



**Committee:** BUDGET AND PERFORMANCE PANEL

**Date:** WEDNESDAY, 1<sup>ST</sup> FEBRUARY 2023

**Venue:** MORECAMBE TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

The meeting will be live streamed. A link to the meeting is [HERE](#)

Seating is limited if you wish to attend in person.

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 29<sup>th</sup> September and 10<sup>th</sup> November 2022.

3. **Items of Urgent Business authorised by the Chair**

4. **Declaration of Interests**

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. **Budget and Policy Framework Update (Pages 3 - 24)**

Cabinet will present its Budget and Policy Framework Proposals.

**Note:** Whilst the report and Appendix A are public the Appendix B1 is exempt by virtue of paragraphs 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

If Members wish to consider the exempt Appendix B1 the Panel is recommended to pass the following recommendation in relation to the Appendix:-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 2, 3 and 4 of Schedule 12A of that Act.”

Members are reminded that, whilst Appendix B1 has been marked as exempt, it is for the Panel itself to decide whether or not to consider this in private or in public. In making the decision, Members should consider the relevant paragraphs 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.

Appendix B1 published on 30<sup>th</sup> January 2023.

6. **Delivering Our Priorities Q2 2022/23** (Pages 25 - 44)

Report of Cabinet. Report and appendices published on 30<sup>th</sup> January 2023.

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Joan Jackson (Chair), Ross Hunter (Vice-Chair), Phillip Black, Victoria Boyd-Power, Tim Dant, Roger Dennison, Colin Hartley, Sally Maddocks and Margaret Pattison

**(ii) Substitute Membership**

Councillors Mandy Bannon, Keith Budden, Geoff Knight, Erica Lewis, Alistair Sinclair and David Whitaker (BI Group and Liberal Democrat vacancies)

**(iii) Queries regarding this Agenda**

Please contact Stephen Metcalfe, Democratic Services - email [sjmetcalfe@lancaster.gov.uk](mailto:sjmetcalfe@lancaster.gov.uk).

**(iv) Changes to Membership, substitutions or apologies**

Please contact Democratic Support email [democracy@lancaster.gov.uk](mailto:democracy@lancaster.gov.uk).

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

Published on 24<sup>th</sup> January 2023.

**BUDGET AND PERFORMANCE PANEL****Budget & Policy Framework Update  
01 February 2023****Report of Cabinet****PURPOSE OF REPORT**

To provide Budget and Performance Panel with an update on the Council's budget strategy for 2023/24 and financial outlook up to 2027/28. This will enable the panel to consider and comment on the proposals ahead of formal presentation to Council in accordance with the Council's constitution.

**This report is public.**

**RECOMMENDATIONS**

- (1) **That the panel considers the Budget & Policy Framework Update presented to Cabinet 17 January 2023, making any comments considered necessary for Cabinet to consider in line with the Council's constitution.**

**1.0 INTRODUCTION**

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.
- 1.2 As part of the Council's Outcomes Based Resourcing (OBR) programme all Heads of Service have been working with the Chief Executive and Finance Team to identify Assets, savings, efficiencies, and income generation opportunities to ensure we achieve a balanced budget aligned with our priorities.

**2.0 PROPOSAL DETAILS**

- 2.1 The 17 January 2022 Cabinet report (Appendix A) considers savings and additional resource proposals for a balanced revenue budget for 2023/24 and reflects in-year changes and ongoing changes to accounting, forecasting, and funding formula for support and grant activity have caused a change in the budgetary position for this budget from that stated 06 December 2022.
- 2.2 As part of the provisional finance settlement, the Government published its referendum criteria for Council Tax. District councils will be permitted to raise their Council Tax by 3% or £5, whichever is higher, without reference to a referendum. The report contains Cabinet's recommendation to Council regarding the Lancaster City Council element of the Council Tax which is a 2.99% increase to the Band D Council Tax (from £241.95 to £249.18).

**3.0 CONSULTATION**

3.1 The Council’s Constitution requires that when a new, or existing strategy is being considered, the Overview and Scrutiny Committee, or Budget and Performance Panel have an opportunity to comment. If it considers it appropriate, Cabinet may then amend its proposals before submitting them to Council for consideration.

**CONCLUSION OF IMPACT ASSESSMENT  
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

The budget incorporates measures to make progress in addressing the climate emergency and digital improvements as well as activities to address wellbeing, health, and community safety. The budget framework in general sets out a financial plan for achieving the Council’s corporate priorities which incorporate the above cross cutting themes. Equalities impact assessments are undertaken for the relevant activities which are reflected in the budget.

**LEGAL IMPLICATIONS**

Legal Services has been consulted on this report and has no further comments.

**FINANCIAL IMPLICATIONS**

As set out in appendix A of this report.

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

No other implications directly arising from this report.

**SECTION 151 OFFICER’S COMMENTS**

The s151 Officer has written this report in his capacity as Chief Finance Officer

**MONITORING OFFICER’S COMMENTS**

The Monitoring Officer has been consulted and has no comments on this report.

**BACKGROUND PAPERS**

Cabinet 17 January 2023  
[Browse meetings - Cabinet - Lancaster City Council](#)

Council 25 January 2023  
[Agenda for Council on Wednesday, 25th January 2023, 6.00 p.m. - Lancaster City Council](#)

**Contact Officer:** Paul Thompson  
**Telephone:** 01524 582603  
**Email:** [pthompson@lancaster.gov.uk](mailto:pthompson@lancaster.gov.uk)

**CABINET**

**Budget & Policy Framework Update  
2023/24 – 2027/28  
17 January 2023**

**Report of Chief Finance Officer**

**PURPOSE OF REPORT**

To provide an update on the Council's budget strategy for 2023/24 and financial outlook up to 2027/28. Specifically, the report considers the budget and Council Tax proposals for 2023/24

**This report is public.**

**RECOMMENDATION OF COUNCILLOR WHITEHEAD**

- 1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.3 (option one) of this report which is a 2.99% increase to the Band D Council Tax (from £241.95 to £249.18).**
- 2. That Cabinet makes recommendations regarding its initial budget proposals as set out in section 5 and Appendix A of this report.**
- 3. That the recommendations and proposals in this report be referred to Council on 25 January for initial consideration as well as being presented for scrutiny by Budget and Performance Panel on 01 February, in order that any feedback can be provided to Cabinet at its 07 February meeting.**

**1.0 INTRODUCTION**

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.**
- 1.2 At its meeting on 06 December 2022 Cabinet considered updated estimates in respect of the Government's Autumn Statement together with consideration of assumptions in respect of various sources of income and expenditure and the corresponding impact this would have on the 2023/24 revenue budget gap and beyond. Members will, therefore, be aware of the financial challenges faced by the Council.**
- 1.3 Since that report, the Government has released the Provisional Local Government Finance Settlement. A number of workshops have been held between Cabinet and Senior Leadership Team to explore initial proposals from the OBR task groups. A series of immediate actions to reduce spending in the current year have also been undertaken.**

1.4 This report sets out:

- An update to the estimates of Council funding including Revenue Support Grant, Retained Business Rates & New Homes Bonus following on from the release of the provisional local government finance settlement and the corresponding impact on the budget gap. **(Section 2)**
- Consideration of options for setting the Council's element of the Council Tax for 2023/24. **(Section 3)**
- A summary of the Business Rates Revaluation (section 4) and the uncertainties that this creates in forecasting. **(Section 4)**
- A summary of the proposals for achieving a balanced revenue budget for 2023/24. **(Section 5)**
- An update on the work undertaken in respect of the capital programme for the remainder of 2022/23 to 2027/28, and a longer-term Capital Strategy. **(Section 6)**
- An update on the development of a Medium-Term Financial Strategy which will secure the long term financial resilience of the authority and identify resources to meet the Council's priority outcomes for the next five years. **(Section 7)**

## 2.0 LOCAL GOVERNMENT FUNDING UPDATE

2.1 The Secretary of State for the Department of Levelling Up, Housing and Communities outlined his intention of providing Local Government with at least a 2-year timeframe as part of the of the funding settlement for 2023/24.

2.2 Details of the provisional Local Government Finance Settlement for 2023/24 were announced on 19th December 2022. The Provisional Settlement is subject to consultation, with the Final Settlement announced towards the end of January/early February. Values may, therefore, be subject to change. Any changes will be reflected in the final budget and policy framework reports presented to Cabinet, and ultimately Council 22<sup>nd</sup> February.

2.3 A summary of the provisional settlement for Lancaster City Council is provided in table one below.

**Table One – Provisional Settlement allocations for Lancaster City Council**

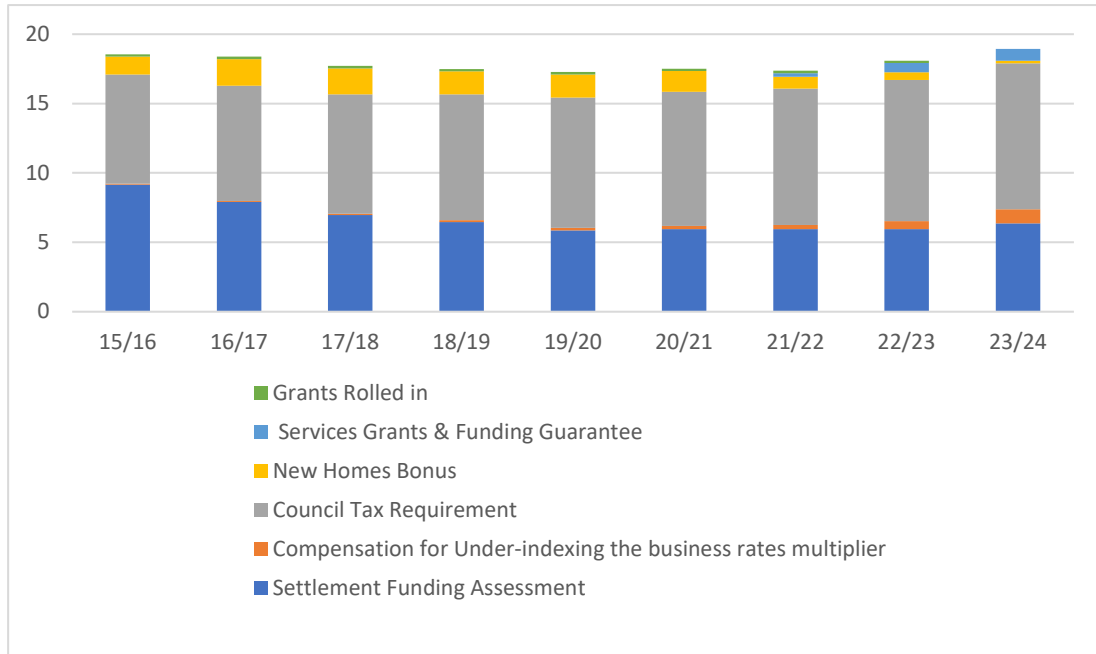
	<b>Provisional Settlement £000</b>	<b>LCC Forecast £000</b>	<b>Difference £000</b>
Settlement Funding Assessment			
Revenue Support Grant	232	0	232
Retained Business Rates	9,407	9,567	(160)
New Homes Bonus	188	180	8
Funding Guarantee	615	0	615
Lower Tier Services Grant	0	257	(257)
Services Grant	223	396	(173)
<b>Total Government Funding</b>	<b>10,665</b>	<b>10,400</b>	<b>265</b>

2.4 As table one shows, the provisional settlement allocates £0.265M more resources than anticipated and this slightly reduces the gap for the 2023/24 revenue budget. However, a number of additional pressures have been identified, many mirroring the wider economic environment. These pressures are reflected in the current budgeted position. These are discussed further in section 5.

**Core Spending Power**

2.5 Core Spending Power (CSP) is a measure used by the Government to set out the resources available to a Council to fund service delivery. It combines certain grants payable to Council together with estimates of Business Rates and Council Tax, these estimates are based on Government assumptions. CSP is used by the Government to make comparisons of the resources available to different Councils. As such, it is not necessarily the actual funding a Council will receive to fund service delivery.

**TABLE TWO – CORE SPENDING POWER**



2.6 On the basis of the provisional Settlement, the Council's CSP for 2023/24 will increase from £18.08M to £18.93M or 4.7% when compared to CSP in 2022/23 and includes an assumption by Government that Councils will increase their Council Tax by the maximum allowable. This is in comparison to the average CSP for all Councils in England of 9.2%

**3.0 COUNCIL TAX**

3.1 As part of the provisional finance settlement, the Government published its referendum criteria for Council Tax. District councils will be permitted to raise their Council Tax by a maximum of 3% or £5, whichever is higher, without reference to a referendum. Table two below considers the following options for Council Tax:

- Option 1: An annual increase of 2.99%
- Option 2: £5 increase in Council Tax
- Option 3: No increase in Council Tax

For Lancaster City Council, option 1 is the highest of the options

**Table Three – Impact of Council Tax Options: 2023/24 to 2027/28**

Year	Taxbase (% Annual Increase)	Estimated Annual Movement %	Option 1		Option 2		Option 3		Additional Income from 2.99% increase & 1% Annual Growth	Additional Income from £5 increase & 1% Annual Growth	Income from Increase in Tax Base Only
			Annual increase of 2.99% in Council Tax		Annual increase of £5 in Council Tax		No annual increase in Council Tax				
			Band D	Income	Band D	Income	Band D	Income			
2022/23	42,060		241.95	10,176,417	241.95	10,176,417	241.95	10,176,417			
2023/24	42,579	1.00%	249.18	10,610,019	246.95	10,514,884	241.95	10,301,989	308,029	212,895	125,572
2024/25	43,005	1.00%	256.63	11,036,531	251.95	10,835,057	241.95	10,405,009	631,522	430,048	228,592
2025/26	43,435	1.00%	264.31	11,480,188	256.95	11,160,582	241.95	10,509,059	971,129	651,523	332,642
2026/27	43,869	1.00%	272.21	11,941,680	261.95	11,491,533	241.95	10,614,150	1,327,531	877,384	437,733
2027/28	44,308	1.00%	280.35	12,421,724	266.95	11,827,988	241.95	10,720,291	1,701,433	1,107,697	543,874
									<b>4,939,644</b>	<b>3,279,546</b>	<b>1,668,413</b>

3.2 The budget proposals have assumed the maximum allowable increase in Council Tax and a growth in tax base of 1%. In 2023/24 this will raise an additional £0.308M. If there was no increase in Council Tax, income would increase by £0.126M due to forecast increases in the tax base. The table above shows the difference, in terms of income, between the maximum allowable tax increase (2.99% or £5 whichever is the greater), and no increase. Over five years, this amounts to £4.940M in income if option one is adopted compared to £1.668M if no increase was agreed a difference of £3.271M

3.3 **The recommendation arising from this report is that the Council on 25 January 2023 agree a 2.99% increase (option one) to the level of the 2023/24 Band D Council Tax for the Lancaster City Council element.** It is also recommended that option one is selected for the purposes of completing estimates in the Medium-Term Financial Strategy.

#### 4.0 BUSINESS RATES

4.1 All rateable values in England and Wales have been revalued by the Valuation Office Agency (VOA) as part of the 2023 Revaluation. This revaluation has been based on open market rental levels as at 1st April 2021 and will be the basis of the business rates liability for each eligible business property in the District from 1st April 2023.

4.2 The VOA published the draft rating list in November 2022. As shown in Table 4 below, the draft rating list for Lancaster City Council provides gross rateable value (RV) for 2023 of £169.117M. Table 4 also provides the equivalent RV figures from the 2017 rating list.

**Table 4 Lancaster City Council Classifications**

Category	2017	2023	Movement	
	Rateable Value	Rateable Value	£	%
Commercial	64,204,715	63,509,776	(694,939)	(1.08%)
Industrial	9,952,150	12,253,525	2,301,375	23.12%
Leisure	3,437,325	4,041,320	603,995	17.57%
Miscellaneous	6,392,137	6,894,217	502,080	7.85%
Educational	11,173,475	13,021,150	1,847,675	16.54%
Non Formula Assessed Utilities	1,515,813	2,428,436	912,623	60.21%
Formula Assessed Utilities	63,655,600	66,775,940	3,120,340	4.90%
Treasury (Crown)	148,725	192,375	43,650	29.35%
<b>Total</b>	<b>160,479,940</b>	<b>169,116,739</b>	<b>8,636,799</b>	<b>5.38%</b>



- 4.3 Members should note that the gross RV for the Council has increased by £8.637M, an increase of 5.38%. This increase compares less than favourably with, both the national picture for England which, overall, has seen an increase in RV of 7.3%, and the North West where the rateable value on average has increased by 7.4% as shown in table 5 below

**Table 5 National & District Comparisons**

	<b>Retail</b>	<b>Industry</b>	<b>Office</b>	<b>Other</b>	<b>All Sectors</b>
<b>ENGLAND</b>	<b>(10.0)</b>	<b>27.8</b>	<b>10.3</b>	<b>4.4</b>	<b>7.3</b>
North East	(13.9)	19.1	8.6	1.9	2.2
<b>North West</b>	<b>(9.9)</b>	<b>23.2</b>	<b>17.2</b>	<b>5.4</b>	<b>7.4</b>
Yorks/ Humber	(14.6)	19.4	7.9	6.1	4.7
East Midlands	(10.6)	23.2	5.5	6.2	8.6
West Midlands	(11.9)	26.7	15.3	4.5	9
East Midlands	(10.2)	35.1	26.3	9.9	14.4
London	(8.9)	33.1	6.1	(1.1)	3.3
South East	(10.1)	33.5	20.0	6.6	10.9
South West	(4.7)	27.0	14.0	5.9	9.5

- 4.4 At this stage, it is extremely difficult to accurately predict the impact of the revaluation on the Council's share of income from business rates. Ordinarily an increase in rateable values would provide an increase in the Council's share of business rates income. However, this does not take account of factors such as:-

- any reliefs or exemptions which may be applicable;
- the impact of appeals against the new rateable values, and the adequacy of provisions held in the Business Rates Retention Reserve to meet any appeals;
- the impact of any transitional arrangements the Government will introduce to phase in the effect of changes in rateable values

- 4.5 In addition to the points above, the Council's Revenues and Benefits team are working with the Business Rate software supplier, Academy, to input the relevant system parameters for 2023/24. These will also need to be tested ahead of producing the reports required to support further forecasting and the submission of the mandatory government NNDR 1 return before the end of January 2023. This delay has significantly impacted our ability to undertake forecasting for 2023/24 and beyond. Once the relevant information is available it will be included within the final budget considered by Cabinet at its February meeting.

## **5.0 BUDGET PROPOSALS**

- 5.1 The 6 December 2022 Cabinet report set out the significant challenges facing the Council in balancing its revenue budget for 2023/24 and beyond. Since that report, the OBR Project Groups have been working with Members and Officers to identify savings, efficiency, and income generation proposals. These proposals together with in-year changes and ongoing changes to accounting, forecasting and grant activity have also led to a change in the budgetary position from that previously reported. Proposals for closing the budget gap are shown in table 6 below and are provided in summary detail in **Appendix A** for the period to 2027/28

**Table 6 Cabinet's Draft Revenue Budget Proposals – 2023/24**

	<b>2023/24</b>
	<b>£000</b>
<b>Revenue Budget Forecast as 23 February 2022</b>	<b>21,943</b>
<b>Base Budget Changes</b>	
Operational Base Budget Changes	2,443
	<b>24,386</b>
<b>Outcomes Based Resourcing Proposals</b>	
Costs of Asset Repurposing	277
Changes to Assumptions (Pay)	542
Additional Income Generation Proposals	(420)
Savings Proposals	(2,439)
Minor Adjustments	62
Impact of Review of the Capital Programme (MRP & Interest)	(1,491)
	<b>20,917</b>
Impact of Provisional Local Government Finance Settlement	(20)
Contribution to/ (from) Unallocated Reserves	(474)
<b>General Fund Revenue Budget</b>	<b>20,423</b>
Core Funding	
Revenue Support Grant	(406)
Net Business Rates Income (Note 1)	(9,407)
<b>Council Tax Requirement</b>	<b>10,610</b>
<b>Estimated Council Tax Income</b>	
<b>(Increase Based on 2.99% for 2023/24 then maximum allowable</b>	<b>(10,610)</b>
<b>Resulting Base Budget (Surplus)/ Deficit</b>	<b>0</b>

- 5.2 The proposals set out in the table 6 above produce a balanced revenue budget for 2023/24, which forms part of the recommendations of this report. Subject to Cabinet agreement, this proposal will then go forward to the Budget and Performance Panel on 01 February 2023 and to Council on 25 January 2023.
- 5.3 Table 7 below reconciles the position reported to Cabinet 6 December 2022 to the current balanced position.

**Table 7 Reconciliation Cabinet 06 December 2022 to Current Position**

	<b>2023/24</b>
	<b>£000</b>
<b>Resulting Base Budget (Surplus)/ Deficit as at 6th December 2022 (Cabinet)</b>	<b>4,209</b>
Impact of Provisional Local Government Finance Settlement	(425)
Changes to Business Rates Income Forecasts	160 (265)
Savings from Review of Minimum Revenue Provision	(1,500)
Revenue Impact of Capital Programme	9 (1,491)
Savings Proposals	(2,439)
Additional Income Proposals	(420)
Costs of Asset Repurposing	277
Changes to Assumptions	604
Contribution from Reserves	(474)
<b>Resulting Base Budget (Surplus)/ Deficit as at 17th January 2023 (Cabinet)</b>	<b>0</b>

Budget Principles and Assumptions

- 5.4 Within the revenue budget there are several principles and key assumptions underpinning the proposed revenue strategy. These are:
- i. Annually, a balanced revenue budget will be set with expenditure limited to the amount of available resources;
  - ii. No long-term use of balances to meet recurring baseline expenditure.
  - iii. Resources will be targeted to deliver Corporate outcomes and value for money. Any additional investment and spending decisions will be made to reflect Council priorities and strategic commitments.
- 5.5 Table 8 below, lists the major assumptions that have been made for the 2023/23 budget.

**Table 8 Major Assumptions within Draft Revenue Budget 2023/24**

	<b>2023/24</b>
Council Tax Base Growth	1.00%
Council Tax Increase	2.99%
Council Tax Collection Rate (Band D Equivalent)	98.67%
Business Rates Multiplier	Frozen
Fees & Charges	Various
Inflation – Pay	4.00%
Employer Pensions Contribution	16.30%
Inflation – General (Minor Cost Centres)	2.40%
Inflation – Insurance	10.00%
Inflation Utilities	Gas: 3.0% (current price) Electric: 5.0% (anticipated price)
Interest Rate – investments	3.50%
Interest Rate – new borrowing	4.00%

Base Budget and Operational Changes

- 5.6 Operational and Base Budget changes for 2023/24 currently amount to an increase in expenditure of £1.393M (Base Budget £2.443M Other (£1.050M)). A summary of operational changes is given in the table 9 below:

**Table 9 Base Budget & Operational Changes**

<b>Base Budget Changes</b>	<b>£M</b>
Employees	0.868
Premises Related	2.895
Transport Related	0.294
Supplies and Services	0.907
Support Services	-0.084
Capital Financing Costs	0.480
Appropriations	0.139
Income	-1.671
Reserve Adjustments	-1.385
<b>Sub Total</b>	<b>2.443</b>
<b>Operational Changes</b>	
Costs of Asset Repurposing	0.277
Change in Pay Assumption	0.542
Revenue Impact of Capital Programme Review	0.009
Minimum Revenue Provision Adjustment	-1.500
Fees & Charges	-0.420
Other Minor Changes	-0.042
<b>Sub Total</b>	<b>-1.050</b>
<b>Total</b>	<b>1.393</b>

**Base Budget Changes**Employees Assumptions £0.868M

- 5.7 As part of the 2022/23 budget setting process, in line with the majority of Councils, an inflationary uplift of 2% was included to salaries across all service areas for all projected years. During the current financial year a pay award of an increase of £1,925 on all NJC pay points was accepted. When consolidated the composite rate was considerably higher than 2% budgeted. The impact on 2023/24 was initially estimated as an additional £0.868M when considered against the 2% originally included.

Premises Related £2.895M

- 5.8 This base budget increase largely represents inflation surrounding energy costs. As has been well documented, the cost of living crisis has massively impacted on the cost of energy. The estimates have been prepared on information available during quarter 3 of 2022/23 and will be closely monitored during the 2023/24 financial year.

Transport Related £0.294M

- 5.9 This base budget increase largely represents the inflation surrounding fuel costs. Again, the cost of living crisis has massively impacted on the cost of fuel. The estimates have been prepared on information available during quarter 3 of 2022/23 and will be closely monitored during the 2023/24 financial year.

Supplies and Services £0.907M

- 5.10 The council support a number of housing schemes (resettlement programmes, Changing Futures etc.) where funding for 2023/24 was confirmed during 2022/23. Related expenditure has now been included in the draft revenue budget. These are mainly government funded

initiatives and a corresponding adjustment is included within the income section.

Support Services (£0.084M)

- 5.11 The original budgets within general fund housing accounts included a recharge to other accounts within service. This is no longer required as the costs are now being directly coded to the originating cost centre. There is a corresponding adjustment within the income section.

Capital Financing Costs £0.480M

- 5.12 This represents the interest cost of new loans required during 2023/24 to support the capital programme.

Appropriations £0.139M

- 5.13 This represents a net increase in amounts being utilised principally from the revenue grants unapplied reserve which is the repository for grants received without conditions in previous years such as Community Housing and Brownfield/Self Build.

Income (£1.671M)

- 5.14 As detailed above, a significant proportion of this base budget change relates to the government funding on an array of initiatives where a corresponding amount of expenditure has been included within the supplies and services section.

- 5.15 As part of the 2022/23 budget setting process, a savings item of c.£0.5M was included to reflect the impact of a car parking tariff review. Due to subsequent tariff changes and other factors, this additional income has not been realised. The 2023/24 projection has, therefore, been reduced by that amount as a realistic measure of what income level the council can expect to achieve. New investment property income of c.£0.250M was also included in the original budget. Changes to borrowing requirements have, however prevented the acquisition of properties purely for commercial gain and the income target has subsequently been removed.

Reserve Adjustments £1.385M

- 5.16 This amount includes £1.1m for roof and cladding works at Gateway, White Lund together with £0.180M and £0.105M for Burrow Beck solar farm feasibility and urgent property maintenance works respectively.

**Operational Changes**

Costs of Asset Repurposing £0.277M

- 5.17 As part of their review of the Council's estate, the Asset Group highlighted a number of properties requiring essential maintenance as well as several potential properties for disposal. These costs reflect both the level of required maintenance and loss of income associated with disposal.

5.18 Change in Pay Assumptions £0.542M

As noted above, the initial pay planning assumption was for an increase of 2%. Following discussions with Members, and consideration of information received from other North West Council's, it was felt that 2% was insufficient. The budget was, therefore increased to a rate of 4%. This equated to a further £0.542M for 2023/24 and has also created a further burden on future years.

Revenue Impact of Capital Programme Review £0.009M

- 5.19 Cabinet and Senior Leadership Team have reviewed in detail the Council's existing capital programme and have added, deleted and reprofiled a number of capital schemes in line with its Capital Investment Strategy. This has resulted in a small net cost in 2023/24 for Minimum Revenue Provision (MRP) and interest charges.

Minimum Revenue Provision Adjustment (£1.500M)

- 5.20 As part of the OBR process officers commissioned an external review of the Council's MRP policy and historic provision. The review highlighted a number of historic adjustments, which given the length of time could generate a significant retrospective windfall to the Council. Members need to note that to realise this value, a significant amount of work will be required from officers. It is anticipated that this work will commence in the second quarter of the 2023/24 financial year

Fees & Charges (£0.420M)

- 5.19 As reported elsewhere on this agenda, fees and charges are subject to annual inflationary rises. Since the previously reported budgetary position, a change has been made to the percentage increase in fees which has a positive impact on the net position of the general fund.

Other Minor Changes £0.042M

- 5.20 This largely relates to the financial impact of Museums staff completing the job evaluation process and the net impact of the Local Government Finance Settlement.

Savings Proposals £2.439M

- 5.21 As noted previously, the OBR groups have identified a number of budget savings. The details at **Appendix B** for 2023/24 relate to several areas where actions are being undertaken by the Council. Given the sensitivities around some of the proposals, they have been presented at summary Directorate level at this stage of the budget process. Further information will be provided in due course to enable effective internal and external discussion.
- 5.22 Failure to deliver these savings, efficiency and income proposals would represent a significant risk to the Council as any shortfall would result in further financial pressures in 2024/25 and beyond.

**6.0 CAPITAL PROGRAMME**

- 6.1 Cabinet and Senior Leadership Team are currently finalising the proposed Capital Programme for 2023/24 and beyond in accordance with its Capital Strategy (Investing in the Future).

- 6.2 Details of the current proposed Capital Programme are provided at **Appendix C**. The final Capital Programme for 2023/24 to 2027/28 and supporting Capital Strategy to cover this period and beyond will be considered by Cabinet at its February meeting ahead of the Budget Council on 22 February 2023.

- 6.3 It is expected that a number of significant capital proposals will be put forward in line with the Capital Investment Strategy during the forthcoming year covering major upcoming corporate priority projects. These ambitious schemes, which cover economic development, regeneration, housing development and meeting the climate emergency, will contribute to achieving the Council's ambitions and deliver its stated outcomes.

**7.0 MEDIUM TERM FINANCIAL STRATEGY**

- 7.1 An update to the Council's Medium Term Financial Strategy (MTFS) was presented to Council on 14 December 2022. The MTFS presented to that meeting was a baselined position, in that it did not include any of the interventions now considered within this report.

- 7.2 Members will appreciate that there are a significant number of factors to be considered as part of the medium-term financial planning exercise. The revision of the MTFS is progressing well and will be considered at Budget Setting Council on 22 February 2023. The revision of the MTFS will be key in providing sound financial planning processes to underpin the Council's ambitions following the May 2023 election. Key considerations of the MTFS include

taking account of the impact of decisions made to balance the 2023/24 budget alongside forecasts for future funding.

- 7.3 Table 10 below provides the most recent forecasts with providing more detail across the 5 year period

**Table 10 Net Revenue Budget & Budget Gaps 2023/24 – 2027/28**

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Net Revenue Budget (Estimate 17/01/23)	20,423	24,137	25,989	28,082	28,437
Budget Gap (Incremental)	0	3,410	5,562	7,014	6,706
% of Net Revenue Budget (Incremental)	0%	14%	21%	25%	24%
Budget Gap (Cumulative)	0	3,410	8,972	15,987	22,692
% of Net Revenue Budget (Cumulative)	0%	14%	35%	57%	80%

- 7.4 The forecast budget gaps are structural in nature, meaning that the Council's forecast spending exceeds the income it expects to receive. Despite the £2.439M savings proposals identified so far as part of the current budget process, a further £3.410M savings, efficiencies or income generation will be required in order to balance the 2024/25 budget. Overall, the current estimated shortfall is £7.014M. This represents a significant challenge over the short and medium term.

- 7.5 Officers are currently working with Cabinet and will seek early engagement following the election to agree a series of actions to address this issue as a matter of urgency. The proposed actions currently include

- Seeking a mandate from Cabinet for Officers to continue to develop proposals in the run up to the election
- Exploration of alternative service delivery models including closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions
- Application of alternative funding to deliver key Council outcomes
- Detailed review and sensitivity analysis on all key and significant income streams
- Further rationalisation work on the Council's asset base
- Expansion of the investment to reduce cost principle
- The potential use of capital receipts to finance existing projects
- Capitalisation of transformation costs where appropriate
- Development of a series of efficiency targets for Chief Officers to deliver

- 7.6 These proposals will form part of a wider consolidated strategy to be presented to Cabinet and Council in the new financial year

- 7.7 Many of the financial pressures identified within the Councils General Fund are also present within the Housing Revenue Account (HRA). A full update on the HRA budget and financial outlook will be considered alongside the General Fund revenue budget including options to ensure that the service's 30-year business plan is viable and that its ongoing budget is balanced, whilst delivering value for money to tenants.

## **8.0 DETAILS OF CONSULTATION**

- 8.1 Given the size of the challenges faced by the Council and the need for fundamental change in service delivery for both 2023/24 and beyond, enhanced consultation with relevant internal and external stakeholders on the budget has been undertaken as part of the development of this budget with a number of briefings taking place. Further

engagement will be undertaken prior to Budget Council in February. More specific consultation will continue as work continues to address the issues identified in the next few years.

**9.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)**

9.1 It is essential that the Council Tax rate is set in line with the Council Tax billing timetable. Any delay would put the Council at risk of not being able to collect the tax which would have serious cash flow implications.

9.2 Regarding the budget strategy, Cabinet may approve the proposals as set out, or ask for changes to be made to the suggested approach. The overriding aim of any budget setting process is to approve a balanced budget by statutory deadlines, allocating resources to help ensure delivery of the Council's corporate priorities and service outcomes. The proposed approach is in line with that broad aim and any changes that Cabinet puts forward should also be framed in that context.

9.3 In terms of the actual budget position, this report puts forward a balanced budget. If Cabinet agrees the budget, then it will form their proposal to Budget and Performance Panel on 01 February 2023. The feedback from this meeting will be considered by Cabinet and incorporated into a final budget proposal which will be considered at the Cabinet meeting on 07 February 2023 and recommended to Council on 22 February 2023.

**10.0 CONCLUSION**

10.1 The current budget proposal produces a balanced budget through utilisation of the Council's reserves. Cabinet and Officers will continue to work ahead of Cabinet's 07 February 2023 meeting to identify further opportunities for savings, efficiencies, and income generation in order to further reduce the use of reserves.

10.2 Whilst the longer term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2024/25 and beyond are of such a level that both Members and Officers need to be under no illusion of the size of the challenge ahead. Significant transformational change in the way that the Council delivers both its statutory and non-statutory services across the district will be required.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The budget framework in general sets out a financial plan for achieving the Council's corporate priorities and outcomes which incorporate the above cross cutting themes. Equalities impact assessments are undertaken for the relevant activities which are reflected in the budget.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b></p> <p>(including Diversity, Human Rights, Community Safety, Sustainability etc)</p> <p>The proposed budget incorporates measures to address the climate emergency and digital improvements as well as activities to address wellbeing, health and community safety.</p>
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>As set out in the report</p>



**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has authored this report and his comments are reflected within its contents however he would draw Members attention to the following commentary within the report.

*Whilst the longer term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2024/25 and beyond are of such a level that both Members and Officers need to be under no illusion of the size of the challenge ahead. Significant transformational change in the way that the Council delivers both its statutory and non-statutory services across the district will be required.*

**LEGAL IMPLICATIONS****MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments

**BACKGROUND PAPERS**

Council

[Agenda for Council on Wednesday, 27th February 2019, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 26th February 2020, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 24th February 2021, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 23rd February 2022, 6.00 p.m.](#)

Cabinet

[Agenda for Cabinet on Tuesday, 6th December 2022, 6.00 p.m. - Lancaster City Council](#)

**Contact Officer:** Paul Thompson

**Telephone:** 01524 582603

**E-mail:** pthompson@lancaster.gov.uk

**Ref:** N/A



## General Fund Revenue Budget Projections 2022/23 to 2027/28

For Consideration by Council 26 January 2023

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue Budget/Forecast as at 23 February 2022</b>	21,254	21,943	23,479	24,766	0	0
<b>Base Budget Changes</b>	<b>Base Budget Adjustments</b>					
Employees	+1,597	868	818	689	28,034	28,742
Premises Related Exp	+1,987	2,895	3,002	3,128	8,263	8,491
Transport Related Exp	+650	294	300	302	1,676	1,704
Supplies and Services	+2,021	907	558	394	11,639	12,035
Support Services	(36)	(84)	(33)	(20)	71	71
Capital Financing Costs	(291)	480	579	672	311	311
Appropriations	(1,091)	139	(250)	(483)	6,096	5,747
Income	(2,566)	(1,671)	(1,176)	(675)	(25,801)	(26,111)
Reserve Adjustments	0	(1,385)	(101)	(47)		
Latest Budgetary Position	<b>23,525</b>	<b>24,386</b>	<b>27,176</b>	<b>28,726</b>	<b>30,289</b>	<b>30,990</b>
<b>Outcomes Based Resourcing Proposals</b>						
Asset Repurposing		277	295	450	1,075	790
Changes to Pay Assumption		542	809	812	819	823
Additional Income Generation Proposals		(420)	(434)	(444)	(452)	(464)
Savings Proposals		(2,439)	(3,349)	(3,463)	(3,560)	(3,652)
Income Generation Proposals			(675)	(675)	(675)	(675)
Revenue Impact of Capital Programme Review (MRP & Interest)		(1,491)	269	537	537	570
Minor Adjustments		62	66	66	69	75
Budgetary Position	<b>23,525</b>	<b>20,917</b>	<b>24,157</b>	<b>26,009</b>	<b>28,102</b>	<b>28,457</b>
Impact of Settlement (Non Core Funding)		(20)	(20)	(20)	(20)	(20)
Contribution to/ (from) Unallocated Reserves		(474)				
<b>General Fund Revenue Budget</b>	<b>23,525</b>	<b>20,423</b>	<b>24,137</b>	<b>25,989</b>	<b>28,082</b>	<b>28,437</b>
<b>Core Funding:</b>						
Revenue Support Grant	(212)	(406)	(406)			
Prior Year Council Tax Surplus	(66)					
Net Business Rates Income	(10,106)	(9,407)	(9,284)	(8,947)	(9,126)	(9,309)
<b>Council Tax Requirement</b>	<b>13,141</b>	<b>10,610</b>	<b>14,447</b>	<b>17,042</b>	<b>18,956</b>	<b>19,128</b>
<b>Estimated Council Tax Income -</b> (Increases based on 2.99% for 2023/24 then max allowable)	<b>10,176</b>	<b>10,610</b>	<b>11,037</b>	<b>11,480</b>	<b>11,942</b>	<b>12,422</b>
<b>Resulting Base Budget (Surplus)/Deficit</b>	<b>2,965</b>	<b>(0)</b>	<b>3,410</b>	<b>5,562</b>	<b>7,014</b>	<b>6,706</b>
<b>Estimated Revised Incremental Deficit (Sept 2022)</b>	<b>2,965</b>	<b>(0)</b>	<b>3,410</b>	<b>5,562</b>	<b>7,014</b>	<b>6,706</b>
<b>Incremental Deficit as Percentage of Net Revenue Budget</b>	<b>13%</b>	<b>0%</b>	<b>14%</b>	<b>21%</b>	<b>25%</b>	<b>24%</b>

General Fund Unallocated Balance						
BALANCES	£M	£M	£M	£M	£M	£M
Balance as at 1 April 2022-25	(6.032)	(7.645)	(7.645)	(4.235)	+1.327	+8.342
In Year allocations	+0.000	+0.000	+0.000	+0.000	+0.000	+0.000
Forecast (Under)/Overspend	+2.965	(0.000)	+3.410	+5.562	+7.014	+6.706
Other Adjustments	+1.335	+0.000	+0.000	+0.000	+0.000	+0.000
Contributions (to)/ from Allocated Reserves Review September 2022	(5.913)	+0.000	+0.000	+0.000	+0.000	+0.000
<b>Projected Balance as at 31 March 2023-26</b>	<b>(7.645)</b>	<b>(7.645)</b>	<b>(4.235)</b>	<b>+1.327</b>	<b>+8.342</b>	<b>+15.047</b>
Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000	5.000
<b>Available Balances</b>	<b>(2.645)</b>	<b>(2.645)</b>	<b>+0.765</b>	<b>+6.327</b>	<b>+13.342</b>	<b>+20.047</b>

# Saving and Budget Proposals 2023/24 to 2027/28

	Upfront Investment	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
<i>Central Services</i>		76	143	145	147	149
<i>Communities &amp; the Environment</i>		445	507	519	527	539
<i>Corporate Services</i>		338	352	362	372	382
<i>Economic Growth &amp; Regeneration</i>		1,132	1,889	1,974	2,045	2,095
<i>Senior Leadership Restructure</i>		448	458	463	469	487
<b>Net Savings</b>		<b>2,439</b>	<b>3,349</b>	<b>3,463</b>	<b>3,560</b>	<b>3,652</b>

## General Fund Capital Programme

Service / Scheme	2022/23			2023/24			2024/25			2025/26			2026/27			2027/28			6 YEAR TOTAL		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Communities and Environment</b>																					
Vehicle Renewals (including electrification of fleet)	4,449,000		4,449,000	1,239,000		1,239,000	2,478,000		2,478,000	1,636,000		1,636,000	36,000		36,000	833,000		833,000	10,671,000	0	10,671,000
Burrow Beck Solar	0		0	4,000,000		4,000,000	1,000,000		1,000,000			0			0			0	5,000,000	0	5,000,000
Property De-carbonisation Works	0		0	1,025,000	(538,000)	487,000	4,100,000	(2,154,000)	1,946,000			0			0			0	5,125,000	(2,692,000)	2,433,000
Disabled Facilities Grants	2,336,000	(2,336,000)	0	3,271,000	(3,271,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	14,183,000	(14,183,000)	0
Salt Ayre Asset Management Plan	662,000		662,000	161,000		161,000	976,000		976,000	291,000		291,000			0			0	2,090,000	0	2,090,000
Next Steps Accommodation Programme	1,326,000	(576,000)	750,000			0			0			0			0			0	1,326,000	(576,000)	750,000
Mellishaw Park	0		0	1,540,000	(768,000)	772,000	360,000	(192,000)	168,000			0			0			0	1,900,000	(960,000)	940,000
Home Improvement Agency Vehicles	0		0	105,000		105,000			0			0			0			0	105,000	0	105,000
SALC - optimised solar farm, air source heating pumps & glazing efficiency	318,000	(318,000)	0			0			0			0			0			0	318,000	(318,000)	0
Torrisholme Park Play Area	70,000	(70,000)	0			0			0			0			0			0	70,000	(70,000)	0
Half Moon Bay Car Park Extension	60,000		60,000			0			0			0			0			0	60,000	0	60,000
Far Moor Playing Fields s106 Scheme	37,000		37,000			0			0			0			0			0	37,000	0	37,000
Roof Mounted Solar Array - City Labs	33,000		33,000			0			0			0			0			0	33,000	0	33,000
One Million Trees	0		0	0		0			0			0			0			0	0	0	0
Happy Mount Park Pathway Replacements	8,000		8,000			0			0			0			0			0	8,000	0	8,000
<b>Economic Growth and Regeneration</b>																					
Lancaster Heritage Action Zone	1,104,000	(676,000)	428,000	754,000	(126,000)	628,000			0			0			0			0	1,858,000	(802,000)	1,056,000
Lancaster Heritage Action Zone - St John's Church	0		0	0		0	0		0	500,000		500,000			0			0	500,000	0	500,000
Gateway Solar Array	0		0	984,000		984,000			0			0			0			0	984,000	0	984,000
Sea & River Defence Works	340,000	(340,000)	0	554,000	(554,000)	0			0			0			0			0	894,000	(894,000)	0
Bailrigg Garden Village Contribution	0		0	0		0	306,000		306,000	306,000		306,000			0			0	612,000	0	612,000
1 Lodge Street Urgent Structural Repairs	57,000		57,000	422,000		422,000			0			0			0			0	479,000	0	479,000
Morecambe Co-Op Building Renovation	0		0	425,000		425,000			0			0			0			0	425,000	0	425,000
Gateway Low Voltage Switchgear	170,000		170,000			0			0			0			0			0	170,000	0	170,000
Palatine Recreation Ground Pavillion	138,000		138,000			0			0			0			0			0	138,000	0	138,000
Lancaster City Museum Boiler	131,000	(78,000)	53,000			0			0			0			0			0	131,000	(78,000)	53,000
Edward Street Coach House Area Improvement	0		0			0			0			0			0			0	0	0	0
Lancaster District Empty Homes Partnership	0		0	0		0			0			0			0			0	0	0	0
Lawsons Bridge S106 Scheme	0		0	63,000		63,000			0			0			0			0	63,000	0	63,000
Lancaster Square Routes	0		0	21,000	(16,000)	5,000			0			0			0			0	21,000	(16,000)	5,000
Engineers Electric Vehicle	15,000		15,000			0			0			0			0			0	15,000	0	15,000
Coastal Revival Fund - Morecambe Co-Op Building	11,000	(11,000)	0			0			0			0			0			0	11,000	(11,000)	0
S106 Highways Works	0		0			0			0			0			0			0	0	0	0
S106 Highways Works	25,000	(25,000)	0			0			0			0			0			0	25,000	(25,000)	0
Property - Capital Works	0		0	0		0	47,000		47,000	638,000		638,000	177,000		177,000	965,000		965,000	1,827,000	0	1,827,000
Commercial Property - Capital Works	0		0	0		0	233,000		233,000	19,000		19,000	336,000		336,000	115,000		115,000	703,000	0	703,000

## General Fund Capital Programme

Service / Scheme	2022/23			2023/24			2024/25			2025/26			2026/27			2027/28			6 YEAR TOTAL		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
<b>Corporate Services</b>																			0	0	0
ICT Systems, Infrastructure & Equipment	418,000		418,000	135,000		135,000	115,000		115,000	130,000		130,000			0			0	798,000	0	798,000
ICT Laptop Replacement & e-campus screens	120,000		120,000	30,000		30,000			0			0			0			0	150,000	0	150,000
ICT Nimble	0		0			0	300,000		300,000			0			0			0	300,000	0	300,000
Local Full Fibre Network	0		0	800,000		800,000	1,000,000		1,000,000			0			0			0	1,800,000	0	1,800,000
<b>Schemes Under Development</b>																			0	0	0
Canal Quarter	0		0	800,000		800,000			0			0			0			0	800,000	0	800,000
Canal Quarter - Nelson St/St Leonardsgate	0		0	2,769,000	(2,769,000)	0			0			0			0			0	2,769,000	(2,769,000)	0
White Lund Depot - Offices	0		0	300,000		300,000			0			0			0			0	300,000	0	300,000
Our Future Coast	75,000	(75,000)	0	208,000	(208,000)	0	62,000	(62,000)	0	63,000	(63,000)	0	85,000	(85,000)	0			0	493,000	(493,000)	0
<b>GENERAL FUND CAPITAL PROGRAMME</b>	<b>11,903,000</b>	<b>(4,505,000)</b>	<b>7,398,000</b>	<b>19,606,000</b>	<b>(8,250,000)</b>	<b>11,356,000</b>	<b>13,121,000</b>	<b>(4,552,000)</b>	<b>8,569,000</b>	<b>5,727,000</b>	<b>(2,207,000)</b>	<b>3,520,000</b>	<b>2,778,000</b>	<b>(2,229,000)</b>	<b>549,000</b>	<b>4,057,000</b>	<b>(2,144,000)</b>	<b>1,913,000</b>	<b>57,192,000</b>	<b>(23,887,000)</b>	<b>33,305,000</b>
<b>Financing :</b>																					
Capital Receipts			(130,800)			(105,000)			0			0			0			0			(235,800)
Direct Revenue Financing			0			0			0			0			0			0			0
Earmarked Reserves			(490,000)			(187,000)			(38,000)			0			0			0			(715,000)
<b>Increase / (Reduction) in Capital Financing Requirement (CFR) (Underlying Change in Borrowing Need)</b>			<b>6,777,200</b>			<b>11,064,000</b>			<b>8,531,000</b>			<b>3,520,000</b>			<b>549,000</b>			<b>1,913,000</b>			<b>32,354,200</b>

By virtue of paragraph(s) 2, 3, 4 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

<b>CABINET</b>
----------------

## Delivering Our Priorities: Q2 2022/23 6 December 2022

### Report of Chief Executive & s151 Officer

PURPOSE OF REPORT			
To provide members with an update on performance, projects, and resources during the first two quarters of 2022/23 (April – September 2022).			
Key Decision	<b>N</b>	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 2 2022/23.
- (2) Approves the use of the latest projected outturn figures to provide a mid-year reviewed budget position which will form the basis for future monitoring and outturn within 2022/23 and refers to full Council for noting.

#### 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 July-September 2022, which can be found within the appendices.

#### 2.0 PERFORMANCE REPORTING

- 2.1 The highlight report at Appendix A provides a broadly consistent set of information across the last five quarters, with services having returned to relative stability over the last year.
- 2.2 The SALC decarbonisation works have led to a significant decrease in the amount of gas used across our council buildings, compared to the same quarter in 2021.
- 2.3 Staff sickness has remained very low over the last three quarters, enabling productive and consistent delivery of high-quality local services.

#### 3.0 PROJECT REPORTING

- 3.1 The highlight report shows that all the Council's Strategic Projects are running to plan at the end of Quarter 2 2022/23. No projects are reporting either an amber or a red status.
- 3.2 Since Quarter 1, three further projects have closed:
  - a. Palatine Recreation Ground and Pavilion



- b. Lancaster City Museum Boiler
  - c. Customer Contact System
- 3.3 The Projects and Performance 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 – available for colleagues and elected members to view on the intranet
  - c. Project Plans
  - d. Risk Logs
- 3.4 A review of the projects we report on quarterly is due to be undertaken during Q3 and Q4. The objective of this review being to ensure that the best information is supplied for decision making purposes.

#### **4.0 FINANCIAL MONITORING**

- 4.1 The 2022/23 Budget and Medium Term Financial Strategy (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 current Cost of Living Crisis, as well as legacy impacts from the COVID - 19 pandemic has created a significant shock to the economy and has resulted in significant unplanned expenditure and income losses for the Council.
- 4.2 All portfolios holders and Directors are required to examine their revenue budgets and meet regularly to discuss the key issues and associated risks. To enable both parties to meet this requirement, Financial Services continually reviews and refreshes how it presents the Council's Corporate Monitoring information, with the Quarter 2 information distributed to Cabinet mid November 2022. Corporate Monitoring reports are submitted to Cabinet and Budget & Performance Panel for review.
- 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 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, updated projected variances have been included within the relevant service areas using the latest cost information available from suppliers. To put into perspective, the estimated projected overspend on energy budgets is (-£2.052M) (General Fund (-£1.511M), (HRA (-£0.541M) which is an increase of (-£0.377M) on the position reported at Quarter 1. It remains a highly volatile market and is being closely monitored in order to help formulate a base budget for 2023/24 onwards which will be considered by Council in February 2023.

- 5.2 As part of the 2022/23 budget setting process, in line with the majority of Councils an inflationary uplift of 2% was included to salaries across all service areas. The National Employers latest offer of an increase of £1,925 on all NJC pay points has just been accepted by the Unions. With regard to the financial impact on the Council, it is estimated additional strain is (-£1.134M) (General Fund (-£0.939M), (HRA (-£0.195M)). Members should note that, as the pay award has now been finalised, the marginal impact has been included in the projected outturns within service and been included in the summary positions and tables below.

## 6.0 GENERAL FUND SUMMARY POSITION

- 6.1 Quarter 2 (Q2) monitoring covers the period for April – September 2022. At the end of Q2 (September 2022) we are currently projecting a year end overspend against budget of **£2.965M**. This amount equates to approximately **13.95%** of the Council's approved Net Revenue Budget of **£21.254M**. Members will recall that, as part of the 2022/23 budget cycle, 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 **£2.965M**.
- 6.2 In addition, this position is at the second-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 which is elsewhere on this agenda.
- 6.3 A summary of the Q2 revenue position for the main service accounts of the Council is set out in table 1 below with commentary on significant variances provided in the following paragraphs.

Table 1 Quarter 2 Financial Monitoring – Service Analysis

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Communities and Environment	5,193	5,193	263	8,000	(2,807)
Economic Growth and Regeneration	4,605	4,605	2,677	5,749	(1,144)
Corporate Services	6,760	6,760	7,368	7,740	(980)
Central Services	1,162	1,162	547	1,172	(10)
Other Items	4,717	4,717	140	2,047	+2,670
<b>Sub Total</b>	<b>22,437</b>	<b>22,437</b>	<b>10,995</b>	<b>24,708</b>	<b>(2,271)</b>
Net Recharges to Housing Revenue Account	(1,044)	(1,044)	(519)	(1,044)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	882	(139)	0
Revenue Reserve funded items included in above analysis	1,641	1,641	158	1,529	+112
Revenue Reserve funded items included in above analysis	(1,641)	(1,641)	0	(1,529)	(112)
<b>Sub Total</b>	<b>(1,183)</b>	<b>(1,183)</b>	<b>521</b>	<b>(1,183)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,254</b>	<b>21,254</b>	<b>11,516</b>	<b>23,525</b>	<b>(2,271)</b>
Financing Income	(11,078)	(11,078)	(2,367)	(10,384)	(694)
<b>Council Tax Requirement</b>	<b>10,176</b>	<b>10,176</b>	<b>9,149</b>	<b>13,141</b>	<b>(2,965)</b>

Communities and Environment (£2.807M Adverse)

6.4 Significant budget variances including: -

- Energy costs (-£0.823M); petrol and diesel (-£0.260M); pay award (-£0.606M);
- Salary savings +£0.377M across directorate offset by use of overtime (-£0.217M) and agency staffing (-£0.320M) to address shortfalls. This is largely due to secondment of service heads to other local authorities built into future projections.
- Forecast income has returned to pre-pandemic levels. As part of the budget setting process a savings item of +£0.495M 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 variance of circa (-£0.250M) when considered against the profile at the end of quarter 2. It is difficult to accurately estimate a projected outturn at this point due to the tariffs still bedding in but an indicative figure of (-£0.500M) has been included.
- Transport costs have increased due to vehicle repairs and maintenance (-£0.105M) and associated hire costs (-£0.275M) arising from delayed delivery of new fleet. 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.
- Reduced income at Charter Market (-£0.027M) and Festival Market (-£0.025M) in line with 2021/22 outturn due to pitch take-up not returning to pre-pandemic levels.
- Similarly, trade waste income (-£0.140M) in line with 2021/22 outturn. This is, however, offset by a corresponding reduction to disposal costs +£0.068M.
- Garden waste subscriptions (-£0.029M) are 3% down on last year with approximately 23,750 subscribers (compared to 24,510 in 2021/22).
- Williamson Park café stock items have increased in cost (-£0.037M) however café prices have remained constant in line with fees and charges.

Economic Growth and Regeneration (£1.144M Adverse)

6.5 Significant predicted year end variances including: -

- Energy costs (-£0.688M) ; pay award (-£0.224M)
- Salary savings +£0.679M across directorate largely due to a vacant service head position, ten vacancies within development control and a further four vacancies within the projects team. This is offset by the use of agency staffing (-£0.097M), consultancy (-£0.095M) and advertising for vacant positions (-£0.026M).
- 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).
- Budgeted savings for mothballing council premises have not been achieved (-£0.108M) due to no strategic plan being put in place and implemented.
- The annual insurance has increased by (-£0.127M) which is likely to be due to recent claims at Gateway and Mallowdale Avenue. The service element is (-£0.100M).
- Legal costs including judicial review (Conservation) and planning appeals (-£0.105M).

Corporate Services (£0.980M Adverse)

6.6 Significant predicted year end variances including: -

- Pay award (-£0.098M)
- Salary savings +£0.407M across directorate mainly relating to senior officer positions within Accountancy, Internal Audit and Human Resources, offset by the use of agency staffing (-£0.025M) and consultancy required to deliver the ICT Manager and Internal Audit functions (-£0.116M).
- The provision for staff turnover target (-£0.574M) is held within Corporate Service whilst the additional costs/savings generated are attributed to the individual

services and this is removed as part of this exercise. When taking this into account the whole council salary related position (including agency and consultancy costs as appropriate) plus the impact of the pay award, the expected overspend is estimated at +£0.617M.

- 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.

#### Other Items (£2.670M Favourable)

6.7 Significant predicted year end variances including: -

- 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 is prudent to utilise this funding to mitigate the position.
- The impact of slippage on capital expenditure at the end of 2021/22 has lowered the minimum revenue provision (MRP) charge for the year +£0.590M.
- Long term borrowing not taken +£0.290M out as anticipated due to both slippage on capital and on forecast expenditure from reserves.
- Increases in investment interest receivable due to the recent increases in bank rate +£0.592M.
- Council tax rebate scheme new burdens allocation received after budget agreed +£0.695M.

6.8 Appendix B: General Fund Service Analysis (Q2) covers this information in more detail and provides summary percentage variations for variances +/- £30K. Appendix I provides additional analysis across individual service areas

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

Table 2 Quarter 2 Financial Monitoring – Subjective Analysis

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Employees	27,031	27,031	14,242	28,628	(1,597)
Premises Related Exp	4,655	4,645	3,194	6,632	(1,987)
Transport Related Exp	1,266	1,266	979	1,916	(650)
Supplies and Services	11,250	11,336	14,336	13,357	(2,021)
Transfer Payments	20,277	20,277	8,700	23,277	(3,000)
Support Services	147	147	3	111	+36
Capital Charges	17	17	0	17	0
Capital Financing Costs	1,464	1,464	836	1,173	+291
Appropriations	3,771	3,771	0	2,680	+1,091
Income	(47,141)	(47,217)	(32,040)	(52,783)	+5,566
Capital Financing Inc	(300)	(300)	745	(300)	0
<b>Sub Total</b>	<b>22,437</b>	<b>22,437</b>	<b>10,995</b>	<b>24,708</b>	<b>(2,271)</b>
Net Recharges to Housing Revenue Account	(1,044)	(1,044)	(519)	(1,044)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	882	(139)	0
Revenue Reserve funded items included in above analysis	1,641	1,641	158	1,529	+112
Revenue Reserve funded items included in above analysis	(1,641)	(1,641)	0	(1,529)	(112)
<b>Sub Total</b>	<b>(1,183)</b>	<b>(1,183)</b>	<b>521</b>	<b>(1,183)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,254</b>	<b>21,254</b>	<b>11,516</b>	<b>23,525</b>	<b>(2,271)</b>
Financing Income	(11,078)	(11,078)	(2,367)	(10,384)	(694)
<b>Council Tax Requirement</b>	<b>10,176</b>	<b>10,176</b>	<b>9,149</b>	<b>13,141</b>	<b>(2,965)</b>

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 Q2 a year end overspend against budget of **(-£0.163M)** is projected. A summary of the Q2 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	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
Policy & Management	1,901	1,983	1,226	2,314	(331)
Repairs & Maintenance	6,555	6,627	2,471	7,613	(986)
Welfare Services	58	58	(175)	359	(301)
Special Services	273	273	162	267	+6
Miscellaneous Expenses	740	740	560	942	(202)
Income Account	(15,295)	(15,295)	(7,572)	(15,289)	(6)
Capital Charges	5,493	5,493	0	5,493	0
Appropriations	(255)	(409)	0	(2,066)	+1,657
<b>Sub Total</b>	<b>(530)</b>	<b>(530)</b>	<b>(3,328)</b>	<b>(367)</b>	<b>(163)</b>
Net Recharges to General Fund	530	530	265	530	0
<b>Housing Revenue Account Budget</b>	<b>0</b>	<b>0</b>	<b>(3,063)</b>	<b>163</b>	<b>(163)</b>

7.2 Significant predicted year end variances including: -

- Impact of pay award (-£0.195M)
- Share of additional top-up payment to the pension fund (-£0.100M)
- Increased electricity (-£0.126M) and gas (-£0.412M) 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. Net additional energy costs on independent living schemes funded from welfare reserves +£0.332M
- An anticipated reduction in income (-£0.131M) and additional council tax payable (-£0.064M), largely due to an increase in major voids being returned plus increased voids relating to capital projects
- An increase on property insurance premiums (-£0.112M)
- Additional fire safety works (-£0.785M), to be partly funded from planned maintenance reserves +£0.676M
- Utilisation of balance in Major Repairs Reserve to fund in-year capital expenditure +£0.708M

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

**8.0 CAPITAL PROJECTS (General Fund & HRA)**

8.1 At Q2 a year end variance against budget of **£7.870M** (General Fund + £5.090M, HRA +£2.780M) is projected. Summary details for both the General Fund and HRA are set out in table 4 below.

Table 4 Quarter 2 Financial Monitoring – Capital Projects

	Original Budget 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
<b>Communities and Environment</b>					
Business Support	2,700	5,438	1,206	4,449	+989
Customer Involvement & Leisure	549	1,875	46	1,571	+304
Public Protection	0	0	0	0	0
Housing Services	600	1,350	(1,891)	750	+600
Public Realm	97	408	(1,147)	410	(2)
<b>Total</b>	<b>3,946</b>	<b>9,071</b>	<b>(1,786)</b>	<b>7,180</b>	<b>+1,891</b>
<b>Economic Growth and Regeneration</b>					
Planning & Place	64	244	0	150	+94
Economic Development	0	0	0	0	0
Property, Investment and Regeneration	3,563	4,088	(626)	983	+3,105
<b>Total</b>	<b>3,627</b>	<b>4,332</b>	<b>(626)</b>	<b>1,133</b>	<b>+3,199</b>
<b>Corporate Services</b>					
HR	0	0	(40)	0	0
ICT	490	538	79	538	0
<b>Total</b>	<b>490</b>	<b>538</b>	<b>39</b>	<b>538</b>	<b>0</b>
<b>Central Services</b>					
Chief Executive	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GENERAL FUND - TOTAL</b>	<b>8,063</b>	<b>13,941</b>	<b>(2,373)</b>	<b>8,851</b>	<b>+5,090</b>
<b>Housing Revenue Account</b>					
Adaptations	300	300	148	300	0
Energy Efficiency / Boiler Replacement	989	1,029	202	1,029	0
Kitchen / Bathroom Refurbishment	888	888	217	725	+163
External Refurbishment	210	315	39	315	0
Environmental Improvements	200	234	217	395	(161)
Re-roofing / Window Renewals	738	988	183	988	0
Rewiring	56	56	5	56	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	240	280	28	280	0
Housing Renewal & Renovation	1,753	1,753	440	1,720	+33
Mainway Pilot Scheme	4,000	4,000	0	1,255	+2,745
<b>HOUSING REVENUE ACCOUNT - TOTAL</b>	<b>9,374</b>	<b>9,843</b>	<b>1,479</b>	<b>7,063</b>	<b>+2,780</b>
<b>GRAND TOTAL</b>	<b>17,437</b>	<b>23,784</b>	<b>(894)</b>	<b>15,914</b>	<b>+7,870</b>

8.2 The Capital Programme working budget has been adjusted for slippage from 2021/22 and 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.

8.3 The underspending against budget relates principally to General Fund and reflects further anticipated slippage on capital projects into 2023/24.

8.4 The overall projected favourable variance on the HRA Capital Programme of +£2.780M relates mainly to the slipping of the construction works on the Mainway Pilot Scheme to 2023/24, to allow for the planning approval process for the full application that is expected to be submitted in the coming weeks.

8.5 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 unallocated balances are projected to be **£8.014M**. This takes account of the updated reserves strategy approved by Council 25<sup>th</sup> October 2022. **£2.965M** will be used to fund the forecast general fund net revenue overspend with a further **£1.1M** utilised to fund the roof and cladding repair work to the Gateway asset. Overall, the combined level of usable reserves is forecast to decrease to **£23.587M**. Table 6 Quarter 1 Financial Monitoring – Reserves provides summary details for both Unallocated and Earmarked Reserves.

Table 6 Quarter 2 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	31 March 2023
	£	£	£	£	£	£	£	£	£	£
<b>Unallocated Balances</b>	(5,614,400)	(34,000)			(5,648,400)	(6,032,200)	(5,946,900)		3,965,100	(8,014,000)
<b>Total Earmarked Reserves</b>	(14,214,400)	(1,878,900)	947,000	1,894,400	(13,251,900)	(22,852,900)	(1,243,300)	490,000	8,032,800	(15,573,400)
<b>Total Combined Reserves</b>	(19,828,800)	(1,912,900)	947,000	1,894,400	(18,900,300)	(28,885,100)	(7,190,200)	490,000	11,997,900	(23,587,400)

9.2 Appendix G: Reserves Projected Outturn provides further detailed analysis.

9.3 The Council's reserves will be used to manage the impact of the cost of living crisis and also support the work to address the underlying structural deficit through the OBR process. As a result, they are fundamental to ensuring the financial sustainability of the Council as it deals with these pressures and will be kept under review by Officers and Members. Projections of the required further calls to balance future budgets are given in the MTFs refresh report elsewhere on this agenda.

## 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 62.8%, which is ahead of the profiled target of 60.2%. The annual target is 98.0%.

### Council Tax

10.3 The current collection rate for Council Tax is 64.3% which is slightly behind the profiled target of 65.6%. The annual target is 95.%. The number of Local Council Tax Support claimants at Q2 is 9,934.

## 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	113,573			157,647
Business Rates	69,965	39,449			109,414
Housing Benefit Overpayments	4,222	39,389			43,611
<b>Total</b>	<b>118,261</b>	<b>192,411</b>	<b>0</b>	<b>0</b>	<b>310,672</b>

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.

**RELATIONSHIP TO POLICY FRAMEWORK**

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

**CONCLUSION OF IMPACT ASSESSMENT**

(including Diversity, Human Rights, Community Safety, Sustainability etc)

None identified.

**FINANCIAL IMPLICATIONS**

No financial implications directly arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer authored the financial monitoring aspects of this report in accordance with his statutory duties.

**LEGAL IMPLICATIONS**

No specific legal implications.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments

**BACKGROUND PAPERS**

**Contact Officer:** Paul Thompson  
**Telephone:** 01524 582603  
**E-mail:** pthompson@lancaster.gov.uk  
**Ref:** N/A





## Corporate programmes, projects and performance update – 30<sup>th</sup> Sept 2022 (Q2)

### Status Key

<b>R</b>	Red – The project is unlikely to meet its agreed plan, costs or benefits unless immediate remedial action is taken	<b>C</b>	Complete or Closed
<b>A</b>	Amber – The project is at risk of failing to meet its agreed plan, timescales, costs or benefits unless action is taken	<b>N</b>	Not Started
<b>G</b>	Green – The project is on track to meet its agreed plan, timescales, costs and benefits	<b>H</b>	On hold
<b>X</b>	No data available / data not requested due to stage	* Projects in the Concept stage will not usually have updates	

### Priorities Key

<b>I</b>	An inclusive and Prosperous Local Economy (Economy)
<b>S</b>	A Sustainable District (Environmental)
<b>H</b>	Healthy and Happy Communities (Social)
<b>R</b>	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 H	<a href="#">Palatine Recreation Ground Pavilion</a>	The works are complete to both properties at Palatine Recreation Ground. This included the reroofing and installing new rainwater goods and insulation in Palatine Pavilion. The works to the Former Veterans clubhouse included recladding of the exterior, plus the removal of asbestos soffits and floor tiles. Replacing the flooring, installing LED light fittings and new security double glazed windows to the front elevation of the building.	Complete	17/10/22	C
I H	<a href="#">Lancaster City Museum Boiler</a>	The new boiler installation is completed and will be tested over the coming weeks and months.	Complete	10/10/22	C
I S	<a href="#">Canal Quarter Phase 2 – Masterplan and Delivery Strategy</a> (part of Canal Quarter programme)	The proposed masterplan was unveiled at a special event on 9/10/22 on Brewery Lane and at Kanteena. Further information can be found here <a href="#">Canal Quarter Masterplanning   KeepConnected (lancaster.gov.uk)</a>	Delivery	11/10/22	G
I	Heritage Action Project	Programme is making further progress in terms of building grant delivery and towards new projects, however, spend to date is still much lower than desired. The delays encountered may mean Historic England reduce their contribution for the final two years of the programme. Delivery of the Damside St footway improvements is due to commence in late January subject to technical sign and other approvals.	Delivery	28/11/22	A
I S	<a href="#">Lune Flood Protection, Caton Road</a>	Progress this quarter has seen the removal of temporary works associated with the pump chamber and installation of the pumps and associated pipework on the “dry side” of the flood defence wall. Work has commenced on the river side of the wall, which includes excavation for new pipework to the headwall outfall that will be constructed.	Delivery	10/10/22	G
I	South Lancaster Garden Community (part of South Lancaster Growth Catalyst programme and a follow on from the Bailrigg Garden Village Masterplanning project)	Following endorsement of the Bailrigg Garden Village Concept Masterplan by the City Council the next stage of planning the Bailrigg Garden Village and for growth in South Lancaster is underway. The Masterplan, [VisionMasterplan] was prepared by council-appointed consultants JTP and was formally endorsed by Cabinet in February 2022. The concepts, ambitions and ideas within this Masterplan provide a starting point for the development of an Area Action Plan (AAP) as part of the Local Development Plan.  Discussions continue with Lancashire County Council on infrastructure planning and design to support the development.	Delivery	1/11/22	G
I	<a href="#">Heysham Gateway</a>	Consultants progressing with work and are contributing to an Investment Zone Expression of Interest for Heysham Gateway. First claim to county council’s LERG (Lancashire Economic Recovery and Growth) fund will be submitted at the end of this quarter.	Detailed Design	11/10/22	G
I	1 Lodge Street Urgent Structural Repairs	No update is due for this project as it has not yet reached the detailed design stage.	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	No update is due for this project as it has not yet reached the detailed design stage.	Feasibility	N/A	X
I	Williamson Park (Café and Play Development)	The Council is now in receipt of the RIBA 1 Feasibility works for the site. A business case is to be produced to seek funding from reserves.	Feasibility	1/11/22	X
I	Museums Redevelopment	To be considered as part of OBR process	Concept*	1/11/22	X
I	Council Assets Programme (Palatine Hall, Old Fire Station Development Works)	To be considered as part of OBR process	Concept*	1/11/22	X
I	Morecambe Co-op Building Renovation	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		X
I	Ryelands Park – Ryelands House	No update is due for this project as it has not yet reached the detailed design stage.	Concept*		X

Performance									
Measure	2021-22				2022-23		Comments		
	Q1	Q2	Q3	Q4	Q1	Q2			
I	% of minor planning applications determined within 8 weeks or agreed time	80.77	67.41	77.64%	83.33%	86.57%	87.69%	The Team are continuing to make excellent progress in terms of decision-making. Given the continuing vacant posts within the DM Planners' Team, many of the planning decisions reached in this Quarter are subject to the Extension of Time process, which allows the local planning authority to negotiate a more flexible, agreed decision making date with the applicant.	
I	% of other planning applications determined within 8 weeks or agreed time	81.43	73.75	82.75%	89.43%	95.07%	95.08%	See comments above	
I	% of major planning applications determined within 13 weeks or agreed time	81.82	66.67	81.81%	64.70%	91.67%	100%	See comments above	

A Sustainable District (Environmental)					
Projects					
Priority	Project Name	Update	Stage	Updated	Status
S	Roof Mounted Solar Array – Gateway, White Lund (part of Carbon Neutral Programme)	In September 22 approval was granted by Cabinet and Council for this project to proceed. Procurement and planning consent are due to commence later this financial year, once other enabling works are complete. The bulk of the project works will commence in 23/24 and will form a wider package of building improvement work that will include: roof coating, skylight replacement, LED upgrades and new LV switchgear.	Delivery	4/10/22	G
S	<a href="#">District Heat Network Feasibility</a> (part of Carbon Neutral Programme)	During the reporting period, officers have completed a procurement exercise to appoint technical consultants to deliver the heat network feasibility study to outline opportunities within the selected areas for such a scheme to support localised energy generation and heat decarbonisation.  Anthesis consultancy have been appointed to commence Work Package 1 activities which encompass heat cluster identification, heat mapping and energy master planning. These tasks are aligned with the outputs from the Government funded Heat Network Zoning Pilot Programme and because the HNZZP delays there have been some minor delay in completing the assessment of the data sets.	Detailed Design	17/10/22	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	1 Million Trees	This work is still in its infancy and work is more focussed around strategies on managing our current tree stock and issues around Ash Dieback.	Concept*	17/10/22	X

Performance									
Measure	2021-22				2022-23		Comments		
	Q1	Q2	Q3	Q4	Q1	Q2			
S	% of household waste recycled (quarter behind)	34.3%	40.5%	39.2%	38.5%	35.4%	39%		
S	Kg of residual waste per household (quarter behind)	84.0kg	91.8kg	90.1kg	84.2kg	82.1 kg	90.2kg		
S	Diesel consumption of council vehicle fleet (ltrs)	115,733	119,277	107,342	114,612	119,000	117,736		
S	Cost/m2 energy across corporate buildings (quarter behind)	£2.37	£1.76	£1.78	£2.04	£2.40	£3.63	Energy prices have increased significantly. This data covers a period when gas consumption is low so figures are expected to increase significantly in the coming months.	
S	Gas KWH usage in council buildings (quarter behind)	2,280,000	1,014,000	358,238	423,523	1,298,703	535,960	Gas consumption is lower than previous years due to the decarbonisation of Salt Ayre	
S	Electricity KWH usage in council buildings (quarter behind)	593,000	551,000	760,759	1,068,133	1,422,016	854,328	Electricity consumption is higher than previous years due to the decarbonisation of Salt Ayre	

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	N/A	H
H R	<a href="#">Mellishaw Park</a> (part of Homes Programme)	Progress to plan continues – this quarter has seen the planning application approved subject to a number of recommendations such as a noise survey being undertaken. The works are now being tendered on the Chest – with submissions to be returned early Q3. Confirmation from Department for Levelling Up, Housing and	Detailed Design	6/10/22	G

				Communities that outcome for Traveller Site Fund has now been delayed until c. November. Plot audits have been completed.				
	S	H		<a href="#">My Mainway</a> (part of Homes Programme)	The Council has continued to consult with residents with a dedicated session on the estate explaining where the project is up to and next steps. The project continues to progress to plan with any slight delays within the project tolerance.	Detailed Design	6/10/22	G
			R	<a href="#">Outcomes Based Resourcing (OBR)</a> (part of Funding the Future)	The project has progressed as planned for Q2: -Workshops with each service to consider opportunities. -Engagement with all members and staff via a variety of communication and engagement methods. -Initial longlist of resourcing options developed to support the 2023-24 budget process. -Workshop with core local partners to discuss partnership and collaboration opportunities.	Detailed Design	18/10/22	G
	S	H		Extra Care Scheme (part of Homes Programme)	This project is on hold until the planning application is approved.	Concept*	20/9/22	H

Performance											
				Measure	2021-22				2022-23		Comments
					Q1	Q2	Q3	Q4	Q1	Q2	
			H	Number of people statutorily homeless	12	7	10	13	10	7	Main duty or statutory homeless acceptances are increasing due to the lack of affordable housing availability across the sector including private rented sector accommodation
			H	Number of Disabled Facilities Grants completed	76	76	101	88	117	89	Total number of DFG's completed in Q1 & Q2 is 203, on average of 34 per month. The monthly average in 21/22 was 28. The number of completions are on target to fully maximise the governments DFG grant allocation.
			H	Number of properties improved	59	59	63	46	93	126	This figure includes 43 properties improved by the removal of hazards, and 83 HMO licensing inspections. Officers have also inspected 27 houses under the Homes for Ukraine scheme.
			H	% of premises scoring 4 or higher on the food hygiene rating scheme	90.5%	96.96%	90.5%	90%	90%	89.8%	
			H	Number of admissions to Salt Ayre Leisure Centre	118,854	164,301	179,275	232,307	225,442	225,949	The leisure centre has seen a slight increase in throughput in Q2, attributed to the Summer Holiday period and increased participation in some areas.
			H	Average time taken to re-let Council houses (days)	51.80	53.89	59.08	62.85	25.4	27.2	Continues to remain within our KPI target of 30 calendar days. And has marked a great improvement since Covid restrictions were lifted.

A Co-operative, Kind and Responsible Council (Governance)						
Projects						
Priority	Project Name	Update	Stage	Updated	Status	
	R	<a href="#">Customer Contact System</a>	The initial timeline for the project was impacted by the pandemic where resources from within Customer Services were understandably focused on supporting residents at that time. However, once the Project Team were able to concentrate on the project, they have been able to deliver everything which they had planned.	Complete	18/10/22	C
	R	High-Capacity Fibre Cable Network Provision (part of Digital Programme)	The business case went to Cabinet on 25 <sup>th</sup> October and is now due to go to Council on 9 <sup>th</sup> November.	Delivery	1/11/22	G
	R	5G Strategy (part of Digital Programme)	Project on hold so no update due.	Delivery	N/A	H
	R	<a href="#">Working Well Project</a>	Further project actions have been delivered this quarter, supporting the hybrid way of working. These include: An employee handbook, hybrid manager training and the launch of the Working Arrangements Framework.	Delivery	5/10/22	G

Performance											
				Measure	2021-22				2022-23		Comments
					Q1	Q2	Q3	Q4	Q1	Q2	
			R	Average social media engagement rate	0.72	0.67	0.65	0.48	0.46	1.05	Due to a change in how Facebook measures engagements, this value is now substantially higher than previous reports.
			R	Total digital audience	388,690	424,508	472,483	430,485	455,324	428,981	
			R	Average number of days' sickness per full-time employee	1.85	1.7	1.86	1.46	1.47	1	Total number of days lost for full time employees 579. Average number of full-time employees for Q2 600. These figures are for all employees and services.
			R	Occupancy rates for commercial properties	96.65%	97.02%	97.08%	97.18%	96.61%	98.37%	Occupancy rates are higher from 96.61% at the end of the last quarter. This is due to the letting of 7 Cheapside, Lancaster. The Storey is fully occupied.  The occupation of our commercial properties continues at an exceptionally high level.
			H	Average time taken to process new Housing Benefit claims	20.41 days	19.91 days	24.13 days	25.95 days	30.16 days	21.23 days	

## QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SERVICE ANALYSIS 2022/23

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Variance +/- £30K %
<b>Communities and Environment</b>							
<a href="#">Business Support</a>	Vehicle Maintenance	12	0	12	81	90	(78) (650%)
	White Lund Depot	(14)	0	(14)	0	109	(123) (879%)
<a href="#">Customer Involvement &amp; Leisure</a>	Customer Services	809	0	809	401	789	20
	Leisure	34	0	34	(42)	34	0
	Salt Ayre	305	0	305	183	584	(279) (91%)
<a href="#">Public Protection</a>	Environmental Health	1,262	0	1,262	165	1,138	124 +10%
	Emergency Planning	46	0	46	21	43	3
	Housing Standards	79	0	79	(255)	136	(57) (72%)
	Licensing	(68)	0	(68)	15	(49)	(19)
	Safety	124	0	124	61	142	(18)
<a href="#">Housing Services</a>	GF Housing	20	0	20	36	79	(59) (295%)
	Home Improvement Agency	(128)	0	(128)	(253)	(186)	58 +45%
	Housing Options	248	0	248	(1,282)	252	(4)
	Strategic Housing	235	0	235	58	223	12
<a href="#">Project Development</a>	CCTV	50	0	50	57	56	(6)
	Project Development	185	0	185	27	181	4
<a href="#">Public Realm</a>	Cemeteries	14	0	14	28	15	(1)
	Grounds Maintenance	1,036	0	1,036	655	1,117	(81) (8%)
	Household Waste Collection	2,217	0	2,217	1,029	3,236	(1,019) (46%)
	Markets	(121)	0	(121)	(62)	(15)	(106) (88%)
	Parking	(2,822)	0	(2,822)	(804)	(2,142)	(680) (24%)
	Parks	141	0	141	(2)	166	(25)
	Public Conveniences	146	0	146	89	169	(23)
	Public Realm Highways	76	0	76	29	86	(10)
	Service Support	555	0	555	162	494	61 +11%
	Street Cleaning	1,274	0	1,274	715	1,444	(170) (13%)
	Trade Waste	(789)	0	(789)	(945)	(693)	(96) (12%)
	Williamson Park	267	0	267	96	502	(235) (88%)
		<b>5,193</b>	<b>0</b>	<b>5,193</b>	<b>263</b>	<b>8,000</b>	<b>(2,807) (54%)</b>
<b>Economic Growth and Regeneration</b>							
<a href="#">Planning &amp; Place</a>	Building Control	194	0	194	5	88	106 +55%
	Conservation & Environment	55	0	55	19	83	(28)
	Development Control	840	0	840	341	947	(107) (13%)
	Local Plan	794	0	794	345	796	(2)
<a href="#">Economic Development</a>	AONB	56	0	56	(68)	54	2
	Economic Development	414	0	414	180	397	17
	Marketing & Comms	327	0	327	150	252	75 +23%
	Grants	215	0	215	99	215	0
	The Platform	107	0	107	(28)	132	(25)
	Tourism & Events	487	0	487	216	497	(10)
	Museums	622	0	622	328	651	(29)
<a href="#">Property, Investment and Regenera</a>	Highways	0	0	0	0	0	0
	Regeneration	466	0	466	100	417	49 +11%
	Sea Defence & Land Drainage	427	0	427	175	445	(18)
	Property	(399)	0	(399)	650	782	(1,181) (296%)
	Building Cleaning	0	0	0	165	(7)	7
		<b>4,605</b>	<b>0</b>	<b>4,605</b>	<b>2,677</b>	<b>5,749</b>	<b>(1,144) (25%)</b>
<b>Corporate Services</b>							
<a href="#">Corporate Accounts</a>	Central Expenses	379	0	379	1,384	1,613	(1,234) (326%)
<a href="#">Democratic</a>	Democratic Services	954	0	954	438	931	23
<a href="#">Finance</a>	Finance	1,371	0	1,371	648	1,317	54 +4%
<a href="#">HR</a>	Corporate Safety	66	0	66	31	67	(1)
	HR	975	0	975	401	889	86 +9%
<a href="#">ICT</a>	ICT	1,540	0	1,540	715	1,471	69 +4%
<a href="#">Internal Audit</a>	Internal Audit	200	0	200	14	162	38 +19%
<a href="#">Legal</a>	Legal Services	316	0	316	122	388	(72) (23%)
<a href="#">Revenues &amp; Benefits</a>	Revenues & Benefits	959	0	959	3,615	902	57 +6%
		<b>6,760</b>	<b>0</b>	<b>6,760</b>	<b>7,368</b>	<b>7,740</b>	<b>(980) (14%)</b>
<b>Central Services</b>							
<a href="#">Chief Executive</a>	Executive Team	871	0	871	375	881	(10)
	Grants to other bodies	291	0	291	172	291	0
		<b>1,162</b>	<b>0</b>	<b>1,162</b>	<b>547</b>	<b>1,172</b>	<b>(10)</b>
<b>Other Items</b>							
<a href="#">Other Items</a>	New Homes Bonus	(504)	0	(504)	(1,297)	(1,200)	696 +138%
	Revenue Funding of Capital	947	373	1,320	0	490	830 +63%
	Minimum Revenue Provision	2,698	0	2,698	0	2,109	589 +22%
	Interest Payable	1,463	0	1,463	836	1,172	291 +20%
	Interest Receivable	(12)	0	(12)	(144)	(604)	592 +4933%
	Notional Charges	0	0	0	745	0	0
	Contributions to Reserve	1,077	0	1,077	0	1,070	7
	Contributions from Reserve	(5)	0	(5)	0	(500)	495 +9900%
	Capital Contributions from Reserve	(947)	(373)	(1,320)	0	(490)	(830) (63%)
		<b>4,717</b>	<b>0</b>	<b>4,717</b>	<b>140</b>	<b>2,047</b>	<b>2,670 +57%</b>
	Net Recharges to Housing Revenue Account	(1,044)	0	(1,044)	(519)	(1,044)	0
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	882	(139)	0
	Revenue Reserve funded items included in above analysis (Revenue)	1,641	0	1,641	158	1,529	112 +7%
	Revenue Reserve funded items included in above analysis (Appropriatio	(1,641)	0	(1,641)	0	(1,529)	(112) (7%)
<b>General Fund Revenue Budget</b>		<b>21,254</b>	<b>0</b>	<b>21,254</b>	<b>11,516</b>	<b>23,525</b>	<b>(2,271) (11%)</b>
Core Funding :	Revenue Support Grant	(212)	0	(212)	(110)	(212)	0
	Additional New Homes Bonus	(42)	0	(42)	0	0	(42) (100%)
	Supplementary Government Grants	(652)	0	(652)	0	0	(652) (100%)
	Prior Year Council Tax Surplus	(66)	0	(66)	0	(66)	0
	Net Business Rates Income	(10,106)	0	(10,106)	(2,257)	(10,106)	0
<b>Council Tax Requirement</b>		<b>10,176</b>	<b>0</b>	<b>10,176</b>	<b>9,149</b>	<b>13,141</b>	<b>(2,965) (29%)</b>

## Notes:

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

**QUARTER 2 FINANCIAL REVENUE MONITORING - GENERAL FUND SUBJECTIVE ANALYSIS 2022/23**

		Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q2 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	13,523	27,316	(1,185)	(5%)
	Indirect Employee Expenses	900	0	900	719	1,312	(412)	(46%)
Premises Related Exp	Cleaning and Domestic Supplies	440	0	440	86	433	7	
	Energy Costs	861	0	861	400	2,373	(1,512)	(176%)
	Fixtures and Fittings	1	0	1	0	0	1	
	Grounds Maintenance Costs	45	0	45	18	46	(1)	
	Operational Bldgs Allocation	96	0	96	63	96	0	
	Other Premises Costs	0	0	0	0	0	0	
	Premises Insurance	283	0	283	382	382	(99)	(35%)
	Rates	1,414	(10)	1,404	1,470	1,475	(71)	(5%)
	Rents	85	0	85	32	85	0	
	Repair and Maintenance	1,096	0	1,096	556	1,401	(305)	(28%)
	Water Services	334	0	334	187	341	(7)	
Transport Related Exp	Car Allowances	1	0	1	6	10	(9)	
	Contract Hire Operating Leases	65	0	65	184	337	(272)	(418%)
	Direct Transport Costs	1,097	0	1,097	687	1,457	(360)	(33%)
	Other Transport Costs	0	0	0	0	0	0	
	Public Transport	23	0	23	10	20	3	
	Transport Insurance	80	0	80	92	92	(12)	
Supplies and Services	Catering	61	0	61	22	44	17	
	Clothing Uniform and Laundry	86	0	86	55	82	4	
	Communications and Computing	1,503	0	1,503	1,087	1,451	52	+3%
	Contribution to Provisions	250	0	250	0	250	0	
	Equip Furniture and Materials	1,449	6	1,455	872	1,497	(42)	(3%)
	Expenses	643	0	643	284	741	(98)	(15%)
	General Office Supplies	211	0	211	118	252	(41)	(19%)
	Grants and Subscriptions	1,317	41	1,358	9,310	1,705	(347)	(26%)
	Miscellaneous Expenses	467	9	476	221	1,033	(557)	(117%)
	Services	5,263	30	5,293	2,367	6,302	(1,009)	(19%)
Transfer Payments	Housing Benefit	20,277	0	20,277	8,700	23,277	(3,000)	(15%)
Support Services	Recharges Exp	147	0	147	3	111	36	+24%
Capital Charges	Amortisation of Def Chgs	0	0	0	0	0	0	
	Depreciation	17	0	17	0	17	0	
Capital Financing Costs	Interest Payments	1,464	0	1,464	836	1,173	291	+20%
Appropriations	Appropriations	3,771	0	3,771	0	2,680	1,091	+29%
Income	Customer Fees and Charges	(18,810)	(10)	(18,820)	(9,486)	(17,653)	(1,167)	(6%)
	Government Grants	(21,766)	(15)	(21,781)	(18,852)	(26,929)	5,148	+24%
	Interest	(56)	0	(56)	(144)	(648)	592	+1057%
	Other Grants and Contributions	(1,586)	(51)	(1,637)	(1,440)	(2,382)	745	+46%
	Recharges Inc	(4,923)	0	(4,923)	(2,118)	(5,171)	248	+5%
Capital Financing Inc	Capital Related Income	(300)	0	(300)	745	(300)	0	
	Net Recharges to Housing Revenue Account	(1,044)	0	(1,044)	(519)	(1,044)	0	
	RMS Capital Charges (now Housing Revenue Account)	(139)	0	(139)	882	(139)	0	
	Revenue Reserve funded items included in above analysis (Revenue)	1,641	0	1,641	158	1,529	112	+7%
	Revenue Reserve funded items included in above analysis (Appropriat)	(1,641)	0	(1,641)	0	(1,529)	(112)	(7%)
<b>GRAND TOTAL</b>		<b>21,254</b>	<b>0</b>	<b>21,254</b>	<b>11,516</b>	<b>23,525</b>	<b>(2,271)</b>	<b>(11%)</b>

Notes:

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

**QUARTER 2 FINANCIAL REVENUE MONITORING - HRA SERVICE ANALYSIS 2022/23**

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000	Variance +/- £30K %
<b>Communities and Environment</b>							
Policy & Management	1,901	82	1,983	1,226	2,314	(331)	(17%)
Repairs & Maintenance	6,555	72	6,627	2,471	7,613	(986)	(15%)
Welfare Services	58	0	58	(175)	359	(301)	(519%)
Special Services	273	0	273	162	267	6	
Miscellaneous Expenses	740	0	740	560	942	(202)	(27%)
<a href="#">Housing Revenue Account</a>							
Income Account	(15,295)	0	(15,295)	(7,572)	(15,289)	(6)	
Capital Charges	5,493	0	5,493	0	5,493	0	
Appropriations	(255)	(154)	(409)	0	(2,066)	1,657	+405%
Gain/Loss on Asset Sales	0	0	0	0	0	0	
Gain/Loss on Asset Sales(Move)	0	0	0	0	0	0	
	<b>(530)</b>	<b>0</b>	<b>(530)</b>	<b>(3,328)</b>	<b>(367)</b>	<b>(163)</b>	<b>(31%)</b>
Net Recharges to General Fund	530	0	530	265	530	0	
<b>Housing Revenue Account Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,063)</b>	<b>163</b>	<b>(163)</b>	

**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 2 FINANCIAL CAPITAL MONITORING - SERVICE ANALYSIS 2022/23

	Original Budget 2022/23 £'000	Budget Amendments 2022/23 £'000	Working Budget 2022/23 £'000	Q2 Actual 2022/23 £'000	Projected Outturn 2022/23 £'000	Projected Variance 2022/23 £'000
<b>Communities and Environment</b>						
	2,012	2,338	4,350	375	3,618	732
<a href="#">Business Support</a>						
	508	0	508	0	0	508
	180	0	180	0	0	180
	0	400	400	831	831	(431)
<a href="#">Customer Involvement &amp; Leisure</a>						
	549	1,326	1,875	75	1,600	275
	0	0	0	(29)	(29)	29
<a href="#">Public Protection</a>						
	0	0	0	0	0	0
<a href="#">Housing Services</a>						
	0	0	0	(2,394)	0	0
	0	750	750	503	750	0
	600	0	600	0	0	600
<a href="#">Public Realm</a>						
	0	8	8	0	8	0
	37	0	37	36	36	1
	0	0	0	0	0	0
	0	0	0	0	0	0
	30	30	60	0	63	(3)
	0	0	0	0	0	0
	30	16	46	0	46	0
	0	0	0	0	0	0
	0	0	0	(1,246)	0	0
	0	33	33	0	33	0
	0	0	0	0	0	0
	0	224	224	0	224	0
	0	0	0	63	0	0
	0	0	0	0	0	0
	<b>3,946</b>	<b>5,125</b>	<b>9,071</b>	<b>(1,786)</b>	<b>7,180</b>	<b>1,891</b>
<b>Economic Growth and Regeneration</b>						
<a href="#">Planning &amp; Place</a>						
	24	0	24	0	0	24
	0	70	70	0	0	70
	40	110	150	0	150	0
<a href="#">Economic Development</a>						
	0	138	138	135	143	(5)
	0	0	0	0	0	0
	84	0	84	0	84	0
	340	139	479	28	57	422
	0	53	53	40	69	(16)
	5	0	5	(18)	0	5
<a href="#">Property, Regeneration &amp; Investment</a>						
	973	(58)	915	91	615	300
	73	0	73	0	0	73
	0	188	188	(893)	0	188
	63	0	63	0	0	63
	0	15	15	0	15	0
	1,650	0	1,650	0	0	1,650
	375	50	425	0	0	425
	0	0	0	(9)	0	0
	<b>3,627</b>	<b>705</b>	<b>4,332</b>	<b>(626)</b>	<b>1,133</b>	<b>3,199</b>
<b>Corporate Services</b>						
<a href="#">Corporate Accounts</a>						
	0	0	0	0	0	0
<a href="#">Democratic</a>						
	0	0	0	0	0	0
<a href="#">Finance</a>						
	0	0	0	0	0	0
<a href="#">HR</a>						
	0	0	0	(40)	0	0
<a href="#">ICT</a>						
	52	21	73	3	73	0
	258	0	258	47	258	0
	0	27	27	0	27	0
	60	0	60	29	60	0
	120	0	120	0	120	0
<a href="#">Internal Audit</a>						
	0	0	0	0	0	0
<a href="#">Legal</a>						
	0	0	0	0	0	0
<a href="#">Revenues &amp; Benefits</a>						
	0	0	0	0	0	0
	<b>490</b>	<b>48</b>	<b>538</b>	<b>39</b>	<b>538</b>	<b>0</b>
<b>Central Services</b>						
<a href="#">Chief Executive</a>						
	0	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>8,063</b>	<b>5,878</b>	<b>13,941</b>	<b>(2,373)</b>	<b>8,851</b>	<b>5,090</b>

### 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 P6 Actual	2022/23 Projected Outturn	2022/23 Variance (Working v Projected)	Comments (Working Budget to Projected Outturn)
	£	£	£	£	£	
<b>EXPENDITURE</b>						
Adaptations	300,000	300,000	148,291	300,000	0	
Energy Efficiency / Boiler Replacement	989,000	1,029,000	201,613	1,029,000	0	
Kitchen / Bathroom Refurbishment	888,000	888,000	216,982	725,000	163,000	Reduced activity in Quarter 1 due to Covid precautions and banked annual leave, budget re-directed to Environmental Improvements to fund continuing removal of composite (plastic) fencing panels and replace with close boarded timber panels to the rear of all properties
External Refurbishment	210,000	315,000	39,166	315,000	0	
Environmental Improvements	200,000	234,000	217,456	395,000	(161,000)	Budget re-directed from Kitchen / Bathroom Refurbishment to fund continuing removal of composite (plastic) fencing panels and replace with close boarded timber panels to the rear of all properties, to utilise operatives released from kitchens programme
Re-roofing / Window Renewals	738,000	988,000	182,695	988,000	0	
Rewiring	56,000	56,000	4,742	56,000	0	
Lift Replacement	0	0	0	0	0	
Fire Precaution Works	240,000	280,000	28,332	280,000	0	
Housing Renewal & Renovation	1,753,000	1,753,000	440,005	1,720,000	33,000	Contract sum for 6 The Greaves higher than anticipated, additional cost to be funded from capital receipts; additional property conversion deferred to 2023/24, to be funded from Business Support Reserve
Mainway Pilot Scheme	4,000,000	4,000,000	0	1,255,000	2,745,000	£2.8M slipped to 2023/24, to be funded from Business Support Reserve
<b>TOTAL EXPENDITURE</b>	<b>9,374,000</b>	<b>9,843,000</b>	<b>1,479,282</b>	<b>7,063,000</b>	<b>2,780,000</b>	



## Reserves Statement (Including Unallocated Balances)

&lt;----- ORIGINAL BUDGET -----&gt;

&lt;----- PROJECTED OUTTURN -----&gt;

	31 March 2022	From Revenue	To / (From) Capital	To Revenue	31 March 2023	31 March 2022	From Revenue	To / (From) Capital	To Revenue	31 March 2023	
	£	£	£	£	£	£	£	£	£	£	
<b>Unallocated Balances</b>	(5,614,400)	(34,000)			(5,648,400)	(6,032,200)	(5,946,900)			3,965,100	(8,014,000)
<b>Earmarked Reserves:</b>											
<b>Corporate Priorities</b>	(1,016,100)	(491,300)	600,000	516,900	(390,500)	(2,116,800)				2,032,200	(84,600)
<b>Capital Support</b>	(73,000)		73,000			(373,000)		300,000			(73,000)
<b>Corporate Property</b>	(263,500)				(263,500)	(338,500)				25,000	(313,500)
<b>Covid 19 Support Reserve</b>	(4,100)				(4,100)	(1,747,000)				1,747,000	
<b>Economic Growth</b>	(118,500)	(96,500)		96,500	(118,500)	(247,800)				247,800	
<b>Investment Property Maint</b>	(9,400)				(9,400)	(34,900)					(34,900)
<b>Invest to Save</b>	(103,600)	(148,200)		437,900	186,100	(824,600)	(107,000)			931,600	
<b>Morecambe Area Action Plan</b>	(2,200)				(2,200)	(27,300)				27,300	
<b>Museums Acquisitions</b>	(28,800)	(4,500)			(33,300)	(29,800)	(4,500)				(34,300)
<b>Planning Fee Income</b>	(39,400)				(39,400)	(61,100)					(61,100)
<b>Restructure</b>	(188,600)			31,700	(156,900)	(431,200)				431,200	
<b>To Support Revenue &amp; Capital Expenditure</b>	(1,847,200)	(740,500)	673,000	1,083,000	(831,700)	(6,232,000)	(111,500)	300,000	5,442,100		(601,400)
<b>Renewals Reserves</b>	(688,900)	(491,800)	174,000	38,700	(968,000)	(787,200)	(491,800)	153,000	34,000		(1,092,000)
<i>General Renewals</i>	(492,600)	(295,800)	24,000	10,000	(754,400)	(479,700)	(295,800)		29,100		(746,400)
<i>Salt Ayre Leisure Centre</i>	(18,900)	(150,000)	150,000		(18,900)	(21,600)	(150,000)	153,000			(18,600)
<i>Williamson Park</i>	(62,000)	(18,000)		12,500	(67,500)	(62,200)	(18,000)				(80,200)
<i>Car Parks</i>	(38,200)	(12,000)		12,000	(38,200)	(135,200)	(12,000)		12,000		(135,200)
<i>Happy Mount Park</i>	(22,900)	(14,000)		4,200	(32,700)	(21,900)	(14,000)				(35,900)
<i>Arnsdale &amp; Silverdale AONB</i>	(54,300)	(2,000)			(56,300)	(66,600)	(2,000)				(68,600)
<b>Elections</b>	(80,000)	(40,000)			(120,000)	(80,000)	(40,000)				(120,000)
<b>Homelessness Support</b>	(117,400)	(6,600)			(124,000)	(110,800)					(110,800)
<b>Business Rates Retention</b>	(9,090,600)	(400,000)		729,000	(8,761,600)	(9,090,600)	(400,000)		2,018,900		(7,471,700)
<b>Revenue Grants Unapplied</b>	(905,100)			39,000	(866,100)	(4,357,500)				526,000	(3,831,500)
<b>S106 Commuted Sums</b>	(1,061,400)	(200,000)	100,000	4,700	(1,156,700)	(1,393,900)	(200,000)	37,000	4,700		(1,552,200)
<b>Welfare Reforms</b>	(324,900)				(324,900)	(324,900)					(324,900)
<b>Lancaster District Hardship</b>						(377,100)					(377,100)
<b>Amenity Improvements</b>	(29,000)				(29,000)	(29,000)					(29,000)
<b>Reserves Held in Perpetuity:</b>											
<b>Graves Maintenance</b>	(22,200)				(22,200)	(22,200)					(22,200)
<b>Marsh Capital</b>	(47,700)				(47,700)	(47,700)					(47,700)
<b>Total ring-fenced/held against risk</b>	(12,367,200)	(1,138,400)	274,000	811,400	(12,420,200)	(16,620,900)	(1,131,800)	190,000	2,590,700		(14,972,000)
<b>Total Earmarked Reserves</b>	(14,214,400)	(1,878,900)	947,000	1,894,400	(13,251,900)	(22,852,900)	(1,243,300)	490,000	8,032,800		(15,573,400)
<b>Total Combined Reserves</b>	(19,828,800)	(1,912,900)	947,000	1,894,400	(18,900,300)	(28,885,100)	(7,190,200)	490,000	11,997,900		(23,587,400)

Page 165

**GENERAL FUND - 2022/23 SAVINGS AND BUDGET PROPOSALS MONITORING (QUARTER 2)**

Initiative	Upfront Investment	Budget	Actual to Date	Projected Outturn	Projected Variance	Progress
	£'000	£'000	£'000	£'000	£'000	
<b>2022/23 APPROVED SAVINGS</b>						
<b>Central Services</b>						
<b>Chief Executive</b>						
Delete vacant Head of Policy & Strategy		(71)	(71)	(71)	0	Post never advertised or filled
<b>Communities &amp; the Environment</b>						
<b>Public Protection</b>						
Community Safety Partnership		(16)	(8)	(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. Ceased from 01/04/23
Domestic Abuse Contribution		(4)	0	0	4	Contribution agreed for next 7 years, will require inclusion in budget. Funded from COMF 22/23
<b>Public Realm &amp; Business Support</b>						
Marketgate (toilets)		(21)	0	0	21	internal discussions to commence in Q2 prior to serving notice. Expectation to implement from 1st April 2023
<b>Corporate Services</b>						
<b>Democratic Services</b>						
Staffing Changes (succession planning)		0	0	0	0	Savings planned to commence 23/24
<b>Legal Services</b>						
Staffing Changes (succession planning)		(15)	0	0	15	Savings not likely to be achieved before end of year.
<b>Economic Growth &amp; Regeneration</b>						
<b>Economic Development</b>						
Remove FHS staff costs		(41)	(41)	(41)	0	Previous growth removed as Future High Scheme funding was not achieved
<b>Planning &amp; Place</b>						
Additional Pre-Application Service Offers		0	0	0	0	Savings planned to commence 24/25
<b>2022/23 APPROVED INCOME GENERATION PROPOSALS</b>						
<b>Communities &amp; the Environment</b>						
<b>Customer Involvement &amp; Leisure</b>						
Salt Ayre Leisure Centre		(209)	(104)	(209)	0	Income targets have been built into current budgets and expecting to achieve target.
<b>Public Protection</b>						
Street Trading Consent		0	0	0	0	n/a
Pest Control/Unbugged		(9)	0	0	9	unlikely to break even. Higher costs and less income
<b>Public Realm &amp; Business Support</b>						
Car Parking charging at new sites		(20)	0	(10)	10	Car parking works at Half Moon Bay now complete following significant delays; charging to commence from 3rd October
Car Parking Tariff Review		(495)	(250)	5	500	Initial income projections for year are reduced in Q2 against the profiled budget. Cost of living crisis and adverse social media campaigns have contributed to this and a speculative projected variance of (£500K) 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	(22)	48	New officer now in post, no significant new events planned during first two months of their employment
<b>Economic Growth &amp; Regeneration</b>						
<b>Economic Development</b>						
Commercial ticketed events (estimated)		(10)	(3)	(10)	0	Ticketed income higher but private hires reduced
<b>Planning &amp; Place</b>						
Building Control		(5)	(5)	(5)	0	Income target including approved savings expected to be achieved
<b>Planning &amp; Place</b>						
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
<b>2022/23 APPROVED GROWTH</b>						
<b>Central Services</b>						
<b>Chief Executive</b>						
Partnerships & Innovation Coordinator (shared costs)		20	10	20	0	Used both budgets to appoint a co-ordinator post (see below)
Executive Support Apprentice		7	4	7	0	Used both budgets to appoint a co-ordinator post (see above)
<b>Communities &amp; the Environment</b>						
<b>Housing Services</b>						
LATCo Development Manager		23	0	0	(23)	Requirement for the post to be reviewed
<b>Public Protection</b>						
New EHO Post (Apprentice/Student)		10	0	0	(10)	not expected to recruit 22/23
<b>Public Realm &amp; Business Support</b>						
LESS Contribution (Food Futures)		13	0	13	0	SLA being finalised with LESS and annual payment to be made imminently
Recycling (Wheele 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/reviewed as part of OBR
Additional Public Realm Capacity		32	0	32	0	Recruitment to commence in Q2
Williamson Park Business Development		32	6	25	(7)	New officer started August 2022
Williamson Park Events		30	30	30	0	Budget spent on cycle race contribution in July 2022
<b>Corporate Services</b>						
<b>Financial Services</b>						
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	0	(12)	Post not likely to be filled within year
CIVICA Financials Contract		0	0	0	0	
<b>Human Resources &amp; Organisational Development</b>						
Programme Manager (position made permanent)		58	29	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
<b>Economic Growth &amp; Regeneration</b>						
<b>Economic Development</b>						
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
<b>Planning &amp; Place</b>						
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
<b>Property, Investment &amp; Regen</b>						
Project due diligence (contribution to reserve)		100	0	100	0	Spend expected in year - pooled with other reserve funded budget
<b>TOTAL</b>	<b>62</b>	<b>(330)</b>	<b>(386)</b>	<b>259</b>	<b>589</b>	

## GENERAL FUND SERVICE ANALYSIS 2022/23

	Original Budget	Q1 Projected	Q2 Projected	Q3 Projected	Q4 Projected	
<b>Communities and Environment</b>						
<a href="#">Business Support</a>	Vehicle Maintenance	12	40	90		
	White Lund Depot	(14)	53	109		
<a href="#">Customer Involvement &amp; Leisure</a>	Customer Services	809	742	789		
	Leisure	34	34	34		
	Salt Ayre	305	397	584		
<a href="#">Public Protection</a>	Environmental Health	1,262	1,231	1,138		
	Emergency Planning	46	46	43		
	Housing Standards	79	92	136		
	Licensing	(68)	(79)	(49)		
	Safety	124	138	142		
<a href="#">Housing Services</a>	GF Housing	20	94	79		
	Home Improvement Agency	(128)	(128)	(186)		
	Housing Options	248	250	252		
	Strategic Housing	235	239	223		
<a href="#">Project Development</a>	CCTV	50	50	56		
	Project Development	185	128	181		
<a href="#">Public Realm</a>	Cemeteries	14	8	15		
	Grounds Maintenance	1,036	1,049	1,117		
	Household Waste Collection	2,217	2,489	3,236		
	Markets	(121)	(95)	(15)		
	Parking	(2,822)	(2,406)	(2,142)		
	Parks	141	120	166		
	Public Conveniences	146	155	169		
	Public Realm Highways	76	83	86		
	Service Support	555	507	494		
	Street Cleaning	1,274	1,363	1,444		
	Trade Waste	(789)	(755)	(693)		
	Williamson Park	267	335	502		
		<b>5,193</b>	<b>6,180</b>	<b>8,000</b>	<b>0</b>	<b>0</b>
<b>Economic Growth and Regeneration</b>						
<a href="#">Planning &amp; Place</a>	Building Control	194	192	88		
	Conservation & Environment	55	62	83		
	Development Control	840	749	947		
	Local Plan	794	790	796		
<a href="#">Economic Development</a>	AONB	56	55	54		
	Economic Development	414	406	397		
	Marketing & Comms	327	325	252		
	Grants	215	215	215		
	The Platform	107	131	132		
	Tourism & Events	487	485	497		
	Museums	622	696	651		
<a href="#">Property, Investment and Regenera</a>	Highways	0	0	0		
	Regeneration	466	441	417		
	Sea Defence & Land Drainage	427	428	445		
	Property	(399)	501	782		
	Building Cleaning	0	(7)	(7)		
		<b>4,605</b>	<b>5,469</b>	<b>5,749</b>	<b>0</b>	<b>0</b>
<b>Corporate Services</b>						
<a href="#">Corporate Accounts</a>	Central Expenses	379	1,227	1,613		
<a href="#">Democratic</a>	Democratic Services	954	945	931		
<a href="#">Finance</a>	Finance	1,371	1,441	1,317		
<a href="#">HR</a>	Corporate Safety	66	66	67		
	HR	975	920	889		
<a href="#">ICT</a>	ICT	1,540	1,528	1,471		
<a href="#">Internal Audit</a>	Internal Audit	200	200	162		
<a href="#">Legal</a>	Legal Services	316	337	388		
<a href="#">Revenues &amp; Benefits</a>	Revenues & Benefits	959	959	902		
		<b>6,760</b>	<b>7,623</b>	<b>7,740</b>	<b>0</b>	<b>0</b>
<b>Central Services</b>						
<a href="#">Chief Executive</a>	Executive Team	871	836	881		
	Grants to other bodies	291	291	291		
		<b>1,162</b>	<b>1,127</b>	<b>1,172</b>	<b>0</b>	<b>0</b>
<b>Other Items</b>						
<a href="#">Other Items</a>	New Homes Bonus	(504)	(504)	(1,200)		
	Revenue Funding of Capital	947	947	490		
	Minimum Revenue Provision	2,698	2,698	2,109		
	Interest Payable	1,463	1,463	1,172		
	Interest Receivable	(12)	(12)	(604)		
	Notional Charges	0	0	0		
	Contributions to Reserve	1,077	1,077	1,070		
	Contributions from Reserve	(5)	(500)	(500)		
	Capital Contributions from Reserve	(947)	(947)	(490)		
		<b>4,717</b>	<b>4,222</b>	<b>2,047</b>	<b>0</b>	<b>0</b>
	Net Recharges to Housing Revenue Account	(1,044)	(1,044)	(1,044)		
	RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	(139)		
	Revenue Reserve funded items included in above analysis (Revenue)	1,641	1,630	1,529		
	Revenue Reserve funded items included in above analysis (Appropriatio	(1,641)	(1,630)	(1,529)		
		<b>21,254</b>	<b>23,438</b>	<b>23,525</b>	<b>0</b>	<b>0</b>
<b>General Fund Revenue Budget</b>						
	Estimated Additional Impact Of Pay Award		1,000			
Core Funding :	Revenue Support Grant	(212)	(212)	(212)		
	Additional New Homes Bonus	(42)	(42)	0		
	Supplementary Government Grants	(652)	(652)	0		
	Prior Year Council Tax Surplus	(66)	(66)	(66)		
	Net Business Rates Income	(10,106)	(10,106)	(10,106)		
		<b>10,176</b>	<b>13,360</b>	<b>13,141</b>	<b>0</b>	<b>0</b>
<b>Council Tax Requirement</b>						

## Notes:

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