chris Riley	Quarterly
Number of services with fully transactional on-line self service capability available via the iLancaster app	High is Good	Chris Riley	Yearly
Measure Information			
Indicator	High/Low/Neutral	Owner	Frequency
Outcome: Reputation, quality and value-for-money of council services maintained			
Percentage of customers satisfied with the service(s) received from the council	High is Good	Bob Bailey	Yearly

Percentage of gas safety checks completed in Council Houses	High is Good	Mark Davies	Yearly
Average number of days of sickness absence per full time employee	Low is Good	Angela Jackson	Yearly
Percentage of Council Tax collected	High is Good	Adrian Robinson	Yearly
Average time taken to process new Housing Benefit and Council Tax claims	High is Good	Adrian Robinson	Quarterly

Outcome: Council operates within available resources

Percentage of Council Housing rent due that is collected	High is Good	Chris Hanna	Quarterly
Amount of current Council House rent arrears (dwellings)	Low is Good	Chris Hanna	Quarterly
Total number of subscriptions to the Garden Waste scheme	High is Good	Mark Davies	Quarterly

Health and Wellbeing

Outcome: People live safe, healthy, active and independent lives

Number of people statutorily homeless	Low is Good	Sharon Parkinson	Quarterly
Number of people recorded as sleeping rough	Low is Good	Sharon Parkinson	Quarterly
Percentage households in fuel poverty	Low is Good	Sharon Parkinson	Quarterly
Number of Disabled Facilities Grants completed	High is Good	Fiona McLeod	Quarterly
Percentage of high-risk food hygiene inspections completed	High is Good	Steven Sylvester	Quarterly
Number of properties where 'category 1 hazards' have been eliminated	High is Good	Fiona McLeod	Quarterly
Percentage of premises scoring 4 or higher on the food hygiene rating scheme	High is Good	Steven Sylvester	Quarterly
Percentage of residents who feel safe in their local area (day and night)	High is Good	Bob Bailey	Quarterly
All recorded crime in the district per 1000 population	Low is Good	Craig Brown	Quarterly
Number of victims of domestic abuse in the district	Low is Good	Craig Brown	Yearly
Percentage of customers satisfied that they receive value for money from the council	High is Good	Bob Bailey	Yearly
Percentage satisfaction with the Repairs and Maintenance service	High is Good	Mark Davies	Yearly
Time taken to re-let council houses	Low is Good	Chris Hanna	Quarterly

Measure Information

Indicator	High/Low/Neutral	Owner	Frequency
Health and Wellbeing			
Outcome: People live safe, healthy, active and independent lives			
Number of recorded hate crimes in the district	Low is Good	Craig Brown	Quarterly
Number of people killed or seriously injured on roads in the district	Low is Good	Craig Brown	Quarterly
Percentage of Customer Satisfaction with Salt Ayre Leisure Centre (Net Promoter Score)	High is Good	Simon Kirby	Quarterly
Total number of admissions to Salt Ayre Leisure Centre	High is Good	Simon Kirby	Quarterly

Clean and Green Places			
Outcome: High standards of cleanliness maintained			
Percentage of fly tipping reports actioned within 5 days	High is Good	Will Griffith	Quarterly
Number of fly tipping enforcement notices upheld	High is Good	Helena Lewis	Quarterly
Percentage satisfaction with the cleanliness of our streets and pavements	High is Good	Will Griffith	Quarterly
Percentage of household waste recycled	High is Good	Helena Lewis	Quarterly
Number of kilograms of household waste collected per head of population	High is Good	Helena Lewis	Quarterly
Outcome: Minimising impact on the environment			
Diesel consumption - vehicle fleet (Litres)	Low is Good	Elliott Grimshaw	Yearly
Outcome: Parks and open spaces are well maintained			
Number of parks achieving the 'Green Flag' award	High is Good	Will Griffith	Yearly
Number of volunteer groups supporting parks and open spaces	High is Good	Will Griffith	Yearly
Percentage of people satisfied with our parks and open spaces	High is Good	Will Griffith	Yearly

Appendix C

<h2 style="margin: 0;">Lancaster City Council</h2> <p style="margin: 0;">Corporate Projects (17/18)</p>

Project Details	
Project	Lead Service

Health and Wellbeing	
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Outcome: Pilot scheme establishing an Anti-social behaviour team dedicated to investigating, confronting and tackling ASB	
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Introduce new approach to Anti-Social Behaviour	Health and Housing
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Outcome: A phased programme of redevelopment aimed at improving sports and leisure facilities on offer that are financially sustainable	
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Redevelop Salt Ayre Leisure Centre	Health and Housing
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Sustainable Economic Growth	
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Outcome: City, town and rural areas are enhanced and improved	
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Prepare and adopt Local Plan	Regeneration and Planning
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Outcome: Develop prospects for economic growth based on the demography and opportunities in the district to secure future economic benefits	
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Develop Economic Growth Strategy	Regeneration and Planning
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Outcome: Expansion of housing allocation in South Lancaster	
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Deliver Bailrigg Garden Village	Regeneration and Planning
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Outcome: Regeneration of the central area of Morecambe and support for inward private sector investment	
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Implement Morecambe Area Action Plan (MAAP)	Regeneration and Planning
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Outcome: Regeneration of the central Lancaster and support for inward private sector investment	
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Progress Canal Corridor North Project	Regeneration and Planning
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Complete and implement Lancaster Centre Vision Plan	Regeneration and Planning
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Outcome: Review of the museums provision to explore opportunities for future operation, efficiencies and income generation	
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Museums Service	Regeneration and Planning
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Project Details	
Project	Lead Service

Community Leadership	
Outcome: Business and customer needs and expectations are met through use of modern technology	
Develop and adopt Digital Strategy	Resources
Outcome: Council office accomodation and property meet future needs and support service delivery and efficiency	
Undertake Corporate Property Strategy Review	Resources
Outcome: Council operates within available resources	
Develop and deliver refreshed Corporate Plan	Office of the Chief Executive
Deliver 2017 / 2018 efficiency savings and income generation proposals	Resources
Outcome: Management of customer interactions and relationships and data analysis from a range of communication channels	
Develop and implement Customer Service Strategy	Office of the Chief Executive / Resources
Customer Relationship Management (CRM) System	Resources
Outcome: Universal Credit welfare benefit rolled out across the district as a replacement for means-tested benefits and tax credits	
Universal Credit Implementation	Resources

Appendix D

Please note that the data used in this report does not reflect the current performance of the council and is only used for demonstration purposes

MODEL Section of Lancaster City Council Corporate Measures - Quarter 2 (17/18) Report

Measure Information					Quarter 1 (17/18)		Quarter 2 (17/18)		Comments
Indicator	High/Low/Neutral	Owner	Frequency	Target	Actual	Direction of Travel	Actual	Direction of Travel	
Clean and Green Places									
Outcome: High standards of cleanliness maintained									
Number of fly tipping reports actioned within 5 days	High is Good	Will Griffith	Quarterly	500	423	↑	550	↑	
Number of fly tipping enforcement notices upheld	High is Good	Helena Lewis	Quarterly	4000	3530	↑	4000	↑	
Percentage satisfaction with the cleanliness of our streets and pavements	High is Good	Will Griffith	Quarterly	90%	92%	↑	90%	↓	
Percentage of household waste recycled	High is Good	Helena Lewis	Quarterly	50%	60%	↑	70%	↑	
Outcome: Minimising impact on the environment									
Diesel consumption - vehicle fleet (Litres)	Low is Good	Elliott Grimshaw	Yearly	45000.0	486912.80	↓	486912.80	→	
Outcome: Parks and open spaces are well maintained									
Number of parks achieving the 'Green Flag' award	High is Good	Will Griffith	Yearly	4	2	↓	2	→	
Number of volunteer groups supporting parks and open spaces	High is Good	Will Griffith	Yearly	4	2	↓	3	↑	
Number of hours provided by volunteers at parks and open spaces	High is Good	Will Griffith	Yearly	4	2	↓	4	↑	
Percentage of people satisfied with our parks and open spaces	High is Good	Will Griffith	Yearly	85%	95%	↑	95%	→	

BUDGET AND PERFORMANCE PANEL**Work Programme Report****11th July 2017****Report of the Chief Executive****PURPOSE OF REPORT**

To consider the Panel's Work Programme for 2017/18.

This report is public.

RECOMMENDATIONS

- (1) **That Members note the items to be carried forward for consideration at future meetings, as detailed in Appendix A to the report and consider any other issues that should be included in the 2017/18 Work Programme.**

1.0 Introduction

- 1.1 This report provides recommendations for inclusion of items in the Panel's Work Programme.
- 1.2 The Budget and Performance Panel is responsible for setting its own annual Work Programme within the terms of reference, as set out in Part 3, Section 12 of the Constitution.
- 1.3 Members of the Budget and Performance Panel are entitled to give notice to the Chief Executive that they wish an item relevant to the Terms of Reference of the Committee to be included on the agenda for the first available meeting and the meeting will determine whether the issue should be included in its Work Programme based on its relevance as compared to the priorities as set out in the Scrutiny Work Programme (Part 4, Section 5 of the Constitution).

2.0 Report

- 2.1 It is recommended that the emphasis for the Panel for the municipal year should be on financial monitoring, corporate performance monitoring and key performance measures, with reports provided quarterly by officers. These matters have been included for consideration within the Appendix to the report, together with other matters that have previously been requested to be considered.
- 2.2 Separate reports have been included on this agenda for consideration regarding the Provisional, Revenue and Capital and Treasury Management Outturn and Performance Monitoring and Reporting.
- 2.3 Members had previously requested that an update on Salt Ayre be provided as part of the outturn report. Unfortunately this has not been possible due to other priorities and time constraints. As a result it is planned to include the update in the Quarter 1 Monitoring report.

- 2.4 The Panel may also request financial or performance related items to be considered as items of pre-decision scrutiny, or which they wish to be considered by the pre-decision scrutiny champion of Overview and Scrutiny Committee to investigate.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

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BUDGET & PERFORMANCE PANEL WORK PROGRAMME 2017/18

Matter for consideration	Detail	Officer responsible/ External	Expected date of meeting
Financial Monitoring	Please see covering report regarding Salt Ayre.	Chief Officer (Resources)	Quarter 1 – September 2017 Quarter 2 – November 2017 Quarter 3 – February 2018
Corporate Performance Monitoring - NOTE- this report will be combined with report above as appropriate	(min.8 refers – Work Programme Report 12 th July 2016)	Chief Officer (Environment)	Quarter 1 – September 2017 Quarter 2 – November 2017 Quarter 3 – February 2018
Key Performance Measures	Key performance measures (outside of CorVu) (min. 33 refers – 21 st February 2017)	Chief Officer (Environment)	TBA.
Compliments and Complaints Half Yearly Report. To form part of the Corporate Performance Monitoring Report.	To include detail on the complaints made against the Council and upheld by the LGO. (min. 12 refers – 13 th September 2016)	Chief Officer (Environment)	(Twice yearly)
Annual Stakeholder's Meeting	Arranged as part of the budget consultation process. Other organisations invited to present their budget proposals.	Chief Officer (Resources)	January 2018
Treasury Management Strategy	The Panel's views to be sought regarding the proposed treasury management framework for 2018/19.	Chief Officer (Resources)	February 2018
Procurement Strategy	Further pre-scrutiny prior to the updated Procurement Strategy being presented to Cabinet.	Chief Officer (Resources)	Prior to the updated Strategy being presented to Cabinet. The timescales for this will be confirmed in due course, in light

	(min. 8 (12 th July 2016) and 19 refers (8 th November 2016) – Action – briefing note to be provided)		of other strategy review work and resources/competing workloads.
Litter Enforcement Service	Report on Litter Enforcement Service to be included in the Work Programme. (min. 8 refers – Work Programme Report 12 th July 2016)	Chief Officer (Environment)	TBC
Repairs and Maintenance Service (RMS) (previously on the Work Programme as the APSE Report)	When considered to invite Overview and Scrutiny Members to ask questions. (min. 19 refers – 8 th November 2016)	Chief Officer (Environment)	As required

Invitations to Cabinet Members

Cabinet Member and area of responsibility	Issue	Expected date of meeting
Councillor Blamire, Leader of the Council	Corporate Performance Monitoring.	Various – as set out in the Work Programme Report.
All Members of Cabinet	Various. Invitations to be extended to Cabinet Members to coincide with issues relevant to their respective portfolios.	Various.
Councillor James Leyshon, Cabinet Member with responsibility for Property Services, Car Parking, ICT, Digital Services and Customer Services.	Property Group Update.	Various – as set out in the Work Programme Report.

Briefing Notes

Matter for Consideration	Date Requested/additional detail	Officer Responsible	Date Circulated
Procurement and Tendering	08.11.2016 (min 18 refers) The briefing note to include reference to Council Resolutions and what has been undertaken to action these.	Chief Officer (Resources)	TBC. To be addressed alongside the strategy work referred to above.
Out of Hours ICT Support Service	08.11.2016/21.02.2017 (mins 19 and 33 refer)	Chief Officer (Resources)	TBC.

Items removed from the Work Programme

Issues	Detail
Commercial Properties	This is covered in quarterly reporting, the content of which will continue to be reviewed and updated.
Pensions	Pensions annual report has been provided. No further information available from the County Council.