



Committee: CABINET

Date: TUESDAY, 13 SEPTEMBER 2022

Venue: LANCASTER TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 26 July 2022 (previously circulated).

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

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

4. **Declarations of Interest**

To receive declarations by 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 from Overview and Scrutiny

None

Reports

6. **Cost of Living** (Pages 4 - 9)
(Cabinet Member with Special Responsibility Councillor Caroline Jackson)
Report of Chief Executive
7. **Provisional Revenue, Capital and Treasury Management Outturn 2021/22** (Pages 10 - 42)
(Cabinet Member with Special Responsibility Councillor Whitehead)
Report of Chief Finance Officer
8. **Delivering Our Priorities: Performance, Projects and Resources, Q1 2022-23** (Pages 43 - 85)
(Cabinet Member with Special Responsibility Councillor Whitehead)
Report of Chief Executive (report published on 6 September 2022)
9. **Culture & Heritage Advisory Group** (Pages 86 - 90)
(Cabinet Member with Special Responsibility Councillor Thornberry)
Report of Director for Economic Growth & Regeneration
10. **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 item in private.

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

“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 are reminded that, whilst the following item has been marked as exempt, it is for Cabinet itself to decide whether or not to consider it 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.
11. **No. 1 Gateway, White Lund Industrial Estate, Morecambe – Roof/Cladding Refurbishment and Solar Array** (Pages 91 - 117)
(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)
Report of Director for Economic Growth & Regeneration (report published on 9 September 2022)

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Caroline Jackson (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Gina Dowding, Tim Hamilton-Cox, Tricia Heath, Cary Matthews, Sandra Thornberry, Anne Whitehead and Jason Wood

(ii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - email ebateson@lancaster.gov.uk.

(iii) Changes to Membership, substitutions or apologies

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

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

Published on MONDAY 5 September, 2022.

CABINET

Cost of Living

13th Sept 2022

Report of Chief Executive

PURPOSE OF REPORT			
To request that Cabinet authorises the Chief Executive to develop plans, with partners, to prepare for the likelihood of increasing cost of living developing into an emergency over the autumn and winter.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	X
Date of notice of forthcoming key decision	NA		
This report is public			

RECOMMENDATIONS OF CLLR CAROLINE JACKSON

- (1) That Lancaster City Council considers that the increases in cost of living threaten serious damage to human welfare and should therefore be planned for as an emergency.
- (2) That the Chief Executive is instructed to direct officer capacity, from within existing resources, to work with partners to develop plans that will help our communities and businesses so they can access support that is or becomes available from Government, private sector, the Council and our other partners.
- (3) That the Chief Executive is instructed to direct officer capacity, from within existing resources, to work with partners to consider the existing and emerging evidence and risks and ensure plans are ready to inform a formal emergency response in the event of the pressures of the cost of living crisis escalating into an emergency that would fall within the remit of the Civil Contingencies Act 2004.
- (4) That progress is reported back to Cabinet.

1.0 Introduction

1.1 Lancaster City Council’s four priorities for the District include-

- An Inclusive and Prosperous Local Economy
- Healthy and Happy Communities
- A Sustainable District

Key outcomes to be delivered from these priorities include-

- Building a sustainable and just local economy that benefits people and organisations
- Empowering and supporting healthy ways of living, and tackling the causes of inequality.
- Supporting wellbeing and ensuring communities are active, engaged, involved and connected.
- Focused on early intervention approaches and involving our communities in service design and delivery.
- Developing housing to ensure people of all incomes are comfortable, warm and able to maintain their independence.
- Taking action to meet the challenges of the climate emergency.
- Supporting our residents to be resilient to flooding and adapt to the wider effects of climate change.

- 1.2 The rising costs of fuel, food and other essentials are combining with existing disadvantage and vulnerability within our communities to put many households at greater risk of both immediate hardship and reduced opportunity and wellbeing.
- 1.3 To provide some context a total of 15.1% of households were already in fuel poverty in 2020 in Lancaster making it the 5th highest in the Lancashire-14 area and the 67th highest in England. This was also somewhat higher than the England average of 13.2% and higher than in 2019. The main factors that determine this are the energy efficiency status of the property, the cost of energy , and household income. [Fuel poverty - Lancashire County Council](#)
- 1.4 Since 2020 fuel costs have of course risen much higher. Ofgem, the energy regulator, has announced that they will be raising the energy price cap by 80 per cent from 1 October, taking typical bills from £1,971 per year to £3,549 per year. This will of course have a knock-on effect on inflation, as well as impact on many more of our residents' household budgets.
- 1.5 The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.8% in the 12 months to July 2022, up from 8.2% in June. The largest upward contributions to the annual CPIH inflation rate in July 2022 came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs), transport (principally motor fuels), and food and non-alcoholic beverages. [Consumer price inflation, UK - Office for National Statistics](#)
- 1.6 Besides our residents our businesses are also impacted. Many are still recovering from the pandemic. Fuel costs for businesses are not capped. They are seeing costs increase from rising energy bill and customers are being more careful and spending less on their products and services. Businesses having to cut back or close in turn further increases pressures on

all of the above.

- 1.7 The same impacts are also being felt by the Council and partner organisations that our communities rely upon for a wide range of services and support.

2.0 Proposal Details

- 2.1 At this stage we await what intervention the Government will introduce to avoid the worst potential consequences of cost of living increases. Even with direct Government intervention the combination of recovery from the pandemic and the geo-political situation means that living costs will remain high and will create a disproportionate impact on those who can least afford them.

- 2.2 The Civil Contingencies Act 2004 defines an 'emergency' as including an event or situation which threatens serious damage to human welfare in a place in the UK. This includes (amongst other things) an event or situation that causes or may cause (a) loss of human life, illness or injury, (b) homelessness and (c) disruption to a supply of money, food, water, energy or fuel. Until it is known what interventions will be provided by Government it is difficult to establish what the scale of the threat to human welfare will be. Already a number of Councils have pre-emptively declared that they consider cost of living increases will represent an emergency.

- 2.3 As was seen during the pandemic emergency the positive leadership role taken by the Council and its many partners was invaluable source of support. The pressures created by increased cost of living are likely to damage human welfare. Furthermore as outlined above the Council has agreed outcomes for the District that will be impacted upon by the cost of living and its many symptoms.

- 2.4 There is already much in place from individual organisations. As an example the Council's website [Financial support for households - Lancaster City Council](#) provides information on how to access –

- Household support fund
- Lancaster District Hardship Fund
- Discretionary Energy Rebate Scheme
- Council Tax relief

The Council in declaring a climate emergency has already undertaken a number of practical actions on its own estate to reduce CO2 emissions and therefore energy bills. Furthermore as owner of 3800 properties in the District much work is taking place to help manage to energy demands of our residents. The approach of using addressing climate change as a means of reducing CO2 and delivering co-benefits including is one that will continue as a priority.

- 2.5 The positive work during the pandemic was achieved by a partnership of a wide range of partners delivering their areas of expertise in a coordinated way, informed by evidence.

- 2.6 As with any emergency a successful response depends on partners being very clear of the boundaries of their responsibilities and working within these. It is not the responsibility of the City Council to deliver support that should be provided by other parts of national or local Government or the private sector. However the Council and partners can ensure that our communities are aware of what each agency can offer and can easily access it. We can also

show local leadership and present evidence to influence those with whom different responsibilities lie.

- 2.7 Already our partners Lancaster CVS and Citizens Advice North Lancashire have made clear they will work with the Council to develop an emergency plan for the District. Other partners like the Police, Fire and Rescue, NW Ambulance Service and Fire and Rescue meet regularly with the Council and are planning for impacts of cost of living on their services. For the last few months much work has been informally taking place to consider the likely consequences.
- 2.8 It is proposed therefore that this approach is formalised and that Lancaster City Council takes a leading role in working with other community, voluntary and business sector partners from across the District to co-design an emergency plan for communities and businesses in our area. The approach taken will follow the tested principles of planning for an emergency that were used during the pandemic.
- 2.9 The plan will be based on the wealth of existing evidence that the Council and partners already possess. It will take account of best practice from across Lancashire and the UK. It will be guided by direction that comes from the Government. It will identify the existing sources of direct and indirect support that exist. It will identify where there are significant gaps and recommend what interventions are needed. As an example the UKSPF investment plan (which has still to be approved) does make some considerable allocation to cost of living issues.
- 2.10 The Council is also affected by the cost of living crisis which means that it currently is undertaking a systematic review of its finance and resources. Development of the plan, with partners, will be undertaken by prioritisation of existing resources. Delivery of the plan may require some redirection of existing resource, which will of course have a consequent impact on existing services. Any recommendations to that effect will be considered by Cabinet.

3.0 Details of Consultation

3.1 As outlined in the report.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: to work with partners to develop a local plan to deal with expected emergency from increased costs of living	Option 2: to focus solely on normal business and addressing the Council's own cost of living issues.	Option 3: To adopt a different approach
Advantages	<ul style="list-style-type: none"> - Shows leadership - Is consistent with Council priorities - Has support of partners - Ensures community buy in. - Builds on what is 	<ul style="list-style-type: none"> - Ensures a focus on day to day service delivery - Ensures a focus on the Council's own cost of living and wider financial challenges 	

	individual partners are already doing		
Disadvantages	<ul style="list-style-type: none"> - Raises expectation of what the Council and partners can deliver - Will require some deprioritisation of other areas of work - Unlike the pandemic Council staff are all allocated to delivering their services so this will create further demands on our teams 	<ul style="list-style-type: none"> - Inconsistent with the Council's priorities for the District - Does not fulfil the Council's community leadership role - Does not show the Council to be an reliable partner - Fails our communities and businesses 	
Risks	<ul style="list-style-type: none"> - Without significant Government intervention a local approach will not suffice 	<ul style="list-style-type: none"> - The Council fail to deliver its agreed priorities - The Council fails to act as community leader - Existing partnerships are damaged - The impact on our communities is worsened 	

5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is 1

6.0 Conclusion

6.1 The report sets out a means of working with our partners to support our communities and businesses as we face the damage our people's welfare that will arise from increased costs of living.

RELATIONSHIP TO POLICY FRAMEWORK

As set out in the report

CONCLUSION OF IMPACT ASSESSMENT

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

As set out in the report. Subsequent action plans will be assessed for impacts

LEGAL IMPLICATIONS

The Council has a number of statutory functions that it must fulfil. Redirection of resources will need to take into account the Authority's statutory functions and ensure that sufficient resources are kept in place for these functions.

FINANCIAL IMPLICATIONS

None as a direct result of this report

OTHER RESOURCE IMPLICATIONS

Human Resources:

Council officers are still dealing with the recovery from the pandemic, as well as delivering our day to day to services. This crisis will create further demands on our staff. Dependent on the extent of response needed redirection of staff may be requested.

Information Services:

NA

Property:

There is potential that some Council buildings may be utilised in some way to support plans. At this stage it is too early to be specific.

Open Spaces:

NA

SECTION 151 OFFICER'S COMMENTS

As noted in the report the City Council already has a number of current, or planned interventions to help and support residents. Clarification and consideration of the exact role the City Council is expected to play in this area would be expected ahead of any formal commitment from either Members or Officers including any call on already limited Council resources.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

[Click here and type list of background papers. NOTE: ALL listed background papers MUST be sent to Democratic Services for publication on the Council's website.]

Contact Officer: MDavies

Telephone: 01524 58

E-mail: @lancaster.gov.uk

Ref: [Click here and type Ref, if applicable]

CABINET

**Provisional Revenue, Capital and Treasury Management
Outturn 2021/22
13 September 2022**

Chief Finance Officer

PURPOSE OF REPORT			
This report provides summary information regarding the provisional outturn for 2021/22, including treasury management. It also sets out information regarding the carry forward of capital slippage and other matters for Members' consideration.			
Key Decision		Non-Key Decision	Officer Referral
			X
Date of notice of forthcoming key decision	N/A		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR WHITEHEAD:

- (1) That the provisional outturn for 2021/22 be endorsed, including the transfers to and from Reserves and Balances actioned by the Chief Finance Officer as set out in 6.1 and Appendix 5.
- (2) That Cabinet approve the treatment of year end overspends and endorse the do-nothing approach in-light of the current situation.
- (3) That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendices 6 and 7 be endorsed, with the Capital Programme being updated accordingly.
- (4) 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 an annual Statement of Accounts. For 2021/22 the requirements and timeline for the approval of a Local Authority's Statement of Accounts were unchanged from 2020/21. In accordance with the regulations, the draft Accounts must be published on the Council's website and submitted for audit by 31 July 2022 and the timeline for the conclusion of the audit is 30 November 2022.
- 1.2. It is pleasing to report that the statutory deadline of 31 July 2022 was met, and the Statement of Accounts was completed and signed off prior to that date by the Chief Finance Officer. Deloitte have not yet commenced the audit of accounts, however, the draft Statements are available on the Council's website via the following link [Statement of Accounts - Lancaster City Council](#)

- 1.3. 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. COVID-19 GOVERNMENT GRANTS & SUPPORT FOR THE LOCAL ECONOMY

- 2.1 The Council continued to receive a wide range of grants from Central Government in 2021/22 to support the overall response to the COVID-19 pandemic.
- 2.2 The grants were administered by the Council in line with the guidance received from Central Government. In unusual circumstances, the Council received an allocation and the grant in advance to assist with cash flow. It then had to be determined whether the Council were administering the grant acting as either an agent or as principal.
- 2.3 In acting as agent the Council was essentially acting as an intermediary between the recipient and the Government Department and had no control of the level of grant payable; whereas in acting as principal, it was able to use its own discretion when allocating the amount of grant payable.
- 2.4 A high-level summary of specific grant funding received showing in each instance whether the Council acted as either principal or as agent in distributing the monies alongside further details is given at **Annex A to Appendix 1**:
- 2.5 All remaining unspent funds as at 31st March 2022 are included in the Council's balance sheet within Short Term Creditors or held in Reserve with the funds available to be utilised within 2022/23.
- 2.6 In addition to the business grant funding and COVID specific grants, the Council also received non-ringfenced general grants to support its COVID response. These were:
- General grant allocation of £0.852M alongside unspent monies of £0.505M from previous years totalling £1.357M. The Council applied £0.863M of these allocations to expenditure in 2021/22 with the remaining £0.494M being held in reserve prior to being utilised to support the future net financial position of the Council;
 - Compensation for the loss of Sales, Fees and Charges income of £0.731M;

With the exception of the £0.494M unspent general Covid response grant, the grants set out in paragraph 2.6 have been used to support expenditure in year and thus impact the final net financial position of the Council.

3. PROVISIONAL REVENUE OUTTURN: SUMMARY

3.1 General Fund Revenue Outturn

The General Fund accounts for income and expenditure associated with the day to day running of all the services that the Council provides, with the exception of council housing. On 24 February 2021 Council approved a General Fund Revenue Budget for 2021/22 of £17.774M (£17.903M 2020/21) which included a budgeted contribution of £2.267M from the General Fund unallocated reserve which was required to produce a balanced budget.

- 3.2 The table below provides details of the General Fund revenue income and expenditure for 2021/22 and shows variances for each service area. The format includes the removal of various accounting entries such as internal recharging, notional items such as pension

adjustments, capital charges and the removal of various COVID grants initially charged to Service.

	2021/22			Remove Covid-19 Related Variances	Remove Reserve Funded Variances	Variance from Working Budget
	Original Budget	Working Budget	Actual			
Expenditure:	£000	£000	£000	£000	£000	£000
Central Services	1,342	1,342	1,140	-	(159)	43
Communities and Environment	9,576	9,701	9,966	1,087	(522)	300
Corporate Services	6,479	7,573	5,851	33	(1,122)	633
Economic Growth and Regeneration	7,824	9,241	6,743	171	(2,533)	136
Other Corporate Income & Expenditure Items	(5,180)	(7,736)	(4,150)	(1,291)	4,336	(541)
Contribution from General Fund Balance	(2,267)	(2,347)	(1,776)	-	-	(571)
NET REVENUE EXPENDITURE	17,774	17,774	17,774	-	-	-

- 3.3 After allowing for various year-end adjustments, there has been a net underspend of £0.571M against the Working Budget for 2021/22 which has resulted in a reduced amount needing to be transferred from the General Fund unallocated reserve. The underspending represents 3.2% of the Council's net revenue budget (2020/21 comparative: £0.695M underspend, 3.0% of budget) or 5.8% of the Council Tax requirement.
- 3.4 Details of the significant variances and a detailed explanations of the major differences between provisional outturn and the revised budgeted position is provided at **Appendix 1**.

4. TREASURY MANAGEMENT

- 4.1 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 2021/22. The Council's treasury operations are conducted in accordance with its annual Treasury Management Strategy, which was approved by Council on 24 February 2021. 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.

Investments

- 4.2 In 2021/22 the Council retained its comparatively low risk appetite towards investments. The average daily amount invested increased to £45.004M (£38.541M 2020/21) with short term investments on 31 March 2022 (all held in the balance sheet as cash and cash equivalents) totalling £42.7M (£22.0M 20/21). The overall return on investments was £0.033M at an average interest rate of 0.07% (£0.061M and 0.12% 2020/21).

Borrowing

- 4.3 The Council did not undertake any short-term borrowing in 2021/22. Total long-term debt at 31 March 2022 amounted to £59.01M (£60.04M 2020/21) all of which relates to PWLB borrowing. A further £1.04M is included within short term liabilities as payment falls due within 12 months.
- 4.4 In determining its Council Tax charges Councils must make a specific provision for the financing of capital expenditure known as Minimum Revenue Provision (MRP). The outstanding amount for which MRP has to be made is known as the Capital Financing Requirement (CFR). At 31 March 2022 the Councils CFR was £95.24M (£94.95M 2020/21) an increase of £0.29M. The amount of MRP charged in 2021/22 totalled £3.206M (£2.810M 2020/21) with accompanying interest charges £2.882M (£2.916M 2020/21).

5. HOUSING REVENUE ACCOUNT (HRA)

- 5.1 At the end of the financial year, the Council owns 3,644 homes generating rental income of £13.8M. The Local Government & Housing Act 1989 requires that this income and associated expenditure is held in a ring-fenced account, the Housing Revenue Account (HRA).
- 5.2 As part of the 2021/22 General Fund budget setting process, the Council approved the use of £1.023M (revised to £0.854M in year) of unallocated reserves in order to deliver its strategic priorities and stated outcomes within a balanced budget. The outturn position was favourable resulting in a reduction of £0.118M being required from the reserve.

	£000
Repairs & Maintenance costs	15
Rent Income from Dwellings	(154)
Net pension adjustment re IAS19	230
Reduced use of Reserves	(519)
Net increase in Capital funded from Revenue	508
Other minor variances	38
	<u>118</u>

- 5.3 A summary of the HRA provisional outturn is included at **Appendix 3**. Discounting any notional and presentational variances.
- 5.4 As at 31 March 2022 the HRA's unallocated reserve balance stands at £2.552M (£3.287M 2020/21) which is £2.052M above the £0.500M minimum recommended level. Expenditure within the HRA is supported by a 30 year business plan and the Council is planning significant investment over a number of years to improve its social housing stock. A summary of all its Balances & Reserves is included at **Appendix 4**.

6. GENERAL FUND USABLE REVENUE RESERVES AND BALANCES

- 6.1 As discussed in Section 3, the General Fund called on the use of its general unallocated reserve to provide a balanced budget. The amount required was £1.776M. This means that as at 31 March 2022 General Fund Balances amounted to £6.032M (2020/21 £7.808M). This is £2.532M above the current minimum recommended level of reserves £3.500M. However, as part of the 2022/23 budget process, a forecasted contribution to reserves of £0.034M in order to balance its revenue budget was made but it should be highlighted that the estimates were prepared and approved before the current energy price and cost of living crisis which is discussed elsewhere on this agenda as part of the 'Delivering our Ambitions Q1' report.
- 6.2 The overall level of General Fund Usable Reserves has reduced to £28.886M (2020/21 £33.445M) however, it should be noted that £7.891M of Central Government COVID -19 grants were held in reserves for distribution in 2021/22. Summary details of these movement are provided in **Appendix 5**.

7. CARRY FORWARD OF UNDERSPENDINGS AND OVERSPENDINGS

- 7.1 Under the financial strategy, provisions exist to adjust budgets between years by carrying forward under or over-spending. These arrangements help to:
- provide some flexibility in delivering the Council's stated objectives
 - remove the incentive to spend up budgets unnecessarily by year end, and
 - promote good financial management.

- 7.2 With regard to the carry forward of revenue underspends, and given the overall outturn position, there are no requests for Cabinet to consider.
- 7.3 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.
- 7.4 Given the current financial climate and future challenges facing the Council it is proposed not to carry forward any overspends occurring within 2021/22.

8. CAPITAL OUTTURN

- 8.1 In 2021/22 the Council spent £14.982M in total on capital schemes (£22.068M 2020/21). Total spend on the General Fund was £11.224M against a budget £17.256M, with the HRA spending being £3.758M against a budget of £5.626M.
- 8.2 A provisional capital expenditure and financing statement for the year is included at **Appendix 6**, which is summarised in the following tables:

Capital Expenditure

Service	A	B	C	D	E
	2021/22 Gross Budget £000	2021/22 Expenditure £000	Variance £000	(Slippage)/ Accelerated Expenditure £000	Final Over/(Under) spend £000
			(B-A)		(C-D)
Communities & Environment	12,137	7,033	(5,104)	(5,010)	(94)
Economic Growth & Regeneration	4,974	4,084	(890)	(893)	3
Corporate Services	145	107	(38)	(48)	10
Total General Fund Programme	17,256	11,224	(6,032)	(5,951)	(81)
Housing Revenue Account	5,626	3,758	(1,868)	(469)	(1,399)
Total Council Capital Programme	22,882	14,982	(7,900)	(6,420)	(1,480)

Capital Financing

Service	Grants & Contributions	Earmarked Reserves	Major Repairs Reserve	Capital Receipts	Unsupported Borrowing	Total
	£000	£000	£000	£000	£000	£000
Communities & Environment	6,646	141		58	188	7,033
Economic Growth & Regeneration	824	-			3,260	4,084
Corporate Services	-	60			47	107
Total General Fund Programme	7,470	201		58	3,495	11,224
Housing Revenue Account	24	278	3,456	-	-	3,758
Total Council Capital Programme	7,494	479		58	3,495	14,982

Capital Slippage

- 8.4 Details of individual slippage requests from services have been received, a schedule of which is attached at **Appendix 7**. 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.

9. DETAILS OF CONSULTATION

- 9.1 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 2nd August for this year.

10. OPTIONS AND OPTIONS ANALYSIS

- 10.1 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.
- 10.2 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:
 - o Endorse any number of the items / requests, in full or part.
 - o 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.
 - o Request further information regarding them, if appropriate.

11. OFFICER PREFERRED OPTION AND JUSTIFICATION

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

12 CONCLUSION

- 12.1 Although the Council’s financial position appears relatively healthy with a surplus against the revised budget and an overall increase in the level of reserves held, the Council’s Medium Term Financial Strategy suggests a structural budget gap in 2022/23 onwards of approximately £2.183M rising to £4.668M.
- 12.2 Work has commenced to support opportunities to address the underlying structural deficit, by:
 - o Increasing and diversifying income
 - o Improving productivity and securing efficiencies via new ways of working (e.g., Outcomes Based Resourcing)
 - o Developing alternative ways to achieve priority outcomes (e.g., partnership)
- 12.3 However, if these are not successful and the deficit is not closed, then balances will be required to make up the difference.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>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.</p>
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</p> <p>None directly identifiable, due to the high level nature of this report.</p>
<p>LEGAL IMPLICATIONS</p> <p>There are no legal implications directly arising.</p>

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.

SECTION 151 OFFICER'S COMMENTS

The report has been written by the Section 151 Officer.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

None.

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Chief Finance Officer, Head of Financial
Services & s151 Officer
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Ref:

Financial Performance

General Fund

The General Fund accounts for income and expenditure associated with the day to day running of all the services that the Council provides, with the exception of council housing. On 24 February 2021 Council approved a General Fund Revenue Budget for 2021/22 of £17.774M (£17.903M 2020/21). The net underspend on the General Fund was £0.571M allowing for all budgeted contributions to/from reserves, which has been transferred to the General Fund unallocated reserve.

The table below provides details of the General Fund revenue income and expenditure for 2021/22 and shows variances for each service area. The format includes the removal of various accounting entries such as internal recharging, notional items such as pension adjustments and capital charges and the removal of various COVID grants initially charged to Service.

	2021/22			Remove Covid-19 Related Variances	Remove Reserve Funded Variances	Variance from Working Budget	Note
	Original Budget	Working Budget	Actual				
	£000	£000	£000	£000	£000	£000	
Expenditure:							
Central Services	1,342	1,342	1,140	-	(159)	43	
Communities and Environment	9,576	9,701	9,966	1,087	(522)	300	1
Corporate Services	6,479	7,573	5,851	33	(1,122)	633	2
Economic Growth and Regeneration	7,824	9,241	6,743	171	(2,533)	136	3
Other Corporate Income & Expenditure Items	(5,180)	(7,736)	(4,150)	(1,291)	4,336	(541)	4
Contribution from General Fund Balance	(2,267)	(2,347)	(1,776)	-	-	(571)	5
NET REVENUE EXPENDITURE	17,774	17,774	17,774	-	-	-	

A core element of the Council's budget is salary driven. During the year, top-up pension payments were made to the Lancashire County Pension Fund following a review of the base data in which the Council entered into a 3 year prepayment arrangement. The variances relating to salaries are summarised in the table below.

Service/Section	SALARIES VARIANCE (EXCL. SUPERANN)	SUPERANN VARIANCE	AGENCY VARIANCE	OTHER	VARIANCE
	£'000	£'000	£'000	£'000	£'000
Central Services	16	(25)	-	-	(9)
Communities and Environment	398	(359)	(282)	79	(164)
Corporate Services	441	(52)	(10)	-	379
Economic Growth & Regeneration	743	(127)	(254)	(243)	119
Staff Turnover Target	(481)	-	-	-	(481)
TOTAL VARIANCE FAVOURABLE / (ADVERSE)	1,117	(563)	(546)	(164)	(156)

For clarity, the staff turnover target is usually included within Corporate Services but has been separated out for illustrative purposes. Overall, salaries performed well with the exception of the pension top-up which was unforeseen resulting in an overall salary related overspend for 2021/22 is £0.156M.

Further explanations to variances including salaries are detailed as follows.

Note 1 Communities & Environment

Salt Ayre Leisure Centre Income (£470K increase)

The forecasted income targets were reduced during the pandemic. The recovery surpassed all expectations in particular areas such as swimming and the café. Budget levels have since been returned to pre-pandemic times.

Non-Realisation of Feed in Tariff Credits (£130K shortfall)

As part of a previous budget setting process, an anticipated credit amount was included in the budget for the sale of electricity to the grid as part of a solar farm project at Salt Ayre. Whilst the project took place and was completed during 2021/22, the basis for charging had changed resulting in the budgetary shortfall highlighted.

Car Parking (£565K increase)

The forecasted income targets were reduced during the pandemic. Car parking income net of increased transaction costs has far exceeded the pre-pandemic expectancy level of 65% and the addition of Castle Car Park has resulted in substantial additional income. Budget levels have since been returned to pre-pandemic times.

Transport Related Costs (£351K overspend)

Increased transport costs due to vehicle R&M and associated hire costs arising from delayed delivery of new fleet plus increased fuel costs (delays to electric-RCV's and roll-out of route optimisation plus unforeseen inflationary increases).

Note 2 Corporate Services

Removal of Staff Turnover Target (£481K removal)

The Council sets an annual target for staff turnover during the year which offsets the net financial position of the Council. The budget is included within Corporate Services but all services are responsible for working towards achieving this.

Interest Payments (£403K underspend)

Due to changes to the Capital Programme the amount set aside in relation to borrowing for new schemes was not required in 2021/22.

Revenues & Benefits (£283K underspend)

Due to the pandemic, delays in court action resulted in reduced income levels due to the non-recovery of legal and court costs recovered (£184K). The government provided additional grants during the year, namely Local Council Tax Support Schemes grant £243K and Housing Benefit grant £150K. The Shared Service performed well financially during the year and Council benefitted from a £122K rebate at the end of the year.

Note 3 Economic Growth & Regeneration

Energy Costs (£130K overspend)

Energy costs across Municipal Buildings increased during the year resulting in a year end overspend. It is expected that this will create substantial further pressures in 2022/23 due to the rising cost of energy and will be subject to close scrutiny throughout the year.

Planning Fees (£177K increase)

The forecasted income targets were reduced during the pandemic. However, there has been a general upturn in the market for both residential and larger fee earning applications resulting in increased levels of income returning to pre-pandemic levels.

Note 4 Other Items

Sales, Fees & Charges Compensation (£276K credit)

As part of the pandemic the government introduced a scheme which allowed Councils to reclaim a portion of their in-year income losses relating to sales fees and charges. The scheme was extended to 30th June 2021 and additional losses were assessed against pre-pandemic income levels.

Interest Payments (£264K underspend)

The delays and removal of schemes within the Capital Programme resulted in unrequired borrowing during the year. This was addressed as part of the 2022/23 budget setting process where the Capital Programme was subject to review and schemes were slipped/removed as appropriate.

Note 5 Contribution from General Fund Balance (£571K reduction)

Balances are a fundamental component in protecting the Council's financial standing, as well as being an important element in helping to address the Council's financial challenges and establishing a sustainable budget, through their appropriate use. As part of the 2021/22 General Fund budget setting process, the Council approved the use of £2.267M (revised to £2.347M in year) of unallocated reserves in order to deliver its strategic priorities and stated outcomes within a balanced budget. The General Fund outturn position was favourable resulting in a reduction of £571K being required from the reserve. At 31 March 2022, the General Fund's unallocated reserve balance stands at £6.032M which is £2.532M above the minimum recommended level.

Housing Revenue Account

At the end of the financial year, the Council owns 3,644 homes generating rental income of £13.8M. The Local Government & Housing Act 1989 requires that this income and associated expenditure is held in a ring-fenced account, the Housing Revenue Account (HRA). Full details of the HRA are included within these accounts.

	£000
Repairs & Maintenance costs	15
Rent Income from Dwellings	(154)
Net pension adjustment re IAS19	230
Reduced use of Reserves	(519)
Net increase in Capital funded from Revenue	508
Other minor variances	38
	118

As part of the 2021/22 General Fund budget setting process, the Council approved the use of £1.023M (revised to £0.854M in year) of unallocated reserves in order to deliver its strategic priorities and stated outcomes within a balanced budget. The outturn position was favourable resulting in a reduction of £118K being required from the reserve. At 31 March 2022, the HRA's unallocated reserve balance stands at £2.552M which is £2.052M above the minimum recommended level. Expenditure within the HRA is supported by a 30 year business plan and the Council is planning significant investment over a number of years to improve its social housing stock.

APPENDIX 1 (ANNEX A)

COVID-19 Government Grants and Support for the Local Economy

The Council received a range of grants from Central Government in 2021/22 to support the overall response to the COVID-19 pandemic. The financial impact of these grants is included within the outturn and Statement of Accounts. The grants were administered by the Council in line with the guidance received from Central Government.

In usual circumstances, the Council received an allocation and the grant in advance which assisted with cash flow. It then had to be determined whether the Council were administering the grant acting as either an agent or as principal.

In acting as agent the following conditions applied:

- It was acting as an intermediary between the recipient and the Government Department;
- It did not have “control” of the grant conditions and there was no flexibility in determining the level of grant payable.

In acting as principal, it was able to use its own discretion when allocating the amount of grant payable.

For the months covering September 2020 to March 2021, the Government introduced a range of grants under the general heading of Local Restrictions Support Grant (LRSG).

From 1 April 2021, the Council began administering a new round of business support grants known as Restart Grants and continued to administer this grant regime until the closing date for final payments on 31 July 2021.

On 21 December 2021, and in recognition of the rise of the Omicron variant throughout the country, the Government announced the introduction of grant support for hospitality, leisure and accommodation businesses. Funding was made available to all Local Authorities from January 2022 and the scheme was to close in March 2022 with all final payments being made and dispersed to recipients by 31 March 2022.

The table below summarises the business grant activity during 2021/22.

Grants	Total grant allocation £000	Grant Remaining as at 31 March 2021 £000	The Council acting as Agent £000	The Council acting as Principal £000	Expenditure as at 31 March 2022 £000	Amount Returned / to be Returned £000
Closed Tier 3 17th October 2020 (19 days)	89	12	-	-	-	12
Closed Addendum 5th November 2020 (28 days)	2,860	954	92	-	92	862
Closed Tier 3 3rd December 2020 (28 days)	420	(448)	57	-	57	(505)
Closed Tier 4 31st December 2020 (5 days)	1,045	707	18	-	18	689
Closed Addendum 5th January 2021 (42 days)	4,290	1,442	149	-	149	1,293
Closed Business Lockdown One-Off Payment	8,577	2,882	304	-	304	2,578
Closed Addendum 16th February 2021 (44 days)	4,494	1,553	210	-	210	1,343
Christmas Support Payment (Wet Led Pubs)	90	2	-	-	-	2
Restart Grants	9,786	9,786	8,415	-	8,415	1,371
Omicron Hospitality and Leisure Grant	1,986	1,986	1,491	-	1,491	495
Open/Additional Restrictions Grant	6,438	3,759	-	3,376	3,376	383
	40,075	22,635	10,736	3,376	14,112	8,523

In total the Council administered and forwarded grant payments of £14.112M during 2021/22 and met the final deadline of 31 March 2022. Now all rounds have been completed the reconciliation process is underway (completed in most cases) and any remaining funds are to be repaid to Central Government as appropriate.

As outlined in the table below, the COVID-19 pandemic led the Government to introduce further specific grant regimes for the Council to administer. Each of these grants had its own terms, conditions and eligibility criteria and some had detailed reporting requirements.

	Total grant allocation	Grant Remaining as at 31 March 2021	The Council acting as Principal	Grant Remaining as at 31 March 2022
Grants	£000	£000	£000	£000
Community Vaccine Champions	485	485	166	319
Contain Outbreak Management Fund	1,826	1,826	989	837
Council Tax Hardship Fund	1,425	414	16	398
COVID Winter Grant Scheme	14	14	14	-
Holiday Activity Fund	393	393	383	10
Household Support Fund	435	435	430	5
Local Authority Compliance and Enforcement Grant	77	27	-	27
Play and Skills at Teatime Activities	30	30	-	30
Reopening the High Street Safely Grant	354	284	281	3
Self Isolation Practical Support	283	283	261	22
Support for Clinically Extremely Vulnerable Individuals	422	422	7	415
Test and Trace Allocation (Lancs County Council)	151	151	34	117
Test and Trace Support Payments	1,488	1,280	1,280	-
	7,383	6,044	3,861	2,183

All remaining unspent funds as at 31st March 2022 are included in the Councils balance sheet within Short Term Creditors and the funds are available to be utilised within 2022/23.

In addition to the business grant funding and COVID specific grants, the Council also received non-ringfenced general grants to support its COVID response. These were:

- General grant allocation of £0.852M alongside unspent monies of £0.505M from previous years totalling £1.357M. The Council applied £0.863M of these allocations to expenditure in 2021/22 with the remaining £0.494M being held in reserve prior to being utilised to support the future net financial position of the Council;
- Compensation for the loss of Sales, Fees and Charges income of £0.731M;

As per the previous financial year, the government and local businesses have relied upon an expeditious, yet robust, application process. The Council have generally met this through the hard work, dedication and diligence of its staff, widespread throughout the Council.

Annual Treasury Management Report
2021/22

For Noting by Cabinet 13 September 2022

Annual Treasury Management Review 2021/22

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 2021/22. 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 2021/22 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 24 February 2021)
- a mid-year (minimum) treasury update report
- an annual review following the end of the year describing the activity compared to the strategy (this report).

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.

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 2021/22

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.

There is a significant difference between the level of capital expenditure estimated in the 2021/22 Treasury Management Strategy and the actual level of expenditure incurred. General Fund expenditure is £51.69m lower than expected whilst HRA is £1.02m lower. A very ambitious Capital Programme was agreed for General Fund for the year with schemes in the Development Pool of £50.15m. During the year these were reviewed and rationalised down to a more achievable level realising savings for the revenue budget. The delivery of the HRA Capital Programme was impacted by the Covid 19 pandemic.

General Fund (GF) £M	2020/21 Actual	2021/22 Estimate	2021/22 Actual
Capital expenditure	19.03	62.91	11.22
Financed in year	(7.97)	(20.68)	(7.73)
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	11.06	42.23	3.49

HRA £M	2020/21 Actual	2021/22 Estimate	2021/22 Actual
Capital expenditure	3.04	4.78	3.76
Financed in year	(3.04)	(4.78)	(3.76)
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	0.00	0.00	0.00

2. The Council's Capital Financing Requirement 2021/22

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 2021/22 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 [PWLB] 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 2021/22 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2021/22 on 24 February 2021.

The Council's CFR for the year is shown below, and represents a key prudential indicator. There is a difference of £39.64m between the CFR estimated in the 2021/22 Treasury Management Strategy and the actual closing CFR. As outlined in section 1 this is due to the rationalisation of the General Fund Capital Programme to a more achievable level.

No borrowing has actually been required against these schemes, however, as cash supporting the Council's reserves, balances and cash flow has been used as an interim measure. The disjoint between the forecast and actual levels of capital expenditure during the first eight months of the year made the timing of potential borrowing and cash flow decisions more challenging than it might have otherwise been.

CFR (£M): General Fund	31 March 2021 Actual	31 March 2022 Estimate	31 March 2022 Actual
Opening balance	48.43	58.63	57.73
Add unfinanced capital expenditure (as above)	11.06	42.23	3.49
Less MRP	(1.76)	(2.17)	(2.16)
Less finance lease repayments	0.00	0.00	0.00
Closing balance	57.73	98.69	59.06

CFR (£M): HRA	31 March 2021 Actual	31 March 2022 Estimate	31 March 2022 Actual
Opening balance	38.28	37.23	37.23
Add unfinanced capital expenditure (as above)	0.00	0.00	0.00
Less Debt Repayment	(1.05)	(1.04)	(1.05)
Closing balance	37.23	36.19	36.18

CFR (£M): Combined	31 March 2021 Actual	31 March 2022 Estimate	31 March 2022 Actual
Opening balance	86.71	95.86	94.96
Add unfinanced capital expenditure (as above)	11.06	42.23	3.49
Less Debt Repayment, Finance Leases and MRP	(2.81)	(3.21)	(3.21)
Closing balance	94.95	134.88	95.24

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 (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) 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 2021/22. The table below highlights the Council's gross borrowing position against the CFR. The Treasury Management Strategy for 2021/22 estimated that some borrowing in advance may be undertaken but was within the forecast CFR for the next two years. The Council has, therefore, complied with this prudential indicator.

£M	31 March 2021 Actual	31 March 2022 Estimate	31 March 2022 Actual
Gross borrowing position	61.08	101.05	60.05
CFR	94.95	95.87	95.24

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 2021/22 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.

	2021/22 Actual
Authorised limit	£111.00M
Maximum gross borrowing position	£61.09M
Operational boundary	£95.24M
Average gross borrowing position	£60.74M
Financing costs as a proportion of net revenue stream - GF	18.50%
Financing costs as a proportion of net revenue stream - HRA	19.87%

3. Treasury Position as at 31 March 2022

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 2021/22 the Council's treasury position was as follows:

DEBT PORTFOLIO	31 March 2021 Principal £M	Average Rate %	Average Life yrs	31 March 2022 Principal £M	Average Rate %	Average Life yrs
Fixed rate funding:						
PWLB	61.08	4.72	32	60.05	4.75	31
Total debt	61.08			60.05		
CFR	94.95			95.24		
Over / (under) borrowing	(22.86)			(35.19)		

The loan repayment schedule is as follows:

	31 March 2021 Actual £M
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	5.21
10 years and within 20 years	10.41
20 years and within 30 years	0.02
More than 30 years	39.20

All investments were placed for under one year.

INVESTMENT PORTFOLIO	31 March 2021 £M	31 March 2021 %	31 March 2022 £M	31 March 2022 %
Money Market Funds	0.00	0.00	14.70	34.00
Other Local Authorities	22.00	100.00	28.00	66.00
Total investments	22.00		42.70	

The average rate of interest payable on PWLB debt in 2021/22 was 4.75%. A total of £2.88M interest was incurred during the year, of which £1.75M was recharged to the HRA.

Interest Payable

	2021/22
Estimate	£2.88M
Actual	£2.88M

4. The Strategy for 2021/22

The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.

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

Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending.

The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation.

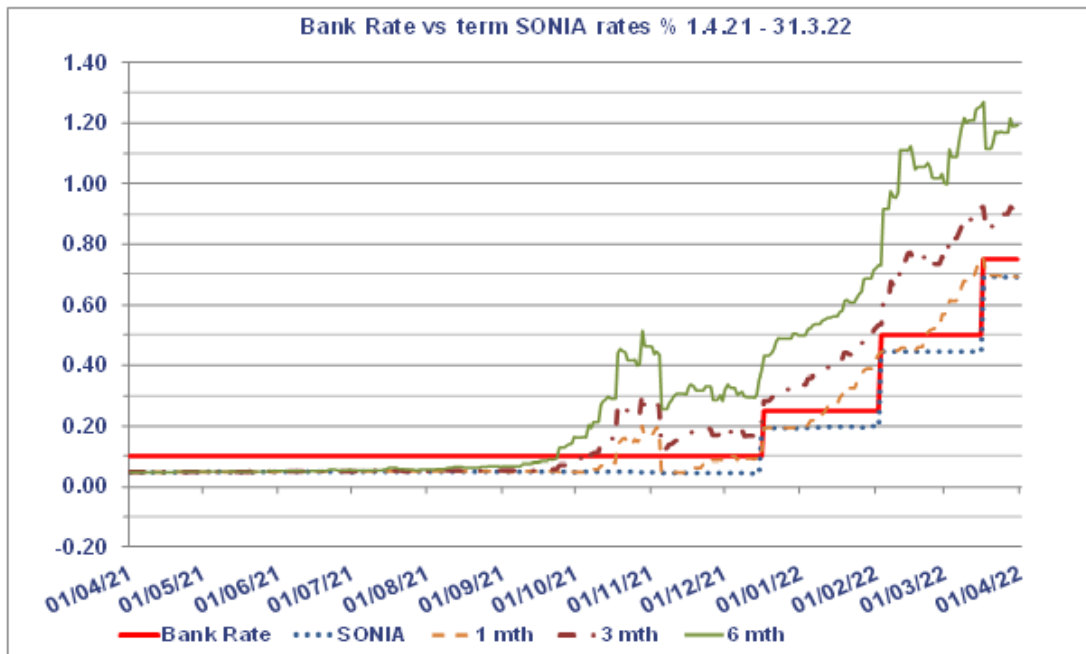
Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates.. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, 0.50% at its meeting of 4th February 2022 and then to 0.75% in March 2022.

The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the GDP numbers have been robust (9% y/y Q1 2022) and sufficient for the MPC to focus on tackling the second-round effects of inflation.

However, the squeeze on real household disposable incomes arising from the 54% leap in April utilities prices as well as rises in council tax, water prices and many phone contract prices, are strong headwinds for any economy to deal with. In addition, from 1st April 2022, employees also pay 1.25% more in National Insurance tax. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955

Investment Benchmarking Data – Sterling Overnight Index Average 2021/22



6. Borrowing Strategy and Control of Interest Rate Risk

During 2021/22, 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

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Section 151 Officer therefore monitored interest rates in

financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risk:

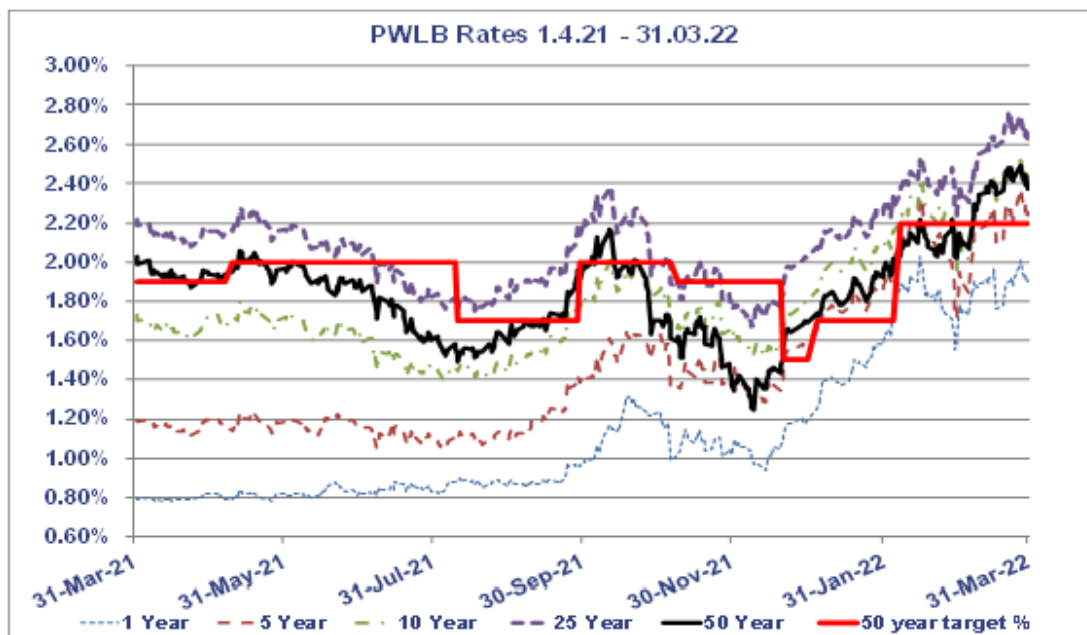
- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2021/22 and the two subsequent financial years until the turn of the year, when inflation concerns increased significantly. Variable, or short-term rates, were expected to be the cheaper form of borrowing until well into the second half of 2021/22.

Forecasts at the time of approval of the treasury management strategy report for 2021/22 were as follows:

	Mar-21	Mar-22	Mar-23	Mar-24
Bank Rate	0.10	0.10	0.10	0.10
3 Month average earnings	0.10	0.10	0.10	0.10
6 Month average earnings	0.10	0.10	0.10	0.10
12 Month average earnings	0.20	0.20	0.20	0.20
5yr PWLB rate	0.80	0.90	0.90	1.00
10yr PWLB rate	1.10	1.20	1.20	1.30
25yr PWLB rate	1.50	1.60	1.70	1.80
50yr PWLB rate	1.30	1.40	1.50	1.60

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
01/04/2021	0.80%	1.20%	1.73%	2.22%	2.03%
31/03/2022	1.91%	2.25%	2.43%	2.64%	2.39%
Low	0.78%	1.05%	1.39%	1.67%	1.25%
Low date	08/04/2021	08/07/2021	05/08/2021	08/12/2021	09/12/2021
High	2.03%	2.37%	2.52%	2.75%	2.49%
High date	15/02/2022	28/03/2022	28/03/2022	23/03/2022	28/03/2022
Average	1.13%	1.45%	1.78%	2.10%	1.85%
Spread	1.25%	1.32%	1.13%	1.08%	1.24%

7. Borrowing Outturn for 2021/22

Borrowing

No long-term borrowing was undertaken during the year.

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

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 2021/22

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 24 February 2021. 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	
	31/03/21	31/03/22	31/03/21	31/03/22	31/03/21	31/03/22
Balances	7.81	6.03	3.29	2.55	11.10	8.58
Earmarked reserves	25.74	22.96	11.59	12.33	37.33	35.29
Provisions	7.14	6.66	0.00	0.00	7.14	6.66
Working Capital	11.81	28.73	4.48	4.13	16.29	32.85
Total	52.50	64.38	19.36	19.01	71.86	83.38
Amount Over/(Under) Borrowed						(35.19)
Baseline Investment Balances						48.19

Investments held by the Council - the Council maintained an average investment balance of £45.0M of internally managed funds. The average rate of interest earned for the year was 0.07%. The weighted average rate of interest being earned on the investment portfolio at the end of the year is also given. These rates are compared to the average base rate and average 7- day SONIA (Sterling Overnight Index Average).

	2021/22
Lancaster CC Investments full year	0.07
Lancaster CC Investments weighted average at 31 March	0.48
Base Rate	0.19
7 day SONIA rate	0.14

The actual interest earned in 2021/22 was £33K.

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 under the CIPFA Treasury Management Code, the adoption of which is another Prudential Indicator. The strategy for 2021/22 complied with the latest Code of Practice and relevant Government investment guidance.

LANCASTER CITY COUNCIL
TREASURY MANAGEMENT POLICY STATEMENT

Last reported to Council on 23 February 2022

This reflects the revised CIPFA Treasury Management Code of Practice

1. This organisation defines its treasury management activities as:

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

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

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

Treasury Management Glossary of Terms

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

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

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

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

See also PWLB.

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

HOUSING REVENUE ACCOUNT OUTTURN 2021/22

For Consideration by Cabinet 13 September 2022

	Original Budget £	Working Budget £	Actual £	Variance £	Adjusted Variance £
INCOME				(Adverse) / Favourable	(Adverse) / Favourable
Rental Income - Council Housing	(13,949,900)	(13,949,900)	(13,795,684)	(154,216)	(154,216)
Rental Income - Other (Shops and Garages etc.)	(265,700)	(265,700)	(267,871)	2,171	2,171
Charges for Services & Facilities	(1,593,600)	(1,593,600)	(1,592,966)	(634)	(634)
Grant Income	(7,700)	(7,700)	(7,736)	36	36
Contributions from General Fund	(93,300)	(93,300)	(90,567)	(2,733)	(2,733)
Total Income	(15,910,200)	(15,910,200)	(15,754,824)	(155,376)	(155,376)
EXPENDITURE					
Repairs & Maintenance	5,598,700	5,673,500	5,683,696	(10,196)	(10,196)
Supervision & Management	3,949,700	4,249,700	4,559,928	(310,228)	417,266
Rents, Rates & Insurance	288,100	288,100	381,094	(92,994)	(92,994)
Contribution to Provision for Bad and Doubtful Debts	157,400	157,400	71,644	85,756	85,756
Depreciation & Impairment of Fixed Assets	2,772,300	2,772,300	6,733,267	(3,960,967)	(1,639,111)
Debt Management Costs	0	0	0	0	0
Total Expenditure	12,766,200	13,141,000	17,429,629	(4,288,629)	(1,239,279)
NET COST OF HRA SERVICES	(3,144,000)	(2,769,200)	1,674,805	(4,444,005)	(1,394,655)
(Gain)/Loss on disposal of non-current assets	0	0	(647,804)	647,804	647,804
Interest Payable & Similar Charges	1,718,300	1,718,300	1,753,098	(34,798)	(34,798)
Interest & Investment Income	(33,100)	(33,100)	(10,874)	(22,226)	(22,226)
Pensions Interest Costs & Expected Return on Pensions Assets	0	0	271,614	(271,614)	0
Capital Grants and Contributions Receivable	0	0	(24,076)	24,076	24,076
Premiums & Discounts from Earlier Debt Rescheduling	0	0	0	0	0
(SURPLUS) OR DEFICIT FOR THE YEAR	(1,458,800)	(1,084,000)	3,016,763	(4,100,763)	(779,799)
Self Financing Debt Repayment	1,041,400	1,041,400	1,041,366	34	34
Net Charges made for Retirement Benefits	0	0	(999,108)	999,108	0
Adjustments to reverse out Notional Charges included above	0	0	(2,321,856)	2,321,856	0
Transfer to/(from) Earmarked Reserves - for Revenue Purposes	64,700	(310,100)	(339,595)	29,495	29,495
Capital Expenditure funded from Major Repairs Reserve	1,375,200	1,206,600	337,935	868,665	868,665
Transfer from Earmarked Reserves - for Capital Purposes	(430,000)	(608,000)	(278,567)	(329,433)	(329,433)
Financing of Capital Expenditure from Earmarked Reserves	430,000	608,000	278,567	329,433	329,433
TOTAL (SURPLUS) / DEFICIT FOR THE YEAR	1,022,500	853,900	735,505	118,395	118,395
Housing Revenue Account Balance brought forward	(3,287,169)	(3,287,169)	(3,287,169)	0	0
HRA BALANCE CARRIED FORWARD	(2,264,669)	(2,433,269)	(2,551,664)	118,395	118,395

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 - 2021/22 OUTTURN

2021/22					
HOUSING REVENUE ACCOUNT	Balance as at 31/03/21	Contributions to Reserve	Contributions from Reserve		Balance as at 31/03/22
	£000	From Revenue £000	To Capital £000	To Revenue £000	£000
HRA General Balance	(3,287)	(429)	-	-	(3,716)
Earmarked Reserves:					
Business Support Reserve	(7,910)	-	222	251	(7,437)
Major Repairs Reserve	(404)	(3,801)	3,463	-	(742)
Flats - Planned Maintenance	(758)	(133)	56	18	(817)
I T Replacement	(580)	-	-	1	(579)
Office Equipment Reserve	(39)	-	-	-	(39)
Sheltered - Equipment	(412)	(30)	-	59	(383)
Sheltered - Planned Maintenance	(401)	(61)	-	16	(446)
Sheltered Support Grant Mtce	(568)	(31)	-	-	(599)
Total Earmarked Reserves	(11,071)	(4,056)	3,741	345	(11,041)

Appendix 5 General Fund Usable Reserves

General Fund Usable Reserves				
	31/03/21 £000	Transfer (From) Reserve £000	Transfer To Reserve £000	31/03/22 £000
General Fund Balance	7,808	(1,776)		6,032
Earmarked Reserves				
Revenue Grants Unapplied Reserve	8,497	(7,528)	3,389	4,358
Business Rates Retention Reserve	8,301	(96)	886	9,091
Corporate Priorities Reserve	2,478	(361)		2,117
Covid 19 Support Reserve	1,813	(66)		1,747
Invest to Save Reserve	1,233	(441)	34	826
S106 Commuted Sums Reserve	969	(41)	461	1,389
Restructure Reserve	451	(20)		431
Corporate Property Reserve	339	(50)		289
Welfare Reforms Reserve	325			325
Renewals Reserves	602	(269)	504	837
Economic Growth Reserve	189	(37)	96	248
Homelessness Support Reserve	110			110
Lancaster District Hardship Fund	0		377	377
Other Earmarked Reserves	330	(14)	393	709
Total Earmarked Reserves	25,637	(8,923)	6,140	22,854
Total Usable Revenue Reserves	33,445	(10,699)	6,140	28,886
Capital Receipts Reserve	521			521
Capital Grants Unapplied Reserve	103			103
Total Usable Capital Reserves	624	0	0	624
Total Usable Reserves	34,069	(10,699)	6,140	29,510

Lancaster City Council - Capital Expenditure 2021/22

For consideration by Cabinet 13 September 2022

HOUSING REVENUE ACCOUNT	Revised Estimate	Expenditure in 2021/22	Expenditure to be financed in 2021/22	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)		
	£	£	£	£	£	£	£	£	£	
COUNCIL HOUSING										
Adaptations	360,000	379,408.58	379,408.58					379,408.58	379,408.58	0.00
Energy Efficiency boiler Replacements	969,000	786,003.63	786,003.63					786,003.63	786,003.63	0.00
Environmental Improvements	405,000	647,385.65	647,385.65	1,473.63		56,265.80		589,646.22	647,385.65	0.00
External Refurbishments	235,000	232,320.92	232,320.92	16,534.18				215,786.74	232,320.92	0.00
Fire Precaution Works	150,000	116,021.50	116,021.50	6,068.62				109,952.88	116,021.50	0.00
Internal Reurbishments	888,000	4,027.25	4,027.25					4,027.25	4,027.25	0.00
Re-roofing & Window Renewals	1,185,000	611,104.87	611,104.87					611,104.87	611,104.87	0.00
Rewiring	84,000	24,891.80	24,891.80					24,891.80	24,891.80	0.00
Housing Renewal & Renovation	1,350,000	957,331.33	957,331.33			222,301.33		735,030.00	957,331.33	0.00
TOTAL - HRA	5,626,000	3,758,495.53	3,758,495.53	24,076	0	278,567	0	3,455,852	3,758,496	0

GENERAL FUND	Revised Estimate	Expenditure in 2021/22	Expenditure to be financed in 2021/22	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)		
	£	£	£	£	£	£	£	£	£	
COMMUNITIES AND ENVIRONMENT										
Vehicle Renewals	2,503,000	164,882.20	164,882.20					0.00	164,882.20	
Happy Mount Park Pathway Replacements	13,000	5,150.00	5,150.00			1,000.00		1,000.00	4,150.00	
Far Moor Playing Fields S106 scheme	56,000	56,231.60	56,231.60	20,625.00		35,606.60		56,231.60	0.00	
Torrisholme Park Play Area	0	6,027.87	6,027.87	6,027.87				6,027.87	0.00	
Disabled Facilities Grants	1,870,000	2,073,740.53	2,073,740.53	2,073,740.53				2,073,740.53	0.00	
Half Moon Bay Car Park Extension	30,000	0.00	0.00					0.00	0.00	
2 x Electric Refuse Vehicles	400,000	0.00	0.00					0.00	0.00	
Salt Ayre Replacement Equipment	1,436,000	109,666.38	109,666.38	5,000.00		104,666.38		109,666.38	0.00	
One Million Trees	33,000	17,000.00	17,000.00					0.00	17,000.00	
Electronic Vehicle Charging Points	58,000	55,164.16	55,164.16	30,000.00				30,000.00	25,164.16	
Customer Contact System	91,000	0.00	0.00					0.00	0.00	
SALC optimised solar farm, air source heating pumps & gla	4,828,000	4,509,842.36	4,509,842.36	4,509,842.36				4,509,842.36	0.00	
Roof Mounted Solar Array - City Labs	33,000	0.00	0.00					0.00	0.00	
VMU Brake Rollers	36,000	35,000.00	35,000.00					0.00	35,000.00	
Next Steps Accommodation Programme Property Purchases	750,000	0.00	0.00					0.00	0.00	
Sub-Total	12,137,000	7,032,705.10	7,032,705.10	6,645,235.76	0.00	141,272.98	0.00	6,786,508.74	246,196.36	
ECONOMIC GROWTH AND REGENERATION										
Sea & River Defence Works & Studies	3,000	0.00	0.00					0.00	0.00	
Caton Road Flood Relief Scheme	907,000	550,605.01	550,605.01	550,605.01				550,605.01	0.00	
S106 Highways Works	70,000	0.00	0.00					0.00	0.00	
Coastal Revival Fund - Morecambe Co-op Building	11,000	0.00	0.00					0.00	0.00	
Canal Quarter - site acquisition	110,000	0.00	0.00					0.00	0.00	
City Museum Boiler	179,000	53,825.79	53,825.79	27,991.25				27,991.25	25,834.54	
Palatine Recreation Ground - Pavillion	138,000	0.00	0.00					0.00	0.00	
1 Lodge Street Urgent Structural Repairs	150,000	10,886.50	10,886.50	8,266.13				8,266.13	2,620.37	
Lancaster Heritage Action Zone	174,000	295,173.13	295,173.13	236,928.71				236,928.71	58,244.42	
Morecambe Co-op Building Renovation	50,000	0.00	0.00					0.00	0.00	
Morecambe Regeneration	3,165,000	3,173,500.00	3,173,500.00					0.00	3,173,500.00	
Engineers Electric Vehicle	15,000	0.00	0.00					0.00	0.00	
Lawson's Bridge S106 Scheme	2,000	0.00	0.00					0.00	0.00	
Sub-Total	4,974,000	4,083,990.43	4,083,990.43	823,791.10	0.00	0.00	0.00	823,791.10	3,260,199.33	
CORPORATE SERVICES										
ICT Systems, Infrastructure & Equipment	145,000	106,722.41	106,722.41			60,000.00		60,000.00	46,722.41	
Sub-Total	145,000	106,722.41	106,722.41	0.00	0.00	60,000.00	0.00	60,000.00	46,722.41	
TOTAL - GENERAL FUND	17,256,000	11,223,418	11,223,418	7,469,027	0	201,273	0	7,670,300	3,553,118	

GENERAL FUND HOUSING REVENUE ACCOUNT	Revised Estimate	Expenditure in 2021/22	Expenditure to be financed in 2021/22	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)		
	£	£	£	£	£	£	£	£	£	
GENERAL FUND	17,256,000	11,223,417.94	11,223,417.94	7,469,026.86	0.00	201,272.98	0.00	0.00	7,670,299.84	3,553,118.10
HOUSING REVENUE ACCOUNT	5,626,000	3,758,495.53	3,758,495.53	24,076.43	0.00	278,567.13	0.00	3,455,851.97	3,758,495.53	0.00
TOTAL CAPITAL EXPENDITURE & FINANCING	22,882,000	14,981,913.47	14,981,913.47	7,493,103.29	0.00	479,840.11	0.00	3,455,851.97	11,428,795.37	3,553,118.10

2020/21 CAPITAL EXPENDITURE FINANCING			Housing Revenue Account	General Fund	Grand Total for all Funds
			£	£	£
Amounts to be financed by General Capital Resources			0.00	3,553,118.10	3,553,118.10
Financed by:					
Underlying Borrowing Need - Increase in Capital Financing Requirement			0.00	3,495,360.65	3,495,360.65
Usable Capital Receipts			0.00	57,757.45	57,757.45
General Grants Unapplied			0.00	0.00	0.00
Total Financing from General Capital Resources			0.00	3,553,118.10	3,553,118.10

Appendix 7 - Slippage and Accelerated Expenditure

	Slippage £	Reason for Slippage £
Communities & Environment		
Purchase of Vehicles (including 2 x electric RCV's)	(2,738)	Protracted vehicle build times
Salt Ayre Equipment Programme	(1,326)	
Next Steps Accommodation Programme	(750)	Equipment purchase for gym & pool change development did not proceed as originally planned
SALC Salix Funded Optimised Solar Farm	(318)	To fund property acquisition in July 2022
Roof Mounted Solar Array - Citylab	(33)	Required for practical completion of PV system, LED lighting & glazing
Half Moon Bay Car Park Extension	(30)	Installation not undertaking in year as originally planned
One Million Trees	(16)	Lack of project management resource has lead to delay. Work due to commence June 2022
Happy Mount Park Footpaths	(8)	Required to support the Million Trees project in 22/23
	<u>(8)</u>	Scheme not completed as expected due to time constraints & contractor availability
		(5,219)
Economic Growth & Regeneration		
Caton Road Flood Relief Scheme	(357)	Required to support Phase 3a of the scheme
I Lodge Street Urgent Structural Repairs	(139)	Project delayed
Palatine Recreation Ground Veterans Club	(138)	Scheme delayed awaiting planning comments. Due to commence April 2022
Lancaster City Museum Boiler	(125)	Works due to complete in first quarter of 2022
Canal Quarter	(110)	Property acquisition delayed
S106 Payments to Lancashire County Council	(70)	Relates to contributions for a bus route not utilised in year as anticipated
Morecambe Co-op Renovation	(50)	Project start is depended on securing external funding
Engineers Electric Vehicle	(15)	Delay in vehicle delivery
Coastal Revival fund - Morecambe Co-op	(11)	HR resourcing issues lead to project delay
	<u>(11)</u>	
		(1,015)
Corporate Services		
ICT Systems, Infrastructure & Equipment	(48)	Slow deployment of equipment due to staff location changes
	<u>(48)</u>	
		(48)
Housing Revenue Account		
Re-roofing/Window Renewals	(250)	Works completed during the first quarter of 2022/23
External Refurbishment	(105)	Chosen contractor unable to start on site as early as requested
Energy Efficiency/Boiler Renewals	(40)	
Fire Precaution Works	(40)	Access issues to certain properties due to some tenants not engaging. No access properties now being revisited using alternative contact details
Balcony Railings	(34)	Delay to start on site as officer time was spent on compliance works which took precedence earlier in the year
	<u>(34)</u>	
		(469)
		<u>(6,751)</u>
	Accelerated Expenditure £	Reason for Accelerated Expenditure
Communities & Environment		
Disabled Facilities Grants	204	Grants allocated more quickly than forecast
Torrisholme Park Play Area	6	Grant funded expenditure incurred earlier than anticipated
	<u>6</u>	
		210
Economic Growth & Regeneration		
Lancaster High Streets Heritage Action Zone	121	Expenditure & related grant income profiling change occurring in later part of the year
	<u>121</u>	
		121
		<u>331</u>
Total Net Slippage & Accelerated Expenditure		<u><u>(6,420)</u></u>

CABINET

**Delivering Our Priorities: Q1 2022/23
13 September 2022**

Report of Chief Executive

PURPOSE OF REPORT			
To provide members with an update on performance, projects, and resources during the first quarter of 2022/23 (April – June 2022).			
Key Decision	N	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A		
This report is public			

RECOMMENDATIONS OF COUNCILLOR WHITEHEAD

That Cabinet

- (1) Consider the update on performance, projects, and resources for Quarter 1 2022/23.

1.0 Introduction

- 1.1 The primary purpose of this report is to present information relating to the council's projects, performance and resources for the period April-June 2022, which can found within the appendices.

2.0 Performance Reporting

- 2.1 The Highlight Report at Appendix A shows a strong level of performance, with services largely now pursuing their substantive activities rather than Covid-19 response requirements. This trend is likely to continue throughout 2022-23, with goals and reporting increasingly aligned to Plan 2030 Priorities and Outcomes.

3.0 Project Reporting

- 3.1 The highlight report shows that nearly all the Council's Strategic Projects are running to plan at the end of Quarter 1 2022/23. The only project reporting an amber status is the Heritage Action Project. This is due to a number of factors outside of the Council's control. No projects are reporting a red status.
- 3.2 Since quarter 4, two further projects have closed:

- a. Bailrigg Garden Village Masterplanning (although this will be followed by further activity on the wider South Lancaster Growth Catalyst programme)
 - b. Local Authority Delivery for Green Homes Grant
- 3.3 From quarter 1, the Corporate Programme Team are in the process of collecting and analysing the following information for all strategic projects. The analysis will provide a greater understanding of the benefits which can be expected, the project timescales and project risks across the Council to enable informed decision-making at both strategic and operational level.
- a. Links to Plan 2030 Outcomes
 - b. Details of consultancy or contractors appointed directly by each project
 - c. Project Plans
 - d. Risk Logs

4.0 Financial Monitoring

- 4.1 The 2022/23 Budget and MTFS 2022-2026 approved by Council in February 2022 set a balanced budget for the year based on the assumptions made at that time. The COVID - 19 pandemic continues to create a significant shock to the economy and result in unplanned expenditure and income losses for the Council.
- 4.2 All portfolios are required to examine their revenue budgets regularly and reports are submitted to Cabinet and Budget & Performance Panel for review. To enable Portfolio Holders to meet this requirement Financial Services continually reviews and refreshes how it presents the Council's Corporate Monitoring information.
- 4.3 In an attempt to aid understanding Members should note that where **projected variances** values are presented with brackets () this reflects a negative, or adverse movement from the budgeted position. Conversely, projected variances accompanied with a + sign represents a positive, or favourable movement from the budgeted position.

The following financial appendices accompany the financial monitoring section of this report

- Appendix B: General Fund Service Analysis
- Appendix C: General Fund Subjective Analysis
- Appendix D: HRA Service Analysis
- Appendix E: General Fund Capital Projects
- Appendix F: HRA Capital Projects
- Appendix G: Reserves Projected Outturn
- Appendix H: Approved Savings Monitoring
- Appendix I: Service Analysis

5.0 Cost of Living / Energy Price Crisis

- 5.1 The start of this financial year has seen extraordinarily high inflation rates coupled with major increases to the cost of energy. Where appropriate, initial projected variances have been included within the relevant service areas. For information, the estimated projected outturn on energy budgets is £1.676M (£1.087M General Fund, £0.589M HRA). These areas will be closely monitored over the coming months and the latest projections will be included in an updated budget produced during Quarter 3 of the financial year, scheduled for reporting in November 2022.

- 5.2 As part of the 2022/23 budget setting process, an inflationary uplift of 2% was included to salaries across all services of the Council. The National Employers latest offer of an increase of £1,925 on all NJC pay points is currently out to consultation with the Unions. With regard to the financial impact on the Council, it is expected to result in an additional strain of £1.2M (£1.0M General Fund, £0.2M HRA). Note that as the pay award is not finalised, the marginal impact has not been included in the projected outturns within service but has been included in the summary positions and tables below as appropriate.

6.0 General Fund Summary Position

- 6.1 Quarter 1 (Q1) monitoring covers the period for April – June 2022. At the end of Q1 (June 2022) we are currently projecting a year end overspend against budget of **£2.181M**. This amount equates to approximately **10.26%** of the Council's approved Net Revenue Budget of **£21.254M**. This could potentially rise to **£3.181M** due to the pay award equating to **14.97%** of the budget. Members will recall that as part of the 2022/23 budget cycle that Council approved a small contribution to reserves of **£0.034M** in order to produce a balanced budget. This will no longer be possible and there will instead be a call on reserves of **£2.181M (£3.181M)** pay award pending.

- 6.2 In addition, this position is at the first-quarter point of the financial year and officers work will continue over the coming months to monitor and forecast the costs and savings associated with other emerging budget pressures. In the meantime, arrangements are in place to scrutinise all existing expenditure plans in conjunction with the Outcomes Based Reporting (OBR) project. It should also be noted that many items that contribute to the in-year position and recurring (pay award, inflation etc) and as such will result in a significantly increased budget gap. This will be addressed as part of the MTFs refresh report due in November 2022.

- 6.3 A summary of the Q1 revenue position for the main service accounts of the Council is set out in table 1 below with commentary on significant variances provided on the following paragraphs.

Table 1 Quarter 1 Financial Monitoring – Service Analysis

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Communities and Environment	5,193	5,193	(1,508)	6,177	(984)
Economic Growth and Regeneration	4,605	4,605	1,153	5,469	(864)
Corporate Services	6,760	6,760	2,494	7,623	(863)
Central Services	1,162	1,162	289	1,127	+35
Other Items	4,717	4,717	(275)	4,222	+495
Sub Total	22,437	22,437	2,153	24,618	(2,181)
Net Recharges to Housing Revenue Account	(1,044)	(1,044)	0	(1,044)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	862	(139)	0
Revenue Reserve funded items included in above analysis	1,641	1,641	(109)	1,630	+11
Revenue Reserve funded items included in above analysis	(1,641)	(1,641)	0	(1,630)	(11)
Sub Total	(1,183)	(1,183)	753	(1,183)	0
General Fund Revenue Budget	21,254	21,254	2,906	23,435	(2,181)
Financing Income	(11,078)	(11,078)	4,118	(11,078)	0
Council Tax Requirement	10,176	10,176	7,024	12,357	(2,181)
Estimated Additional Impact Of Pay Award	0	0	0	1,000	(1,000)
Adjusted Total To Include Estimated Pay Award	10,176	10,176	7,024	13,357	(3,181)

Communities and Environment (£0.984M Adverse)

6.4 Significant budget variances including: -

- Energy costs (-£0.502M); petrol and diesel (-£0.214M).
- Salary savings (+£0.259M) across directorate largely due to secondment of service heads to other local authorities built into future projections.
- Forecast income was returned to pre-pandemic levels. As part of the budget setting process a further savings item of £495K was included to reflect the impact of a car parking tariff review. Subsequent changes to the tariffs and a social media campaign have resulted in an adverse first quarter variance of circa (-£0.125M) when considered against the profile. It is difficult to accurately estimate a projected outturn at this point due to the tariffs still bedding in but an indicative figure of (-£0.300M) has been included.
- Transport costs have increased due to vehicle Repairs & Maintenance and associated hire costs arising from delayed delivery of new fleet (-£0.104M). Lead-in times have increased dramatically as a result of the pandemic due to supply chain issues and this is expected to continue in the short term.
- Forecast pitch fee income loss (-£0.038M) on Mellishaw Park due to the proposed decanting of tenants as part of the forthcoming capital project.
- Garden waste subscriptions (-£0.029M) are 3% down on last year with approximately 23,750 subscribers (compared to 24,510 in 2021/22).

Economic Growth and Regeneration (£0.864M Adverse)

6.5 Significant predicted year end variances including: -

- Energy costs (-£0.585M)
- Salary savings (+£0.173M) across directorate largely due vacant service head position, ten vacancies within development control and a further four vacancies within the projects team.
- Property Services projected outturn includes (-£0.240M) for new investment income not achievable. Changes to borrowing requirements have prevented the acquisition of properties purely for commercial gain.
- Rental shortfalls (-£0.066M) at 7 Cheapside, Hilmore Way and Assembly Rooms. These were existing untenanted lets and new tenants have now been sourced on initial rent-free periods.
- Business rates is payable by the Council when a commercial property is not let. Current properties include units at Hilmore Way amongst others, the estimated cost for the financial year being (-£0.028M).

Corporate Services (£0.863M Adverse)

6.6 Significant predicted year end variances including: -

- Salary savings (+£0.110M) across directorate mainly relating to senior officer positions within Accountancy and Human Resources.
- The provision for staff turnover target (-£0.144M) is held within Corporate Service whilst the additional costs/savings generated are attributed to the individual services. When taking this into account the whole council salary related position (including agency and consultancy costs as appropriate) is expected to be underspent by (+£0.437M). However, as referenced earlier, it should be noted that the proposed pay award will have a significant detrimental impact on the council's finances going forward.
- An additional top-up payment required to the pension fund (-£0.205M) relating to 2021/22 and an estimated further top-up of (-£0.600M) relating to 2022/23 which will be paid within the remainder of the financial year; however the HRA will be charged a proportion of this (+£0.100M) for their

share.

- The annual insurance premium has increased (-£0.127M) which is likely to be due to recent claims at Gateway and Mallowdale Avenue. This will be allocated over all services within quarter 2 as part of the insurance recharging exercise.

Central Services (£0.035M Favourable)

6.7 This variance is attributable to the vacant 'Deputy Director' position who is temporarily filling the vacant 'Director of Communities & Environment' position.

6.8 Appendix B: General Fund Service Analysis (Q3) covers this information in more detail and provides summary percentage variations for variances +/- £30K.

6.9 The revenue position provided within table 1 above is analysed across the Councils subjective headings is set out in table 2 below.

Other Items (£0.495M Favourable)

6.10 In recent years the Council received un-ringfenced government grants to help with additional costs that related to the pandemic. The amount remaining at the end of 2021/22 of (+£0.495M) was transferred to reserves at the year end. Given the large in-year deficit the Council is currently now facing, it would seem prudent to utilise this funding to mitigate the position.

Table 2 Quarter 3 Financial Monitoring – Subjective Analysis

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Employees	27,031	27,031	8,426	27,470	(439)
Premises Related Exp	4,655	4,655	3,027	5,894	(1,239)
Transport Related Exp	1,266	1,266	411	1,591	(325)
Supplies and Services	11,250	11,250	11,014	12,951	(1,701)
Transfer Payments	20,277	20,277	4,207	20,277	0
Support Services	147	147	1	141	+6
Capital Charges	17	17	0	17	0
Capital Financing Costs	1,464	1,464	0	1,464	0
Appropriations	3,771	3,771	0	3,276	+495
Income	(47,141)	(47,141)	(25,678)	(48,163)	+1,022
Capital Financing Inc	(300)	(300)	745	(300)	0
Sub Total	22,437	22,437	2,153	24,618	(2,181)
Net Recharges to Housing Revenue Account	(1,044)	(1,044)	0	(1,044)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	862	(139)	0
Revenue Reserve funded items included in above analysis	1,641	1,641	(109)	1,630	+11
Revenue Reserve funded items included in above analysis	(1,641)	(1,641)	0	(1,630)	(11)
Sub Total	(1,183)	(1,183)	753	(1,183)	0
General Fund Revenue Budget	21,254	21,254	2,906	23,435	(2,181)

6.11 Appendix C: General Fund Subjective Analysis covers this information in more detail

7.0 Housing Revenue Account Summary Position

7.1 As at the end of Q1 a year end overspend against budget of **(-£0.597M)** adjusted to **(-£0.797M)** when taking account of the estimated impact of the pay award is projected. A summary of the Q1 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 1 Financial Monitoring – HRA Service Analysis

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Policy & Management	1,901	1,901	495	1,877	+24
Repairs & Maintenance	6,555	6,555	937	6,667	(112)
Welfare Services	58	58	(62)	333	(275)
Special Services	273	273	111	295	(22)
Miscellaneous Expenses	740	740	63	811	(71)
Income Account	(15,295)	(15,295)	(3,470)	(15,154)	(141)
Capital Charges	5,493	5,493	0	5,493	0
Appropriations	(255)	(255)	0	(255)	0
Sub Total	(530)	(530)	(1,926)	67	(597)
Net Recharges to General Fund	530	530	0	530	0
Housing Revenue Account Budget	0	0	(1,926)	597	(597)
Estimated Additional Impact Of Pay Award	0	0	0	200	(200)
Adjusted Total To Include Estimated Pay Award	0	0	(1,926)	797	(797)

7.2 Significant predicted year end variances including: -

- Increased electricity (-£0.138M) and gas (-£0.288M) costs due to the energy crisis. However, these costs are largely rechargeable to tenants via service charging a year in arrears. Note that elements are housing benefit applicable to residents.
- An anticipated reduction in income (-£0.141M), largely due to an increase in major voids being returned plus increased voids relating to capital projects
- An increase on property insurance premiums (-£0.071M)

7.3 Appendix D: Housing Revenue Account Service Analysis covers this information in more detail and provides summary percentage variations for variances +/- £30K.

7.4 It should be noted that there is a likely forecast in increase in expenditure on Repairs & Maintenance relating to compliance works. This is in addition to the amount requested as part of the growth bid considered in the 2022/23 budget process. This programme of works is currently being scoped and the amount required is not yet quantifiable. It is, however, likely to be an additional call on the HRA Business Support Reserve. No figures have been included in the financial table above.

8.0 Capital Projects (General Fund & HRA)

8.1 At Q1 a year end variance against budget of **£0.998M** (General Fund + £1.1M, HRA (-£0.102M)) is projected. Summary details for both the General Fund and HRA are set out in table 4 below.

Table 4 Quarter 1 Financial Monitoring – Capital Projects

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Communities and Environment					
Business Support	2,700	2,700	635	4,268	(1,568)
Customer Involvement & Leisure	549	549	(13)	520	+29
Public Protection	0	0	0	0	0
Housing Services	600	600	(2,983)	1,050	(450)
Public Realm	97	321	(1,242)	353	(32)
Total	3,946	4,170	(3,603)	6,191	(2,021)
Economic Growth and Regeneration					
Planning & Place	64	64	0	64	0
Economic Development	0	0	0	0	0
Property, Investment and Regeneration	3,563	3,563	(906)	700	+2,863
Total	3,627	3,627	(906)	764	+2,863
Corporate Services					
HR	0	0	(40)	0	0
ICT	490	490	10	232	+258
Total	490	490	(30)	232	+258
Central Services					
Chief Executive	0	0	0	0	0
Total	0	0	0	0	0
GENERAL FUND - TOTAL	8,063	8,287	(4,539)	7,187	+1,100
Housing Revenue Account					
Adaptations	300	300	57	292	+8
Energy Efficiency / Boiler Replacement	989	1,029	107	1,029	0
Kitchen / Bathroom Refurbishment	888	888	17	768	+120
External Refurbishment	210	315	1	315	0
Environmental Improvements	200	234	58	372	(138)
Re-roofing / Window Renewals	738	988	(39)	988	0
Rewiring	56	56	4	56	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	240	280	20	280	0
Housing Renewal & Renovation	1,753	1,753	66	1,790	(37)
Mainway Pilot Scheme	4,000	4,000	0	4,055	(55)
HOUSING REVENUE ACCOUNT - TOTAL	9,374	9,843	291	9,945	(102)
GRAND TOTAL	17,437	18,130	(4,248)	17,132	+998

8.2 The following budget adjustments have been made up to Q1 to reflect the inclusion of growth in respect of the Heat De-Carbonisation Programme in the General Fund Capital Programme approved by Council on 26 June. The HRA Capital Programme working budget has been adjusted assuming that slippage requested in the outturn report also on this agenda is approved.

GF: £0.224M

HRA: £0.469M

8.3 The underspending against budget relates principally to General Fund. Slippage of £5.951M pending approval by Cabinet has not yet been included meaning that forecast underspending is likely to be higher at quarter 2.

8.4 Appendix E General Fund Capital Projects and Appendix F HRA Capital Projects provide further information and summary commentary.

9.0 Reserves

9.1 The Council's provisional outturn position for 2021/22 in respect of reserves is reported elsewhere on this agenda. The projected reserve position has been updated to reflect this and has seen the Council's opening level of unallocated balances increase to **£6.032M** with the combined level of reserves currently **£28.885M**, £9.056M higher than originally forecast. Table 5 Reserves Movement reconciles the movement between the budgeted and forecast

opening position.

Table 5 Reserves Movement

		£M
Budgeted Combined Level of Reserves		19.829
Reserve		
General Fund Unallocated	2021/22 forecast contribution from reserve	2.194
	2021/22 actual contribution from reserve	(1.776)
Revenue Grants Unapplied	S31 grant to cover business rates deficit recognised in 2022/23	3.388
Covid-19 Support	Support to business & the vulnerable unspent	1.743
Various	Slippage on projects & initiatives from 2021/22	2.452
	Additional contributions to reserves	0.315
	Creation of Lancaster District Hardship Fund	0.377
	Transfer of grant to cover capital expenditure in 2022/23	0.300
	Allocation no longer required	0.063
		28.885

- 9.2 The Council's unallocated balances are projected to remain at **£6.032M** although this reserve will be used in the first instance to fund any general fund net revenue overspend. Overall, the combined level of usable reserves is forecast to decrease to **£23.434M**. Table 6 Quarter 1 Financial Monitoring – Reserves provides summary details for both Unallocated and Earmarked Reserves.

Table 6 Quarter 1 Financial Monitoring – Reserves

	<----- ORIGINAL BUDGET ----->				<----- PROJECTED OUTTURN ----->						
	31 March 2022	From Revenue	To / (From) Capital	To Revenue	31 March 2023	31 March 2022	From Revenue	To / (From) Capital	To Revenue	To Revenue (Slippage from 21/22)	31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Unallocated Balances	(5,614,400)	(34,000)			(5,648,400)	(6,032,200)					(6,032,200)
Total Earmarked Reserves	(14,214,400)	(1,878,900)	947,000	1,894,400	(13,251,900)	(22,853,100)	(1,978,900)	911,300	2,323,200	4,195,500	(17,402,000)
Total Combined Reserves	(19,828,800)	(1,912,900)	947,000	1,894,400	(18,900,300)	(28,885,300)	(1,978,900)	911,300	2,323,200	4,195,500	(23,434,200)

- 9.3 The current forecast set out above assumes that projects and initiatives that were due to have been funded by earmarked reserves during 2021/22 but remained unspent will be utilised during 2022/23. It should, however, be noted that slippage in project delivery accounts for a substantial increase in reserves over that budgeted for 2021/22. Over £2M of the £4.195M slippage was carried over from 2020/21. This indicates a potential need to review projects and initiatives financed by reserves to ensure that allocations are still required and that delivery timeframes are realistic. This is particularly pertinent given the anticipated calls on reserves to balance future budgets set out at paragraph 9.5. Table 6 Reserves Movement reconciles the movement between the budgeted and forecast opening position.

- 9.4 Appendix G: Reserves Projected Outturn provides further detailed analysis. It also shows illustrates slippage in project delivery currently assumed to spent during 202/23.
- 9.5 The use of the Council's reserves to manage fluctuations in expenditure and income will be key to the delivery of the Council's stated priorities and outcomes over the next 4 years and will be kept under review by Officers and Members. Current projections requiring further calls to balance future budgets 2023/24 (£2.165M), 2024/25 (£3.211M) and 2025/26 (£3.997M) will now be further exacerbated given the cost of living crisis as highlighted above. This will be reported as part of the MTFS refresh report due in November 2022.

10.0 Collection Fund

Business Rates

- 10.1 Central Government made announcements launching new rate relief schemes in 2022/23 at the Autumn Budget and Spending Review 2021 these include a scheme to support local high street businesses as they recover from the pandemic. The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme provides eligible properties with a 50% relief up to a cash cap limit of £110k per business. Funds to fully reimburse local authorities for the local share of these enhanced reliefs are being paid on account during the year using a grant under section 31 of the Local Government Act 2003, with a full reconciliation to be carried out at year-end.
- 10.2 The collection rate for Business Rates is currently 26.2%, which is slightly behind the Q1 profiled position of 28.0%. Based on this level of performance collection would be slightly below the annual target 98.0%.

Council Tax

- 10.3 The current collection rate for Council Tax is 38.7% which is slightly ahead of the profiled position at 37.3% with current forecasts expected to exceed the annual target of 95.%. The number of Local Council Tax Support claimants at Q1 is 10,241.

11.0 Write Offs


- 11.1 Table 7 below provides details of the debts have been written off by the Council's Revenues and Benefits service in relation to Council Tax, Business Rates and Housing Benefits Overpayments

Table 7: Write Off's

	Q1	Q2	Q3	Q4	Total
Council Tax	44,074				44,074
Business Rates	69,965				69,965
Housing Benefit Overpayments	4,222				4,222
					118,261

- 11.2 Debts are deemed non recoverable after all reasonable recovery steps have been taken and can be written off in accordance with the Council's Debt Management Policy in a number of circumstances such as unable to trace,

uneconomical to pursue, insolvency as well as imprisonment and death.

 <p>Promoting City, Coast & Countryside</p>	Corporate programmes, projects and performance update – 30th June 2022 (Q1)	Status Key															
		<table border="1"> <tr> <td>R</td> <td>Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken</td> <td>C</td> <td>Complete or Closed</td> </tr> <tr> <td>A</td> <td>Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken</td> <td>N</td> <td>Not Started</td> </tr> <tr> <td>G</td> <td>Green – The project is on track to meet its agreed plan, timescales, costs and benefits</td> <td>H</td> <td>On hold</td> </tr> <tr> <td>X</td> <td>No data available / data not requested due to stage</td> <td colspan="2">* Projects in the Concept stage will not usually have updates</td> </tr> </table>	R	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	C	Complete or Closed	A	Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken	N	Not Started	G	Green – The project is on track to meet its agreed plan, timescales, costs and benefits	H	On hold	X	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates
R	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	C	Complete or Closed														
A	Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken	N	Not Started														
G	Green – The project is on track to meet its agreed plan, timescales, costs and benefits	H	On hold														
X	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates															
Priorities Key																	
I	An inclusive and Prosperous Local Economy (Economy)																
S	A Sustainable District (Environmental)																
H	Healthy and Happy Communities (Social)																
R	A Co-operative, Kind and Responsible Council (Governance)																

All projects, programmes and performance figures on this list are reporting quarterly

An Inclusive and Prosperous Local Economy (Economy)					
Projects					
Priority	Project Name	Update	Stage	Updated	Status
I	Bailrigg Garden Village Masterplanning (part of South Lancaster Growth Catalyst programme)	As previously reported, the Garden Village master-planning project delivered for the council by consultancy JTP is complete. It should be noted though that closely related work to conclude design guidance for the main village spine road / street is not yet concluded pending inputs from the county council still awaited.	Closure (of this stage)	19/07/22	C
I S	Canal Quarter Phase 2 – Masterplan and Delivery Strategy (part of Canal Quarter programme)	During Q1 detailed work was undertaken, including: <ul style="list-style-type: none"> Completion of the draft masterplan Engagement with Cabinet members on strategic matters and endorsement of masterplan principles Stakeholder and wider community consultation on draft masterplan will follow the accommodation of amendments and review requested by Members. 	Delivery	26/07/22	G
I	Heritage Action Project	Activity on site is progressing well with grant assisted projects at the Grand Theatre (façade) and 4-5 Stonewell. The programme is making progress towards new building grant projects, however, spend to date is still much lower than desired. Progress with public realm proposals is very challenging due to the uncertainty with regard the wider city centre highway network. Design work is focusing on the potential for reduced scope interventions at Damside Street and the junction of Lower Church Street and North Road.	Delivery	01/08/22	A
I S	Lune Flood Protection, Caton Road	Progress this quarter has seen the commencement of works on site for the delivery of phase 3a of the project and delivery of the community pumping station. The working area has been established and excavation for the pump chamber completed. The caissons have been placed and are being reinforced before work to excavate and install the required pipe-work is carried out. The pumps have been ordered and there have been no issues that have significantly affected the programme or progress. United Utilities have completed the repairs to the culverted watercourse under Caton Road.	Delivery	26/07/22	G
I	Palatine Recreation Ground Pavilion	Project was delayed whilst awaiting planning decision. Programme of works was agreed and the tender price set. A pre – start meeting took place on the 5 April 2022 with the contractor starting on site on the 25 April. The Lancashire County surveyor is co-ordinating the works and managing the contract within a set budget. The project will take 8 – 10 weeks to complete. The estimated completion date is in July 2022.	Delivery	22/07/22	G
I	Lancaster City Museum Boiler	The new boiler plant has been handed over to the City Council, as of 31 May 2022. We now have a 12-month snagging period to report and for the contractor to resolve any arising issues.	Delivery	23/06/22	G
I	Heysham Gateway	Formal inception meeting has been arranged with the consultant team and initial review of historic material in progress. On-site meetings and environmental/water studies progressing. Approval of matching funds through from county council's Lancashire Economic Recovery and Growth (LERG) fund was delayed pending county review of subsidy control matters across the LERG programme. The subsidy control review has been completed in and the city council has agreed the formal grant offer.	Detailed Design	26/07/22	G
I	1 Lodge Street Urgent Structural Repairs	The council is continuing to work closely with the tenant of the building to ensure its operational future.	Feasibility	N/A	X
I	Dalton Square	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
I	Eden Project North	The bid for £50m of Levelling Up Funding was submitted on 1 August 2022. Lancaster City Council is the named lead applicant and accountable body for the bid, which has been developed in partnership with Lancashire County Council, Lancaster University, Lancashire Enterprise Partnership and Eden Project International. A decision on the bid is anticipated in autumn 2022.	Feasibility	03/08/22	X
I	Museums Redevelopment	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		
I	Council Assets Programme (Palatine Hall, Old Fire Station Development Works)	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		

I	H	Morecambe Co-op Building Renovation	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		
I	H	Ryelands Park – Ryelands House	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		

Performance								
Measure	2021-22				2022-23		Comments	
	Q1	Q2	Q3	Q4	Q1			
% of minor planning applications determined within 8 weeks or agreed time	80.77	67.41	77.64%	83.33%	86.57%	This is an uplift compared to Q4, applications have been consistent, and officers have worked hard to increase the determination rates.		
% of other planning applications determined within 8 weeks or agreed time	81.43	73.75	82.75%	89.43%	95.07%	This quarter represents an uplift compared to Q4, and also represents an uplift in the number of applications determined within the quarter too.		
% of major planning applications determined within 13 weeks or agreed time	81.82	66.67	81.81%	64.70%	91.67%	This is a marked improvement over Q4 figures. Major performance is particularly impressive given we have only had in essence 1 principal planning officer for the quarter, with the senior planning officers assisting. We have promoted from within to one of the vacant PPO (Principal Planning Officer) roles. Recruitment remains difficult with two vacant PPO roles and a SPO (Senior Planning Officer) role.		

A Sustainable District (Environmental)					
Projects					
Priority	Project Name	Update	Stage	Updated	Status
S	Salt Ayre Leisure Centre Decarbonisation (part of Carbon Neutral Programme)	Project Review Report pending.	Completion	15/07/22	C
S	Local Authority Delivery for Green Homes Grant (part of Council Housing Thermal Energy Efficiency)	Project Review Report attached.	Completion	19/07/22	C
S	District Heat Network Feasibility (part of Carbon Neutral Programme)	Lancaster is one of the selected cities to take part in the Heat Network Zoning Pilot Programme (HNZPP). Overseen and funded by BEIS, the programme will seek to test a methodology and Heat Network Zone (HNZ) model that will part-automate the identification of zones, ensuring the outputs are relevant to stakeholders and the local areas. Appointed consultants – Anthesis are working with the City Council and relevant stakeholders to collate key information to inform the model. It is expected that the outputs of this pilot programme will be available towards the second half of 2022 and so provide updated inputs that can be utilised by the City Council's own Heat Network Feasibility study. Heat Network Feasibility Study - Tenders for this commission have concluded and the Council has appointed Anthesis to deliver detailed feasibility study. As the outputs from the HNZPP will not be ready until September 2022, the commencement date for this study has been set to w/c 19 th September.	Detailed Design	29/07/22	G
S	Electric Vehicle Charge Points (part of Carbon Neutral Programme)	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
S	Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme)	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
S	Travel Plan (part of Carbon Neutral Programme)	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
S	1 Million Trees	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		

Performance								
Measure	2021-22				2022-23		Comments	
	Q1	Q2	Q3	Q4	Q1			
% of household waste recycled (quarter behind)	34.3%	40.5%	39.2%	38.5%	35.4%	Recycling has shown an increase from the equivalent figure for the previous year of 34.3%.		
Kg of residual waste per household (quarter behind)	84.0kg	91.8kg	90.1kg	84.2kg	82.1 kg	Residual waste has remained broadly similar year-on-year in comparison, however, there has been a slight decrease compared to the figure for Q1 2021-21 of 84 kg.		
Diesel consumption of council vehicle fleet	115,733 ltrs	119,277 ltrs	107,342 ltrs	114,612 ltrs	119,000 ltrs	Slight increase on last quarter. Increase in fleet size, but overall reduction on litres used per vehicle.		
Cost/m2 energy across corporate buildings (quarter behind)	£2.37	£1.76	£1.78	£2.04	£2.40	These rates are comparable with previous years and no areas of concern are noted. However, it is noted that data from Npower is not currently considered to be wholly accurate. This data is therefore subject to change once ongoing issues have been resolved.		

S		Gas KWH usage in council buildings (quarter behind)	2,280,000	1,014,000	358,238	423,523	1,298,703	Significant drop in consumption is considered primarily due to no gas consumption at Salt Ayre
S		Electricity KWH usage in council buildings (quarter behind)	593,000	551,000	760,759	1,068,133	1,422,016	Significant rise in consumption is considered due to the increase of electricity consumption at Salt Ayre and the increase in use of EV charge points. However, it is noted that data from Npower is not currently considered to be wholly accurate. This data is therefore subject to change once ongoing issues have been resolved.

Healthy & Happy Communities (Social)										
Projects										
Priority	Project Name		Update				Stage	Updated	Status	
	H	LATCo - Housing Companies (part of Funding the Future)	The housing and development LATCOs have been set up for strategic reasons. At this stage they are not being used in any ongoing project.				Delivery	14/07/22	H	
	H	R	Mellishaw Park (part of Homes Programme)	Progress to plan continues. This quarter has seen the planning application submitted (anticipate finding out Aug / Sept), similarly a funding application has been made to DLUHC through the announced Traveller Site Fund. Ongoing communication with residents taking place on an ad-hoc basis presently as little activity to report. '7-minute' briefing shared with wider stakeholders. Further progress on funding sources and contracting is anticipated during Q2.				Detailed Design	16/07/22	G
S	H		My Mainway (part of Homes Programme)	In the last reporting period, the Council has appointed a Design and Build Contractor (Place Capital Group), who are now working on the wider master-plan expected to be submitted end of Q2, as well as a planning application for the pilot phase at Lune and Derby Houses – engagement with the LPA continues to be strong. At the end of Q1 only one tenant and the three leaseholders remain in situ and we continue to work with them to ensure the two blocks are vacated at the earliest opportunity. A positive discussion with residents was held towards the end of Q1 followed by wider comms across news outlets outlining the appointment and next steps. Work is being finalised with Finance Colleagues to commission LINK for a specific piece of work to appraise the financial assumptions and place that within the context of the Council's Treasury Management position. Engagement with the County Council regarding the purchase of the redundant elements of the school site continues, in the last quarter the County Council have opened up official consultation with local schools as part of the S.77 process.				Detailed Design	16/07/22	G
		R	Outcomes Based Resourcing (OBR) (part of Funding the Future)	The delivery phase of OBR began during the week commencing 1 August, with the appointment of a delivery partner to support and advise the council's OBR decision-making. Discussion sessions will take place with staff across the organisation, members, local stakeholders and residents during September and October, with OBR proposals to be included in the budget process for 2022-23 and beyond.				Detailed Design	03/08/22	G
S	H		Extra Care Scheme (part of Homes Programme)	No update is due for this project as it has not yet reached the detailed design stage.				Concept*		H
I			LATCo - Commercial Trading Services (part of Funding the Future)	No update is due for this project as it has not yet reached the detailed design stage.				Concept*		

Performance									
		2021-22						2022-23	Comments
	Measure	Q1	Q2	Q3	Q4	Q1			
	H	Number of people statutorily homeless	12	7	10	13	10	Numbers of notices served by landlords, as well as the difficulty in securing alternative accommodation quickly, has led a continuation of acceptances of statutorily homeless households.	
	H	Number of Disabled Facilities Grants completed	76	76	101	88	117	The number of DFG's completed in Q1 is 54% higher than the total number completed in Q1 21/22. The number of completions are on target to achieve the forecasted fee income and to fully maximise the grant allocation.	
	H	Number of properties improved	59	59	63	46	93	This has been a busy quarter as we pick up the backlog that built up during the pandemic. We have also implemented the Homes for Ukraine scheme which generated 54 property inspections in addition to those recorded as improved in this quarter.	
I	H	% of premises scoring 4 or higher on the food hygiene rating scheme	90.5%	96.96%	90.5%	90%	90%	There are 1164 registered food businesses that are in scope for the food hygiene rating scheme. Of this number there are 91 new businesses awaiting an inspection and rating. The figure of 90% is calculated as a percentage of the registered food businesses that are rated. The number of businesses with a rating of 3 or higher – considered to be "broadly compliant" is 98%.	

									We believe there is a risk the compliance figure may drop over the next few months/years as the business running costs continue to increase and staff hours reduce along with other cost cutting hits. This will lead to reduced standards and increased consume risk.
		H	Number of admissions to Salt Ayre Leisure Centre	118,854	164,301	179,275	232,307	225,442	Based on pre pandemic levels we have seen an increase in footfall compared to previous Q1s. This takes into account 5 Bank Holidays during this period.
		H	Average time taken to re-let Council houses (days)	51.80	53.89	59.08	62.85	25.4	Large reduction since Q4, largely due to better identification of MAJ repairs and the reduction in the backlog of void properties that were affected by the Covid-19 pandemic.

A Co-operative, Kind and Responsible Council (Governance)										
Projects										
Priority	Project Name			Update				Stage	Updated	Status
		R	Customer Contact System	The old CRM system (Lagan) has now been decommissioned and the new CRM (Granicus) has fully replaced it. More services continue to be built and added to the new system to add new functionality and options to residents which were not available previously.				Delivery	28/07/22	G
		R	High-Capacity Fibre Cable Network Provision (part of Digital Programme)	A business case has been written to agree investment on a 33km full fibre spine as a neutral co-deployment with a co-operative. It will be taken for formal approval in September.				Delivery	28/07/22	G
		R	5G Strategy (part of Digital Programme)	This project has been placed on hold until the Full Fibre project has progressed further.				Delivery	N/A	H
I		R	Working Well Project	Phase one of the project is drawing to a close, now that zoned hot desking areas are available at PH and MTH, the correct ICT is in place and supporting hybrid working training and policies are due to be implemented shortly. Further workpieces to support hybrid working will continue within services for the rest of the year, with a staff survey to assess the success of the project and highlight areas of improvement due in December 22.				Delivery	29/06/22	G

Performance									
		2021-22				2022-23			
		Measure	Q1	Q2	Q3	Q4	Q1	Comments	
		R	Average social media engagement rate	0.72	0.67	0.65	0.48	0.46	Levels of social media engagement and digital audience tend to fluctuate according to the wider district context.
		R	Total digital audience	388,690	424,508	472,483	430,485	455,324	
		R	Average number of days' sickness per full-time employee	1.85	1.7	1.86	1.46	1.47	Total number of days lost for full time employees 895. Total number of full-time employees at end of June 608.
		R	Occupancy rates for commercial properties	96.65%	97.02%	97.08%	97.18%	96.61%	Occupancy rates are slightly down from 97.18% at the end of the last quarter. This is due to changes at CityLab. The Storey is fully occupied. The occupation of our commercial properties continues at a very high level.
	H	R	Average time taken to process new Housing Benefit claims	20.41 days	19.91 days	24.13 days	25.95 days	30.16 days	Performance in processing new HB claims is slightly behind the target (23 days) in Q1, given the additional volumes of work to be processed at this time of year. However, the service strives to meet its annual performance target.

QUARTER 1 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2022/23

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Variance +/- £30K %
Communities and Environment							
<u>Business Support</u>	Vehicle Maintenance	12	0	12	31	40	(28)
	White Lund Depot	(14)	0	(14)	3	53	(67) (479%)
<u>Customer Involvement & Leisure</u>	Customer Services	809	0	809	192	742	67 +8%
	Leisure	34	0	34	(70)	34	0
	Salt Ayre	305	0	305	171	397	(92) (30%)
<u>Public Protection</u>	Environmental Health	1,262	0	1,262	(154)	1,231	31 +2%
	Emergency Planning	46	0	46	11	46	0
	Housing Standards	79	0	79	(16)	92	(13)
	Licensing	(68)	0	(68)	17	(79)	11
	Safety	124	0	124	24	138	(14)
<u>Housing Services</u>	GF Housing	20	0	20	5	94	(74) (370%)
	Home Improvement Agency	(128)	0	(128)	(205)	(128)	0
	Housing Options	248	0	248	(1,332)	250	(2)
	Strategic Housing	235	0	235	29	236	(1)
<u>Project Development</u>	CCTV	50	0	50	56	50	0
	Project Development	185	0	185	24	128	57 +31%
<u>Public Realm</u>	Cemeteries	14	0	14	16	8	6
	Grounds Maintenance	1,036	0	1,036	358	1,049	(13)
	Household Waste Collection	2,217	0	2,217	53	2,489	(272) (12%)
	Markets	(121)	0	(121)	(59)	(95)	(26)
	Parking	(2,822)	0	(2,822)	(100)	(2,406)	(416) (15%)
	Parks	141	0	141	10	120	21
	Public Conveniences	146	0	146	44	155	(9)
	Public Realm Highways	76	0	76	8	83	(7)
	Service Support	555	0	555	51	507	48 +9%
	Street Cleaning	1,274	0	1,274	354	1,363	(89) (7%)
	Trade Waste	(789)	0	(789)	(1,026)	(755)	(34) (4%)
	Williamson Park	267	0	267	(3)	335	(68) (25%)
		5,193	0	5,193	(1,508)	6,177	(984) (19%)
Economic Growth and Regeneration							
<u>Planning & Place</u>	Building Control	194	0	194	0	192	2
	Conservation & Environment	55	0	55	0	62	(7)
	Development Control	840	0	840	169	749	91 +11%
	Local Plan	794	0	794	163	790	4
<u>Economic Development</u>	AONB	56	0	56	13	55	1
	Economic Development	414	0	414	79	406	8
	Marketing & Comms	327	0	327	75	325	2
	Grants	215	0	215	47	215	0
	The Platform	107	0	107	(4)	131	(24)
	Tourism & Events	487	0	487	111	485	2
	Museums	622	0	622	182	696	(74) (12%)
<u>Property, Investment and Regener</u>	Highways	0	0	0	0	0	0
	Regeneration	466	0	466	22	441	25
	Sea Defence & Land Drainage	427	0	427	91	428	(1)
	Property	(399)	0	(399)	125	501	(900) (226%)
	Building Cleaning	0	0	0	80	(7)	7
		4,605	0	4,605	1,153	5,469	(864) (19%)
Corporate Services							
<u>Corporate Accounts</u>	Central Expenses	379	0	379	2,086	1,227	(848) (224%)
<u>Democratic</u>	Democratic Services	954	0	954	221	945	9
<u>Finance</u>	Finance	1,371	0	1,371	1,340	1,441	(70) (5%)
<u>HR</u>	Corporate Safety	66	0	66	16	66	0
	HR	975	0	975	210	920	55 +6%
<u>ICT</u>	ICT	1,540	0	1,540	408	1,528	12
<u>Internal Audit</u>	Internal Audit	200	0	200	3	200	0
<u>Legal</u>	Legal Services	316	0	316	(51)	337	(21)
<u>Revenues & Benefits</u>	Revenues & Benefits	959	0	959	(1,739)	959	0
		6,760	0	6,760	2,494	7,623	(863) (13%)
Central Services							
<u>Chief Executive</u>	Executive Team	871	0	871	176	836	35 +4%
	Grants to other bodies	291	0	291	113	291	0
		1,162	0	1,162	289	1,127	35 +3%
Other Items							
<u>Other Items</u>	New Homes Bonus	(504)	0	(504)	(991)	(504)	0
	Revenue Funding of Capital	947	0	947	0	947	0
	Minimum Revenue Provision	2,698	0	2,698	0	2,698	0
	Interest Payable	1,463	0	1,463	0	1,463	0
	Interest Receivable	(12)	0	(12)	(29)	(12)	0
	Notional Charges	0	0	0	745	0	0
	Contributions to Reserve	1,077	0	1,077	0	1,077	0
	Contributions from Reserve	(5)	0	(5)	0	(500)	495 +9900%
	Capital Contributions from Reserve	(947)	0	(947)	0	(947)	0
		4,717	0	4,717	(275)	4,222	495 +10%
	Net Recharges to Housing Revenue Account	(1,044)	0	(1,044)	0	(1,044)	0
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	862	(139)	0
	Revenue Reserve funded items included in above analysis (Revenue)	1,641	0	1,641	(109)	1,630	11
	Revenue Reserve funded items included in above analysis (Appropriati	(1,641)	0	(1,641)	0	(1,630)	(11)
General Fund Revenue Budget		21,254	0	21,254	2,906	23,435	(2,181) (10%)
Core Funding :	Revenue Support Grant	(212)	0	(212)	(57)	(212)	0
	Additional New Homes Bonus	(42)	0	(42)	0	(42)	0
	Supplementary Government Grants	(652)	0	(652)	0	(652)	0
	Prior Year Council Tax Surplus	(66)	0	(66)	0	(66)	0
	Net Business Rates Income	(10,106)	0	(10,106)	4,175	(10,106)	0
Council Tax Requirement		10,176	0	10,176	7,024	12,357	(2,181) (21%)

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 1 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 2022/23

		Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Variance +/- £30K %
Employees	Direct Employee Expenses	26,131	0	26,131	8,157	26,326	(195)	(1%)
	Indirect Employee Expenses	900	0	900	269	1,144	(244)	(27%)
Premises Related Exp	Cleaning and Domestic Supplies	440	0	440	50	440	0	
	Energy Costs	861	0	861	123	1,948	(1,087)	(126%)
	Fixtures and Fittings	1	0	1	0	1	0	
	Grounds Maintenance Costs	45	0	45	7	45	0	
	Operational Bldgs Allocation	96	0	96	48	96	0	
	Other Premises Costs	0	0	0	0	0	0	
	Premises Insurance	283	0	283	977	410	(127)	(45%)
	Rates	1,414	0	1,414	1,499	1,464	(50)	(4%)
	Rents	85	0	85	22	85	0	
	Repair and Maintenance	1,096	0	1,096	250	1,071	25	
Transport Related Exp	Water Services	334	0	334	51	334	0	
	Car Allowances	1	0	1	2	5	(4)	
	Contract Hire Operating Leases	65	0	65	77	175	(110)	(169%)
	Direct Transport Costs	1,097	0	1,097	329	1,311	(214)	(20%)
	Other Transport Costs	0	0	0	0	0	0	
	Public Transport	23	0	23	3	21	2	
Supplies and Services	Transport Insurance	80	0	80	0	79	1	
	Catering	61	0	61	13	61	0	
	Clothing Uniform and Laundry	86	0	86	27	86	0	
	Communications and Computing	1,503	0	1,503	814	1,524	(21)	
	Contribution to Provisions	250	0	250	0	250	0	
	Equip Furniture and Materials	1,449	0	1,449	406	1,494	(45)	(3%)
	Expenses	643	0	643	130	663	(20)	
	General Office Supplies	211	0	211	65	209	2	
	Grants and Subscriptions	1,317	0	1,317	8,640	1,511	(194)	(15%)
Transfer Payments	Miscellaneous Expenses	467	0	467	58	1,192	(725)	(155%)
	Services	5,263	0	5,263	861	5,961	(698)	(13%)
Support Services	Housing Benefit	20,277	0	20,277	4,207	20,277	0	
Capital Charges	Recharges Exp	147	0	147	1	141	6	
	Amortisation of Def Chgs	0	0	0	0	0	0	
Capital Financing Costs	Depreciation	17	0	17	0	17	0	
	Interest Payments	1,464	0	1,464	0	1,464	0	
Appropriations	Appropriations	3,771	0	3,771	0	3,276	495	+13%
Income	Customer Fees and Charges	(18,810)	0	(18,810)	(5,913)	(18,101)	(709)	(4%)
	Government Grants	(21,766)	0	(21,766)	(18,126)	(22,793)	1,027	+5%
	Interest	(56)	0	(56)	(29)	(56)	0	
	Other Grants and Contributions	(1,586)	0	(1,586)	(591)	(2,102)	516	+33%
Capital Financing Inc	Recharges Inc	(4,923)	0	(4,923)	(1,019)	(5,111)	188	+4%
	Capital Related Income	(300)	0	(300)	745	(300)	0	
	Net Recharges to Housing Revenue Account	(1,044)	0	(1,044)	0	(1,044)	0	
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	862	(139)	0	
	Revenue Reserve funded items included in above analysis (Revenue)	1,641	0	1,641	(109)	1,630	11	
	Revenue Reserve funded items included in above analysis (Appropriat	(1,641)	0	(1,641)	0	(1,630)	(11)	
GRAND TOTAL		21,254	0	21,254	2,906	23,435	(2,181)	(10%)

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 1 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2022/23

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Variance +/- £30K %
Communities and Environment							
Policy & Management	1,901	0	1,901	495	1,877	24	
Repairs & Maintenance	6,555	0	6,555	937	6,667	(112)	(2%)
Welfare Services	58	0	58	(62)	333	(275)	(474%)
Special Services	273	0	273	111	295	(22)	
Miscellaneous Expenses	740	0	740	63	811	(71)	(10%)
Housing Revenue Account Income Account	(15,295)	0	(15,295)	(3,470)	(15,154)	(141)	(1%)
Capital Charges	5,493	0	5,493	0	5,493	0	
Appropriations	(255)	0	(255)	0	(255)	0	
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
	(530)	0	(530)	(1,926)	67	(597)	(113%)
Net Recharges to General Fund	530	0	530	0	530	0	
Housing Revenue Account Budget	0	0	0	(1,926)	597	(597)	

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

QUARTER 1 FINANCIAL CAPITAL MONITORING - SERVICE ANALYSIS 2022/23

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q1 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Commentary Variances +/- £100K
Communities and Environment							
Business Support	Purchase Of Vehicles	2,012	0	2,012	219	3,164	(1,152) £2.3m slippage from 21/22 is pending approval by Cabinet.. Rising prices & delays in supply chain make accurate outturn difficult to forecast at this stage in the year. Current outturn is an estimate based on the
	Electrification of Vehicles	508	0	508	0	508	0
	Fleet Growth	180	0	180	0	180	0
	2 x Electric RCVs	0	0	0	416	416	(416) Variance will be funded by £400k slippage from 21/22 pending approval by Cabinet
Customer Involvement & Leisure	Salt Ayre Equipment Programme	549	0	549	16	549	0
	SASC Developer Partnership	0	0	0	(29)	(29)	29 Retention fee due to Alliance Leisure no longer required
Public Protection		0	0	0	0	0	0
Housing Services	Disabled Facilities Grants	0	0	0	(2,983)	0	0
	Next Steps Accommodation Programme	0	0	0	0	750	(750) Variance will be funded by £750k slippage from 21/22 pending approval by Cabinet
	Mellishaw Park	600	0	600	0	300	300 Project going out to tender in September & is therefore likely to slip in part into 23/24
	Happy Mount Park Footpaths	0	0	0	0	0	0
	Far Moor Playing Fields Scheme	37	0	37	36	36	1
	Williamson Park Development	0	0	0	0	0	0
	Electronic Vehicle Charging Points - Phase 2	0	0	0	0	0	0
	Half Moon Bay Car Park Extension	30	0	30	0	63	(33) Variance will be part funded by £30k slippage from 21/22 pending approval by Cabinet
Public Realm	Solar Installation Phase 1 SALC	0	0	0	0	0	0
	One Million Trees	30	0	30	0	30	0
	Customer Contact System	0	0	0	0	0	0
	SALC Salix Funded Optimised Solar Farm	0	0	0	(1,284)	0	0
	Roof Mounted Solar Array - Citylab	0	0	0	0	0	0
	Property Decarbonisation Works	0	0	0	0	0	0
	Heat De-carbonisation Programme	0	224	224	0	224	0
	Torrisholme Park Play Area	0	0	0	6	0	0
	Communities & Environment Devpt Pool	0	0	0	0	0	0
		3,946	224	4,170	(3,603)	6,191	(2,021)
Economic Growth and Regeneration							
Planning & Place	Cable Street Christmas Lights	24	0	24	0	24	0
	S106 payments to Lancs County Council	0	0	0	0	0	0
	Canal Quarter	40	0	40	0	40	0
Economic Development	Palatine Recreation Ground - Veterans Cl	0	0	0	84	0	0
	Palatine Hall	0	0	0	0	0	0
	Edward Street Dance Studio	84	0	84	0	84	0
	1 Lodge Street Urgent Structural Repairs	340	0	340	17	340	0
	Lancaster City Museum	0	0	0	40	53	(53) Variance will be funded by slippage from 21/22 pending approval by Cabinet
	Lancaster Square Routes Project	5	0	5	(18)	0	5
	Lancaster HS Heritage Action Zone	973	0	973	51	223	750 Project has recently been reprofiled with the agreement of Historic England with expenditure now due in years 3 & 4 of the project

Property, Regeneration & Investment	Lancaster District Empty Homes Partnersh	73	0	73	0	0	73	On hold pending sourcing of new delivery partner
	Caton Road Flood Relief Scheme	0	0	0	(1,070)	0	0	
	Lawsons Bridge S106 scheme	63	0	63	0	0	63	Scheme on hold due to receipt of new planning application which may impact S106 contribution
	Engineers Electric Vehicle	0	0	0	0	0	0	
	Economic Growth & Regen Devpt Pool	1,650	0	1,650	0	0	1,650	£650k BGV Project Development & £1m provision for Canal Quarter won't be released until business case approved by Cabinet therefore likely to slip into 23/24
	Morecambe Co-op Renovation	375	0	375	0	0	375	Project start is dependent on securing external funding
	Coastal Revival Fund - Morecambe Co-op	0	0	0	(10)	0	0	
		3,627	0	3,627	(906)	764	2,863	
Corporate Services								
Corporate Accounts		0	0	0	0	0	0	
Democratic		0	0	0	0	0	0	
Finance		0	0	0	0	0	0	
HR	PRG Grant	0	0	0	(40)	0	0	
ICT	I.T.Strategy	52	0	52	3	52	0	
	Application System Renewal	258	0	258	0	0	258	Originally planned for potential replacement of Civica & ICON systems. Contracts for these systems have been renewed and no capital expenditure is expected
	I.S. Desktop Equipment	60	0	60	7	60	0	
	ICT Laptop Replacement & E-campus screens	120	0	120	0	120	0	
Internal Audit		0	0	0	0	0	0	
Legal		0	0	0	0	0	0	
Revenues & Benefits		0	0	0	0	0	0	
		490	0	490	(30)	232	258	
Central Services								
Chief Executive		0	0	0	0	0	0	
		0	0	0	0	0	0	
GRAND TOTAL		8,063	224	8,287	(4,539)	7,187	1,100	

Notes:

1. Income is expressed as a negative figure in brackets
2. Expenditure is expressed as a positive figure
3. Projected Variances are expressed as negative () for adverse and positive + for favourable

Council Housing Capital Programme 2022/23

	2022/23 Original Budget	2022/23 Working Budget	2022/23 P3 Actual	2022/23 Projected Outturn	2022/23 Variance (Working v Projected)	Comments (Working Budget to Projected Outturn)
	£	£	£	£	£	
EXPENDITURE						
Adaptations	300,000	300,000	56,822	292,000	8,000	increased cost of materials offset by tradesman currently on light duties
Energy Efficiency / Boiler Replacement	989,000	1,029,000	107,325	1,029,000	0	
Kitchen / Bathroom Refurbishment	888,000	888,000	17,211	768,000	120,000	reduced number of kitchens in programme which have started late due to covid and additional banked annual leave to be taken before 31st March 2023
External Refurbishment	210,000	315,000	1,221	315,000	0	
Environmental Improvements	200,000	234,000	57,742	372,000	(138,000)	additional fencing works identified in respect of plastic replacement to be funded from reduced number of kitchens as above
Re-roofing / Window Renewals	738,000	988,000	-39,180	988,000	0	
Rewiring	56,000	56,000	3,537	56,000	0	
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	240,000	280,000	19,903	280,000	0	
Housing Renewal & Renovation	1,753,000	1,753,000	66,004	1,790,000	(37,000)	contract sum for 6a The Greaves higher than anticipated, to be funded from South Lodge/Mallowdale capital receipts
Mainway Pilot Scheme	4,000,000	4,000,000	0	4,055,000	(55,000)	latest contractual awards, to be funded from Business Support Reserve
TOTAL EXPENDITURE	9,374,000	9,843,000	290,584	9,945,000	(102,000)	

Reserves Statement (Including Unallocated Balances)

<----- ORIGINAL BUDGET ----->

<----- PROJECTED OUTTURN ----->

	31 March 2022	From Revenue	To / (From) Capital	To Revenue	31 March 2023	31 March 2022	From Revenue	To / (From) Capital	To Revenue	To Revenue (Slippage from 21/22)	31 March 2023
	£	£	£	£	£	£	£	£	£	£	£
Unallocated Balances	(5,614,400)	(34,000)			(5,648,400)	(6,032,200)					(6,032,200)
Earmarked Reserves:											
Corporate Priorities	(1,016,100)	(491,300)	600,000	516,900	(390,500)	(2,116,800)	(491,300)	600,000	512,800	1,055,100	(440,200)
Capital Support	(73,000)		73,000			(373,000)		37,300			(335,700)
Corporate Property	(263,500)				(263,500)	(288,700)				25,200	(263,500)
Covid 19 Support Reserve	(4,100)				(4,100)	(1,747,000)				1,742,900	(4,100)
Economic Growth	(118,500)	(96,500)		96,500	(118,500)	(247,800)	(96,500)		96,500	128,000	(119,800)
Investment Property Maint	(9,400)				(9,400)	(35,000)					(35,000)
Invest to Save	(103,600)	(148,200)		437,900	186,100	(824,600)	(248,200)		437,900	779,700	144,800
Morecambe Area Action Plan	(2,200)				(2,200)	(27,300)				25,100	(2,200)
Museums Acquisitions	(28,800)	(4,500)			(33,300)	(29,800)	(4,500)				(34,300)
Planning Fee Income	(39,400)				(39,400)	(61,100)					(61,100)
Restructure	(188,600)			31,700	(156,900)	(431,200)				242,600	(188,600)
To Support Revenue & Capital Expenditure	(1,847,200)	(740,500)	673,000	1,083,000	(831,700)	(6,182,300)	(840,500)	637,300	1,047,200	3,998,600	(1,339,700)
Renewals Reserves	(688,900)	(491,800)	174,000	38,700	(968,000)	(837,100)	(491,800)	174,000	34,000	29,000	(1,091,900)
<i>General Renewals</i>	(492,600)	(295,800)	24,000	10,000	(754,400)	(529,600)	(295,800)	24,000		29,000	(772,400)
<i>Salt Ayre Leisure Centre</i>	(18,900)	(150,000)	150,000		(18,900)	(21,600)	(150,000)	150,000		2,800	(18,800)
<i>Williamson Park</i>	(62,000)	(18,000)		12,500	(67,500)	(62,200)	(18,000)		18,000		(62,200)
<i>Car Parks</i>	(38,200)	(12,000)		12,000	(38,200)	(135,200)	(12,000)		12,000	12,000	(123,200)
<i>Happy Mount Park</i>	(22,900)	(14,000)		4,200	(32,700)	(21,900)	(14,000)		4,200		(31,700)
<i>Arnsdale & Silverdale AONB</i>	(54,300)	(2,000)			(56,300)	(66,600)	(2,000)				(68,600)
Elections	(80,000)	(40,000)			(120,000)	(80,000)	(40,000)				(120,000)
Homelessness Support	(117,400)	(6,600)			(124,000)	(110,800)	(6,600)				(117,400)
Business Rates Retention	(9,090,600)	(400,000)		729,000	(8,761,600)	(9,090,600)	(400,000)		729,000		(8,761,600)
Revenue Grants Unapplied	(905,100)			39,000	(866,100)	(4,357,500)			512,800	81,100	(3,763,600)
S106 Commuted Sums	(1,061,400)	(200,000)	100,000	4,700	(1,156,700)	(1,393,900)	(200,000)	100,000		72,000	(1,421,900)
Welfare Reforms	(324,900)				(324,900)	(324,900)					(324,900)
Lancaster District Hardship						(377,100)					(377,100)
Amenity Improvements	(29,000)				(29,000)	(29,000)					(29,000)
Reserves Held in Perpetuity:											
Graves Maintenance	(22,200)				(22,200)	(22,200)					(22,200)
Marsh Capital	(47,700)				(47,700)	(47,700)					(47,700)
Total ring-fenced/held against risk	(12,367,200)	(1,138,400)	274,000	811,400	(12,420,200)	(16,670,800)	(1,138,400)	274,000	1,276,000	196,900	(16,062,300)
Total Earmarked Reserves	(14,214,400)	(1,878,900)	947,000	1,894,400	(13,251,900)	(22,853,100)	(1,978,900)	911,300	2,323,200	4,195,500	(17,402,000)
Total Combined Reserves	(19,828,800)	(1,912,900)	947,000	1,894,400	(18,900,300)	(28,885,300)	(1,978,900)	911,300	2,323,200	4,195,500	(23,434,200)

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GENERAL FUND - 2022/23 SAVINGS AND BUDGET PROPOSALS MONITORING (QUARTER 1)

Initiative	Upfront Investment	Budget	Actual to Date	Projected Outturn	Projected Variance	Progress
	£'000	£'000	£'000	£'000	£'000	
2022/23 APPROVED SAVINGS						
Central Services						
Chief Executive						
Delete vacant Head of Policy & Strategy		(71)	(71)	(71)	0	Post never advertised or filled
Communities & the Environment						
Public Protection						
Community Safety Partnership		(16)	(4)	(16)	0	City funding removed on target
ASB Contribution to Police		(12)	0	0	12	Contribution agreed for 2022/23, will require inclusion in budget
Domestic Abuse Contribution		(4)	0	0	4	Contribution agreed for next 7 years, will require inclusion in budget
Public Realm & Business Support						
Marketgate (toilets)		(21)	0	0	21	internal discussions to commence in Q2 prior to serving notice. Expectation to implement from 1st April 2023
Corporate Services						
Democratic Services						
Staffing Changes (succession planning)		0	0	0	0	Savings planned to commence 23/24
Legal Services						
Staffing Changes (succession planning)		(15)	0	(8)	7	Savings will be towards end of year.
Economic Growth & Regeneration						
Economic Development						
Remove FHS staff costs		(41)	(41)	(41)	0	Previous growth removed as Future High Scheme funding was not achieved
Planning & Place						
Additional Pre-Application Service Offers		0	0	0	0	Savings planned to commence 24/25
2022/23 APPROVED INCOME GENERATION PROPOSALS						
Communities & the Environment						
Customer Involvement & Leisure						
Salt Ayre Leisure Centre		(209)	(52)	(209)	0	Income targets have been built into current budgets and expecting to achieve target.
Public Protection						
Street Trading Consent		0	0	0	0	n/a
Pest Control/Unbugged		(9)	(2)	(9)	0	on target
Public Realm & Business Support						
Car Parking charging at new sites		(20)	0	(10)	10	Delays to car parking works at Half Moon Bay. Expected to commence in Q2
Car Parking Tariff Review		(495)	(50)	(195)	300	Initial income projections for year are reduced in Q1 against the profiled budget. Cost of living crisis and adverse social media campaigns have contributed to this and a speculative projected variance of (£300K) is included at this juncture
Revisit delivery of Morecambe Concessions		(10)	0	0	10	Proposal was to provide Beach Huts on Morecambe Promenade. Delays to writing delivery plan and subsequent tender process resulted in scheme not able to go ahead in 21/22
Williamson Park Events Income		(70)	0	(20)	50	New officer not yet in post (see below)
Economic Growth & Regeneration						
Economic Development						
Commercial ticketed events (estimated)		(10)	(3)	(10)	0	Ticketed income higher but private hires reduced
Planning & Place						
Building Control		(5)	(5)	(5)	0	Income target including approved savings expected to be achieved
Planning & Place						
Assembly Rooms Rent		(12)	0	0	12	Not achievable in 2022/23. New tenants to take occupation in September 2022 with 12 months rent free
2022/23 APPROVED GROWTH						
Central Services						
Chief Executive						
Partnerships & Innovation Coordinator (shared costs)		20	10	20	0	Used both budgets to appoint a co-ordinator post (see below)
Executive Support Apprentice		7	0	7	0	Used both budgets to appoint a co-ordinator post (see above)
Communities & the Environment						
Housing Services						
LATCo Development Manager		23	0	6	(17)	recruitment to commence in Q2 for start date of Jan 2023 though may slip to 23/24
Public Protection						
New EHO Post (Apprentice/Student)		10	0	6	(4)	not yet recruited say Sep 22
Public Realm & Business Support						
LESS Contribution (Food Futures)		13	0	13	0	SLA being finalised with LESS and annual payment to be made imminently
Recycling (Wheelie Bin Pilot in Heysham)		25	0	25	0	Delays to procurement, pilot expected to commence Q3 for 400 properties with a further 400 from April 2023
Bin Sensor Technology	62	36	0	36	0	Delays to procurement, sensors expected to be in place Q3
District Wide Tree Survey/Strategy		75	0	75	0	Ongoing. Expectation for survey/strategy to be delivered by March 2023
Open Spaces (ad-hoc Councillor requests)		0	0	0	0	Scheme to commence April 2023
Additional Public Realm Capacity		32	0	32	0	Recruitment to commence in Q2
Williamson Park Business Development Officer		32	0	22	(10)	Recruitment has taken place and new officer due to start August 2022
Williamson Park Events		30	0	30	0	Cycle race contribution scheduled for July 2022; further events to be commissioned in line with start of new officer
Corporate Services						
Financial Services						
Internal Audit Manager (offset by Wyre savings)		0	0	0	0	18 month agreement with MIAA to deliver internal audit services due to end March 2023. Review to take place to continue engagement in Q3
Project Accountant(s) to cover larger projects		12	0	12	0	Recruitment to commence in Q3
CIVICA Financials Contract		0	0	0	0	
Human Resources & Organisational Development						
Programme Manager (position made permanent)		58	15	58	0	Postholder already in place
Working Well		25	0	25	0	Project plan in place, will be spent throughout the year to furnish office space
Economic Growth & Regeneration						
Economic Development						
Museums staff Job Evaluation (following TUPE transfer)		14	0	14	0	Posts revised and JE complete. Report being finalised for Exec approval
Critical maintenance and security for architectural site		10	0	10	0	Request for quotes for quinquennial inspection will go out soon
Planning & Place						
Building Control (post-external contract)		105	17	105	0	Estimated outturn is higher than the growth at £180K
Voice-recognition software		6	0	6	0	To be procured in year. ICT sickness delayed purchase
Integrated EDMS system		45	0	45	0	To be procured in year. ICT sickness delayed purchase
Amenity Improvements Programme		12	0	12	0	Spend to be agreed Q2
Property, Investment & Regen						
Project due diligence (contribution to reserve)		100	0	100	0	Spend expected in year - pooled with other reserve funded budget
TOTAL	62	(330)	(186)	65	395	

2022/23 QUARTER 1 - MONITORING SHEET

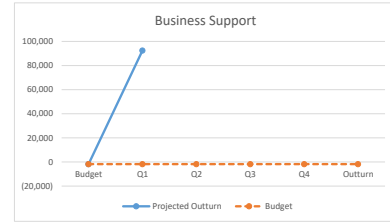
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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Business Support
Budget Holder:	Will Griffith
Portfolio Holder(s):	Dave Brookes

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Vehicle Maintenance	12,000	0	12,000	31,104	39,537	(27,537)
White Lund Depot	(13,800)	0	(13,800)	3,437	52,900	(66,700)
Service Area Total	(1,800)	0	(1,800)	34,541	92,437	(94,237)

Notes

- 1 Increased utility costs across all services (£51K) electricity; (£33K) gas



SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	296,200	0	296,200	73,612	295,272	928
Premises Related Exp	250,800	0	250,800	105,917	334,400	(83,600)
Transport Related Exp	20,700	0	20,700	10,218	22,900	(2,200)
Supplies and Services	75,700	0	75,700	29,082	85,065	(9,365)
Transfer Payments	0	0	0	0	0	0
Support Services	6,000	0	6,000	0	6,000	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(651,200)	0	(651,200)	(184,288)	(651,200)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	(1,800)	0	(1,800)	34,541	92,437	(94,237)

Notes

- 1 Increased utility costs across all services (£51K) electricity; (£33K) gas

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
2 x Electric RCVs	0	0	0	415,649	415,649	(415,649)
Electrification of Vehicles	508,000	0	508,000	0	508,000	0
Fleet Growth	180,000	0	180,000	0	180,000	0
Purchase Of Vehicles	2,012,000	0	2,012,000	219,473	3,164,000	(1,152,000)
Service Area Total	2,700,000	0	2,700,000	635,122	4,267,649	(1,567,649)

Notes

- 1 Variance will be funded by £400k slippage from 21/22 pending approval by Cabinet
 2 £2.3m slippage from 21/22 is pending approval by Cabinet.. Rising prices & delays in supply chain make accurate outturn difficult to forecast at this stage in the year. Current outturn is an estimate based on the current level of commitments

2022/23 QUARTER 1 - MONITORING SHEET

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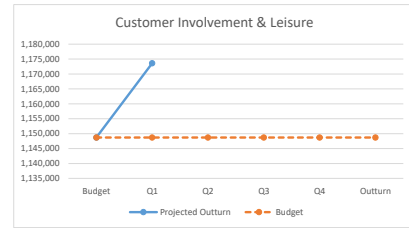
Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Customer Involvement & Leisure
Budget Holder:	Carolyne Walsh
Portfolio Holder(s):	Jason Wood / Sandra Thornberry

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Customer Services	809,200	0	809,200	191,817	742,200	67,000
Leisure	34,400	0	34,400	(70,465)	34,400	0
Salt Ayre	305,100	0	305,100	171,436	396,987	(91,887)
Service Area Total	1,148,700	0	1,148,700	292,788	1,173,587	(24,887)

Notes

1

2&3



Notes

- Saving whilst Head of Community Involvement & Leisure is recharged to West Lancs BC
- Various vacant posts including Leisure Assistants/Spa Therapists
- Additional electricity costs at SALC due to energy price rise

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	2,661,200	0	2,661,200	633,303	2,539,867	121,333
Premises Related Exp	826,700	0	826,700	272,592	972,920	(146,220)
Transport Related Exp	38,000	0	38,000	10,868	38,000	0
Supplies and Services	699,100	0	699,100	165,602	699,100	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(3,076,300)	0	(3,076,300)	(789,576)	(3,076,300)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,148,700	0	1,148,700	292,788	1,173,587	(24,887)

Notes

1

2

Notes

- Saving whilst Head of Community Involvement & Leisure is recharged to West Lancs BC / Various vacant posts including Leisure Assistants/Spa Therapists.
- Additional electricity costs at SALC due to energy price rise

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Salt Ayre Equipment Programme	549,000	0	549,000	15,619	549,000	0
SASC Developer Partnership	0	0	0	(29,069)	(29,069)	29,069
Service Area Total	549,000	0	549,000	(13,450)	519,931	29,069

Notes

1

Notes

- Retention fee due to Alliance Leisure no longer required

2022/23 QUARTER 1 - MONITORING SHEET

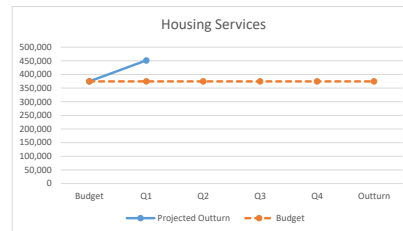
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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Housing Services
Budget Holder:	Jo Wilkinson
Portfolio Holder(s):	Cary Matthews

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
GF Housing	19,500	0	19,500	5,131	93,514	(74,014)
Home Improvement Agency	(128,100)	0	(128,100)	(204,624)	(128,020)	(80)
Housing Options	247,900	0	247,900	(1,331,874)	250,078	(2,178)
Strategic Housing	235,100	0	235,100	28,583	235,593	(493)
Service Area Total	374,400	0	374,400	(1,502,785)	451,165	(76,765)

Notes

1



Notes

- 1 Mellishaw increase in energy costs (£36K). Potential loss of rent income due to Mellishaw renovations (£38K)

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	1,002,300	0	1,002,300	264,275	1,241,711	(239,411)
Premises Related Exp	79,800	0	79,800	17,025	111,193	(31,393)
Transport Related Exp	22,600	0	22,600	7,999	26,805	(4,205)
Supplies and Services	454,200	0	454,200	207,803	1,271,547	(817,347)
Transfer Payments	0	0	0	0	0	0
Support Services	50,000	0	50,000	0	50,000	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(1,234,500)	0	(1,234,500)	(1,999,888)	(2,250,092)	1,015,592
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	374,400	0	374,400	(1,502,785)	451,165	(76,765)

Notes

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4

Notes

- 1 Externally funded (£254K). Vacant posts mainly HIA £12K & Housing Options £5K (239.4)
- 2 Mellishaw increased energy costs (£36K) offset by marginal decrease in R&M £5K (31.4)
- 3 Externally funded (£739K). Increased B&B for Homeless (£75K) offsets to income (housing benefit) (817.3)
- 4 Externally funded £996K. Increase in housing benefit income (B&B Homeless) £68K (see note 3 above). Potential loss in Mellishaw pitch fee Note: Externally funded items have no financial impact so there is no cost to the Council (Funding is from County for HIA, DLUHC for Housing Options and DLUHC for Changing Futures) 1,015.4

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Disabled Facilities Grants	0	0	0	(2,983,449)	0	0
Next Steps Accommodation Programme	0	0	0	0	750,000	(750,000)
Mellishaw Park	600,000	0	600,000	0	300,000	300,000
Service Area Total	600,000	0	600,000	(2,983,449)	1,050,000	(450,000)

Notes

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Notes

- 1 Variance will be funded by £750k slippage from 21/22 pending approval by Cabinet
- 2 Project going out to tender in September & is therefore likely to slip in part into 23/24

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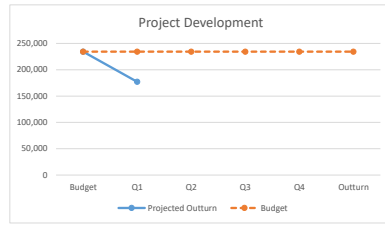
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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Project Development
Budget Holder:	Elliott Grimshaw
Portfolio Holder(s):	Dave Brookes

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
CCTV	49,600	0	49,600	55,866	49,600	0
Project Development	184,800	0	184,800	24,174	127,500	57,300
Service Area Total	234,400	0	234,400	80,040	177,100	57,300

Notes

1&2



Notes

- Business Rates for Solar Farm not chargeable
- Additional income raised through sales to the grid from the solar farm (price related)

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	147,200	0	147,200	36,273	147,200	0
Premises Related Exp	54,100	0	54,100	49	31,300	22,800
Transport Related Exp	0	0	0	0	0	0
Supplies and Services	50,700	0	50,700	57,442	50,700	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(17,600)	0	(17,600)	(13,724)	(52,100)	34,500
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	234,400	0	234,400	80,040	177,100	57,300

Notes

1&2

3

Notes

- Increased utility costs across all services (£51K) electricity; (£33K) gas
- Business Rates for Solar Farm not chargeable
- Additional income raised through sales to the grid from the solar farm (price related)

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
2 x Electric RCVs	0	0	0	415,649	415,649	(415,649)
Electrification of Vehicles	508,000	0	508,000	0	508,000	0
Fleet Growth	180,000	0	180,000	0	180,000	0
Purchase Of Vehicles	2,012,000	0	2,012,000	219,473	3,164,000	(1,152,000)
VMU Brake Rollers	0	0	0	0	0	0
Service Area Total	2,700,000	0	2,700,000	635,122	4,267,649	(1,567,649)

Notes

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Notes

- Variance will be funded by £400k slippage from 21/22 pending approval by Cabinet
- £2.3m slippage from 21/22 is pending approval by Cabinet. Rising prices & delays in supply chain make accurate outturn difficult to forecast at this stage in the year. Current outturn is an estimate based on the current level of commitments

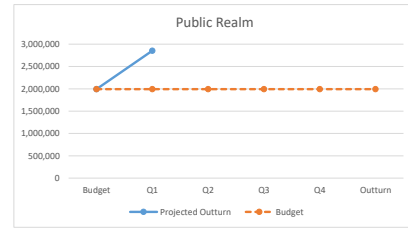
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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Public Realm
Budget Holder:	Will Griffith
Portfolio Holder(s):	Dave Brookes / Gina Dowling / Tim Hamilton-Cox / Tricia Heath

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Cemeteries	14,000	0	14,000	15,792	8,314	5,686
Grounds Maintenance	1,035,900	0	1,035,900	358,222	1,049,121	(13,221)
Household Waste Collection	2,216,600	0	2,216,600	53,052	2,488,807	(272,207)
Markets	(120,500)	0	(120,500)	(59,099)	(95,362)	(25,138)
Parking	(2,822,100)	0	(2,822,100)	(99,607)	(2,405,785)	(416,315)
Parks	140,500	0	140,500	9,759	120,344	20,156
Public Conveniences	145,900	0	145,900	44,175	154,900	(9,000)
Public Realm Highways	76,300	0	76,300	8,216	82,500	(6,200)
Service Support	555,100	0	555,100	50,856	506,526	48,574
Street Cleaning	1,273,800	0	1,273,800	353,679	1,363,223	(89,423)
Trade Waste	(789,400)	0	(789,400)	(1,026,106)	(754,621)	(34,779)
Williamson Park	266,500	0	266,500	(3,257)	335,167	(68,667)
Service Area Total	1,992,600	0	1,992,600	(294,318)	2,853,134	(860,534)

Notes



Notes

- Vehicle fuel (£36K) due to cost of living crisis; £30K salary turnover savings due to vacant Public Realm Supervisor post
- Vehicle fuel (£98K) due to cost of living crisis; hire of vehicles (£54K) due to prolonged lead-in times for new vehicles; staffing costs (£88K) due to agency being required to cover long-term sickness and future annual leave strain; garden waste subscriptions (£29K) being 3% down on target
- Electricity (£31K) due to energy crisis
- Electricity (£75K) due to energy crisis; business rates (£42K); income (£300K) very speculative at this juncture
- Non-commencement of beach hut project (£10K); income increase due to increase in Ice Cream concession income and return of fairground £20K
- Staff turnover savings £49K due to vacant Waste Operations Manager and Public Realm Supervisor positions
- Vehicle fuel (£44K) due to cost of living crisis; hire of vehicles (£60K) due to prolonged lead-in times for new vehicles; staff turnover savings £25K; additional waste disposal costs £9K due to enforced contractor change
- Electricity (£16K) due to energy crisis; vehicle fuel (£22K) due to cost of living crisis
- Electricity (£18K) Gas (£40K) due to energy crisis

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	6,634,700	0	6,634,700	1,657,622	6,582,534	52,166
Premises Related Exp	1,547,100	0	1,547,100	956,176	1,800,100	(253,000)
Transport Related Exp	1,091,400	0	1,091,400	373,334	1,408,300	(316,900)
Supplies and Services	2,204,300	0	2,204,300	295,118	2,217,200	(12,900)
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(9,484,900)	0	(9,484,900)	(3,576,568)	(9,155,000)	(329,900)
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,992,600	0	1,992,600	(294,318)	2,853,134	(860,534)

Notes

- Staff turnover savings £200K offset by additional agency costs to cover shortfalls (£144K)
- Increased utility costs across all services (£167K) electricity; (£65K) gas; (£45K) parking business rates
- Additional fuel costs across service (£203K); hire of vehicles (£114K) due to prolonged lead-in times for new vehicles
- Additional waste disposal costs (£9K) due to enforced contractor change
- Garden waste subscriptions (£29K) being 3% down on target; car parking income (£300K) very speculative at this juncture

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Electronic Vehicle Charging Points	0	0	0	0	0	0
Far Moor Playing Fields Scheme	37,000	0	37,000	36,402	36,402	598
Half Moon Bay Car Park Extension	30,000	0	30,000	0	63,281	(33,281)
Happy Mount Park Footpaths	0	0	0	0	0	0
One Million Trees	30,000	0	30,000	0	30,000	0
SALC Salix Funded Optimised So	0	0	0	(1,284,375)	0	0
Heat De-carbonisation Programme	0	224,000	224,000	0	224,000	0
Torrisholme Park Play Area	0	0	0	6,028	0	0
Service Area Total	97,000	224,000	321,000	(1,241,945)	353,683	(32,683)

Notes

- Variance will be part funded by £30k slippage from 21/22 pending approval by Cabinet

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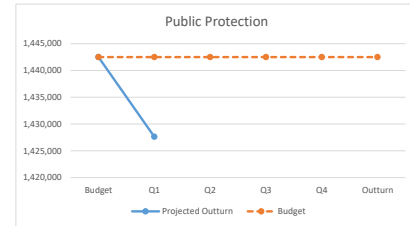
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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Public Protection
Budget Holder:	Fiona Inston
Portfolio Holder(s):	Dave Brookes

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Environmental Health	1,262,200	0	1,262,200	(153,612)	1,231,135	31,065
Emergency Planning	46,000	0	46,000	11,280	45,690	310
Housing Standards	78,600	0	78,600	(16,163)	92,228	(13,628)
Licensing	(67,800)	0	(67,800)	17,284	(79,379)	11,579
Safety	123,500	0	123,500	23,584	137,962	(14,462)
Service Area Total	1,442,500	0	1,442,500	(117,628)	1,427,635	14,865

Notes

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Notes

- 1 Vacancies & SCP savings £12K. Increase in fuel costs DERV (£6K). Additional cost for clearing backlog of Animal Licensing inspections (£8K). Additional one off cost for kennelling following puppy farm investigation (£6K). Income from staff time recharges £35K.
- 2 Delay in implementation of Selective Licensing. Salary savings £28K, reduced income (£30K) and TCA funding no longer needed (£16K)
- 3 Employees vacant posts £9K. Income down due to fall in numbers after Covid (£10K). Funding from COMF for driver recruitment programme £15K
- 4 Overspend on Employees (£7K) mainly Agency. Additional PCSO cost (£12K) as taken out at revised but not ceased. Underspend on Vans as none £5K

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	1,995,600	0	1,995,600	475,293	1,922,786	72,814
Premises Related Exp	13,600	0	13,600	12,387	13,598	2
Transport Related Exp	47,500	0	47,500	6,463	49,593	(2,093)
Supplies and Services	506,300	0	506,300	162,622	989,777	(483,477)
Transfer Payments	0	0	0	0	0	0
Support Services	31,900	0	31,900	0	26,148	5,752
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(1,152,400)	0	(1,152,400)	(774,392)	(1,574,267)	421,867
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,442,500	0	1,442,500	(117,628)	1,427,635	14,865

Notes

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- 3

Notes

- 1 Externally funded £32K. Vacant posts and SCP savings £47K. Agency costs (£6K)
 - 2 Externally funded (£301K). Nets to Income (£159K) AQ grant, CSP & VMU). Additional costs for Animal Licensing inspections (£8K), puppy kennelling (£6K) and PCSO officer (£12K)
 - 3 Externally funded £267K offsets Supplies & Services £158K (AQ, CSP, VMU). Income from staff time recharges £35K. Funding from COMF for driver training £15K. Delay in implementation of Selective Licensing income down (£30K) and TCA funding no longer needed (£16K). Licensing income down (£10K)
- Note: Externally funded items net nil so there is no cost to the council. (Funding from: Defra for Port transition, Food Standards Agency for specific work, County for Resettlement, balance of DLUHC Transformation challenge award and PRS Energy grant)

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Directorate:	Communities and Environment
Director:	Suzanne Lodge
Area of Spend:	Housing Services
Budget Holder:	Jo Wilkinson
Portfolio Holder(s):	Cary Matthews

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £	Notes
Policy & Management	1,902,500	0	1,902,500	495,116	1,878,205	24,295	1
Repairs & Maintenance	6,555,200	0	6,555,200	937,441	6,666,674	(111,474)	2
Welfare Services	58,100	0	58,100	(62,438)	333,091	(274,991)	3
Special Services	273,100	0	273,100	110,721	294,676	(21,576)	4
Miscellaneous Expenses	739,600	0	739,600	63,190	810,600	(71,000)	5
Income Account	(15,295,200)	0	(15,295,200)	(3,470,244)	(15,153,500)	(141,700)	6
Capital Charges	5,492,500	0	5,492,500	0	5,492,500	0	
Appropriations	(255,300)	0	(255,300)	0	(255,300)	0	
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
Service Area Total	(529,500)	0	(529,500)	(1,926,213)	66,946	(596,446)	

Notes

- 1 Staff turnover savings net of provision to staff turnover
- 2 Electricity (-£0.082M) Gas (-£0.039M) due to energy crisis, largely rechargeable a year in arrears (elements are HB applicable to residents)
- 3 Electricity (-£0.022M) Gas (-£0.242M) due to energy crisis, largely rechargeable a year in arrears (elements are HB applicable to residents)
- 4 Electricity (-£0.004M) Gas (-£0.007M) due to energy crisis, largely rechargeable a year in arrears (elements are HB applicable to residents)
- 5 Additional insurance premium charged to be recharged to services within Q2
- 6 Increased rent loss from voids, largely due to an increase in major voids being returned plus increased voids relating to capital projects

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £	Notes
Employees	2,262,500	0	2,262,500	474,417	2,219,847	42,653	1
Premises Related Exp	7,296,300	0	7,296,300	1,071,756	7,793,699	(497,399)	2
Transport Related Exp	8,900	0	8,900	1,473	8,900	0	
Supplies and Services	1,054,300	0	1,054,300	219,877	1,054,300	0	
Transfer Payments	0	0	0	0	0	0	
Support Services	106,600	0	106,600	0	106,600	0	
Capital Charges	2,771,700	0	2,771,700	19,500	2,771,700	0	
Capital Financing Costs	1,679,400	0	1,679,400	0	1,679,400	0	
Appropriations	786,100	0	786,100	(19,500)	786,100	0	
Income	(16,495,300)	0	(16,495,300)	(3,693,737)	(16,353,600)	(141,700)	3
Capital Financing Inc	0	0	0	0	0	0	
Subjective Analysis Total	(529,500)	0	(529,500)	(1,926,213)	66,946	(596,446)	

Notes

- 1 Staff turnover savings net of provision to staff turnover
- 2 Electricity (-£0.138M) Gas (-£0.288M) due to energy crisis (largely rechargeable a year in arrears); additional insurance premium (-£0.071M) charged to be recharged to services within Q2
- 3 Increased rent loss from voids, largely due to an increase in major voids being returned plus increased voids relating to capital projects

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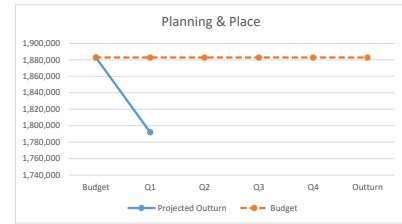
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Directorate:	Economic Growth and Regeneration
Director:	Jason Syers
Area of Spend:	Planning & Place
Budget Holder:	Mark Cassidy
Portfolio Holder(s):	Gina Dowling

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Building Control	193,600	0	193,600	365	191,511	2,089
Conservation & Environment	55,300	0	55,300	(482)	61,779	(6,479)
Development Control	840,400	0	840,400	168,671	748,579	91,821
Local Plan	793,500	0	793,500	163,073	790,035	3,465
Service Area Total	1,882,800	0	1,882,800	331,627	1,791,904	90,896

Notes

- 1 (£6K) est increased electricity costs for Middleton Pumping Station
 £87K salary savings, currently ten vacant posts offsets consultancy support for key major applications (£16K)
 £100K salary savings including vacant head of PIR currently advertised offsets agency costs (£67K)
 (£8K) increase in prices to statutory notices in newspapers



SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	2,484,300	0	2,484,300	505,249	2,282,695	201,605
Premises Related Exp	27,600	0	27,600	1,918	34,079	(6,479)
Transport Related Exp	1,800	0	1,800	346	1,800	0
Supplies and Services	428,000	0	428,000	106,500	532,230	(104,230)
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(1,058,900)	0	(1,058,900)	(282,386)	(1,058,900)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,882,800	0	1,882,800	331,627	1,791,904	90,896

Notes

- 1 £82K due to currently operating unstaffed within Building Control; £87K development control ten vacant posts; £100K salary savings including vacant head of PIR currently advertised; Agency costs (£72K) mainly head of PIR
 2 (£6K) est increased electricity costs for Middleton Pumping Station
 3 (£75K) Capita consultancy for Building Control support; (£16K) consultancy support for key major applications; (£14K) works in default payments and increased advertising costs associated with statutory planning notices

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Cable Street Christmas Lights	24,000	0	24,000	0	24,000	0
S106 payments to Lancs County Council	0	0	0	0	0	0
Canal Quarter	40,000	0	40,000	0	40,000	0
Service Area Total	64,000	0	64,000	0	64,000	0

Notes

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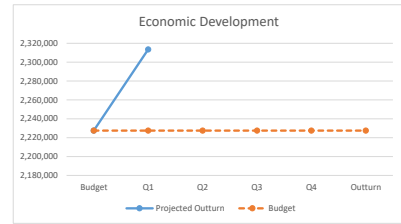
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Directorate:	Economic Growth and Regeneration
Director:	Jason Syers
Area of Spend:	Economic Development
Budget Holder:	Michelle Horrocks
Portfolio Holder(s):	Kevin Frea / Sandra Thornberry / Tim Hamilton-Cox / Gina Dowding / Tricia Heath

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
AONB	55,800	0	55,800	13,265	55,233	567
Economic Development	414,400	0	414,400	79,246	406,420	7,980
Marketing & Comms	326,500	0	326,500	74,993	325,145	1,355
Grants	214,700	0	214,700	46,905	214,700	0
The Platform	106,900	0	106,900	(4,324)	130,903	(24,003)
Tourism & Events	487,400	0	487,400	110,750	485,178	2,222
Museums	621,800	0	621,800	182,230	695,928	(74,128)
Service Area Total	2,227,500	0	2,227,500	503,066	2,313,507	(86,007)

Notes



Notes

- 1 Vacant Economic Development Assistant
- 2 (£27K) Platform est increased utility costs
- 3 (£76K) Museums est increased utility costs

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	1,801,800	0	1,801,800	422,519	1,777,218	24,582
Premises Related Exp	244,600	0	244,600	109,858	354,939	(110,339)
Transport Related Exp	5,600	0	5,600	678	5,850	(250)
Supplies and Services	1,091,100	0	1,091,100	175,244	1,130,700	(39,600)
Transfer Payments	0	0	0	0	0	0
Support Services	11,700	0	11,700	1,419	11,700	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(927,300)	0	(927,300)	(205,423)	(966,900)	39,600
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	2,227,500	0	2,227,500	504,294	2,313,507	(86,007)

Notes

- 1 (£8K) vacant Economic Development Assistant (£11K) vacant Team Leader
- 2 (£110K) est increased utility costs for VIC's, Platform & Musuems
- 3 (£20K) SPF Investment Plan & (£20K) Museums expenditure offset by grant income
- 4 £20K SPF Investment Plan & £20K Museums grant income offsets expenditure

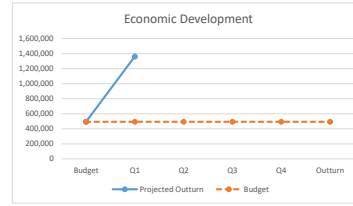
2022/23 QUARTER 1 - MONITORING SHEET

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Directorate:	Economic Growth and Regeneration
Director:	Jason Syers
Area of Spend:	Property, Investment and Regen
Budget Holder:	Jason Syers
Portfolio Holder(s):	Erica Lewis / Gina Dowding / Tim Hamilton-Cox / Tricia Heath

SERVICE AREA EXPENDITURE	Original Budget 2022/23	Budget Amendments 2022/23	Working Budget 2022/23	Q1 Actual 2022/23	Projected Outturn 2022/23	Projected Variance 2022/23
	£	£	£	£	£	£
Highways	0	0	0	0	0	0
Regeneration	466,300	0	466,300	21,801	440,717	25,583
Sea Defence & Land Drainage	426,700	0	426,700	90,654	427,527	(827)
Property	(399,400)	0	(399,400)	125,267	500,561	(899,961)
Building Cleaning	0	0	0	79,651	(6,865)	6,865
Service Area Total	493,600	0	493,600	317,373	1,361,939	(868,339)

Notes



Notes

- E29K salary savings; (E7K) cost of Waste Management Licence
- (E458K) est increased utility costs for Council Buildings, (28K) rates at Hillmore Way, (E306K) income shortfall, (E109K) savings target for mothballing LTH/MTH and relocating ICT will not be met.

SUBJECTIVE EXPENDITURE	Original Budget 2022/23	Budget Amendments 2022/23	Working Budget 2022/23	Q1 Actual 2022/23	Projected Outturn 2022/23	Projected Variance 2022/23
	£	£	£	£	£	£
Employees	2,133,000	0	2,133,000	469,957	2,079,568	53,432
Premises Related Exp	1,610,500	0	1,610,500	573,849	2,113,780	(503,280)
Transport Related Exp	14,000	0	14,000	1,220	14,450	(450)
Supplies and Services	236,500	0	236,500	30,928	395,477	(158,977)
Transfer Payments	0	0	0	0	0	0
Support Services	36,300	0	36,300	0	36,300	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(3,536,700)	0	(3,536,700)	(758,581)	(3,277,636)	(259,064)
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	493,600	0	493,600	317,373	1,361,939	(868,339)

Notes

- E29K Projects Team vacancies x 4 E10K vacant Project Engineer & Coast Maint Officer posts
- (E458K) est increased utility costs for Council Buildings, (E28K) rates at Hillmore way
- (E40K) Bailingg Homes England Grant expenditure (offsets income)
- E40K Bailingg Homes England Grant income (offsets expenditure). Property income budgets include E240K for new investment income not identified and E66K rental shortfalls at 7 Cheapside, Hillmore Way and Assembly Rooms whilst new tenants move in.

Notes not yet updated

CAPITAL EXPENDITURE	Original Budget 2022/23	Budget Amendments 2022/23	Working Budget 2022/23	Q1 Actual 2022/23	Projected Outturn 2022/23	Projected Variance 2022/23
	£	£	£	£	£	£
1 Lodge Street Urgent Structural Repairs	340,000	0	340,000	17,348	340,000	0
Artle Beck Improvements	0	0	0	(359)	0	0
Cable Street Christmas Lights	24,000	0	24,000	0	24,000	0
Canal Quarter	40,000	0	40,000	0	40,000	0
Calton Road Flood Relief Scheme	0	0	0	(1,069,739)	0	0
Coastal Revival Fund - Morecambe Co-op	0	0	0	(9,802)	0	0
Economic Growth & Regen Devpt Pool	1,650,000	0	1,650,000	0	0	1,650,000
Edward Street Dance Studio	84,000	0	84,000	0	84,000	0
Frontierland	0	0	0	0	0	0
Lancaster City Museum	0	0	0	39,528	53,000	(53,000)
Lancaster District Empty Homes Partnersh	73,000	0	73,000	0	0	73,000
Lancaster HS Heritage Action Zone	973,000	0	973,000	50,547	223,404	749,596
Lancaster Square Routes Project	5,000	0	5,000	(17,634)	0	5,000
Lawsons Bridge S106 scheme	63,000	0	63,000	0	0	63,000
Morecambe Co-op Renovation	375,000	0	375,000	0	0	375,000
Palatine Recreation Ground - Veterans Cl	0	0	0	84,175	0	0
Service Area Total	3,627,000	0	3,627,000	(905,937)	764,404	2,862,596

Notes

- E650k BGV Project Development & E1m provision for Canal Quarter won't be released until business case approved by Cabinet therefore likely to slip into 23/24
- Variance will be funded by slippage from 21/22
- On hold pending sourcing of new delivery partner
- Project has recently been reprocured with the
- Scheme on hold due to receipt of new planning application which may impact S106 contribution
- Project start is dependent on securing external funding

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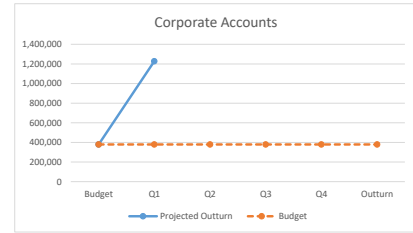
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Directorate:	Corporate Services
Director:	Paul Thompson
Area of Spend:	Corporate Accounts
Budget Holder:	Paul Thompson
Portfolio Holder(s):	Anne Whitehead

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Central Expenses	379,100	0	379,100	2,086,350	1,227,475	(848,375)
Service Area Total	379,100	0	379,100	2,086,350	1,227,475	(848,375)

Notes

1&2&3



Notes

- 1 Removal of one-quarter of staff turnover target
- 2 Additional £205K pension top-up due regarding 2021/22 and estimated £600K requirement for 2022/23
- 3 HRA share of additional pension top-up due

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	3,257,600	0	3,257,600	2,873,337	4,205,975	(948,375)
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	0	0	0	0	0	0
Supplies and Services	416,200	0	416,200	39,102	416,200	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(3,294,700)	0	(3,294,700)	(826,089)	(3,394,700)	100,000
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	379,100	0	379,100	2,086,350	1,227,475	(848,375)

Notes

1&3

2

Notes

- 1 Removal of one-quarter of staff turnover target
- 2 Additional £205K pension top-up due regarding 2021/22 and estimated £600K requirement for 2022/23
- 3 HRA share of additional pension top-up due

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
	0	0	0	0	0	0
Service Area Total	0	0	0	0	0	0

Notes

Notes

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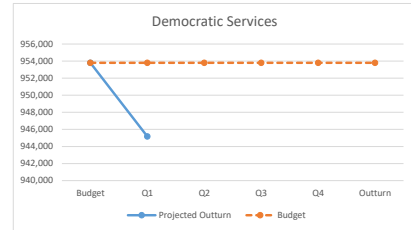
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Directorate:	Corporate Services
Director:	Luke Gorst
Area of Spend:	Democratic Services
Budget Holder:	Deborah Chambers
Portfolio Holder(s):	Erica Lewis

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Democratic Services	953,800	0	953,800	220,957	945,181	8,619
Service Area Total	953,800	0	953,800	220,957	945,181	8,619

Notes

1



Notes

1 Various minor salary savings including new elections staff

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	443,600	0	443,600	103,193	434,981	8,619
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	15,900	0	15,900	207	15,900	0
Supplies and Services	496,600	0	496,600	130,487	496,600	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(2,300)	0	(2,300)	(12,931)	(2,300)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	953,800	0	953,800	220,957	945,181	8,619

Notes

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1 Various minor salary savings including new elections staff

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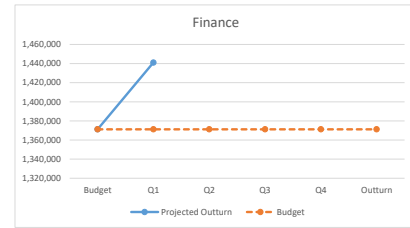
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Directorate:	Corporate Services
Director:	Paul Thompson
Area of Spend:	Finance
Budget Holder:	Paul Thompson
Portfolio Holder(s):	Anne Whitehead

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Finance	1,371,200	0	1,371,200	1,340,489	1,441,107	(69,907)
Service Area Total	1,371,200	0	1,371,200	1,340,489	1,441,107	(69,907)

Notes

1&2



Notes

- 1 Various vacancies including Accountancy Services Manager/Systems Support Officer and awaiting restructure
- 2 Additional insurance premium charged to be recharged to services within Q2

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	989,600	0	989,600	208,969	934,794	54,806
Premises Related Exp	0	0	0	977,372	127,000	(127,000)
Transport Related Exp	1,500	0	1,500	76	1,500	0
Supplies and Services	393,900	0	393,900	154,269	391,613	2,287
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(13,800)	0	(13,800)	(207)	(13,800)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,371,200	0	1,371,200	1,340,479	1,441,107	(69,907)

Notes

1
2

Notes

- 1 Various vacancies including Accountancy Services Manager/Systems Support Officer and awaiting restructure
- 2 Additional insurance premium charged to be recharged to services within Q2

2022/23 QUARTER 1 - MONITORING SHEET

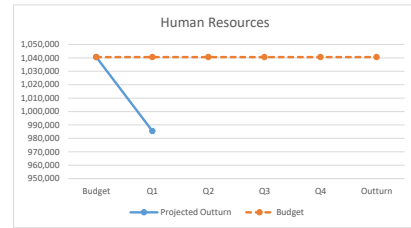
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Directorate:	Corporate Services
Director:	Luke Gorst
Area of Spend:	HR
Budget Holder:	Alex Kinch
Portfolio Holder(s):	Caroline Jackson

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Corporate Safety	65,700	0	65,700	15,690	65,700	0
HR	974,900	0	974,900	209,667	919,794	55,106
Service Area Total	1,040,600	0	1,040,600	225,357	985,494	55,106

Notes

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Notes

1 Various vacancies and restructure savings

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	950,500	0	950,500	216,354	895,394	55,106
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	200	0	200	85	200	0
Supplies and Services	90,900	0	90,900	12,919	90,900	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(1,000)	0	(1,000)	(4,000)	(1,000)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,040,600	0	1,040,600	225,357	985,494	55,106

Notes

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Notes

1 Various vacancies and restructure savings

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
PRG Grant	0	0	0	(39,718)	0	0
Service Area Total	0	0	0	(39,718)	0	0

Notes

Notes

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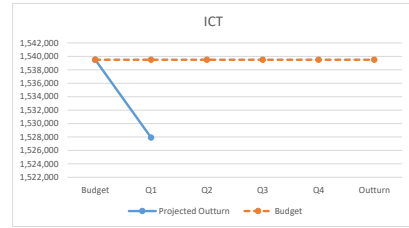
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Directorate:	Corporate Services
Director:	Paul Thompson
Area of Spend:	ICT
Budget Holder:	Joe Edmondson
Portfolio Holder(s):	Erica Lewis

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
ICT	1,539,500	0	1,539,500	407,927	1,527,917	11,583
Service Area Total	1,539,500	0	1,539,500	407,927	1,527,917	11,583

Notes

- 1 Vacant ICT Manager/ICT Development Manager offset by Agency costs



SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	865,900	0	865,900	177,163	854,317	11,583
Premises Related Exp	300	0	300	0	300	0
Transport Related Exp	2,200	0	2,200	184	2,200	0
Supplies and Services	769,000	0	769,000	437,374	769,000	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(97,900)	0	(97,900)	(206,795)	(97,900)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,539,500	0	1,539,500	407,927	1,527,917	11,583

Notes

- 1 Vacant ICT Manager/ICT Development Manager offset by Agency costs

CAPITAL EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Application System Renewal	258,000	0	258,000	0	0	258,000
I.S. Desktop Equipment	60,000	0	60,000	6,515	60,000	0
I.T.Strategy	52,000	0	52,000	3,239	52,000	0
ICT Laptop Replacement & E-car	120,000	0	120,000	0	120,000	0
ICT Telephony	0	0	0	0	0	0
Service Area Total	490,000	0	490,000	9,754	232,000	258,000

Notes

- 1 Originally planned for potential replacement of Civica & ICON systems. Contracts for these systems have been renewed and no capital expenditure is expected

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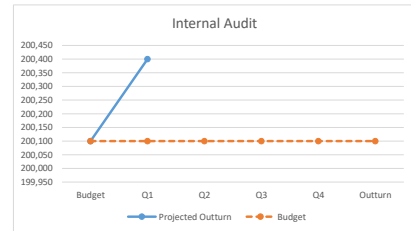
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Directorate:	Corporate Services
Director:	Paul Thompson
Area of Spend:	Internal Audit
Budget Holder:	Paul Thompson
Portfolio Holder(s):	Anne Whitehead

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Internal Audit	200,100	0	200,100	3,066	200,400	(300)
Service Area Total	200,100	0	200,100	3,066	200,400	(300)

Notes

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Notes

1 Currently no Audit staff, work is undertaken by Mersey Internal Audit Agency (MIAA)

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	99,000	0	99,000	3,066	26,300	72,700
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	100	0	100	0	100	0
Supplies and Services	101,000	0	101,000	0	174,000	(73,000)
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	0	0	0	0	0	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	200,100	0	200,100	3,066	200,400	(300)

Notes

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Notes

1 Currently no Audit staff, work is undertaken by Mersey Internal Audit Agency (MIAA) held within supplies and services

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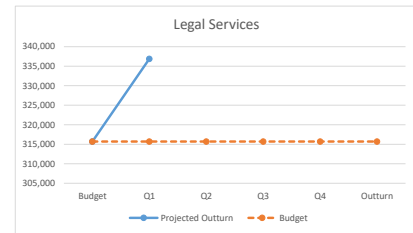
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Directorate:	Corporate Services
Director:	Luke Gorst
Area of Spend:	Legal Services
Budget Holder:	Luke Gorst
Portfolio Holder(s):	Erica Lewis

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Legal Services	315,700	0	315,700	(50,824)	336,866	(21,166)
Service Area Total	315,700	0	315,700	(50,824)	336,866	(21,166)

Notes

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Notes

1 Legal Services Manager temporary increase offset by Management Team savings/staff turnover saving not yet met

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	473,600	0	473,600	125,884	494,766	(21,166)
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	500	0	500	38	500	0
Supplies and Services	113,100	0	113,100	47,401	113,100	0
Transfer Payments	0	0	0	0	0	0
Support Services	11,200	0	11,200	0	11,200	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(282,700)	0	(282,700)	(224,147)	(282,700)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	315,700	0	315,700	(50,824)	336,866	(21,166)

Notes

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Notes

1 Legal Services Manager temporary increase offset by Management Team savings/staff turnover saving not yet met

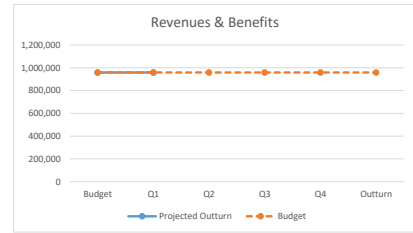
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Directorate:	Corporate Services
Director:	Paul Thompson
Area of Spend:	Revenues & Benefits
Budget Holder:	Adrian Robinson
Portfolio Holder(s):	Anne Whitehead

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Revenues & Benefits	958,500	0	958,500	(1,738,913)	958,500	0
Service Area Total	958,500	0	958,500	(1,738,913)	958,500	0

Notes



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SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	0	0	0	0	0	0
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	0	0	0	0	0	0
Supplies and Services	2,437,700	0	2,437,700	8,841,095	2,437,700	0
Transfer Payments	20,276,500	0	20,276,500	4,207,489	20,276,500	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	(21,755,700)	0	(21,755,700)	(14,787,497)	(21,755,700)	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	958,500	0	958,500	(1,738,913)	958,500	0

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2022/23 QUARTER 1 - MONITORING SHEET

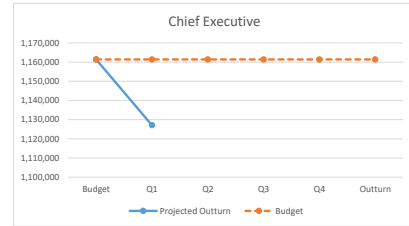
[back to Appendix](#)

Directorate:	Central Services
Director:	Keiran Keane
Area of Spend:	Chief Executive
Budget Holder:	Mark Davies
Portfolio Holder(s):	Caroline Jackson / Erica Lewis

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Executive Team	870,600	0	870,600	176,404	836,291	34,309
Grants to other bodies	290,800	0	290,800	112,750	290,800	0
Service Area Total	1,161,400	0	1,161,400	289,154	1,127,091	34,309

Notes

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Notes

- 1 Vacant Director of Corporate Services/Deputy Director of Community Services - part savings to be used for S151/Monitoring Officers and office/computer equipment

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	794,900	0	794,900	180,012	755,361	39,539
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	3,100	0	3,100	172	3,100	0
Supplies and Services	363,400	0	363,400	119,341	368,630	(5,230)
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0
Income	0	0	0	(10,371)	0	0
Capital Financing Inc	0	0	0	0	0	0
Subjective Analysis Total	1,161,400	0	1,161,400	289,154	1,127,091	34,309

Notes

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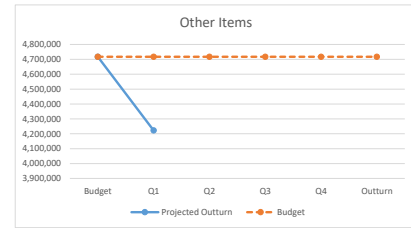
- 1 Vacant Director of Corporate Services/Deputy Director of Community Services - part savings to be used for S151/Monitoring Officers
 2 New office/computer equipment for Chief Executive

2022/23 QUARTER 1 - MONITORING SHEET

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Directorate:	Other Items
Director:	Paul Thompson
Area of Spend:	Other Items
Budget Holder:	Paul Thompson
Portfolio Holder(s):	Anne Whitehead

SERVICE AREA EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
New Homes Bonus	(504,300)	0	(504,300)	(991,357)	(504,300)	0
Revenue Funding of Capital	947,000	0	947,000	0	947,000	0
Minimum Revenue Provision	2,698,400	0	2,698,400	0	2,698,400	0
Interest Payable	1,462,700	0	1,462,700	0	1,462,700	0
Interest Receivable	(11,783)	0	(11,783)	(29,271)	(11,783)	0
Notional Charges	(300)	0	(300)	745,003	(300)	0
Contributions to Reserve	1,077,300	0	1,077,300	0	1,077,300	0
Contributions from Reserve	(4,700)	0	(4,700)	0	(499,600)	494,900
Capital Contributions from Reserve	(947,000)	0	(947,000)	0	(947,000)	0
Service Area Total	4,717,317	0	4,717,317	(275,625)	4,222,417	494,900



Notes

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Notes

- 1 Unspent Covid-19 grant used to offset general fund net position
- 2
- 3

SUBJECTIVE EXPENDITURE	Original Budget 2022/23 £	Budget Amendments 2022/23 £	Working Budget 2022/23 £	Q1 Actual 2022/23 £	Projected Outturn 2022/23 £	Projected Variance 2022/23 £
Employees	0	0	0	0	0	0
Premises Related Exp	0	0	0	0	0	0
Transport Related Exp	0	0	0	0	0	0
Supplies and Services	321,920	0	321,920	0	321,920	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Capital Charges	16,700	0	16,700	0	16,700	0
Capital Financing Costs	1,463,800	0	1,463,800	0	1,463,800	0
Appropriations	3,771,000	0	3,771,000	0	3,276,100	494,900
Income	(556,103)	0	(556,103)	(1,020,628)	(556,103)	0
Capital Financing Inc	(300,000)	0	(300,000)	745,003	(300,000)	0
Subjective Analysis Total	4,717,317	0	4,717,317	(275,625)	4,222,417	494,900

Notes

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Notes

- 1 Unspent Covid-19 grant used to offset general fund net position
- 2

CABINET

**Culture & Heritage Advisory Group
13th September 2022**

Report of the Director for Economic Growth & Regeneration

PURPOSE OF REPORT				
To propose that Cabinet form an Advisory Group to provide an opportunity for the council and cultural partners and stakeholders to engage directly in the interests of the district's culture and heritage offer.				
Key Decision	N	Non-Key Decision	Y	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A			
This report is public				

RECOMMENDATIONS OF Councillor Thornberry

- (1) That Cabinet establishes a Culture & Heritage Advisory Group.
- (2) That the Advisory Group be established based on the Terms of Reference attached to this report, recognising that the Advisory Group itself will have a role in shaping its specific activities.

1.0 Introduction

- 1.1 To assist the council to achieve the 2030 Priorities, it is proposed to establish an advisory group to take a consultative and non-decision-making role to consider how the council and local partners and stakeholders can help shape and influence the district's culture and heritage offer.

2.0 Proposal Details

- 2.1 Draft Terms of Reference are attached to this report, although the Advisory Group itself will have a role in defining its activities. Membership of the group is at the discretion of the Chair and will be established as part of the group's formation; it is envisaged that membership will include individuals from arts, cultural, heritage and associated sectors, stakeholders with a key interest in arts, culture and heritage in the district and relevant experts in key areas (sometimes as speakers) including elected members and officers.

There was an advisory group established in 2019 in relation to culture,

heritage, arts and leisure, however the current portfolio holder wishes to establish new terms of reference as set out in the appendix.

3.0 Details of Consultation

3.1 No formal consultation has taken place, however, The Advisory Group itself will have a role in defining its activities.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Establish a Culture & Heritage Advisory Group	Option 2: Do not establish a Culture & Heritage Advisory Group
Advantages	<p>Provides an opportunity for the council and cultural partners and stakeholders to engage directly in the interests of the district's culture and heritage offer</p> <p>To share information and discuss important cultural issues and opportunities that have an impact on the district's culture and heritage sector</p> <p>To reflect on council priorities and help to inform a shared approach to cultural priorities</p> <p>To strengthen partnership working and develop relationships</p>	No officer support or meeting space required
Disadvantages	Requires officer support and council space to hold meetings	Missed opportunity for the council and cultural partners and stakeholders to engage directly in the interests of the district's culture and heritage offer.
Risks	Could raise expectations from the sector about additional council support for culture and heritage. Clear terms of reference should mitigate against this	No risks were identified

5.0 Officer Preferred Option (and comments)

5.1 Option 1

6.0 Conclusion

6.1 The Culture and Heritage Advisory Group provides a good opportunity for members to engage directly with the culture and heritage partners and stakeholders, as described in this report and the attached terms of reference. Noting that Advisory Groups are informal bodies that are purely consultative and not decision-making. The Advisory Group can discuss key projects such as the development of the council's culture and heritage strategy, funding opportunities, opportunities for joint working, issues effecting the sector as it recovers from the pandemic etc.

RELATIONSHIP TO POLICY FRAMEWORK

The proposal is entirely consistent with and supports Lancaster City Council's policy. It contributes to the Plan 2030 Priorities for a smart and forward thinking council and healthy and happy communities.

CONCLUSION OF IMPACT ASSESSMENT

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

No direct impact arising from the Advisory Group itself; the Advisory Group may make recommendations to Cabinet, within which any impact will be considered.

LEGAL IMPLICATIONS

No direct implications; the Advisory Group may make recommendations to Cabinet, which would be subject to consideration in their own right.

FINANCIAL IMPLICATIONS

No direct implications; the Advisory Group may make recommendations to Cabinet, which would be subject to consideration in their own right.

OTHER RESOURCE IMPLICATIONS

Officer resource will be required to establish and support the Advisory Group, as set out in the proposed Terms of Reference. The specific requirements will be considered as the group is established, however, there is an additional resource requirement as outlined below.

Property:

Access to meeting space and refreshments

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Cabinet Procedure Rules provide as follows:-

Rule 21 - Advisory Groups

(a) Advisory Groups are informal bodies that may be created by Cabinet. They are purely consultative and not decision-making. They will be chaired by a member of Cabinet and maybe co-chaired between cabinet members, or a cabinet member and a member of the group and there is no restriction on size although the group must be limited to what is manageable and effective for their purpose. They may be time-limited or of longer standing, again depending on their purpose.

(b) The participants in the Group will be by invitation of the Chair and can be made up from any or all of the following:

- Other members of Cabinet
- Others from outside the Council
- Other members of Council not on Cabinet
- Council officers

(c) Terms of Reference: Their Terms of Reference are to facilitate meaningful engagement and discussion with communities and stakeholders, with each group reflecting on focus areas role in:

- Responding to the climate emergency;
- Contributing to community wealth-building;
- Taking an approach of asset-based community development; and
- Strengthening community engagement.

Further terms of reference may be agreed upon by each Advisory Group, within the terms of the broad topic area, and observing the focus areas above.

(d) Specific outcomes from their meetings may generate requests for pieces of work to be undertaken by Officers or partner bodies, or Overview and Scrutiny committee to set up a Task Group to undertake a specific piece of work, or a specific report to Cabinet, Committees of Cabinet, individual Cabinet members, or other Committees of Council recommending action for determination.

BACKGROUND PAPERS

Draft Terms of Reference Culture & Heritage
Advisory Group

Contact Officer: Richard Hammond

Telephone: 01524 582638

E-mail: rhammond@lancaster.gov.uk

Ref: [Click here and type Ref, if applicable]

Chair

Cabinet member for Arts, Culture, Leisure & Wellbeing

Participants

Open invitation to include individuals from arts, cultural, heritage and associated sectors, stakeholders with a key interest in arts, culture and heritage in the District and relevant experts in key areas (sometimes as speakers) including elected members and officers

Officer Support

- Democratic Support
- Economic Development
- Other relevant services as required

Terms of Reference

The overall goal of this Advisory Group is to provide an opportunity for the council and cultural partners and stakeholders to engage directly in the interests of the District's culture and heritage offer

- 1) To share information and discuss important cultural issues and opportunities that have an impact on the District's culture and heritage sector
- 2) Reflect on council priorities:
 - responding to the climate emergency;
 - contributing to community wealth-building;
 - taking an approach of asset-based community development; and
 - strengthening community engagement.
- 3) To strengthen partnership working and develop relationships
- 4) To help inform a shared approach to cultural priorities
- 5) Non decision making
- 6) Organised and hosted by the council
- 7) Agenda for meetings set by the Chair with input from the participants

Values

Respectful: We will respect the opinions of each participating organisation

Transparent: We will declare all conflicts of interest promptly

Format of gathering

Gatherings will take place at quarterly intervals per year as a minimum at a council venue to start at 5.00pm and end at 7.00pm

The meeting will consist of mainly the same agenda:

- Sharing info about important issues and opportunities
- Updates about upcoming key projects and events
- Inviting speakers to share expertise and knowledge
- Discussion of any partnership working opportunities/possible funding opportunities
- Agreeing future agendas

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of the Local Government Act 1972.

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