



**Committee:** CABINET

**Date:** TUESDAY, 6 AUGUST 2019

**Venue:** LANCASTER TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

1. **Apologies**

2. **Minutes** (Pages 1 - 10)

To receive the minutes of Cabinet held on Tuesday, 5 March 2019.

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

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

4. **Declarations of Interest**

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

Councillors 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, Councillors 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, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

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

Reports

6. **Report from Overview and Scrutiny - Customer Services and Future Complaints Policy** (Pages 11 - 30)

Report of Overview & Scrutiny

7. **Advisory Groups and External Appointments** (Pages 31 - 40)  
**(Cabinet Member with Special Responsibility Councillor Lewis, Leader of the Council)**  
Report of the Chief Executive
8. **Lancashire Police and Crime Panel** (Pages 41 - 43)  
Report of the Leader of Cabinet
9. **Provisional Revenue, Capital and Treasury Management Outturn 2018-19** (Pages 44 - 77)  
**(Cabinet Member with Special Responsibility Councillor Whitehead)**  
Report of Chief Finance Officer
10. **Delivering Our Ambitions: Performance, Projects and Resources Quarter 4 and End of Year 2018-19** (Pages 78 - 84)  
**(Cabinet Member with Special Responsibility Councillor Lewis)**  
Report of the Chief Executive
11. **Exclusion of the Press and Public**  

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following items in private.

Cabinet is recommended to pass the following recommendation in relation to the following items:-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following items have been marked as exempt, it is for Cabinet itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.
12. **Proposed Property Investment Decisions** (Pages 85 - 89)  
Report of the Portfolio Holder for Finance
13. **Applications for Grant Funding from Lune Valley Community Land Trust and Halton Senior Co-Housing Group Ltd** (Pages 90 - 101)  
**(Cabinet Member with Special Responsibility Councillor Caroline Jackson)**

Report of Director for Economic Growth and Regeneration

14. **Eden Project North** (Pages 102 - 111)

**(Cabinet Member with Special Responsibility Councillor Lewis, Leader of the Council)**

Report of the Chief Executive

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds, Alistair Sinclair and Anne Whitehead

**(ii) Queries regarding this Agenda**

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

**(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

KIERAN KEANE,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on Thursday 25 July, 2019.

**CABINET**

6.00 P.M.

5TH MARCH 2019

**PRESENT:-** Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Nathan Burns, Darren Clifford, Brendan Hughes, Margaret Pattison, Andrew Warriner and Anne Whitehead

Officers in attendance:

Kieran Keane	Chief Executive
Daniel Bates	Director of Corporate Services
Jason Syers	Director for Economic Growth and Regeneration
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Rephael Walmsley	Acting Head of Legal Services
Richard Crompton	Interim Regeneration Manager
Liz Bateson	Principal Democratic Support Officer

**91 MINUTES**

The minutes of the meeting held on Tuesday 12 February 2019 were approved as a correct record.

**92 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER**

The Chairman advised that there were no items of urgent business.

**93 DECLARATIONS OF INTEREST**

Councillor Whitehead declared a non-prejudicial interest with regard to Agenda Item 11 in view of her being a patron of the Dukes.

**94 PUBLIC SPEAKING**

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

**95 WRAY-WITH-BOTTON NEIGHBOURHOOD PLAN DECISION TO PROCEED TO REFERENDUM****(Cabinet Member with Special Responsibility Councillor Hanson)**

Cabinet received a report from the Director of Economic Growth and Regeneration, which sought approval for the Wray-with-Botton Neighbourhood Plan to proceed to referendum at the earliest possible opportunity.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> Accept the modifications of the	<b>Option 2:</b> Reject some of the modifications of	<b>Option 3:</b> Reject all of the
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	Examiner, issue a decision statement to this effect and approve the Neighbourhood Plan to go forward to referendum.	the Examiner and delegate authority to the Planning Manager to publish the decision.	<b>modifications of the Examiner.</b>
Advantages	This would be to the benefit of adopting localism within the district, enabling communities to shape their area. It would enable the community as a whole to decide if the plan should be sued by the Council for determining planning applications.	That the plan could be prepared in line with (or closer in line with) the original intentions of the Neighbourhood Plan sub group.	None known. Rejection of all the modifications would mean rejection of the plan on the basis that the Council could not be satisfied that the Plan could meet the basic conditions required by Schedule 4B Town and Country Planning Act 1990.
Disadvantages	None known	Officers and the Neighbourhood Plan sub group have agreed the modifications are acceptable and that the plan is suitable to be the subject of a referendum.  Rejecting modifications may remove clarity, factual correctness or compatibility with other local authority plans or policies. It could also lead to the Basic Conditions requirement not being met.  Rejecting modification will require further consideration by officers as to the suitability of the plan and further consideration by Council.	The Neighbourhood Plan would not be made.
Risks	None known	Removal of some of the modification may lead	The Plan, with the Examiners'

		<p>to the Plan not meeting the basic conditions and to the ultimate decision that the plan should not be progressed.</p> <p>Removal of some of the Examiner's recommendations may also create ambiguity and uncertainty in the application of the Plan. This could lead to legal challenge and difficulty in the application of planning policy to planning decisions.</p>	<p>recommendations, is agreeable to the Neighbourhood group. To reject the Plan by not accepting the modifications could be suggest to public law challenge.</p>
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The preferred option is Option 1. Given the level of work undertaken by the Neighbourhood Plan Sub Group alongside the extensive consultation that took place prior to the Examination of the plan it is considered that subject to the outcome of the referendum that it is the will of the community of the Parish of Wray-with-Botton for a neighbourhood plan to be prepared. The independent Examiner has scrutinised the plan in making an assessment as to whether it meets the Basic Conditions and subject to modification is of the view that the plan is ready to proceed to Referendum.

In conclusion it is the opinion of the Planning Manager that the Wray-with-Botton Neighbourhood Plan is ready to proceed to referendum, subject to modifications as recommended by the Examiner being made.

Councillor Hanson proposed, seconded by Councillor Warriner:-

"That the recommendations, as set out in the report, be approved."

Councillors then voted:-

***Resolved unanimously:***

- (1) That the proposed changes to the Neighbourhood Plan, as set out in Appendix C to the report be endorsed and a decision statement be issued to inform interested parties that the modified Neighbourhood Plan should proceed to Referendum as soon as reasonably possible.
- (2) That Cabinet agrees to the advance funding of the Referendum, which will be claimed back from the Government in due course.

**Officers responsible for effecting the decision:**

Director of Economic Growth and Regeneration  
Director for Corporate Services

**Reasons for making the decision:**

The aim of the referendum is to give the people of Wray-with-Botton community a vote on whether they support the Neighbourhood Plan. Neighbourhood Planning contributes to the Council's corporate plan priorities, in particular, sustainable economic growth. Once adopted, neighbourhood plans will form part of the Council's Lancaster District Local Plan.

**96 ARTS AND CULTURE POLICY FRAMEWORK****(Cabinet Member with Special Responsibility Councillor Clifford)**

Cabinet received a report from the Director of Economic Growth and Regeneration, which sought approval of the Arts and Culture Policy for consultation. The policy framework was designed to provide a means by which the Council's support for arts and culture could be evaluated against corporate priorities and key quality criteria.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Continuing without a policy in place offers no identified benefits. The lack of policy risks public funds being used to promote activities that either do not provide value for money or offer no material benefit. Introducing a policy based on evidence will ensure fairness and consistency in terms of allocation of funds and resources and will align the delivery of services with the Council's priorities.

The officer preferred option is to agree the draft Arts and Culture Policy for consultation.

Councillor Clifford proposed, seconded by Councillor Hanson:-

"That the recommendation, as set out in the report, be approved."

Councillors then voted:-

***Resolved unanimously:***

- (1) That the draft Arts and Culture Policy be approved for consultation.

**Officer responsible for effecting the decision:**

Director of Economic Growth and Regeneration

**Reasons for making the decision:**

The City Council invests and uses its resources to support arts and culture in the district. The decision will enable the Council to establish the arrangements necessary to ensure the best possible results from its contributions in a way that is fair and transparent.

**97 EXCLUSION OF THE PRESS AND PUBLIC**

It was moved by Councillor Hughes and seconded by Councillor Pattison:-

“That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members then voted as follows:-

***Resolved unanimously:***

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

**98 DISPOSAL OF LAND, HEYSHAM BUSINESS PARK**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

Cabinet received a report from the Director of Economic Growth and Regeneration to report on the terms agreed in relation to disposal of land at the former Shell ICI site and as required under the Cabinet agreement to the disposal dated 12 February 2013. Whilst the report was public, Appendices B & C were exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> proceed with the legal completion of the transaction with Lancaster Power	<b>Option 2:</b> do not proceed with the transaction to Lancaster Power
Advantages	Opportunity for the council to receive a capital receipt.  Accords with the councils' corporate objectives and stated aims for the regeneration and growth of the Heysham gateway area	The potential to pursue other opportunities in relation to the site
Disadvantages	The loss of opportunity to pursue other opportunities in relation to the site.	Lost opportunity for capital receipt  Ongoing liability for this parcel of land  Possibility of legal challenge by not adhering to the terms of the legally binding option agreement between the parties
Risks	None specifically identified	Strong probability of legal action against council and a possible direction to pay compensation



The officer preferred option is Option 1 as it accords with the legal obligations contained within the option agreement between the parties.

- It retains 'surplus' land for future alternative uses.
- It secures the councils future position as to compliance with S123 of the Local Government act and provides the ability to 'control' the nature of uses across the Heysham Gateway area.
- The proposed use accords with the Councils stated development aspirations for the area as outlined in the emerging local plan and Heysham Gateway Vision Document.

Councillor Hanson proposed, seconded by Councillor Clifford:-

"That the recommendations, as set out in the report, be approved."

Councillors then voted:-

***Resolved unanimously:***

- (1) That the terms of sale be agreed, following exercise of the Option to purchase a lease by Clifton Marsh Power (now trading as Lancaster Power) and Lancaster City Council arising from an agreement dated 30<sup>th</sup> July 2014.
- (2) That delegated authority to complete the transaction be granted to the Director of Economic Growth and Regeneration.

**Officer responsible for effecting the decision:**

Director for Economic Growth and Regeneration

**Reasons for making the decision:**

The proposal supports the Councils Corporate plan, local Plan and Vision document for the area, in its priority of economic growth and key themes of environmental sustainability and effective management of the Councils resources. The transaction will provide a certain capital receipt to the council, allow the redevelopment of this brownfield site for energy related uses, attract valuable inward investment into the district, create immediate jobs during the construction phase and a lesser number of long terms jobs during the plants operational phase. It concludes the council's original decision to dispose of the land dating back to 2012.

**99 APPLICATION FOR GRANT FUNDING FROM THE COMMUNITY HOUSING FUND**

**(Cabinet Member with Special Responsibility Councillor Warriner)**

Cabinet received a report from the Director of Economic Growth and Regeneration, to approve a grant application to fund the pre-development costs to support a community led development being brought forward by Halton Senior Co-Housing Group Ltd.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> Approve the grant funding	<b>Option 2:</b> Do not approve the grant funding
Advantages	<p>The grant will enable the community group to advance their proposals and get to a point where they have a deliverable scheme. The principle of a scheme of this type being supported has already been established through pre-application advice which was positive. The group have already been directly involved in the original Co-Housing Scheme and have the skills and experience to bring this project to fruition.</p> <p>It will increase the housing options for older people providing a full range of tenures and help balance housing markets.</p> <p>It will encourage other community groups to take projects forward.</p> <p>The units will achieve Passivhaus standards.</p> <p>The council can demonstrate to MHCLG/Homes England the funding has been used for the purpose it was intended.</p>	<p>The funding could be used to support other projects.</p>
Disadvantages	<p>The funding could be spent on other projects.</p>	<p>It will not deliver a community led scheme or any of the associated benefits.</p> <p>If the group were to seek funding through Homes England, their bid may be unsuccessful at a point where the council has unallocated Community Housing Fund reserves.</p> <p>The outstanding matters outlined in Appendix 1 will remain unresolved</p>
Risks	<p>There is always uncertainty with any</p>	<p>Loss of opportunity</p>

	<p>development that it will be viable, deliverable and will obtain planning permission which could result in abortive costs. However, pre-application planning advice has been positive. The group will be required to enter into an option agreement on the land before any grant is paid, this should be minimised. The grant payments will also be made in phased payments, again to reduce the risk of abortive costs being incurred.</p>	<p>Other than the grant payment, there are no further risks upon the council.</p> <p>Reputational damage</p>
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The officer preferred option is Option 1.

Whilst recognising the level of grant required to fund the pre-development costs is considerable, in construction terms this represents a small proportion of the overall scheme costs. Halton Senior Co-Housing Limited is already positioning itself to take this scheme forward, and has obtained an in principle approval for the necessary development finance to fund the project.

Councillor Warriner proposed, seconded by Councillor Hughes:-

“That recommendations (1) and (2), as set out in the report, be approved with the following revision to recommendation (3):

- *That the Section 151 Officer be authorised to update the General Fund Revenue Budget to reflect any decision taken under recommendation 1 to be funded from the Revenue Grants Unapplied, and subject to the Section 151 Officer being satisfied on appropriate grant conditions being provided or agreed and there being a nil impact, (and no clawback) on the Council's resources and full recovery of any extant sums.”*

Councillors then voted:-

**Resolved unanimously:**

- (1) That up to £160,000 grant towards the pre-development costs of a new community led development (as detailed in exempt Appendix 1 to the report) be set aside from the Community Housing Fund.
- (2) That, subject to requirements from Lancashire County Council Highways Authority, Cabinet authorise officers to bid for Homes England – Community Housing Fund Phase 1 Infrastructure costs (as detailed in exempt Appendix 1 to the report) should this be required.
- (3) That the Section 151 Officer be authorised to update the General Fund Revenue Budget to reflect any decision taken under recommendation 1 to be

funded from the Revenue Grants Unapplied, and subject to the Section 151 Officer being satisfied on appropriate grant conditions being provided or agreed and there being a nil impact, (and no clawback) on the Council's resources and full recovery of any extant sums.

**Officers responsible for effecting the decision:**

Director of Economic Growth and Regeneration  
Director of Corporate Services

**Reasons for making the decision:**

The proposal seeks to provide an exemplar residential development. This will offer a number of added values and benefits and positively contribute to delivery of the council's Housing Strategy by providing 20 new homes suitable to meet the needs of older people, which will be of high quality and design and will also increase the provision of affordable housing in the local area. The decision is consistent with the Corporate Plan and links directly with improving the quality and availability of housing.

**100 THE DUKES FUTURE BUSINESS MODEL**

**(Cabinet Member with Special Responsibility Councillor Clifford)**

Cabinet received an exempt report from the Director of Economic Growth and Regeneration to determine the Council's position with regard to the Dukes new business model. The report was exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Clifford proposed, seconded by Councillor Pattison:-

"That the recommendations, as set out in the exempt report, be approved."

Councillors then voted:-

***Councillor Whitehead having declared a non prejudicial interest in view of her being a patron of the Dukes, did not take part in the discussions or vote.***

***Resolved:***

***(7 Members (Councillors Blamire, Burns, Clifford, Hanson, Hughes, Pattison and Warriner) voted in favour).***

- (1) That support measures that could potentially be used to support the development and delivery of the Dukes new business plan, as detailed in the exempt report, be approved.
- (2) That support for the Dukes is approved, in principle, with final decisions to be delegated to the Director for Economic Growth and Regeneration, in consultation with the Portfolio Holder. Any funding or service support is subject to the fiduciary

duty of the statutory officers and reasonable conditions to protect the Council's investment.

- (3) That the current annual grant to the Dukes is maintained at its current level for 2019/20, noting that future funding is subject to review as part of the usual annual budget processes.

**Officer responsible for effecting the decision:**

Director of Economic Growth and Regeneration

**Reasons for making the decision:**

Culture and the services delivered by the Dukes directly contribute to the Council Plan under a Thriving and Prosperous Economy and Health and Happy Communities. A number of cultural organisations in the country are currently facing financial challenges as public funding reduces and it is clear that protecting and developing cultural services, and all of the outcomes that they deliver, will require solutions that go beyond simple public funding. The focus of the Dukes, working with ACE and the Council has been to tackle the current difficulties but in a way that will allow the Dukes to develop its role and programme again in the future, with a focus on the many benefits that can be delivered for this area and its communities.

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Chairman

(The meeting ended at 6.35 p.m.)

**Any queries regarding these Minutes, please contact  
Liz Bateson, Democratic Services - telephone (01524) 582047 or email  
ebateson@lancaster.gov.uk**

**MINUTES PUBLISHED ON TUESDAY 12 MARCH, 2019.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
WEDNESDAY 20 MARCH, 2019.**

<b>CABINET</b>
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## Customer Services and Future Complaints Policy Informal Task Group

**6<sup>th</sup> August 2019**

### Report of Overview and Scrutiny

PURPOSE OF REPORT			
To request Cabinet to consider the recommendations of the Overview and Scrutiny Committee regarding the Customer Services and Future Complaints Policy Informal Task Group.			
<b>Key Decision</b>		<b>Non-Key Decision</b>	<b>Referral from Overview &amp; Scrutiny</b>
			<b>X</b>
<b>Date of notice of forthcoming key decision.</b>			N/A.
<b>This report is public.</b>			

#### RECOMMENDATIONS OF OVERVIEW & SCRUTINY COMMITTEE

- 1) That Cabinet accepts recommendations 1 to 7 as set out in the attached Informal Task Group report.

#### OFFICER RECOMMENDATIONS

- 2) That the Director for Communities and the Environment refers the recommendations to the Head of Community Involvement and Leisure for implementation.
- 3) If recommendation 2 is accepted, that Cabinet directs the Director for Environment to produce a draft Customer Service Strategy for consideration by Cabinet for referral to Council.

#### 1. Introduction

- 1.1 The Overview and Scrutiny Committee considered the Final Report of the Customer Services and Future Complaints Policy Informal Task Group at its meeting in April 2019.
- 1.2 The Committee agreed the Final Report and the recommendations within and referred the report to the Council's Monitoring Officer for determination in accordance with Part 4, Section 5, paragraph 12 of the City Council's Constitution.

#### 2. Terms of Reference

- 2.1 The following Terms of Reference for the Task Group were agreed by the Overview and Scrutiny Committee:

- i. To identify the reasons why the Council should prioritise the development of a formal Customer Services Strategy.
- ii. To identify the key themes and actions that should be addressed in a Customer Services Strategy – based on examples of best/good practice and evidence from stakeholders.
- iii. To review the current Complaints Policy to include consideration of best/good practice and evidence gathering and the ways this could be improved upon. To make recommendations to Overview and Scrutiny.

### **3. Proposals**

- 3.1 The Task Group was set up as an opportunity to embed excellent customer services across the Council.
- 3.2 It was hoped that the Task Group would review the Customer Services Strategy and Complaints Policy by considering best practice and stakeholder evidence and make recommendations for a framework from which officers could work up a detailed strategy to present to Overview and Scrutiny Committee.
- 3.3 A full copy of the Task Group's report is appended. Cabinet is requested to consider the recommendations of the report.

### **4. Options and Options Analysis (including risk assessment)**

1. To accept the recommendations of Overview and Scrutiny.
2. Not to accept the recommendations of Overview and Scrutiny.
3. To make alternative proposals to those recommended by Overview and Scrutiny.

### **5. Overview and Scrutiny Committee's Preferred Option**

- 5.1 That the recommendations, as set out in the Task Group report, be accepted.

### **6. Conclusion**

- 6.1 Members are asked to consider the recommendations of the Overview and Scrutiny Committee as set out in the Task Group report.

**RELATIONSHIP TO POLICY FRAMEWORK**

The recommendations, as set out in this report, assist the City Council in meeting all of its priorities within the Council Plan.

If a new Customer Service Strategy is created then this will be a key policy for consideration by Full Council.

**CONCLUSION OF IMPACT ASSESSMENT**

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

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

**LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

**FINANCIAL IMPLICATIONS**

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

**OTHER RESOURCE IMPLICATIONS**

None arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

If recommendation 2 of O&S Committee's report is to be accepted, then Cabinet will want to task the Director of Environment to produce a customer service strategy. The draft strategy should then be referred back to Cabinet for approval and referred (if approved) to full council for consideration (pursuant to Part2, section, para 2.3 of the constitution [p18]).

**BACKGROUND PAPERS**

Customer Services and Future Complaints Policy Informal Task Group report.

**Contact Officer:** Stephen Metcalfe

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**E-mail:** [sjmetcalfe@lancaster.gov.uk](mailto:sjmetcalfe@lancaster.gov.uk)



Report of  
**THE CUSTOMER SERVICES AND FUTURE  
COMPLAINTS POLICY INFORMAL  
TASK GROUP**

Please rate your experience

- Outstanding*
- Excellent
- Very good
- Good
- Average
- Poor



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**Chairman's Foreword**

**Summary of Recommendations**

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### **Chairman's Foreword**

This Task Group came about as a response to difficulties all ward councillors will have experienced when trying to help residents resolve complaints about the work of Lancaster City Council. Complaints often take up much time and on occasion relatively small things expand into seemingly intractable problems. With this in mind I came to the first meetings in some trepidation at the possible sensitivities of officers over the material we were discussing. In fact officers have tackled the issue with an enthusiasm and open-mindedness that has been impressive throughout.

As a task group we benefited from Cllr. John Reynolds bringing in his inspirational colleague, Colin Parker, from Booths who challenged us to do the "one thing" that we could contribute to bringing about change to the situation. Our "one thing" has been to keep a resolute focus on the evidence of what we already do to respond to complaints, recognising what is good and may become excellent, acknowledging the simple need for training in some areas and profiting from the input of officers with particular skills in working with people who make complaints. We have also listened to our residents, through a survey, through samples of letters they have given us and through personal discussion.

Some time was spent on the problems caused by a few complaints that seem intractable. Whilst it was clear that there was little to be done now for these cases, we did profit by understanding some of the reasons why these situations came about. The task group with the support of officers, has made a series of recommendations designed to improve our listening, our response time and the way that problems are investigated if they become more serious.

Overall we recognised that the culture of Lancaster City Council needs to move on from fear of blame to an open acknowledgement that despite our best efforts occasionally we get it wrong. Things are already changing: we hope both the working of the task group and our recommendations make a substantial contribution to that process.

Many thanks to my fellow councillors, especially Cllr. Phillippa Williamson for her input and to all the officers who took part.

**Councillor Caroline Jackson  
on behalf of the Task Group**

**Summary of Recommendations**

**Recommendation 1 – Customer Services**

- (1) That all complaints to Lancaster City Council be logged, monitored and dealt with, where possible, centrally by the Customer Services Team.
- (2) That each member of staff is responsible for customer service throughout the Council's range of services.
- (3) That the Council should take more responsibility as the 'go to' Council. Where possible avoid making referrals to other agencies and contact other organisations or agencies on behalf of complainants. where appropriate
- (4) That it be recognised across all Council services and teams that the Customer Services Team is the ultimate source of information regarding all complaints where possible.
- (5) That the Task Group notes that the City Council has no officer as part of the complaints handling process who specifically deals with mental health or vulnerable people. The Task Group however, noted that these issues were dealt with positively by officers but recommend that this situation is kept under review.

**Recommendation 2 – Customer Service Strategy**

- (1) That the Directorate for Communities and the Environment draft a brief statement on the Customer Service Strategy, based on our attitudes and behaviours to customer service.
- (2) To support the Customer Service Strategy that two simple flow charts be produced, one for internal complainants and one for external complainants, outlining in simple, accessible language the basic complaints procedure.



**Recommendation 3 – Amendments to the Complaints Policy and Guidance on Handling Complaints**

- (1) That the term “Service Users” be replaced with “Customers” throughout both the Complaints Policy and the Guidance on Handling Complaints.
- (2) That the following amendments be made to the Complaints Policy;
  - a. That at Paragraph 5.2, “*complaints*” be replaced with “*problems*”.
  - b. That at Paragraph 9.4, add “*welcome comments, but*” after “*The council...*”
  - c. That at Paragraph 11.5 “Within each Service” be deleted.
- (3) That the following amendments be made to the Guidance on Handling Complaints:
  - a. That wording at paragraph be added at Paragraph 7 to include guidance on how Managers and Supervisors should support frontline staff to resolve problems at the point of service delivery and reference to Line Managers responsibilities.
  - b. At Paragraph 13.1, “complaint” be replaced with “problem”.
  - c. At Paragraph 13.2, add in “find out what the complainant wants/desired outcomes”.
  - d. At Paragraph 13.36, add wording on the tone of response letters to complainants and guidance on the way to respond.
  - e. At Paragraph 14, include further guidance on what should be expected from Stage 1 of the complaints process and that where necessary, after informing the complainant, complaints should be sent back to Stage 1 if the Stage 2 handler feels there is more work to be undertaken to resolve the problem.

*Note: A copy of the existing Policy and Guidance is appended to this report.*

**Recommendation 4 – Training**

- (1) Provision of training on complaints handling to be provided to all new Councillors.
- (2) Training to be provided to officers on letter writing, particularly with regard to the handling of complaints.
- (3) That the Task Group recommends the continued positive use of social media by the Council in order to promote the services provided by the Council and to highlight best practice.

**Recommendation 5 – Plain English Mark**

- (1) The Council explore the possibility of signing up to the Plain English Mark.

**Recommendation 6 – Executive Team**

- (1) That Complaints be a standing item on all Lancaster City Council Executive Team agenda and that the Team be briefed at each meeting on current complaints and any of the lessons that can be learnt.
- (2) That Key Performance Indicators (KPIs) are set for all senior managers on handling of complaints and customer satisfaction in accordance with the Council Plan.
- (3) That the Customer Complaints Survey results from this review be circulated to the Executive Team and other relevant officers.
- (4) That it be noted that a press release has been issued to inform of results and, those persons completing the survey have been thanked.

**Recommendation 7 – Persistent Complainants**

- (1) That reports to Lancaster City Council's Executive Team on the designation and review of Persistent Complainers be shared with the complainant, with comments sought and taken into consideration prior to being reported to Executive Team.
- (2) Once the Council has gone through the designation process, we will share with the complainant what we will do and what we expect from them.
- (3) The system should separate genuine complaints from vexatious complaints and this process should sit with the Customers Services Team for them to review and manage.
- (4) Once a complainant is designated as "Persistent" further contact should be directed through the Customer Services Team who will, where possible, deal with any genuine service requests and alternative complaints separately to the main complaint for which the designation of Persistent Complainer has been applied.

**Recommendation 8 – Stage 2 Complaints**

- (1) All possible efforts to be made by Officers to ensure that complaints are resolved at Stage 1 rather than moving to Stage 2. This should include senior officer advice and conflict resolution where appropriate.
- (2) If the Stage 2 officer feels that the matter has not been dealt with thoroughly then the complaint should be referred back to the Stage 1 Officer for further investigation.

## **Introduction**

The Overview and Scrutiny Committee first discussed the creation of an Informal Task Group to consider customer service and future complaints policies in December 2016 when it was referred to the Committee from the Budget and Performance Panel. A scoping document setting the scope, purpose of the Task Group and Terms of Reference for the Group was then agreed at the September 2017 meeting of the Overview and Scrutiny Committee.

### **1. Role of the Task Group**

The Task Group was set up as an opportunity to embed excellent customer services across the Council.

It was hoped that the Task Group would review the Customer Services Strategy and Complaints Policy by considering best practice and stakeholder evidence and make recommendations for a framework from which officers could work up a detailed strategy to present to Overview and Scrutiny Committee.

#### **2.1 Terms of Reference**

The following Terms of Reference for the Task Group were agreed by the Overview and Scrutiny Committee:

1. To identify the reasons why the Council should prioritise the development of a formal Customer Services Strategy.
2. To identify the key themes and actions that should be addressed in a Customer Services Strategy – based on examples of best/good practice and evidence from stakeholders.
3. To review the current Complaints Policy to include consideration of best/good practice and evidence gathering and the ways this could be improved upon. To make recommendations to Overview and Scrutiny.

#### **2.2 Membership of the Group**

The Task Group comprised of Councillors Caroline Jackson (Chairman), Tracy Brown, John Reynolds, David Whitaker and Philippa Williamson.

The Task Group was supported by Mark Davies – Director for Communities and the Environment, David Brown – Interim Monitoring Officer, Alison McGurk - Customer Services Manager, Mark Cassidy – Planning Manager, Will Griffith – Operations Manager Public Realm, Peter Linsley – Service Support manager, Beth Nortley – Public Realm Supervisor, Stephen Metcalfe - Principal Democratic Support Officer and Sarah Moorghen - Democratic Support Officer.

The Task Group also gratefully acknowledges the contributions and evidence freely given by:

Colin Parker of Booths Supermarket

Participants of the “Help us shape how we deal with Future Complaints” Survey

### 1.3 Timetable of Meetings

Date of Meeting	Who Gave Evidence?	Issues Scrutinised
22/01/2018	<p>Stephen Metcalfe – Principal Democratic Services Officer</p> <p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	<p>Terms of Reference and Methodology of Evidence Gathering.</p> <p>The Current Position in the District and the Way Forward.</p>
16/04/2018	<p>Councillor John Reynolds and Colin Parker</p> <p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	<p>Discussions with Booths Supermarket</p> <p>Consideration of example Policies and Strategies from Local Authorities and Private Companies.</p>
27/04/2018	<p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	<p>Discussions following the Information provide at the previous meeting (Discussions with Booth Supermarket)</p>
23/05/2018	<p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	<p>Consideration of complaints information</p>
01/08/2018	<p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	<p>Survey Results – Help Us Shape How We Deal With Future Complaints</p>



05/09/2018	<p>Mark Davies – Director for Communities and the Environment</p> <p>Alison McGurk – Customer Services Manager</p>	Current Complaints Policies and Guidance
24/09/2018	<p>Mark Davies – Director for Communities and the Environment</p> <p>Mark Cassidy - Planning Manager</p> <p>Will Griffith – Operations Manager Public Realm</p> <p>Peter Linsley – Service Support Manager</p> <p>Beth Nortley – Public Realm Supervisor</p>	Discussions with Officers
07/11/2018	<p>Mark Davies - Director for Communities and the Environment</p> <p>David Brown – Interim Monitoring Officer</p> <p>Councillor Caroline Jackson - Chairman</p>	<p>Customer Services Strategy</p> <p>Persistent Complainants</p> <p>Conclusions and Recommendations</p>

### 3. **Documentary Evidence Considered**

The Task Group considered a range of evidence including best practice examples of strategies and policies, the current complaints policy and guidance, data on the complaints spreadsheet and Ombudsman cases as well as examples of complaints letters. The Task Group also conducted a survey and invited a number of officers to discuss complaints handling in their Service.

### 4. **Status of Report**

This report is the work of the Informal Task Group, on behalf of the Overview and Scrutiny Committee, and where opinions are expressed they are not necessarily those of Lancaster City Council.

## 5. Background and Context

Complaints monitoring is regularly reported to Budget and Performance Panel. At the September 2016 meeting the Panel considered complaints monitoring, the types of complaints received by the Council and how these are recorded. They also discussed the complaints procedure and the Customer Services Strategy and agreed to add this as an item on their Work Programme for further consideration.



One of the Task Group's key aims was to consider a Customer Services Strategy and identify any key issues and reasons why the Council should prioritise the development of a Strategy. It was also to review the current complaints procedure and make recommendations on any improvements that could be made to the accompanying policies and guidance.

It was perceived that there was a need to embed excellent customer service across the whole Council and a need to respond properly and appropriately to changing customer expectations and the changing methods and channels through which customers preferred to contact the Council.

There was a need to look at how best to deal with complaints, which are escalated and to understand the root cause of these complaints and how they could be resolved better at the point of origin to prevent ongoing and/or persistent complainants.

## 6. Information Gathering

### 6.1 Evidence

At the first meeting of the Task Group the current position and the way forward was considered. The Group discussed the need to progress away from a process led approach, towards a more outcome led approach to customer services, which empowers staff with more responsibility and flexibility to deal with complaints or service requests at the first point of contact.

The Task Group discussed the methodology for the way forward and decided to obtain evidence from a range of sources including good practice examples of strategies and policies, complaints data, feedback and examples of complaints from members of the public and discussions with officers.



## **6.2 Discussions with Booths**

The Group invited Councillor John Reynolds and Colin Parker from Booths Supermarket to the second meeting.

At the first meeting it was noted that Booths Supermarket was an example of an organisation with strong ideas on customer service and complaints handling. Booths had overhauled their customer services and complaints handling procedures in the last 5 to 10 years and undergone significant cultural change at the same time.

Booths aim is to put the customer experience at the centre of their customer services strategy. Their strategy is based on a clear sense of brand and an action plan which encourages all members of staff to take ownership of customer services by making small changes in how they work. Their aim is to avoid having a large unachievable action plan imposed by senior managers but rather gives all staff the opportunity to engage and make real cultural change through small changes, conversation and ownership.

## **6.3 Complaints information**

The Council's internal monitoring systems have also been considered. This includes the complaints, referred to the Ombudsman since 2014, two Complaints Monitoring Reports presented to the Budget and Performance Panel, and the complaints spreadsheet which listed complaints received by the Council in the 2018/19 municipal year.

It was noted that the complaints spreadsheet is to be filled in by each Service Complaints Officer when a complaint is received. However, it is not a complete record as it is not always completed by officers. The spreadsheet also only contains formal complaints and does not deal with complaints dealt with through alternative routes, or which are resolved prior to a formal complaint being logged.

Also as part of the process Task Group Members also provided anecdotal evidence gathered from complainants both past and present.

## **6.4 Survey Results**

The Group was keen to engage with members of the public and actual complainants. To do this a survey was commissioned titled "Help us shape how we deal with future complaints". The survey was available for all members of the public to complete. This was publicised using a press release, social media and also through Customer Services.

90 Members of the public completed the survey, though many had skipped a number of the questions. There were a wide range of issues complained about. A number of those surveyed said that they had encountered issues which they had not complained about. The reasons people may decide not to pursue complaints, including feeling disillusionment with the Council, were considered. It was noted that the majority of complaints are received via email or Talk Back forms and this reflects the changing way in which the public engage with the Council.



## **6.5 Current Complaints Policy and Guidance**

The Group looked in more detail at the current Complaints Policy and accompanying Guidance.

It was agreed that the Policy and the Guidance are on the whole good but it is felt that sometimes these are not fully applied by staff dealing with complaints throughout the Council. Minor amendments have been recommended to the Policy and Guidance for clarity and consistency. The Group do not feel that a re-write of either document is necessary.

## **6.6 Discussions with Officers**

In order to get a better understanding of the different types of complaints and how they are dealt with across the Council officers from different services were invited to attend a Task Group meeting.

Officers reported on the types of complaints received within the services. The Group then considered the different ways complaints are dealt with across the Council depending on the type and context of the complaint.

Officers reinforced the Task Group's thoughts that the Complaints Policy and Guidance are useful, but probably not widely known about.



## **6.7 Persistent Complainers**

Throughout the Group's work the issue of persistent complainers came up numerous times. The Task Group invited the Monitoring Officer to its November 2018 meeting to discuss the issues surrounding ongoing persistent complainants and the merit of formally designating particularly persistent and vexatious complainers as "Persistent Complainers".

## **7. Findings**

After considering the current complaints procedure and guidance, and the evidence gathered by the Task Group it is the feeling of the Group that the current procedures are adequate and the main issue is how they are applied across the Council.

The Group feel that there is a need for greater awareness and training on the complaints procedure and for staff to feel more empowered to resolve issues at the point of contact and prevent matters becoming complaints in the first place. For this to happen staff must feel supported by their Managers and this may require a cultural shift in how complaints are dealt with across the Council.

The Task Group hopes that by empowering frontline staff to deal with issues as they occur this will reduce the number of formal complaints, prevent those formal complaints resulting in further complaints or becoming protracted, with the aim to ultimately improve customer satisfaction.

## 8. Recommendations and Notes

Set out below are the recommendations that have emerged from the Task Group's work.

### Recommendation 1 – Customer Services Strategy

- (1) That all complaints to Lancaster City Council be logged, monitored and dealt with, where possible, centrally by the Customer Services Team.
- (2) That each member of staff is responsible for customer service throughout the Council's range of services.
- (3) That the Council should take more responsibility as the 'go to' Council. Where possible avoid making referrals to other agencies and contact other organisations or agencies on behalf of complainants where appropriate
- (4) That it be recognised across all Council services and teams that the Customer Services Team is the ultimate source of information regarding all complaints where possible.
- (5) That the Task Group notes that the City Council has no officer as part of the complaints handling process who specifically deals with mental health or vulnerable people. The Task Group however, noted that these issues were dealt with positively by officers but recommend that this situation is kept under review.

The Task Group acknowledges that good customer service is the responsibility of every member of staff. As well as the staff in Customer Services there are a wide range of staff across all Council Services who have regular contact with members of the public and each of these interactions shape people's perceptions of the Council.

It is believed that there is a need for all staff, across the Council, to feel empowered with the necessary knowledge and skills to deal with more issues directly at the point they arise. The Group feel that this will prevent minor issues and services requests developing unnecessarily into complaints.

The Task Group heard that increasingly the City Council is viewed by its residents as the generic "Council" with members of the public often contacting the City Council with a range of issues which actually relate to other Councils/agencies including Lancashire County Council, Parish/Town Councils, the Environment Agency, Lancashire Fire and Rescue, or the Police.



Members feel that referrals to other Councils/agencies were a common source of frustration for members of the public and could lead to unnecessary complaints.

The Group agree that there is need for the City Council to embrace being the 'go-to' agency by, where possible, being more proactive and taking ownership of a broader range of queries.

It was noted that complaints are handled very differently within various City Council Services, including Planning and Salt Ayre who operate their own customer service.

It is also evident that complaints are not logged and monitored consistently across the Council.

The Group recommend that there be a system developed whereby all complaints are coordinated and monitored centrally by Customer Services. More work is required on how exactly this will work but it is hoped that Customer Services can be recognised as the central source of knowledge regarding complaints.

**Recommendation 2 – Customer Service Strategy**

- (1) That the Directorate for Communities and the Environment draft a brief statement on the Customer Service Strategy, based on our attitudes and behaviour to customer service.
- (2) To support the Customer Service Strategy that two simple flow charts be produced, one for internal complainants and one for external complainants, outlining in simple, accessible language the basic complaints procedure.

The Task Group, having considered examples of Customer Service Strategies, speaking to officers, and considering the Council's currently policies, believes that there is merit in having a written Customer Service Strategy.

The Group feel however, that this should be in the form of a basic and brief statement which focuses on attitudes and behaviours rather than being process and procedure driven. It is hoped that such a strategy will give staff guidance and the confidence to deal with issues their own way.

To supplement this the Group recommend that flow charts showing the key stages of the complaints procedure be produced for both members of the public and employees of the Council.

The Task Group hope that by making available these simplified, user-friendly documents, staff will gain a better understanding of their roles and responsibilities in relation to customer service.

**Recommendation 3 – Amendments to the Complaints Policy and the Guidance on Handling Complaints**

- (1) That the term "Service Users" be replaced with "Customers" throughout both the Complaints Policy and the Guidance on Handling Complaints.
- (2) That the following amendments be made to the Complaints Policy;
  - d. That at Paragraph 5.2, "*complaints*" be replaced with "*problems*".
  - e. That at Paragraph 9.4, add "*welcome comments, but*" after "*The council...*"
  - f. That at Paragraph 11.5 "*Within each Service*" be deleted.
- (3) That the following amendments be made to the Guidance on Handling Complaints:
  - a. That wording at paragraph be added at Paragraph 7 to include guidance on how Managers and Supervisors should support frontline staff to resolve problems at the point of service delivery and reference to Line Managers responsibilities.
  - b. At Paragraph 13.1, "*complaint*" be replaced with "*problem*".

- c. At Paragraph 13.2, add in “find out what the complainant wants/desired outcomes”.
- d. At Paragraph 13.36, add wording on the tone of response letters to complainants and guidance on the way to respond.
- e. At Paragraph 14, include further guidance on what should be expected from Stage 1 of the complaints process and that where necessary, after informing the complainant, complaints should be sent back to Stage 1 if the Stage 2 handler feels there is more work to be undertaken to resolve the problem.

*Note: A copy of the existing Policy and Guidance is appended to this report.*

The Task Group are of the opinion that, overall both the Complaints Policy and the accompanying Guidance are thorough documents which serve their purpose more than adequately.

Therefore, the Group do not recommend any wholesale changes to either the Policy or the Guidance, but have suggested a few minor amendments aimed at providing some additional clarity and consistency to the documents.

#### **Recommendation 4 – Training**

- (1) Provision of training on complaints handling to be provided to all new Councillors.
- (2) Training to be provided to officers on letter writing, particularly with regard to the handling of complaints.
- (3) That the Task Group recommends the continued positive use of social media by the Council in order to promote the services provided by the Council and to highlight best practice.



It is felt that good communication is a vital skill when dealing with complaints. The Group took time to consider examples of complaints letters sent by the Council to complainants and feel that there is a need to avoid using jargon and overly complicated, technical or formal language when responding to complaints.

Members believe that there would be some merit in providing training on complaints handling to staff, particularly with regard to letter writing. This would complement the Values and Behaviour Training which all Council staff have recently received.

From personal experience the Task Group agreed that there is a need to provide Councillors with some degree of training on complaints handling and the use of social media.

**Recommendation 5 – Plain English Mark**

- (1) The Council explore the possibility of signing up to the Plain English Mark.

Members feel that, on occasion, letters can be too technical and that this can lead to misunderstandings and exacerbate situations unnecessarily. The Group discussed the benefits of simplifying the wording in letters and using plain English as well as being more positive and friendly.

The Task Group believe that it would be beneficial to explore the possibility of signing up to the Plain English Mark and what this would entail. Subject to the outcome of this, the Group would, in principal, support a recommendation that the Council signs up to the Plain English Mark.

**Recommendation 6 –Executive Team**

- (5) That Complaints be a standing item on all Lancaster City Council Executive Team agenda and that the Team be briefed at each meeting on current complaints and any of the lessons that can be learnt.
- (6) That Key Performance Indicators (KPIs) are set for all senior managers on handling of complaints and customer satisfaction in accordance with the Council Plan.
- (7) That the Customer Complaints Survey results from this review be circulated to the Executive Team and other relevant officers.
- (8) That it be noted that a press release has been issued to inform of results and, those persons completing the survey have been thanked.

Any cultural change with regard to customer service and complaints handling needs to come from the top.

The Task Group recommend that one way to do this is to ensure that the Senior Management Team are regularly briefed on complaints and ongoing issues. By doing this it is hoped that complaints will have an increased profile at a strategic level.

**Recommendation 7 – Persistent Complainants**

- (1) That reports to Lancaster City Council's Executive Team on the designation and review of Persistent Complainers be shared with the complainant, with comments sought and taken into consideration prior to being reported to Executive Team.
- (2) Once the Council has gone through the designation process, we will share with the complainant what we will do and what we expect from them.
- (3) The system should separate genuine complaints from vexatious complaints and this process should sit with the Customers Services Team for them to review and manage.



- (4) Once a complainant is designated as “Persistent” further contact should be directed through the Customer Services Team who will, where possible, deal with any genuine service requests and alternative complaints separately to the main complaint for which the designation of Persistent Complainer has been applied.

The Group considered the issues surrounding persistent complainers. Members feel that the best way to tackle persistent complainers is to prevent them becoming persistent in the first place.

The Council currently has two complainants who are formally designated as “Persistent Complainers” and Members feel that, in certain extreme cases, there is a justifiable and practical need to make such designations.

It is felt that while the designation of “Persistent Complainers” allows the Council to limit communications with complainants, every effort should still be made to resolve ongoing issues and deal with genuine service requests. The Group suggest that reports to Management Team on making the “Persistent Complainant” designation should be shared with the complainant in question. Also with any review of the status the complainant should be given the opportunity to engage with and comment on the report regarding the designation.

Once a member of the public is designated as a “Persistent Complainer” all communication should be directed through a central point at the Council, ideally Customer Services, though some further work will be needed to consider exactly how this would work.

#### **Recommendation 8 – Stage 2 Complaints**

- (1) All possible efforts to be made by Officers to ensure that complaints are resolved at Stage 1 rather than moving to Stage 2. This should include senior officer advice and conflict resolution where appropriate.
- (2) If the Stage 2 officer feels that the matter has not been dealt with thoroughly then the complaint should be referred back to the Stage 1 Officer for further investigation.

It is felt that a lot of complaints come from issues to do with process and the transition from a Stage 1 to a Stage 2 complaint. These issues can detract from the original problem.

The Group agree that the focus should be on resolving the issue from which the complaint originated and all possible efforts should be made to resolve the complaint at Stage 1. Officers dealing with Stage 2 complaints should also not hesitate to refer matters back to Stage 1 officers if they feel more could have been done to resolve the issue before progressing the complaint to the next stage.



**CABINET**

## Advisory Groups and External Appointments 6 August 2019

### Report of Chief Executive

PURPOSE OF REPORT				
(i) To establish a structure of Advisory Groups for Cabinet members to engage with communities and stakeholders on the council's core priorities.  (ii) To make Cabinet appointments to a number of outside bodies, partnerships and boards.				
<b>Key Decision</b>		<b>Non-Key Decision</b>	<b>X</b>	<b>Referral from Cabinet Member</b>
<b>This report is public.</b>				

#### OFFICER RECOMMENDATIONS

- (1) That Cabinet agree to establish the Advisory Group structure set out in this report, constituting each as a Cabinet Liaison Group.
- (2) That Cabinet agree the initial Terms of Reference for each Advisory Group as set out in Appendix A.
- (3) That the Lead Cabinet Member of each Advisory Group be requested to inform the Chief Executive of the arrangements and participants required for the group.
- (4) That the Cabinet Liaison groups in operation in 2018/19 (Planning Policy, Housing Regeneration, Museums, Property Review and Flooding) be stood down.
- (5) That Cabinet appoint a member to each of the outside bodies, partnerships and boards set out in Appendix B.
- (6) That the Leader (in consultation with the Monitoring Officer) arrange for the Constitution to be amended to reflect the change in Executive Arrangements and that the changes be reported to next Full Council.

#### **1.0 Role and Purpose of Cabinet Liaison Groups**

- 1.1 Lancaster City Council's Constitution (*Part 3, Section 2, Rule 20*) provides for Cabinet Liaison Groups to be established to provide "a wider information and advisory platform to inform executive decision-making and policy effectiveness."
- 1.2 Other key characteristics of Cabinet Liaison Groups are set out in this section:

- *Leadership*: chaired by a Cabinet member
- *Membership*: no restriction on size or composition; membership is by invitation of the Chair
- *Role*: consultative without any decision-making capability, although they can request items of work for completion by the council or any other body
- *Formation*: must be agreed by Cabinet along with Terms of Reference and expected outputs

### **2.0 Cabinet's Priorities**

2.1 Cabinet has expressed its intention to establish a network of groups to facilitate meaningful engagement and discussion with communities and stakeholders, with each group reflecting the full range of Cabinet's core priorities:

- *Climate Change Action*: acting on the council's declaration of a Climate Emergency on 30 January 2019 and accompanying resolutions
- *Community Wealth-Building*: integrating social and environmental gains to economic development, focused on outcomes including jobs and meaningful work, equity, inclusion, economic stability and environmental sustainability
- *Asset-Based Community Development*: enabling communities to drive their resilience and development from the ground up through identifying and mobilising existing assets
- *Community Engagement*: developing positive and productive dialogue between public institutions and the communities they serve

### **3.0 Proposed Structure: Overview**

3.1 It is proposed that for the purposes of the structure summarised below, Cabinet Liaison Groups are referred to as 'Advisory Groups' for simplicity.

3.2 Coordination is essential to building an effective network of Advisory Groups, covering different functional topics but each with a focus on the priorities outlined above. It is therefore proposed that an overarching 'Community Wealth-Building Partnership' provides a coordinating role across the structure, with Advisory Groups reporting into the Partnership.

3.3 The scale, complexity and community impact of two major infrastructure projects - Canal Quarter and Bailrigg Garden Village - suggests that a separate Advisory Group for each would be the appropriate forum to engage with communities and stakeholders outside the more general functional brief of the other Advisory Groups.

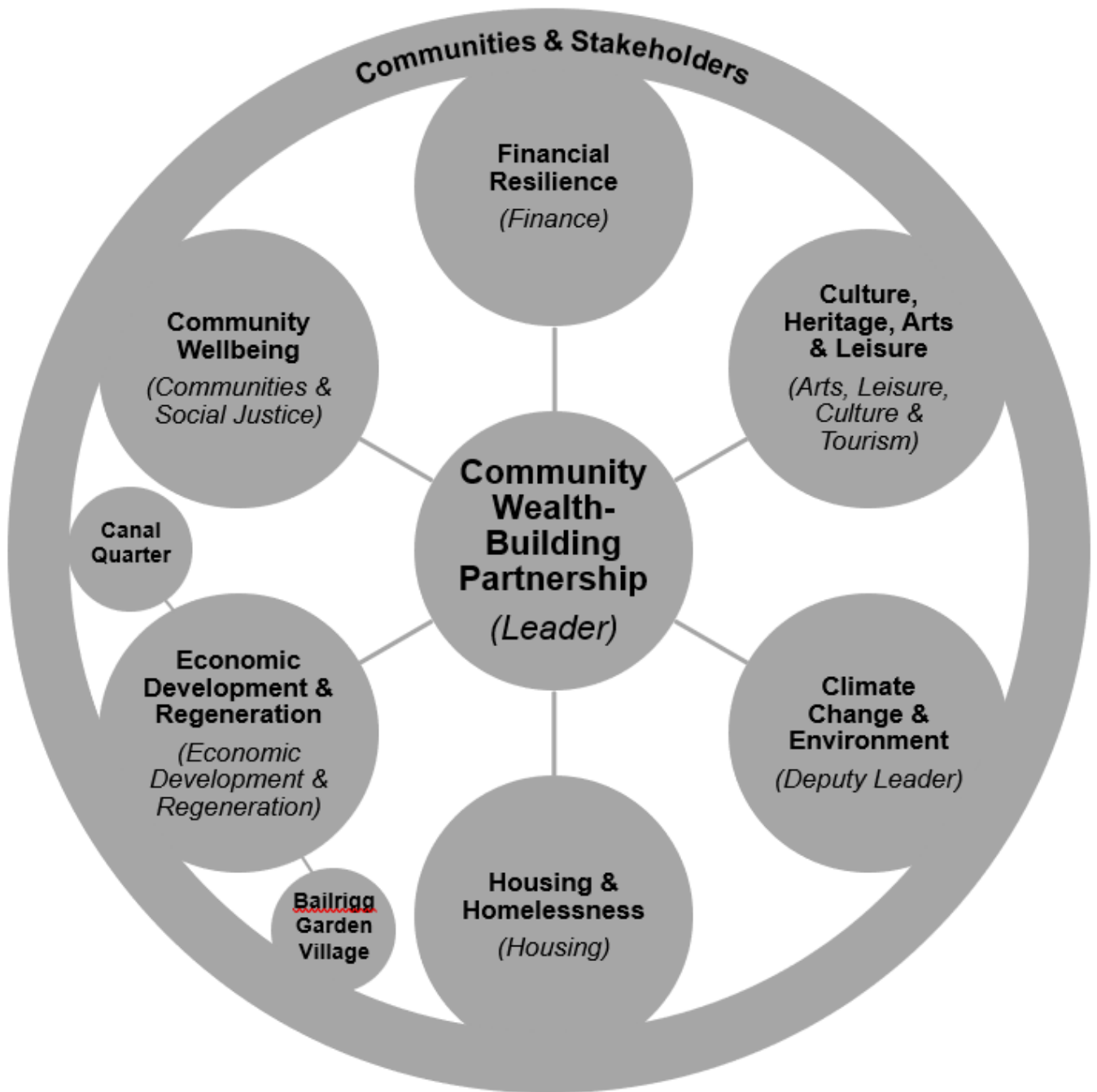
3.4 The proposed structure is shown in section 5.0, with the Advisory Group title in bold and Chair in italics.

### **4.0 Terms of Reference**

4.1 It is envisaged that in reflection of the 'Asset-Based Community Development' and 'Community Engagement' priorities, the Terms of Reference and work programme for each Advisory Group would evolve during the course of discussions with communities and stakeholders.

4.2 Initial working Terms of Reference for the establishment of each Advisory Group is contained in Appendix A.

5.0 Proposed Structure: Outline



**RELATIONSHIP TO POLICY FRAMEWORK**

Cabinet Liaison Groups provide an opportunity for Cabinet members to meaningfully engage with communities and stakeholders on significant topics across the policy landscape, with members benefiting from an enhanced range of perspectives to inform decision-making.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The content of this report has no impact in itself.

**LEGAL IMPLICATIONS**

No legal implications directly arising from this report.

**FINANCIAL IMPLICATIONS**

No financial implications directly arising from this report.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

No other implications directly arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The s151 officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The terms of reference of a Cabinet Liaison Group and expected outputs are to be authorised by Cabinet before the CLG meet (Part 3, Section 2, Rule 20 (e)). Cabinet members' responsibilities are determined by the Leader in accordance (Part 2, Section 4, Rule 8).

The Constitution does not refer to the "Advisory Group" structure of CLGs. If approved, the Constitution should be amended to reflect the change in Executive Arrangements. The Leader may authorise amendment to the constitution in respect of Executive Arrangements pursuant to paragraph 10.3 at Part 1, Rule 10 of the Constitution. This should be done in consultation with the Monitoring Officer. The change should be reported at the next Full Council meeting.

Appointment to outside bodies is made by Full Council except where appointment to those bodies is a Cabinet function or has otherwise been delegated (Part 2, Section 2, Para 1.2 (f)).

**BACKGROUND PAPERS**

N/A

**Contact Officer:** Jez Bebbington  
Executive Support Manager  
**Telephone:** 01524 582011  
**E-mail:** chiefexecutive@lancaster.gov.uk  
**Ref:** N/A

**Appendix A**

**Cabinet Liaison Groups (Advisory Groups): Terms of Reference**

**Community Wealth-Building Partnership**

**Chair: Leader**

**Terms of Reference:**

To provide a community-focused reflective space & advise the Cabinet on how the Council can develop a comprehensive values-based sustainable Community Wealth Building model for the Lancaster District; which supports the nurturing of an inclusive and prosperous local economy.

To support the Cabinet and Council in the embedding of the five Community Wealth Building Principles within LCC & across the district:

- (1) Fair employment and just labour markets
- (2) Progressive procurement of goods and services
- (3) Plural ownership of the economy
- (4) Socially just use of land and property
- (5) Making financial power work for local places

To consider how the Council can become a significant & active economic agent for social justice across the Lancaster district.

To develop a Community Wealth Building Plan (incorporating climate change action as a core theme) that will inform & support the work of the CLGs.

To support the development of a local Green New Deal within the Lancaster district.

To support the Cabinet & Council in its exploration and development of new asset/strength-based approaches which will facilitate the embedding of strength-based principles and practice within the council and across the Lancaster District.

To participate in regular reviews of the LCC Economic Growth Plan/Community Wealth Building Plan.

## **Financial Resilience Advisory Group**

### **Chair: Cabinet Member with Responsibility for Finance**

#### **Terms of Reference:**

To act as a sounding board for the Cabinet member and to provide opinions following informal discussion of specific topics. The meetings will be minuted. Specific outcomes may include requests for pieces of work to be undertaken by officers, overview and scrutiny committees or partner bodies. In addition, specific reports may be produced for Cabinet, individual Cabinet members or other Council committees to facilitate decision-making.

#### Specifically

1. To assist the Cabinet member in providing responses to Government Consultations regarding funding of local councils.
2. To consider the impact of Government policy decisions on the Council's finances. One key issue is that of business rates retention.
3. To invite and consider reports from the Council's Officers regarding funding issues.
4. To consider options to improve income generation through the development and implementation of alternative service delivery models.
5. To update the Council's procurement policies and practices in support of increasing local spend with ethical and responsible businesses
6. To develop the outcomes matrix which assesses social, economic and environmental impact of project proposals for capital projects, asset management projects and property investment projects.
7. To determine the level of detail of the revenue budget required to enable councillors to make informed decisions.
8. To develop a policy for the use of reserves.
9. To meet quarterly.

## **Community Wellbeing Advisory Group**

**Co-Chairs: Leader**

**Cabinet Member with responsibility for Communities & Social Justice**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on how the Council can support community-building, meaningful engagement & improved wellbeing within the Council & across the Lancaster district.

To consider (making recommendations) how the Council can embed Asset-based Community Development (ABCD) values and practice within its provision & support the many strengths & assets that exist within our communities.

To explore how the council can work with the voluntary sector, trade unions, community members and other stakeholders to challenge inequalities & promote social justice initiatives across the Lancaster district.

To consider how community wellbeing initiatives can support climate change action within the district.

To consider how the Council can work with stakeholders to address increased levels of loneliness and dislocation within our communities & support community-led initiatives that build connection, empathy and security within our neighbourhoods.

To consider, within the context of the council's 'Community Wealth-Building' strategy, how council-owned property can be utilised to maximise community engagement/access & a greater sense of community belonging/shared ownership.

To support other Cabinet Liaison Groups, as appropriate, to ensure that strength-based community engagement informs all of their discussions and decisions.

To be a 'critical friend' to the council & a champion of community voices, ensuring that they are at the heart of council planning and decision-making.

To work with community members to co-produce plans and initiatives which support the growth of diverse asset-based community networks across the Lancaster district.



## **Canal Quarter Advisory Group**

**Chair: Cabinet Member with Responsibility for Economic Development and Regeneration**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on progressing the Canal Quarter development, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

## **Bailrigg Garden Village Advisory Group**

**Chair: Cabinet Member with Responsibility for Planning**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on progressing the Bailrigg Garden Village development, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

## **Climate Change & Environment Advisory Group**

**Co-Chairs: Deputy Leader**

**Cabinet Member with Responsibility for the Environment**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on action relating to the Climate Change Emergency and the district's environment, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

## **Culture, Heritage, Arts & Leisure Advisory Group**

**Chair: Cabinet Member with Responsibility for Arts, Leisure, Culture & Tourism**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on maximising the district's offer to resident and visitors in terms of culture, heritage, arts & leisure, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

## **Housing & Homelessness Advisory Group**

**Chair: Cabinet Member with Responsibility for Housing**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on matters relating to housing and homelessness, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

To establish a Tenants' Forum enabling dialogue with tenants.

## **Economic Development & Regeneration Advisory Group**

**Chair: Cabinet Member with Responsibility for Economic Development & Regeneration**

### **Terms of Reference:**

To advise the Cabinet member and Cabinet on matters relating to economic development and regeneration, with reference to the four core priorities:

- Climate Change Action
- Community Wealth-Building
- Asset-Based Community Development
- Community Engagement

**APPENDIX B****APPOINTMENTS MADE BY CABINET**

<b>ORGANISATION</b>
Lancaster Community Fund Grants Panel (Cabinet Member and 1 member nominated by Council)
Lancashire Leaders Meeting (Leader of the Council – Councillor Erica Lewis)
LGA Coastal Issues Special Interest Group
Morecambe Bay Partnership
Lancashire Waste Partnership
Community Safety Partnership (Cabinet Member (& Reserve):
Health and Wellbeing Partnership Cabinet Member & Reserve)
BID Company Ltd
Lancaster Business Improvement District (BID) Management Group
Yorkshire Dales National Park Board
Growth Lancashire – Cabinet Member & Reserve

**CABINET**

**Lancashire Police and Crime Panel  
6 August 2019**

**Report of the Leader of Cabinet**

<b>PURPOSE OF REPORT</b>			
To make appointments to the Police and Crime Panel for the municipal year 2019-2020			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public.</b>			

**RECOMMENDATIONS OF THE LEADER OF CABINET**

- (1) That Councillor Sinclair, the portfolio holder for Communities and Justice, be appointed to the Lancashire Police and Crime Panel for the municipal year 2019/2020.
- (2) The Cabinet names a substitute Member to go to Panel meetings should Councillor Sinclair be unable to attend.

**1.0 Introduction**

- 1.1 A Police and Crime Panel (PCP) for Lancaster was established as a formal Joint Committee of the 15 local authorities for the Lancashire Police force area in 2012. The arrangements, procedural rules and terms of reference of the Panel, put forward by the County Council as Panel co-ordinators, were agreed by Lancaster City Council on 14 May 2012.
- 1.2 PCPs were established in accordance with the Police Reform and Social Responsibility Act 2011. The legislation provides that a 'balanced appointment objective' must be met, as far as is reasonably practicable. This means that the members of the Panel, when taken together, should represent the political make up and represent all parts of the relevant local authorities for the police area. Blackburn-with-Darwen, as the host authority, is responsible for requesting relevant appointments from each Lancashire Authority.

**2.0 Proposal Details**

- 2.1 Negotiations regarding the political composition of the panel as a whole are still ongoing. However, Blackburn-with-Darwen officers have informed the City Council that, at this stage, one Labour Member is to be appointed. The relevant portfolio holder is Councillor Sinclair, therefore the recommendation is to appoint him to the Panel. There are three places still to be determined on the Panel, so it may be that the City Council is able to make a further appointment in due course, when the composition issues have been settled.

2.2 Blackburn-with-Darwen officers have also requested that each local authority name a substitute member to attend meetings of the Panel if the appointed member has to give apologies for absence.

**3.0 Conclusion**

3.1 Cabinet is recommended to appoint Councillor Sinclair to the Lancashire Police and Crime Panel and to name a substitute to attend Panel meetings if Councillor Sinclair is unable to be present.

**RELATIONSHIP TO POLICY FRAMEWORK**

Council Plan – Clean Green and Safe Neighbourhoods.

**CONCLUSION OF IMPACT ASSESSMENT**

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

None.

**LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

**FINANCIAL IMPLICATIONS**

There are no financial implications for the authority. The administration costs of the panel are paid by the Home Office to Blackburn-with-Darwen Council as the host authority and reimbursement for travel expenses can be claimed from Blackburn-with-Darwen.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

None.

**SECTION 151 OFFICER'S COMMENTS**

The s151 officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The PCP is a joint committee comprising representative from different local authorities. Part 2, Section 6 of the Council's constitution deals with "Joint Arrangements" [p45]. This provides:

*"The Cabinet may appoint Councillors to a Joint Committee from outside the Cabinet in the following circumstances:*

*(a) the Joint Committee has functions for only part of the area of the Council. In such cases, the appointees to the Joint Committee may include any Councillor who represents a Ward which is wholly or partly contained within the area; and*

*(b) the Joint Committee is discharging a function in relation to five or more local authorities; or the function which the Joint Committee is discharging is a function which is required by statute to be discharged by a Joint Committee.”*

**BACKGROUND PAPERS**

**Contact Officer: Debbie Chambers**  
**Telephone:** 01524 582057  
**E-mail:** dchambers@lancaster.gov.uk  
**Ref:**

**CABINET**

**Provisional Revenue, Capital and Treasury Management  
Outturn 2018/19  
6 August 2019**

**Chief Finance Officer**

PURPOSE OF REPORT			
This report provides summary information regarding the provisional outturn for 2018/19, including treasury management. It also sets out information regarding the carry forward of capital slippage and other matters for Members' consideration.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Officer Referral	<input checked="" type="checkbox"/>
Date of notice of forthcoming key decision	N/A		
This report is public.			

**RECOMMENDATIONS OF COUNCILLOR WHITEHEAD:**

- (1) That the provisional outturn for 2018/19 be endorsed, including the transfers to Reserves and Balances actioned by the Chief Finance Officer and changes to the Reserves Strategy set out in 5.2 and Appendix 5.
- (2) That Cabinet approves the request to carry forward underspent revenue budgets as set out in section 6 and Appendix 6.
- (3) That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendix 8 be endorsed, with the Capital Programme being updated accordingly.
- (4) That Cabinet approves the redirection of funding in 2019/20 from the HRA Business Support Reserve for the remodelling of Beck View as set out at section 7.3.
- (5) That the Annual Treasury Management report and Prudential Indicators as set out at Appendix 2 be noted and referred on to Council for information.

**1. BACKGROUND**

- 1.1. All local authorities have a legal duty to produce annual accounts, in support of openness and accountability. It is pleasing to report that the statutory deadline of 31 May was met and the Statement of Accounts was completed and signed off by the Chief Finance Officer on that date. The audit of accounts by Deloittes is currently underway and for information the draft Statement itself is 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. The Council's financial performance is integral to its service performance overall, which is included elsewhere on this agenda, and Members are advised to consider this report in that context.

## 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.

### General Fund Revenue Outturn

Expenditure	Original Budget	Working Budget	Actual	Variance	Appendix 1 Note
				(Under)/Over Spend	
Central Services	1,815	1,815	1,758	(57)	
Environmental Services	5,666	5,645	5,457	(188)	1
Governance Services	1,629	1,724	1,702	(22)	
Health & Housing Services	4,026	4,027	3,711	(316)	2
Office of the Chief Executive	270	299	331	32	
Regeneration & Planning	6,113	6,285	6,531	246	3
Resources	1,119	1,109	1,276	167	4
Other Corporate Income & Expenditure Item	(4,434)	(4,700)	(5,209)	(509)	5
<b>Net Revenue Expenditure</b>	<b>16,204</b>	<b>16,204</b>	<b>15,557</b>	<b>(647)</b>	

- 2.2 After allowing for various year-end adjustments, there has been a net underspending of £647K against the Original Budget for 2018/19 which has been transferred into the General Fund unallocated reserve
- 2.3 The underspending represents 4.0% of the Council's net revenue budget (2017/18 comparative: £399K underspend, 2.5% of budget) or 7.1% of the council tax requirement. If compared with the Council's gross budget, however, which is in the region of £100M+, the level of net underspending is less than 1%
- 2.4 Details of the significant variances is provided at **Appendix 1**.

## 3. TREASURY MANAGEMENT

- 3.1 We are required by statute to report our annual treasury management performance. This report is attached at **Appendix 2** and sets out the performance of treasury operations for 2018/19. The Council's treasury operations are conducted in accordance with its annual Treasury Management Strategy, which was approved by Council. This document identifies the investment and borrowing policies of the Council specifying various criteria for investment counterparties, maximum duration and the amount of investments together with the framework for any future borrowing.

### 3.2 Investments

- 3.2.1 In 2018/19 the Council had a comparatively low risk to investments. The average daily amount invested reduced slightly to £34.62M (£34.71M 2017/18) with short term investments at 31 March 2019 totalling £25.11M (£25.10M 2017/18). The overall return on investments was £211K at an average interest rate of 0.61% (£113K and 0.33% 2017/18).

### 3.3 Borrowing

- 3.3.1 The Council did not incur any short term, or long term borrowing during 2018/19. Total long term debt at 31 March 2019 amounted to £62.13M (£63.17M 2017/18) all of which relates to PWLB borrowing. A further £1.04M is included within short term liabilities as payment falls due within 12 months.



## 4 HOUSING REVENUE ACCOUNT (HRA)

- 4.1 A summary of the HRA provisional outturn is included at **Appendix 3**. Discounting any notional and presentational variances, the main items of interest are as follows:

	<b>£000</b>
Repairs & Maintenance costs	72
Reduced contribution to the Bad Debt Provision	(107)
Increased Rental Income from tenants	(143)
Reduced use of Reserves	258
Net reduction in Capital funded from Revenue	(410)
Other minor variances	(38)
	<u>(368)</u>

- 4.2 The Councils Housing Voids Team achieved a reduction in average empty property re-let time from 66 days to 26 days, due to a combination of reduced volumes and faster turnaround. This has realised a decrease in void rent loss from 2.6% to 1.5% equating to £143K additional rental income in 2018/19.
- 4.3 At outturn the HRA's financial standing still remains sound. As at 31 March its Balances stood at £10.537M, this being £458K higher than budgeted. A summary of all its Balances & Reserves is included at **Appendix 4**.

## 5 USABLE RESERVES AND BALANCES

- 5.1 The General Fund net underspending of £647K has been transferred into Balances. This means that as at 31 March 2019 General Fund Balances amounted to £5.714M, and the overall level of Usable Revenue Reserves £20.566M (2017/18 £16.936M). Further details of this work and analysis of the Council's Reserves is provided at **Appendix 5**.
- 5.2 Work is currently being undertaken with Cabinet to review the Council's Reserves policy in order to ensure it fully supports and clearly aligns with its ambitions and priorities. Paragraph 10 in **Appendix 5** outlines a number of changes to the future use of Reserves. These include the completion of a business case template setting out specific plans for the use of Reserve, likely outcomes from investment including social value and crucially the link to the Council's key ambitions and strategies. It also proposes that Reserves are assigned to Portfolio Holders who sign off on all reserve allocations. Monitoring of Reserve use will be incorporated into the emerging performance, project and financial monitoring framework.
- 5.3 It is also recommended that the Business Rates Reserve and Budget Support Reserve be opened for bids which support economic prosperity and Funding the Future projects respectively.

## 6 CARRY FORWARD OF UNDERSPENDINGS AND OVERSPENDINGS

- 6.1 Under the financial strategy, provisions exists to adjust budgets between years by carrying forward under or over spendings. 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.

6.2 With regard to the carry forward of revenue underspends, there are two specific requests totalling £38,800, for Cabinet to consider which are detailed at **Appendix 6**

6.3 With regard to overspendings, arrangements require that

- any overspending on any expenditure budget, or shortfall on any income budget, under the control of a Director (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 Director 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.

## 7 CAPITAL OUTTURN

7.1 **Appendix 7** includes a provisional capital expenditure and financing statement for the year, which is summarised in the following tables:

### Capital Expenditure

SERVICE	A	B	C	D	E
	2018/19 Gross Budget £000's	2018/19 Expenditure £000's	Variance Against Budget Overspend/ (Underspend) £000's	(Slippage) or accelerated expenditure £000's	Final Over or (Underspend) £000's
			(B-A)		(C-D)
Environmental Services	912	899	(13)	(4)	(9)
Health and Housing	2,850	2,576	(274)	(273)	(1)
Regeneration and Planning	2,774	3,026	252	274	(22)
Resources	777	644	(133)	(146)	13
Development Pool	132	124	(8)	(8)	0
<b>Total General Fund Programme</b>	<b>7,445</b>	<b>7,269</b>	<b>(176)</b>	<b>(157)</b>	<b>(19)</b>
Housing Revenue Account	4,421	3,987	(434)	(68)	(366)
<b>Total Council Capital Programme</b>	<b>11,866</b>	<b>11,256</b>	<b>(610)</b>	<b>(225)</b>	<b>(385)</b>

### Capital Financing

SERVICE	Direct						Total
	Grants & Contributions £000's	Earmarked Reserves £000's	Revenue Financing £000's	Capital Receipts £000's	Unsupported Borrowing £000's	Major Repairs Allowance £000's	
Environmental Services	44	105	12	0	738	0	899
Health and Housing	2369	184	0	0	23	0	2,576
Regeneration and Planning	2,420	294	1	0	435	0	3,150
Resources	0	203	0	0	441	0	644
Development Pool	0	0	0	0	0	0	0
<b>Total General Fund Financing</b>	<b>4,833</b>	<b>786</b>	<b>13</b>	<b>0</b>	<b>1,637</b>		<b>7,269</b>
Housing Revenue Account	25	141	509	334	0	2,978	3,987
<b>Total Financing</b>	<b>4,858</b>	<b>927</b>	<b>522</b>	<b>334</b>	<b>1,637</b>	<b>2,978</b>	<b>11,256</b>

**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 8**. 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.

**7.3 Change to Future Programme**

7.3.1 A growth bid was approved as part of the 2018/19 budget process to convert a redundant shop into a flat at Beech Avenue. The scheme was to be funded from the HRA Business Support Reserve but did not go ahead as planned. Officers are now wishing to redirect this capital allocation to the remodelling of the warden's property at Beck View sheltered scheme, similar to the remodelling which has just been completed at Altham Walk.

7.3.2 This report now seeks the approval by Cabinet to redirect of funding in 2019/20 from the HRA Business Support Reserve for the remodelling of Beck View.

**8 DETAILS OF CONSULTATION**

8.1 As reflected above, the statutory arrangements regarding the public's rights in relation to the accounts provide for a fixed 30 working day period, which commenced on 3rd June for this year.

**9 OPTIONS AND OPTIONS ANALYSIS**

9.1 The 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 Finance Officer, and Cabinet should consider whether it has sufficient information to do so or whether it requires any further justification.

9.2 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.

**10 OFFICER PREFERRED OPTION AND JUSTIFICATION**

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

**11 CONCLUSION**

11.1 Although the General Fund budget and associated Government funding reduced again in 2018/19, the Council continued to manage the financial pressures well and it has again improved the Fund's overall financial standing as at 31 March 2019. Similarly, the HRA's standing is currently sound. 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.

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

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

#### **LEGAL IMPLICATIONS**

There are no legal implications directly arising.

#### **FINANCIAL IMPLICATIONS**

As set out in the report

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources / Information Services / Property / Open Spaces:**

References and any related implications are contained within the report and related appendices.

#### **DEPUTY SECTION 151 OFFICER'S COMMENTS**

The report has been written by the Section 151 Officer. The comments of Deputy S151 Officer (Director of Corporate Services) are as follows:

The report provides a summary of the revenue and capital outturns for the 2018/19 financial year. It should also provide Cabinet with a view of the financial health of the authority ahead of the process for setting the budget framework to cover the next four years

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

#### **BACKGROUND PAPERS**

None.

**Contact Officers:** Paul Thompson  
Chief Finance Officer, Head of Financial Services & s151 Officer  
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**E-mail:** [pthompson@lancaster.gov.uk](mailto:pthompson@lancaster.gov.uk)  
**Ref:**

## Appendix 1: General Fund Revenue Outturn

### General Fund Revenue Outturn as at 31<sup>st</sup> March 2019

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

Expenditure	Original Budget	Working Budget	Actual	Variance (Under)/ Over Spend	Appendix 1 Note
Central Services	1,815	1,815	1,758	(57)	
Environmental Services	5,666	5,645	5,457	(188)	1
Governance Services	1,629	1,724	1,702	(22)	
Health & Housing Services	4,026	4,027	3,711	(316)	2
Office of the Chief Executive	270	299	331	32	
Regeneration & Planning	6,113	6,285	6,531	246	3
Resources	1,119	1,109	1,276	167	4
Other Corporate Income & Expenditure Item	(4,434)	(4,700)	(5,209)	(509)	5
<b>Net Revenue Expenditure</b>	<b>16,204</b>	<b>16,204</b>	<b>15,557</b>	<b>(647)</b>	

#### Note1 Environmental Services

##### Car Parking Income (£179K above forecast)

The base budget was projected prior to February 2018 and doesn't include a favourable outturn of £48K for 2017/18. Explanations for the remaining additional income include increased numbers of festivals in the district and a general upturn in parking levels which has continued since the opening of the bypass.

##### Vehicle Repairs & Maintenance (£93K overspend)

Overspend has been incurred due to increased maintenance requirements. Further work will take place in 2019/20 to profile forecast maintenance budgets using actual information from previous years to optimise the vehicle replacement programme

##### Garden Waste Subscriptions (£55K below forecast)

The number of subscriptions dropped by 5.6% however the additional capacity generated was utilised to absorb the impact of new residential developments across the district which has contributed to delaying a new collection round scheduled for April 2019. Prices have been frozen for 2019/20 in order to protect the client base.

##### Waste Collection Salaries (£53K above forecast staff turnover)

Usually an area of high staff turnover, the target of £93K wasn't achieved due to vastly improved retention rates.

#### Note 2. Health & Housing

##### DFG Admin Fee Income (£137K underspend)

The capital DFG grant has been increasing year on year and for 2018/19 was £1.97M. Grants are allocated and an 18% admin fee is levied. More money has meant an increased number of grant allocations and a subsequent rise in admin fee income. There is some offset to staff overtime, agency costs and IT equipment to deal with the extra volume of work.

## HMO Income (£74K underspend)

New HMO legislation from October 2018 resulted in 100+ additional properties for licensing resulting in an additional £74K income. The licences are for 5 years so this will be an exceptional year and it is expected to peak again in 2023/24.

## Salt Ayre SPA and Health & Fitness (£96K underspend)

Problems recruiting to and retaining posts including the SPA manager post has resulted in savings. New staffing structure recently implemented is working well and improved performance has been noticed now the new team is established. Gym membership numbers continue to rise following the development and the marketing of the new offer with £33K additional income. This, coupled with savings from the vacant gym manager post, now restructured, has returned the net saving.

## Salt Ayre Management & Administration (£80K overspend)

During the 2018/19 budget process, estimates provided by an external company were used by Property Services to reduce the electricity budgets based on expected savings made from the repair of the air handling unit at Salt Ayre. Whilst the centre continues to be as efficient as it can with all utilities, the returned savings have not been as high as expected resulting in a £50K overspend on electricity. In addition to this a rates revaluation has been completed at Salt Ayre which has increased by £30K.

## **Note 3 Regeneration & Planning**

### Development Management (£228K overspend)

An increase in non-fee earning work and reduced level of staffing to carry out building control fee earning work has resulted in an underachievement of income of £35K. Development control has had unforeseeable court costs and appeals in year to the value of £44K. Pre-app and planning fee income has seen a steady decrease in year, potentially due to Brexit uncertainty, with an underachievement of income of £191K.

### Economic Development (£81K underspend)

Vintage and Light Up Lancaster, despite the best efforts of officers, have been unable to achieve the full savings target of £22K leaving an overspend of £19K. Economic Initiatives have incurred a £69K underspend due to delays in administering spend. New staff/structure now in place and a carry forward request of £29K has been submitted and will offset the underspend.

### Regeneration (£216K underspend)

Engineers R&M budgets are both reactive and planned. Reactive jobs have been lower than estimated and some planned work delayed. This, along with lower capital salary charges and consultancy costs that will be delayed into 2019/20, have resulted in an underspend of £122K. Neighbourhood Planning consultancy expenditure £43K is likely to be delayed into 2019/20.

### Service Support (£52K overspend)

Salary turnover target not achieved due to savings being used for interim cover which have out-turned higher than previously estimated.

## **Note 4 Resources**

### Net cost of Housing Benefits Grants (£183K overspend)

There was a reduction in 2018/19 in Housing Benefit Overpayment Recoveries of £285K as the number of claimants and overpayments reduced as more people move across to Universal Credit leaving a net cost of £183K after net spend on benefits awarded and in year overpayments are taken into account.

Reduction in Court Costs Income (£163K overspend)

Difficult to budget for Council Tax/NNDR Court Cost income as numbers of court cases can vary quite significantly year on year and estimates are based on previous years' numbers. 2018/19 was based on a large number of cases which didn't materialise.

Reduced Repairs & Maintenance Expenditure (£90K underspend)

As the Building Condition Works Programme draws to a close, and a lot of the essential upgrade works completed to the Councils buildings, the amount spent on one off repairs has reduced again. The budgets have been cut back in recent years and will be assessed going forward again to ensure that the correct level of funding is available for the routine maintenance and one-off repairs.

Resources Staffing (£116K underspend)

There have been two vacant Customer Service posts that haven't, and are unlikely to be, filled (subject to any service restructures) leading to a saving of £41K. Staff savings during the year in all Resources areas including Financial Services, Audit and Property Services totalled £75K.

**Note 5 Other Corporate Income & Expenditure**

Additional Government Income (£112k underspend)

Additional unanticipated income for received towards the end of the year in respect of Brexit preparations (£18k) and returned Business Rates levy (£88k).

Reduced Minimum Revenue Provision (£104k underspend)

Minimum Revenue Provision budgets are calculated in accordance with anticipated capital expenditure and borrowing. A lower than anticipated spend reflects lower levels of capital expenditure and therefore the need to borrow.

Direct Revenue Funding of Capital (£486k underspend)

Delays in some capital schemes have resulted in lower than anticipated revenue funding of capital schemes,

**Annual Treasury Management Report**  
2018/19

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For Noting by Cabinet 6 August 2019



# Annual Treasury Management Review 2018/19

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## 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 2018/19. 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 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 28 February 2018)
- a mid-year (minimum) treasury update report (**non compliant**)
- 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 on which 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 the full Council. (non compliant)*

## 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 2018/19

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	2017/18 Actual	2018/19 Estimate	2018/19 Actual
<b>Capital expenditure</b>	<b>11.64</b>	<b>11.40</b>	<b>7.27</b>
Financed in year	(7.23)	(6.51)	(5.67)
<b>Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)</b>	<b>4.41</b>	<b>4.89</b>	<b>1.60</b>

HRA £M	2017/18 Actual	2018/19 Estimate	2018/19 Actual
<b>Capital expenditure</b>	<b>4.03</b>	<b>4.42</b>	<b>3.99</b>
Financed in year	(4.03)	(4.42)	(3.99)
<b>Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## 2. The Council's Capital Financing Requirement 2018/19

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 2018/19 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 2018/19 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2018/19 on 28 February 2018.

The Council's CFR for the year is shown below, and represents a key prudential indicator. No borrowing is actually required against these schemes, however, as cash supporting the Council's reserves, balances and cash flow has been used as an interim measure.

CFR (£M): General Fund	31 March 2018 Actual	31 March 2019 Estimate	31 March 2019 Actual
<b>Opening balance</b>	<b>40.62</b>	<b>46.69</b>	<b>43.61</b>
Add unfinanced capital expenditure (as above)	4.41	4.89	1.60
Less MRP	(1.38)	(1.77)	(1.66)
Less finance lease repayments	(0.04)	0.00	0.00
<b>Closing balance</b>	<b>43.61</b>	<b>49.81</b>	<b>43.55</b>

CFR (£M): HRA	31 March 2018 Actual	31 March 2019 Estimate	31 March 2019 Actual
<b>Opening balance</b>	<b>41.45</b>	<b>39.37</b>	<b>40.39</b>
Add unfinanced capital expenditure (as above)	0.00	0.00	0.00
Less Debt Repayment	(1.06)	(1.04)	(1.06)
<b>Closing balance</b>	<b>40.39</b>	<b>38.33</b>	<b>40.33</b>

CFR (£M): Combined	31 March 2018 Actual	31 March 2019 Estimate	31 March 2019 Actual
<b>Opening balance</b>	<b>82.07</b>	<b>86.06</b>	<b>84.00</b>
Add unfinanced capital expenditure (as above)	4.41	4.89	1.60
Less Debt Repayment, Finance Leases and MRP	(2.47)	(2.81)	(2.72)
<b>Closing balance</b>	<b>84.01</b>	<b>88.14</b>	<b>82.88</b>

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 (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£M	31 March 2018 Actual	31 March 2019 Estimate	31 March 2019 Actual
Gross borrowing position	64.21	63.13	62.13
CFR	84.00	86.06	82.88

**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 2018/19 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 identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2018/19 Actual
Authorised limit	£102.00M
Maximum gross borrowing position	£64.21M
Operational boundary	£86.06M
Average gross borrowing position	£63.86M
Financing costs as a proportion of net revenue stream - GF	17.00%
Financing costs as a proportion of net revenue stream - HRA	21.26%

### 3. Treasury Position as at 31 March 2019

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 2018/19 the Council's treasury position was as follows:

<b>DEBT PORTFOLIO</b>	<b>31 March 2018 Principal £M</b>	<b>Average Rate %</b>	<b>Average Life yrs</b>	<b>31 March 2019 Principal £M</b>	<b>Average Rate %</b>	<b>Average Life yrs</b>
Fixed rate funding:						
PWLB	64.21	4.64	35	63.17	4.66	34
<b>Total debt</b>	<b>64.21</b>			<b>63.17</b>		
<b>CFR</b>	<b>84.01</b>			<b>82.88</b>		
<b>Over / (under) borrowing</b>	<b>(19.80)</b>			<b>(20.76)</b>		

The loan repayment schedule is as follows:

	<b>31 March 2019 Actual £M</b>
Under 12 months	1.04
12 months and within 24 months	1.04
24 months and within 5 years	3.12
5 years and within 10 years	5.20
10 years and within 20 years	5.20
20 years and within 30 years	8.35
More than 30 years	39.22

All investments were placed for under one year.

<b>INVESTMENT PORTFOLIO</b>	<b>31 March 2018 £M</b>	<b>31 March 2018 %</b>	<b>31 March 2019 £M</b>	<b>31 March 2019 %</b>
Money Market Funds	8.10	32.27	4.11	16.37
Other Local Authorities	17.00	67.73	21.00	83.63
<b>Total investments</b>	<b>25.10</b>		<b>25.11</b>	

The average rate of interest payable on PWLB debt in 2018/19 was 4.66%. A total of £2.98M interest was incurred during the year, of which £1.83M was recharged to the HRA.

#### *Interest Payable*

	<b>2018/19</b>
Estimate	£2.98M
Actual	£2.98M

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. The Strategy for 2018/19

Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that the Bank Rate would rise from 0.50% to 0.75%. 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 Link Asset Services)

*At the start of 2018/19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise the Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018.*

*It was not expected that the MPC would raise the Bank Rate again during 2018/19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019.*

*Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.*

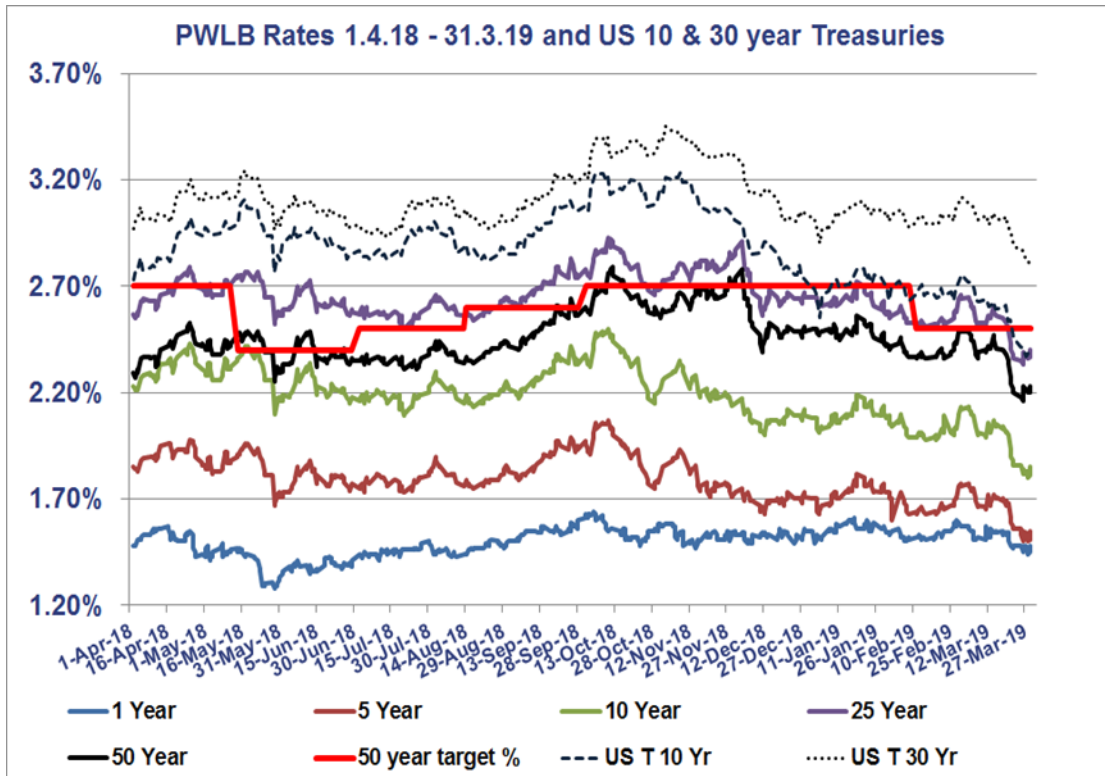
## 6. Borrowing Strategy and Control of Interest Rate Risk

During 2018/19, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement set out in paragraph 2), was not fully funded with loan debt. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the authority may not be able to avoid new borrowing to finance capital expenditure

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years.

**PWLB borrowing rates** - the graph 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.



	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Date	29/05/2018	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.64%	2.07%	2.50%	2.93%	2.79%
Date	04/10/2018	10/10/2018	10/10/2018	10/10/2018	12/10/2018
Average	1.50%	1.80%	2.20%	2.66%	2.47%

## 7. Borrowing Outturn for 2018/19

### Borrowing

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 Outturn for 2018/19

**Investment Policy** – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 28 February 2018. 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 comprised as follows:

Balance Sheet Resources (£M)	General Fund		HRA		TOTAL	
	31/03/18	31/03/19	31/03/18	31/03/19	31/03/18	31/03/19
Balances	5.07	5.71	2.02	2.24	7.09	7.95
Earmarked reserves	11.87	14.84	10.56	10.54	22.43	25.38
Provisions	0.58	4.04	0.00	0.00	0.58	4.04
Working Capital	12.20	6.88	2.62	2.30	14.82	9.18
<b>Total</b>	<b>29.72</b>	<b>31.47</b>	<b>15.20</b>	<b>15.08</b>	<b>44.91</b>	<b>46.55</b>
<b>Amount Over/(Under) Borrowed</b>					<b>(19.80)</b>	<b>(20.76)</b>
<b>Baseline Investment Balances</b>					<b>25.11</b>	<b>25.79</b>
<b>Actual Investment Balances</b>					<b>25.10</b>	<b>25.11</b>

**Investments held by the Council** - the Council maintained an average investment balance of £34.7M of internally managed funds. The average rate of interest earned for the year as a whole was 0.61%. As the Base Rate and 3 Month LIBID increased part of the way through both 2017/18 and 2018/19, the weighted average rate of interest being earned on the investment portfolio at the end of both years is also given. These rates are compared to the base rate and average 3-month LIBID rate at the end of the year.

	2017/18	2018/19
Lancaster CC Investments full year	0.33%	0.61%
Lancaster CC Investments weighted average at 31 March	0.45%	0.87%
Base Rate	0.50%	0.75%
3 Month LIBID	0.45%	0.67%

The actual interest earned in 2018/19 was £215K.



## 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 2018/19 complied with the latest Code of Practice (December 2017) 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. Given the Bank Rate, investment returns inevitably remain low and there is little that can be done to improve prospects in the current economic situation.

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**LANCASTER CITY COUNCIL**  
**TREASURY MANAGEMENT POLICY STATEMENT**

**Last reported to Council on 28 February 2018**

This reflects the revised CIPFA Treasury Management Code of Practice (Code updated in 2017).

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.
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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.
- **Link Asset Services** – Link 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*.

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# HOUSING REVENUE ACCOUNT OUTTURN 2018/19

For Consideration by Cabinet 6 August 2019

	Original Budget £	Actual £	Variance £	Adjusted Variance £
<b>INCOME</b>			<b>(Favourable) / Adverse</b>	<b>(Favourable) / Adverse</b>
Rental Income - Council Housing	(13,336,700)	(13,479,760)	(143,060)	(143,060)
Rental Income - Other (Shops and Garages etc.)	(282,500)	(255,361)	27,139	27,139
Charges for Services & Facilities	(1,496,600)	(1,496,813)	(213)	(213)
Grant Income	(7,700)	(7,736)	(36)	(36)
Contributions from General Fund	(103,200)	(104,227)	(1,027)	(1,027)
<b>Total Income</b>	<b>(15,226,700)</b>	<b>(15,343,896)</b>	<b>(117,196)</b>	<b>(117,196)</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance	5,097,500	5,192,027	94,527	94,527
Supervision & Management	3,155,000	3,375,381	220,381	(115,763)
Rents, Rates & Insurance	212,700	179,170	(33,530)	(33,530)
Contribution to Provision for Bad and Doubtful Debts	181,800	74,696	(107,104)	(107,104)
Depreciation & Impairment of Fixed Assets	2,601,200	6,812,345	4,211,145	415,335
Debt Management Costs	1,100	0	(1,100)	(1,100)
<b>Total Expenditure</b>	<b>11,249,300</b>	<b>15,633,620</b>	<b>4,384,320</b>	<b>252,366</b>
<b>NET COST OF HRA SERVICES</b>	<b>(3,977,400)</b>	<b>289,724</b>	<b>4,267,124</b>	<b>135,170</b>
Capital Grants and Contributions Receivable	(2,000)	(24,829)	(22,829)	(22,829)
Interest Payable & Similar Charges	1,883,700	1,878,277	(5,423)	(5,423)
Premiums & Discounts from Earlier Debt Rescheduling	0	0	0	0
Interest & Investment Income	(76,600)	(70,032)	6,568	6,568
Pensions Interest Costs & Expected Return on Pensions Assets	169,400	360,420	191,020	0
Self Financing Debt Repayment	0	0	0	0
<b>(SURPLUS) OR DEFICIT FOR THE YEAR</b>	<b>(2,002,900)</b>	<b>2,433,561</b>	<b>4,436,461</b>	<b>113,487</b>
Adjustments to reverse out Notional Charges included above	1,043,400	(2,752,410)	(3,795,810)	0
Net Charges made for Retirement Benefits	0	(527,164)	(527,164)	0
Transfer to/(from) Earmarked Reserves - for Revenue Purposes	0	0	0	0
Capital Expenditure funded from Major Repairs Reserve	971,100	510,937	(460,163)	(460,163)
Transfer from Earmarked Reserves - for Capital Purposes	(346,500)	(24,226)	322,274	322,274
Financing of Capital Expenditure from Earmarked Reserves	485,000	141,752	(343,248)	(343,248)
<b>TOTAL (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>150,100</b>	<b>(217,550)</b>	<b>(367,650)</b>	<b>(367,650)</b>
Housing Revenue Account Balance brought forward	(1,716,702)	(2,017,736)	0	0
<b>HRA BALANCE CARRIED FORWARD</b>	<b>(1,566,602)</b>	<b>(2,235,286)</b>	<b>(367,650)</b>	<b>(367,650)</b>

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.

## HRA RESERVES BUDGET SUMMARY - 2018/19 Outturn

2018/19						
HOUSING REVENUE ACCOUNT	Balance as at 31/03/18 £	Contributions to Reserve		Contribution from Reserve		Balance as at 31/03/19 £
		From Revenue £	To Capital £	To Revenue £	To Revenue £	
<b>HRA General Balance</b>	<b>(2,017,736)</b>	<b>(217,549)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,235,285)</b>
<b>Earmarked Reserves:</b>						
Business Support Reserve	(8,332,106)	0	26,152	40,775		(8,265,179)
Major Repairs Reserve	0	(3,484,673)	3,484,673	0		0
Flats - Planned Maintenance	(586,362)	(133,000)	107,488	0		(611,874)
I T Replacement	(622,636)	(57,000)	0	104,747		(574,889)
Office Equipment Reserve	(39,009)	0	0	0		(39,009)
Sheltered - Equipment	(330,987)	(29,649)	0	17,054		(343,582)
Sheltered - Planned Maintenance	(173,676)	(59,199)	0	36,506		(196,369)
Sheltered Support Grant Mtce	(475,975)	(29,649)	0	0		(505,624)
<b>Total Earmarked Reserves</b>	<b>(10,560,750)</b>	<b>(3,793,169)</b>	<b>3,618,313</b>	<b>199,082</b>		<b>(10,536,524)</b>

## Appendix 4 – Usable Reserves Outturn and Look Forward

## Usable Reserves Outturn as at 31 March 2019

1. The level of usable reserves as at 31 March 2019 is shown in the table below. The balances are subject to the annual audit of the accounts which is due to be completed by 31 July 2019.

Reserve	Balance in £'000 as at		
	31/03/17	31/03/18	31/03/19
<b>General Fund</b>	<b>4,725</b>	<b>5,067</b>	<b>5,714</b>
<b>Earmarked Reserves</b>			
Business Rates Retention	381	4,602	6,283
Budget Support	0	711	2,532
Invest to Save	1,820	1,506	1,450
S106 Commuted Sums	640	1,192	1,147
Revenue Grants Unapplied	0	744	694
Restructure	550	566	531
Corporate Property	418	412	372
Welfare Reforms	266	223	349
Renewals Reserves	857	451	330
Capital Support	452	485	262
Canal Quarter	0	214	237
Economic Growth	0	359	204
Other Earmarked Reserves	384	404	451
<b>Total Earmarked Reserves</b>	<b>5,768</b>	<b>11,869</b>	<b>14,843</b>
<b>Total Usable Revenue Reserves</b>	<b>10,493</b>	<b>16,936</b>	<b>20,566</b>
Capital Receipts Reserve	0	0	0
Capital Grants Unapplied	103	103	103
<b>Total Usable Capital Reserves</b>	<b>103</b>	<b>103</b>	<b>103</b>
<b>Total Usable Reserves (per balance sheet)</b>	<b>10,596</b>	<b>17,039</b>	<b>20,669</b>

2. The outturn shows a significant increase in both the General Fund balance and in Earmarked Reserves. The increase in the General Fund balance of £647k is due entirely to the revenue budget underspend which is reported in appendix one. The increase in earmarked reserves is due, in the main part, to an accumulation of business rates gains over the last few years. The table below provides an analysis of the change in reserves during 2018/19.

**Reconciliation between level of reserves at March 2018 and 2019**

General Fund Reserve Balance at 31/03/18	5,067
<i>Add: Revenue Underspend at 2018/19 (see appendix one)</i>	<u>647</u>
General Fund Reserve Balance at 31/03/19	<u><b>5,714</b></u>
Earmarked Revenue Reserves Balance at 31/03/18	11,869
<i>Add: forecast increase in reserves (per 2018/19 rev. budget)</i>	8,301
<i>Less: forecast use of reserves (per 2018/19 rev. budget)</i>	<u>(6,169)</u>
Earmarked Revenue Reserves Balance per 2019/10 rev. budget	<u>14,001</u>
<i>Add: Earmarked reserves allocations not used in 2018/19</i>	<u>842</u>
Earmarked Revenue Reserves Balance at 31/03/19	<u><b>14,843</b></u>

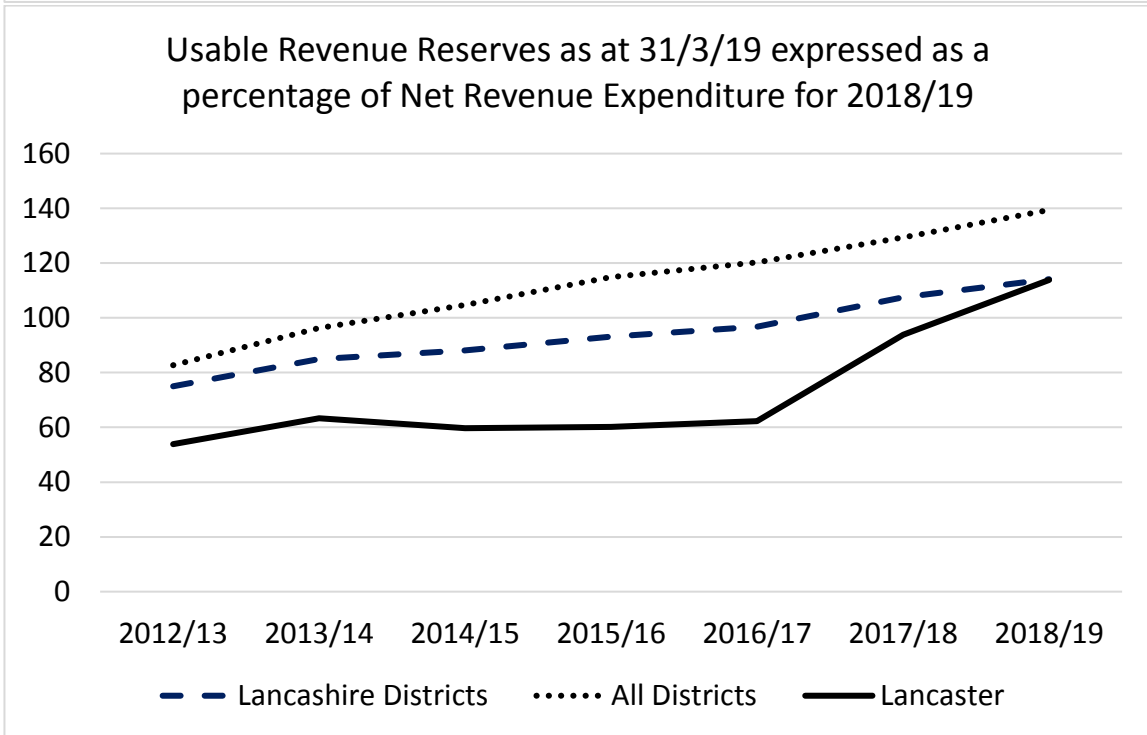
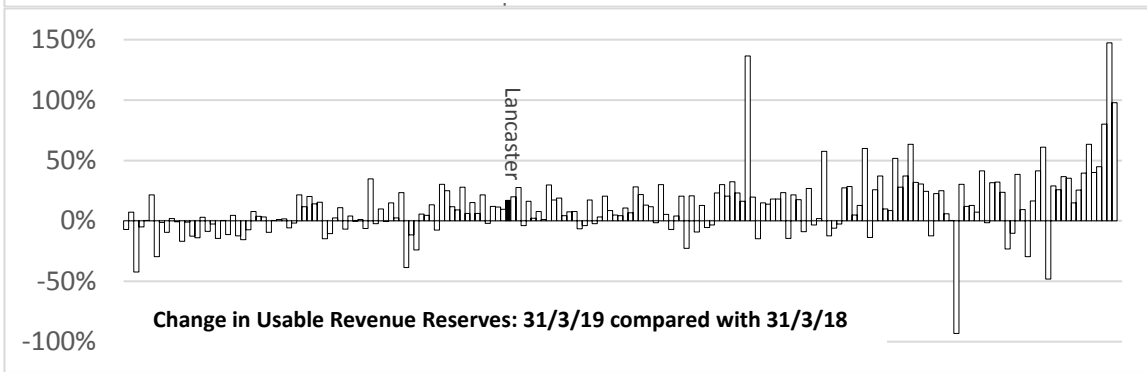
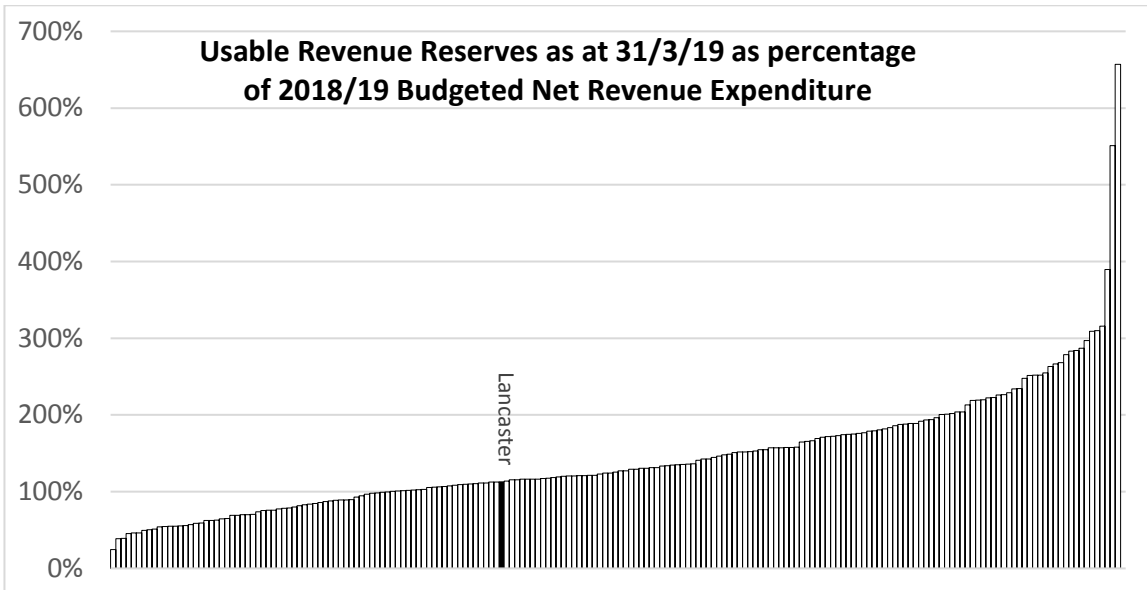
**Business Rates Reserves**

3. This reserve was set up to manage fluctuations in business rates income and ensure that risks attributable to business rates appeals and the potential shutdown of Heysham Power Station. However, in six years these risks have only been partially realised and the Council has been able to accrue the rewards from good levels of business rates growth in the Lancaster district. As the above analyses show it is the accumulation of this additional income which is the major contribution to the increase in usable reserves. Future plans for this reserve are considered later in this report.

**Financial Health Analysis**

4. There has been significant media focus on the level of revenue reserves as the main determinant of financial health of local authorities as well as a measure of resilience against potential future funding reductions.
5. The increase in usable revenue reserves over the last two years has significantly improved the financial health and resilience of the Council. This is demonstrated in the three charts overleaf. The top chart shows the usable revenue reserves at 31 March 2019 expressed as a percentage of net revenue expenditure for all district authorities. The middle chart shows the change in those reserves during 2018/19. The bottom chart shows the same analysis in a line graph over a longer period comparing Lancaster with the Lancashire districts average and all districts average.
6. The charts show almost a doubling in usable revenue reserves over the last two years and Lancaster City Council now has over a year's worth of net revenue expenditure held in reserve.





## Looking forward

7. There are a number of commonly accepted reasons for holding and using reserves which are all associated with managing current and future financial challenges and risks. These include:
  - Using reserves to offset funding reductions to protect services – although this can only be a short-term strategy as reserves are a one-off funding resource.
  - Increasing reserves to strengthen resilience against future, uncertain cost pressures.
  - To fund project expenditure, particularly in respect of key projects which meet the Council's priority areas.
  - Investing in making changes that reduce the cost of providing services in the longer-term.
  - Using reserves to fund significant one-off (eg. Elections, Local Plan) or unpredictable (eg. Renewals) expenditures in order to even out contributions over the period of the expenditure.
  
8. The Council agreed its Reserves Strategy on 28 February 2019 agreeing the following:
  - Revenue contributions from reserves of £1.219m and contributions to reserves from the revenue budget of £755k and capital contributions from reserves of £864k resulting in a budgeted reduction in reserves of £1.328m.
  - That following on from the year end the balance on the business rates reserves is reviewed and any surplus funds, over and above those required to provide funding certainty, are redesignated towards the delivery of corporate priorities as set out in the Council Plan or accompanying strategic documents as and when revised by the new Council.
  - That the budget support reserve purpose should be extended to include any upfront costs which are attributable to work undertaken in respect of Funding the Future.
  
9. Since the Reserves Strategy was agreed, a new Council has been elected and the new Cabinet is in the process of agreeing priorities which include key projects and assigning responsibilities to Portfolio Holders. Additionally, a number of key strategies will be considered over the next few months covering key priority areas.

10. Taking account of the above the following recommendations are now made.

**a. Improved clarity with respect to the Use of Reserves**

Any bid for the use of reserves should be supported by a business case showing the need for resources and the impact arising from the use of the reserve. A pro-forma has been developed which, for each reserve bid, includes:

- Description of project
- Amount of reserve bid
- Link to reserve purpose and link to relevant Strategy
- Full costing of project linked to a SMART Action Plan
- List of Outcomes and Impacts arising from the use of reserve
- Completion of Social Value matrix including reference to Climate Change Emergency and Community Wealth Building priorities
- Sign off by relevant Director and Portfolio Holder

The pro-forma will be applied to all existing budgeted use of reserves as well as any new bids for the use of reserves. A quarterly report covering use of reserves will be incorporated into the performance management reporting framework.

**b. Alignment of Earmarked Reserves to Portfolio Holders**

Earmarked reserves will be assigned to relevant Portfolio Holders for the purposes of approval (subject to Reserves Policy) and monitoring. The list of responsibilities is included in the table below.

Reserve	Portfolio Holder
Business Rates Retention	Economic Development
Budget Support	Finance
Invest to Save	Finance
S106 Commuted Sums	Planning
Revenue Grants Unapplied	Finance
Restructure	Resources
Corporate Property	Economic Development
Welfare Reforms	Social Justice
Renewals Reserves	Various
Capital Support	Finance
Canal Quarter	Economic Development
Economic Growth	Economic Development

The Portfolio Holder for Finance will retain an overarching responsibility for managing the overall level of usable revenue reserves having regard for the Council's financial resilience and future financial risks.

**c. Business Rates Reserve**

The Business Rates reserve has a balance of £6.283m at 31/03/19 and this is likely to increase further in 2019/20 so long as there is no closedown at Heysham Nuclear Power Station. This balance is significantly greater than the level which is required to secure continued resilience over the four year period of the Council. It is therefore recommended that bids to the Business Rates reserve be allowed using the process set out in **a** and **b** above in order that key corporate projects can be progressed.

**d. Budget Support Reserve**

A number of Funding the Future Strategy projects are planned to be progressed over the next few months. It is therefore recommended that bids to the Budget Support reserve be allowed using the process set out in **a** and **b** above in order that key financial resilience projects can be progressed.

**APPENDIX 6**

**2018/19  
REQUESTS FOR CARRY FORWARD**

<b>SERVICE</b>	<b>Regeneration &amp; Planning</b>
<b>BUDGET HEADING</b>	<b>City/Maritime Museum Computer Equipment</b>
<b>LEDGER CODE</b>	<b>N2900/E3450 &amp; N2901/E3450</b>
<b>AMOUNT</b>	<b>£9,600</b>

**The reasons why the spend didn't occur during 2018/19 and why we still have a commitment for it in 2019/20.**

Delays with the wifi provider due to internal staff sickness has resulted in the slightly later than planned implementation of Wi-Fi throughout the City and Maritime Museums. Should the implementation not go ahead the alternative will be less effective and long term will result in an additional cost to the Council.

**Financial Services Comments**

The Museums function has recently been brought back in house and has recruited a new Manager. The budgets for the museums have been estimated based on detail provided by County and are proving to be challenging. The museums staff have worked really hard to keep within budget, with one off costs that were not budgeted for being absorbed; there is no capacity, however, to reallocate 19/20 budgets for the Wi-Fi expenditure.

This is a retrospective request as it has already been discussed with the Director of Corporate Services who has given consent for work to proceed and the budget carried forward.

**APPENDIX 6****2018/19****REQUESTS FOR CARRY FORWARD**

<b>SERVICE</b>	<b>Economic Growth and Regeneration</b>
<b>BUDGET HEADING</b>	<b>Economic Development Initiatives</b>
<b>LEDGER CODE</b>	<b>N5001</b>
<b>AMOUNT</b>	<b>£29,200</b>

**The reasons why the spend didn't occur during 2018/19 and why we still have a commitment for it in 2019/20.**

The budget relates to a number of Economic Development projects and initiatives that are on-going. The nature of work involved, often working with external partner organisations, is difficult to profile by financial year and therefore carry forward requests are required to continue with the on-going activity. Narrative for individual carry forward requests are as follows.

**Archaeological Site Spend N5001/E3958 £5,000**

Consultancy contract for an archaeological report relating to the Quay Meadow excavations. Consultant contracted in 18/19 but unavoidably delayed until 19/20. Carry forward request required to match committed activity.

**Business and Skills N5001/E3964 £10,000**

A number of Business and Skills initiatives are now underway and a carry forward request is required to continue work in this area. Two specific commitments made in 18/19 from existing budgets are the NW Lancs Expo that the Council delivers in partnership with the Chamber (£5k) and development of the UK Corporate Games 2020, which the Council is delivering with Lancaster University (£5k).

**Community Business N5001/E3966 £6,000**

Relates to the budget for the Local Wealth Building Officer post, which is an 18-month post, and supporting costs. Post not recruited to until March/April. Carry forward required to fund the post in 19/20 and 20/21 accordingly. The budget will then be moved to Economic Development salaries.

**Support for Groups N5001/E3967 £1,000**

Budget relates to support for local groups and enterprises that are largely excluded from mainstream funding programmes. A specific commitment (£1k) has been made for accommodation costs relating to an event to showcase local creative industries.

**Morecambe Bay Collaborative Projects £7,200**

Budget relates to Lancaster and South Cumbria Economic Region (LSCER). Activity is on-going so budget is requested to be carried forward into 19/20 accordingly. A specific commitment of £7,200 has been made for economic consultancy work.

**Financial Services Comments**

The Economic Initiatives budget was approved at the start of 18/19 and was allocated wholly in that year. Due to the nature of the work it is not always possible to estimate when spend will take place hence the carry forward requests.

## Lancaster City Council - Capital Expenditure 2018/19

For consideration by Cabinet 6th August 2019

HOUSING REVENUE ACCOUNT	Revised Budget	Expenditure in 2018/19	Variance Against Budget Over/ (Under) Spend	Expenditure to be financed in 2018/19	SCHEME FINANCING					TOTAL SCHEME SPECIFIC FINANCING / ITEMS	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
					GRANTS & CONTRIBUTIONS	GRANTS UNAPPLIED	EARMARKED RESERVES / PROVISIONS	SPECIFIC REVENUE FINANCING	MAJOR REPAIRS ALLOWANCE (HRA only)		
<b>COUNCIL HOUSING</b>	£	£	£	£	£	£	£	£	£	£	£
Adaptations	250,000	251,908	-1,908	251,908						0	251,908
Energy Efficiency boiler Replacements	635,000	694,690	-59,690	694,690			9,950		602,864	612,814	81,876
Environmental Improvements	1,037,000	1,050,595	-13,595	1,050,595	18,668		90,650		941,278	1,050,595	0
Fire Precaution Works	180,000	193,069	-13,069	193,069	6,161		15,000		171,908	193,069	0
Kitchen/Bathroom Replacement	1,032,000	879,219	152,781	879,219					879,219	879,219	0
Lift Replacements	70,000	68,991	1,009	68,991					68,991	68,991	0
Re-roofing & Window Renewals	641,000	570,861	70,139	570,861				257,385	313,476	570,861	0
Rewiring	86,000	37,375	48,625	37,375				37,375		37,375	0
Whole House Improvements	490,000	240,329	249,671	240,329			26,152	214,177		240,329	0
<b>TOTAL - HRA</b>	<b>4,421,000</b>	<b>3,987,037</b>	<b>433,963</b>	<b>3,987,037</b>	<b>24,829</b>	<b>0</b>	<b>141,752</b>	<b>508,937</b>	<b>2,977,736</b>	<b>3,653,253</b>	<b>333,784</b>

GENERAL FUND	Revised Estimate	Expenditure in 2018/19	Variance Against Budget Over/ (Under) Spend	Expenditure to be financed in 2018/19	SCHEME FINANCING					TOTAL SCHEME SPECIFIC FINANCING / ITEMS	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
					GRANTS & CONTRIBUTIONS	GRANTS UNAPPLIED	EARMARKED RESERVES / PROVISIONS	SPECIFIC REVENUE FINANCING	MAJOR REPAIRS ALLOWANCE (HRA only)		
<b>ENVIRONMENTAL SERVICES</b>	£	£	£	£	£	£	£	£	£	£	£
Vehicle Renewals	662,000	657,679	4,321	657,679						0	657,679
Electronic Vehicle Charging Points	54,000	56,487	-2,487	56,487	44,487				12,000	56,487	0
Vehicle Fleet Review	59,000	55,543	3,457	55,543						0	55,543
CCTV Extension to White Lund	53,000	55,570	-2,570	55,570			55,570			55,570	0
Vehicle Ramp	34,000	34,485	-485	34,485			34,485			34,485	0
Bolton Le Sands Young People's Facilities	15,000	14,920	80	14,920			14,920			14,920	0
Cable Street Car Park Extension	35,000	24,755	10,245	24,755						0	24,755
<b>Sub-Total</b>	<b>912,000</b>	<b>899,440</b>	<b>12,560</b>	<b>899,440</b>	<b>44,487</b>	<b>0</b>	<b>104,975</b>	<b>12,000</b>	<b>0</b>	<b>161,462</b>	<b>737,977</b>
<b>HEALTH &amp; HOUSING</b>											
Disabled Facilities Grants	2,435,000	2,153,308	281,692	2,153,308	2,153,308					2,153,308	0
Disabled Facilities Grants 18-19 Top-up	215,000	215,763	-763	215,763	215,763					215,763	0
Heysham School Capital Funding	36,000	36,000	0	36,000			36,000			36,000	0
Salt Ayre Sports Centre Redevelopment	164,000	170,578	-6,578	170,578			147,547			147,547	23,031
<b>Sub-Total</b>	<b>2,850,000</b>	<b>2,575,650</b>	<b>274,350</b>	<b>2,575,650</b>	<b>2,369,071</b>	<b>0</b>	<b>183,547</b>	<b>0</b>	<b>0</b>	<b>2,552,618</b>	<b>23,031</b>
<b>REGENERATION &amp; PLANNING</b>											
Artle Beck Improvements (Flood Defences)	5,000	0	5,000	0						0	0
Strategic Monitoring (River & Sea Defences)	3,000	33	2,967	33						0	33
Wave Reflection Wall Construction	2,419,000	2,359,122	59,878	2,359,122	2,359,122					2,359,122	0
Caton Road Flood Relief Scheme	0	408,284	-408,284	408,284						0	408,284
Amenity Improvements	6,000	4,970	1,030	4,970						0	4,970
Lancaster Square Routes (Phases 1 & 2)	21,000	17,020	3,980	17,020	5,000		4,000	960		9,960	7,060
Morecambe TH12: A View for Eric	15,000	16,340	-1,340	16,340	12,419					12,419	3,922
Morecambe Area Action Plan (Improving Streets)	44,000	10,658	33,342	10,658						0	10,658
Lancaster District Empty Homes Partnership - Methodist Action	36,000	24,000	12,000	24,000			24,000			24,000	0
S106 Highways Works	148,000	149,866	-1,866	149,866			149,866			149,866	0
Coastal Revival Fund - Morecambe Co-op Building	77,000	35,608	41,392	35,608	35,608					35,608	0
Heysham Gateway - Demolition & Removal of Tanks	132,000	124,375	7,625	124,375	8,000		116,375			124,375	0
<b>Sub-Total</b>	<b>2,906,000</b>	<b>3,150,277</b>	<b>-244,277</b>	<b>3,150,277</b>	<b>2,420,148</b>	<b>0</b>	<b>294,241</b>	<b>960</b>	<b>0</b>	<b>2,715,350</b>	<b>434,927</b>
<b>Resources</b>											
ICT Infrastructure	140,000	106,396	33,604	106,396			106,396			106,396	0
Application System Renewal	94,000	74,784	19,216	74,784			46,000			46,000	28,784
I.S. Desktop Equipment	55,000	50,970	4,030	50,970			50,970			50,970	0
SALC ICT Capital	4,000	0	4,000	0						0	0
Lancaster City Museum Boiler	316,000	298,862	17,138	298,862						0	298,862
Ryelands Park - Ryelands House	100,000	67,798	32,202	67,798						0	67,798
Lancaster Town Hall Steps	43,000	3,110	39,890	3,110						0	3,110
Residual Corporate Property Works:											
- Dukes Playhouse	0	-13,000	13,000	-13,000						0	-13,000
- Williamson Park - Ashton Memorial	15,000	22,660	-7,660	22,660						0	22,660
- Storey Institute	0	-7,489	7,489	-7,489						0	-7,489
- King Street Assembly Rooms	0	-2,873	2,873	-2,873						0	-2,873
- Former Old Station Platform	1,000	0	1,000	0						0	0
- Williamson Park Butterfly House	7,000	0	7,000	0						0	0
- Lancaster Town Hall	0	42,925	-42,925	42,925						0	42,925
- Caton Road/Kingsway - Bridge End Depot	1,000	1,256	-256	1,256						0	1,256
- Lancaster Bus Station	4,000	-1,320	5,320	-1,320						0	-1,320
- Happy Mount Park	-3,000	0	-3,000	0						0	0
<b>Sub-Total</b>	<b>777,000</b>	<b>644,078</b>	<b>132,922</b>	<b>644,078</b>	<b>0</b>	<b>0</b>	<b>203,366</b>	<b>0</b>	<b>0</b>	<b>203,366</b>	<b>440,712</b>
<b>TOTAL - GENERAL FUND</b>	<b>7,445,000</b>	<b>7,269,444</b>	<b>175,556</b>	<b>7,269,444</b>	<b>4,833,707</b>	<b>0</b>	<b>786,129</b>	<b>12,960</b>	<b>0</b>	<b>5,632,796</b>	<b>1,636,648</b>

GENERAL FUND	Revised Estimate	Expenditure in 2018/19	Variance Against Budget Over/ (Under) Spend	Expenditure to be financed in 2018/19	SCHEME FINANCING					TOTAL SCHEME SPECIFIC FINANCING / ITEMS	BALANCE FINANCED BY GENERAL CAPITAL RESOURCES
					GRANT	GRANTS UNAPPLIED	EARMARKED RESERVES / PROVISIONS	SPECIFIC REVENUE FINANCING	MAJOR REPAIRS ALLOWANCE (HRA only)		
<b>GENERAL FUND</b>	£	£	£	£	£	£	£	£	£	£	£
	7,445,000	7,269,444	175,556	7,269,444	4,833,707	0	786,129	12,960	0	5,632,796	1,636,648
<b>HOUSING REVENUE ACCOUNT</b>											
	4,421,000	3,987,037	433,963	3,987,037	24,829	0	141,752	508,937	2,977,736	3,653,253	333,784
<b>TOTAL CAPITAL EXPENDITURE &amp; FINANCING</b>	<b>11,866,000</b>	<b>11,256,481</b>	<b>609,519</b>	<b>11,256,481</b>	<b>4,858,535</b>	<b>0</b>	<b>927,881</b>	<b>521,897</b>	<b>2,977,736</b>	<b>9,286,049</b>	<b>1,970,432</b>

2018/19 CAPITAL EXPENDITURE FINANCING				Housing Revenue	General Fund	Grand Total for all
				£	£	£
<b>Amounts to be financed by General Capital Resources</b>				<b>333,784</b>	<b>1,636,648</b>	<b>1,970,432</b>
<b>Financed by:</b>						
Underlying Borrowing Need - Increase in Capital Financing Requirement				0	1,597,948	1,597,948
Recovery of Capital Receipts Paid in Advance				0	0	0
<b>Usable Capital Receipts</b>				<b>333,784</b>	<b>38,700</b>	<b>372,484</b>
<b>General Grants Unapplied</b>				<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing from General Capital Resources</b>				<b>333,784</b>	<b>1,636,648</b>	<b>1,970,432</b>

## Appendix 8 - Slippage and Accelerated Expenditure

<b>Environmental Services</b>	<b>Slippage</b>	<b>Reason for slippage</b>
Cable Street Car Park Extension	£ (4,000)	Required to cover the cost of Engineers final fees
<b>Health and Housing</b>		
Disabled Facilities Grants	(281,000)	Late notification of an additional top up grant which had to be spent by the end of the financial year delayed the delivery of the original grants programme
<b>Regeneration and Planning</b>		
Sea & River Defence Works & Studies:		
- Wave Reflection Wall Construction	(37,000)	Amount required to fund ongoing snagging works
- Artle Beck Improvements	(5,000)	Project closure still to be finalised with Environment Agency
Amenity Improvements (Morecambe Promenade)	(1,000)	Funding required to support ongoing works to properties initiative
Lancaster Square Routes Project	(5,000)	External contribution in respect of Way Finding scheme still to be utilised
MAAP - Improving Morecambes Main Streets	(33,000)	Funding required principally to cover Main Road Signage project
Lancaster District Empty Homes Partnership	(12,000)	Structural damage to one property put back the start date of works
Coastal Revival Fund - Morecambe Co-op	(41,000)	Project ongoing into 2019/20 funded by external grant
<b>Resources</b>		
ICT Systems, Infrastructure & Equipment:		
- I.T.Strategy	(34,000)	Internal capacity issues delayed work on switches/file storage project
- Application System Renewal	(19,000)	Recognition of £25k grant from the LGA Cyber Resilience Programme together with £19k of original budget allocation required to undertake final work on Customer Relationship Platform project
- I.S. Desktop Equipment	(4,000)	Carry forward of unutilised portion of 2018/19 capital allocation
City Museum Roof & Boiler	(17,000)	Final works still to be completed
Lancaster Town Hall Steps	(40,000)	Work commenced a few weeks later than originally anticipated
Ryelands Park - Ryelands House	(32,000)	Scheme completed early in 2019/20
<b>Development Pool</b>		
Heysham Gateway - Demolition & Removal of Tanks	(8,000)	Required to support ongoing scheme development
	<b>(573,000)</b>	
<b>Housing Revenue Account</b>		
Internal refurbishment - Mainway	(35,000)	Contract terminated early so funding required to complete the renewal of soil vent pipes and rain water pipe to high-rise block
Sheltered Scheme Conversion - Altham	(33,000)	Delays to start of contract, scheme funded from HRA Business Support Reserve
	<b>(68,000)</b>	
	<b>(641,000)</b>	
		<b>Accelerated</b>
		<b>Reason for accelerated expenditure</b>
		<b>Expenditure</b>
<b>Health and Housing</b>		
Salt Ayre Sports Centre Redevelopment	8,000	An anticipated delay in project work did not materialise
<b>Regeneration and Planning</b>		
Sea & River Defence Works & Studies:		
- Caton Road Flood Relief Scheme	408,000	Work required to obtain formal approval of Environment Agency funds already allocated in principle
	<b>416,000</b>	
<b>Total Net Slippage &amp; Accelerated Expenditure</b>	<b>(225,000)</b>	



**CABINET**

**Delivering Our Ambitions:  
Performance, Projects and Resources  
Quarter 4 and End of Year 2018-19  
6 August 2019**

**Report of Chief Executive**

<b>PURPOSE OF REPORT</b>				
<p>To provide a summary of performance against key indicators during 2018-19, and to set out arrangements for future reporting on progress towards achieving the council's Ambitions for 2018-22, covering</p> <ul style="list-style-type: none"> <li>- Performance against key indicators</li> <li>- Progress of strategic projects</li> <li>- Use of organisational resources</li> </ul>				
<b>Key Decision</b>		<b>Non-Key Decision</b>	<b>X</b>	<b>Referral from Cabinet Member</b>
<b>This report is public</b>				

**OFFICER RECOMMENDATIONS**

- (1) That Cabinet agree the proposed arrangements for reporting on performance, projects and resources during 2019-20.
- (2) That Cabinet note the update on performance against key indicators for 2018-19.

**1.0 Delivering Our Ambitions**

- 1.1 Delivering Lancaster City Council's ambitious plans for 2018-22 and beyond, as set out in its Council Plan and policy framework, requires strong alignment between strategy, resource allocation and operational activity.
- 1.2 Regular consideration by members of timely, relevant and evidence-based information is essential to strategic decision-making.
- 1.3 In practice, the information that reflects this strategic alignment can be categorised in three ways:
  - *Performance against key indicators*; to provide an evidential view of the real-world impact of the council's activities.
  - *Progress of corporate projects*; to provide assurance that ongoing initiatives are coordinated and on track.
  - *Use of organisational resources*; to monitor the adequate and appropriate allocation and expenditure of finance and other resources in pursuing the council's goals.

## **2.0 Proposed Reporting Approach**

- 2.1 In previous years, this information has been provided to members via distinct, specific reporting on a quarterly basis, particularly around finance and performance. Major project updates have been provided on an ad hoc basis only, primarily where a member decision was required.
- 2.2 Providing meaningful information across the three categories described in 1.3 above will require a more integrated approach to reporting, drawing together the key information around performance, projects and resources, and exploring the relationship between these disciplines.
- 2.3 It is therefore proposed to trial an integrated quarterly '*Delivering Our Ambitions: Performance, Projects and Resources*' report from quarter 1 (April-June 2019) onwards.
- 2.4 As the organisation develops enhanced 'business intelligence' capabilities using technological solutions, a greater level of real-time information will be available to members through interactive dashboards and other resources. Members will be better able to discuss live issues as they arise through the availability of this information.
- 2.5 The quarterly '*Delivering Our Ambitions*' report will then build on the information available through these channels by providing a level of insight and analysis from across the organisation relative to the specific period covered by the report.

## **3.0 Categories and Content**

- 3.1 In order to ensure meaningful alignment of performance, project and resource information, it is proposed that the information is categorised according to the council's four Ambitions for 2018-22:
  - A Thriving and Prosperous Economy
  - Clean, Green and Safe Neighbourhoods
  - Healthy and Happy Communities
  - A Smart and Forward-Thinking Council
- 3.2 Some development of the corporate performance measures is required to ensure Cabinet's priorities are reflected in the key indicators of success. It is proposed that measures be reviewed incrementally and updated where appropriate in between quarterly updates.
- 3.3 It is also proposed that in order to provide clear accountability, each measure and corporate project will be allocated to a Portfolio Holder for monitoring.
- 3.4 The corporate reporting of performance and projects will use a 'Red', 'Amber' or 'Green' status to show each projects progress. For any project not reporting a 'Green' status, brief notes of why this is the case will be included on the report.

**RELATIONSHIP TO POLICY FRAMEWORK**

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

**CONCLUSION OF IMPACT ASSESSMENT**

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

The content of this report has no impact in itself.

**LEGAL IMPLICATIONS**

No legal implications directly arising from this report.

**FINANCIAL IMPLICATIONS**

No financial implications directly arising from this report.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

No other implications directly arising from this report.

**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**

N/A

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# Lancaster City Council

Delivering Our Ambitions: Quarter 3 Performance Scorecard

## Quarter 4/End of Year - Overall Performance



Performance Information		Year 2017/18				Year 2018/19								End of Year 2018/19	High Neutral Low	Trend	
		Quarter 4		End of Year 2017/18		Quarter 1		Quarter 2		Quarter 3		Quarter 4					
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
<b>A Thriving and Prosperous Economy</b>																	
A1.1	Percentage of minor planning applications determined within 8 weeks or agreed time (Speed of Decision)	70%	100%	70%	99.1%	70%	98.61%	70%	98%	70%	94.67%	70%	98.48%	70%	98.87%	High is Good	
Green:																	
A1.2	Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	70%	97.30%	70%	98.82%	70%	97.52%	70%	100%	70%	94.25%	70%	98.77%	70%	98.39%	High is Good	
Green:																	
A1.3	Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	60%	100%	60%	100%	60%	100%	60%	100%	60%	100%	60%	100%	60%	100%	High is Good	
Green:																	
A1.4	Number of empty properties brought back into use	15	26	60	76	15	12	15	20	15	13	15	15	60	60	High is Good	
Green: 15 empty homes were brought back into use with Council involvement in the fourth quarter. Of the 200 properties being monitored, 7.5% were brought back into use.																	
A4.7	Number of affordable homes delivered			60	133	N/A - Annual Data						60	53	High is Good			
Red: The Q4 figure provided represents the affordable housing completions for 2018/19. The figure has reduced this year as expected from 168 in 2016/17 and 148 in 2017/18. This is partly due to the fact that central government removed grant funding to support the delivery of rented units across the sector and whilst this has now been reinstated, there have been lost opportunities and momentum to identify and develop sites suitable for affordable housing. Furthermore given the delays with the Local Plan adoption, there is an acute shortage of suitable development sites across Lancaster district which means Registered Providers cannot compete with private developers to bring forward the limited opportunities available. Whilst some affordable housing units are acquired by RP's as part of Section 106 obligations (through planning gain) we expect that overall dwelling completions could also continue to reduce although there could be a marked increase in student housing completions.																	
<b>Clean, Green and Safe Neighbourhoods</b>																	
A2.1	Number of fly tipping reports actioned within 5 days	125	351	500	1,220	125	389	125	315	125	207	125	192	500	1,103	High is Good	
Green: during Q4 a total of 436 reports were received; 192 of these (44.03%) were closed within five days																	
A2.2	Percentage of household waste recycled (Quarter Behind)	45%	33.5%	45%	35.6%	45%	30.07%	45%	38.30%	45%	39%	45%	33.2%	N/A - End of year figures will be reported next quarter		High is Good	
Red: Lagging measure Q3 33.2%, bringing the aggregated percentage up to 31 December 2018 to 36.9%. Q3 percentage of dry materials was 19.76% a reduction on the previous quarter with compostable material 13.45%. Compostable waste is suspended for a period of 6 weeks within this quarter. These figures are unverified.																	
A2.3	Kilogrammes of residual waste per household (Quarter Behind)	87.17	82.2	348.68	334.58	87.17	75.9	87.17	88.3	87.17	81	87.17	80	N/A - End of year figures will be reported next quarter		Low is Good	
Green: This lagging measure shows a reduction on the previous quarter due to suspension of compostable waste.																	
A2.5	Diesel Consumption - Council Vehicle Fleet (Litres)	121,728	115,342	486,912	484,805.5	121,728	119,639.5	121,728	117,762	121,728	117,001	121,728	113,490	486,912	467,892.5	Low is Good	
Green: Ongoing quarterly reduction in fuel consumption																	
A2.6	Cost/M2 spent on energy across corporate buildings (Quarter Behind)	Baseline	£5.02	Baseline	£16.31	Baseline	£4.71	Baseline	£3.65	Baseline	£3.35	Baseline	£5.62	Baseline	£17.33	Low is Good	
Baseline: Last years figure for comparison was £5.02. The reason for the increase is the progressive installation of smart meters mentioned in last months report, meaning we have started to receive accurate billing for most sites. If we have underpaid previously based on estimated billing, we now need to "catch up".																	

Performance Information		Quarter 4		End of Year 2017/18		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2018/19		High	Low	Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Neutral		
A2.7	Amount of energy usage in council buildings (Gas/KWH) (Quarter Behind)	Baseline	1,838,504	Baseline	5,591,719	Baseline	2,204,958	Baseline	1,250,679	Baseline	682,533	Baseline	1,764,381	Baseline	5,902,551	Low is Good		
Baseline: Last years figure for comparison was 1,838,504 so there has been a reduction in consumption year on year.																		
A2.8	Amount of energy usage in council buildings (Electricity/KWH) (Quarter Behind)	Baseline	807,951	Baseline	2,754,790	Baseline	695,231	Baseline	527,235	Baseline	566,849	Baseline	616,911	Baseline	2,406,226	Low is Good		
Baseline: Last years figure for comparison was 807,951 so there has been a reduction in consumption year on year.																		
A2.9	Public exposure to air pollution at roadside (µg/m3 - microgrammes of pollutant per metre cubed)			37.20	34.20	N/A - Annual Data						37.2	31.4	Low is Good				
Green:																		
A2.10	Public exposure to air pollution away from roads (µg/m3 - microgrammes of pollutant per metre cubed)			16.50	15.10	N/A - Annual Data						16.50	13.90	Low is Good				
Green:																		
A2.11	Number of parks achieving the 'Green Flag' award			4	2	N/A - Annual Data						4	3	High is Good				
Three Green Flag awards were received for the first time, in respect of Williamson Park, Happy Mount Park and Ryelands Park.																		
A2.12	Number of volunteer groups supporting parks and open spaces			Baseline	42	N/A - Annual Data								High is Good				
No data at present																		
<b>Healthy and Happy Communities</b>																		
A3.1	Number of people statutorily homeless	25	21	100	75	25	14	25	10	25	12	25	5	100	41	Low is Good		
Green																		
A3.2	Number of Disabled Facilities Grants completed	50	78	200	232	50	122	50	83	50	78	50	104	200	387	High is Good		
Green: The average no of grants completed per month in 2017/18 was 19. The average no of grants completed per month at the end of Q3 2018/19 is 32.																		
A3.3	Number of properties where 'category 1 hazards' have been eliminated	25	27	100	112	25	18	25	24	25	38	25	42	100	122	High is Good		
Green: The Housing Standards Team improved 80 properties this quarter, including 42 of the most serious category 1 hazards. In addition, 100 HMO licences were issued, bringing the new HMO licensing provisions up to date.																		
A3.4	Percentage of premises scoring 4 or higher on the food hygiene rating scheme	90%	88.52%	90%	88.52%	90%	88.36%	90%	87.80%	90%	90.70%	90.00%	91.00%	90.00%	91.00%	High is Good		
Green: There are 1182 food businesses eligible for a food hygiene rating, but the Q4 figure has been calculated based on an adjusted figure of 1141 rated businesses to take account of the 41 businesses currently without a published rating. New businesses that haven't been inspected and businesses that have only recently been inspected may not be showing a Food Hygiene Rating.																		
A3.5	Percentage of high risk food hygiene inspections completed	100%	100%	100%	100%	100%	85%	100%	86%	100%	75%	100%	93.3%	100%	93.30%	High is Good		
Red: 15 high risk premises were due for inspection in Q4, including carry forward from the previous quarter. Only 1 premises was not inspected, but this business is being prosecuted for food hygiene contraventions.																		
A3.6	Total number of admissions to Salt Ayre Leisure Centre	197,740	232,554	737,740	747,301	130,000	210,621	180,000	220,521	230,000	193,561	197,740	224,089	737,740	848,792	High is Good		
Red:																		
A3.7	Time taken to re-let council houses (Days)	38	63.13	38	63.13	38	30.80	38	27.92	38	25.68	38	23.07	38	23.07	Low is Good		

Performance Information		Quarter 4		End of Year 2017/18		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2018/19		High	Low	Trend	
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Neutral			
Green: Performance has been maintained to deliver a strong year end outturn. 23.07 days puts us comfortably within the top 50% of comparable housing providers nationally.																			

A4.7	Number of people recorded sleeping as rough	2	9	N/A - Annual Data								2	4	Low is Good	
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Performance Information		Quarter 4		End of Year 2017/18		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2018/19		High	Low	Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Neutral		
<b>A Smart and Forward - Thinking Council</b>																		
A4.1	Number of followers on Lancaster City Council's Twitter Page (Cumulative Indicator)	9000	10,250	9000	10,250	9000	10,923	9000	11,295	9,000	11,858	9,000	12,286	9,000	12,286	High is Good		
A4.2	Average number of days of sickness absence per full time employee	1.75	1.64	7	6.05	1.75	1.73	1.75	1.78	1.75	2.2	1.8	1.9	7.0	7.6	Low is Good		
Amber: Total sickness absence for 2018-19 comprised 2.23 days per employee of short-term absence, and 5.41 days per employee of long-term absence. A prolonged period of transition within an organisation can result in temporarily elevated levels of sickness absence; the HR team continue to support managers in minimizing sickness absence.																		
A4.3	Occupancy rates for all commercial properties (including estate shops)	100%	96.5%	100%	96.50%	100%	95.60%	100%	95.30%	100%	96.60%	100%	95.60%	100%	95.60%	High is Good		
Amber: The total level of occupancy has gone down by 0.7% following a tenant in CityLab reducing from two to one and one small retail unit becoming empty during this quarter. 95.9% still represents a good level of occupancy in the current climate in a landlord's portfolio.																		
A4.4	Average time taken to process new Housing Benefit and Council Tax claims (Days)	23	26.2	23	26.2	23	28.3	23	48	23	40	23	32.76	23	32.76	Low is Good		
Red: As reported in previous quarters, current Q4 performance is considered skewed, as a consequence of addressing a problem in claimants not applying for Council Tax Support at the right time, resulting in arrears. To counteract this issue Council changed the Scheme, to allow backdating of Support to the Universal Credit start date, which in turn distorts the indicator in the short term. The PI is slowly improving towards target. The performance indicator will be reviewed for 2019/20.																		

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