

## Delivering Our Priorities: Q2 2023/24 5 December 2023

### 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 2023/24 (April – September 2023).				
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 HAMILTON-COX

That Cabinet

- (1) Consider the update on performance, projects, and resources for Quarter 2 2023/24.

#### 1.0 INTRODUCTION

- 1.1 The primary purpose of this report is to present information relating to the council's projects, performance and resources for the period April-September 2023, 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 Q2 – Q4 2022-23 and Q1 and Q2 2023-24.
- 2.2 Direction of travel indicators are now included against each performance measure to show if the KPI has improved, is broadly the same or has worsened. The typical definition of 'broadly the same' is within 3% variation on the comparative quarter. Most indicators compare to the previous quarter, those marked with an asterisk compare to the like quarter from the previous year.
- 2.3 The direction of travel indicators show that 4 KPIs have improved, 11 are broadly the same and 3 have worsened.
- 2.4 The definition of the three measures shown in the 'A Sustainable District' section that are used to show energy usage have changed their definition.

The measure used to include the 4 main council office buildings and now include all 51 of the council assets classified as corporate. The data shown for all quarters on the report has been updated to reflect the changes. Therefore, the quarters included are comparable.

### 3.0 PROJECT REPORTING

- 3.1 In order to provide a more accurate view of the progress for each project, the Red – Amber – Green status is now assigned for three elements of the project, these being Plan, Cost and Scope, instead of one status being applied across the whole project.
- 3.2 Of the 11 projects where full update reports have been received, five are reporting 'amber' (minor) delays with their project plans (progress) and three have reported 'amber' (minor) deviations in the cost of the project. No projects are reporting concerns about their ability to deliver the planned scope (benefits). No projects have reported 'red' (significant) variations.
- 3.3 The highlight report shows the majority of the council's Strategic Projects are progressing as planned at the end of Quarter 2 2023-24.
- 3.4 The South Lancaster Growth Catalyst project has been closed.
- 3.5 The District Heat Network Feasibility project has now completed.

### 4.0 FINANCIAL MONITORING

- 4.1 The 2023/24 Budget and Medium-Term Financial Strategy (MTFS) 2022-2026 approved by Council in February 2023 set a balanced budget for the year based on the assumptions made at that time.
- 4.2 All portfolios are required to examine their revenue budgets and meet with their budget holders regularly and reports are submitted to Cabinet and Budget & Performance Panel for review. To enable Portfolio Holders to meet this requirement, Financial Services continually reviews and refreshes how it presents the Council's corporate monitoring information, with the Quarter 2 information distributed to Cabinet in November 2023.
- 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

- 4.4 It should also be noted that **projected outturn figures are monitored against the working budget** and not the original budget within this report. The working budget includes approved virements and in-year budget adjustments. This reduces a number of variances in respect of items such as 'grossing-up' of grant income/expenditure and the movement of employees to different costs centres which is especially needed during times of service restructuring. It provides a more accurate up-to date forecast and eliminates the need for duplicate reporting at service and subjective levels.

### 5.0 COST OF LIVING / ENERGY PRICE CRISIS

- 5.1 Since the energy budgets were prepared and approved in the previous financial year, there has been high price volatility within the sector. More recently prices appear to have settled

allowing for a more accurate estimated year-end outturn projection. Based on the latest price information available, projected variances have been included within the relevant service areas. For information, the estimated projected variance on energy budgets is £0.566M (£0.555M General Fund, £0.011M HRA). These areas will continue to be closely monitored over the coming months and the latest projections have been included in the draft budget for the forthcoming year which is currently being prepared.

- 5.2 As part of the 2023/24 budget setting process, an inflationary uplift of 4% was included to salaries across all services of the Council. The National Employers offer of an increase of £1,925 on all NJC pay points was accepted on 1<sup>st</sup> November 2023. This is estimated to result in an estimated additional strain of £0.517M (£0.399M General Fund, £0.118M HRA) including oncosts. The marginal impact has been included in the projected outturns within services and has been included in the summary positions and tables below as appropriate. For information, the Chief Officers pay award has already been agreed and included at 3.5%.

## **6.0 OUTCOMES BASED RESOURCING**

- 6.1 As part of the 2023/24 budget setting process, Members approved savings proposals to save the Council £2.423M in 2023/24. The process to implement these savings is now underway and Appendix H details the progress of each proposal.
- 6.2 Several savings proposals impact on staffing which will incur restructuring costs. Severance payments (-£0.598M) are included within the People & Policy projected outturn figures and pension strain payments (-£0.393M) are included within Corporate Services. The financing of these costs are still to be finalised but there is the potential to utilise capital receipts to fund some of them (subject to asset disposals arising in year) or use the revenue restructuring reserve, which currently has a projected balance of £0.400M. A further update will be provided as part of the quarter 3 report.

## **7.0 GENERAL FUND SUMMARY POSITION**

- 7.1 Quarter 2 (Q2) monitoring covers the period for April – September 2023. At the end of Q2 (September 2023) a year end overspend of **£0.611M** is projected against the Council's approved original net revenue budget of **£21.091M**. Members will recall that, as part of the 2023/24 budget setting process, Council approved a significant contribution from reserves of **£0.577M** to produce a balanced budget. The latest position suggests that the projected amount required from reserves will be **£1.188M**.
- 7.2 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 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Communities & Leisure	2,895	2,700	1,348	2,646	+54
Environment & Place	6,954	6,996	1,655	7,171	(175)
Governance	1,314	1,415	899	1,509	(94)
Housing & Property	991	1,200	(885)	1,455	(255)
People & Policy	2,169	2,047	1,150	2,703	(656)
Planning & Climate Change	1,705	1,705	586	1,746	(41)
Resources	4,521	4,521	(1,044)	4,368	+153
Sustainable Growth	310	275	(282)	(168)	+443
Corporate Services	(135)	(135)	229	1,458	(1,593)
Other Items	1,538	1,538	(799)	152	+1,386
<b>Sub Total</b>	<b>22,262</b>	<b>22,262</b>	<b>2,857</b>	<b>23,040</b>	<b>(778)</b>
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	0	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	907	(139)	0
Revenue Reserve funded items included in above analysis	297	2,541	(139)	1,418	+1,123
Revenue Reserve funded items included in above analysis	(297)	(2,541)	49	(1,418)	(1,123)
<b>Sub Total</b>	<b>(1,171)</b>	<b>(1,171)</b>	<b>817</b>	<b>(1,171)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,091</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778)</b>
Financing Income	(10,481)	(10,481)	4,464	(10,648)	+167
<b>Council Tax Requirement</b>	<b>10,610</b>	<b>10,610</b>	<b>8,138</b>	<b>11,221</b>	<b>(611)</b>

### Communities & Leisure +£0.054M Favourable

#### 7.3 Significant budget variances : -

- Estimated pay award additional cost (-£0.086M)
- Salary savings +£0.206M including recharges to other local authorities for seconded officers.
- Rechargeable staff time to externally funded projects +£0.078M
- Salt Ayre Leisure Centre income (-£0.093M) due to participation rates in Main Hall; increases in cost of goods and services across the centre (-£0.060M). Fortuitously changes to the VAT treatment of local authority leisure services will offset some of this shortfall and a VAT repayment claim is being prepared to submit to HMRC. The exact amount of the claim hasn't yet been determined.

### Environment & Place (-£0.175M) Adverse

#### 7.4 Significant budget variances : -

- Estimated pay award additional cost (-£0.222M)
- Additional salary costs across service (-£0.039M) which includes (-£0.163M) overspend in waste collection due to unprecedented high levels of long-term sickness.
- Energy price changes +£0.260M
- Insurance costs +£0.063M
- Hire of portacabins at White Lund Depot due to safety issues (-£0.120M)
- Transport costs have increased due to vehicle Repairs & Maintenance and associated hire costs arising from delayed delivery of new fleet (-£0.183M). Lead-in times for delivery have increased dramatically over the last few years due to supply chain issues and this is expected to continue in the short term. Fuel savings due to price fluctuations +£0.042M
- Budgeted income from promenade vendors and events had been reduced due to the expectation of sites not being available in 23/24. Delays have meant the reduction has not yet materialised resulting in the continuation of existing rentals +£0.044M

### Governance (-£0.094M) Adverse

#### 7.5 Significant budget variances : -

- Estimated pay award additional cost (-£0.014M)
- Cost of living and mortgage interest rate increase has resulted in a downturn in the housing market leading to a decline in applications since late 22/23 (-£0.028M)
- No income expected from Street Trading as this is still under review (-£0.020M) and reduced Premises Licence income (-£0.014M)

#### Housing & Property (-£0.255M) Adverse

##### 7.6 Significant budget variances : -

- Estimated pay award additional cost (-£0.045M)
- Salary savings +£0.248M largely due to vacancies within private sector housing section
- Energy price changes +£0.217M
- Increased bed & breakfast costs due to higher number of homeless families (-£0.483M), to be funded from external grants +£0.483M
- Reduction in income due to ceasing of Housing Benefit subsidy (-£0.076M)
- Additional costs relating to Mellishaw Park redevelopment including site clearance, insurance and loss of rent due to delays starting on site (-£0.094M)
- Compliance consultancy relating to corporate and commercial buildings (-£0.053M)
- Rent & service charge shortfall in respect of 3 fire damaged units at Gateway (-£0.256M)
- Cost to remove and rebuild wall at Gateway (-£0.055M)
- Business rates payable due to vacant commercial unit at Hilmore Way (-£0.056M)

#### People & Policy +£0.656M Adverse

##### 7.7 Significant budget variance: -

- Salary savings +£0.088M
- Removal of approved staff savings target (-£0.142M) made elsewhere within services.
- Projected severance payments (-£0.598M) relating to redundancies in the year as detailed in section 6.2 above.

#### Planning & Climate Change (-£0.041M) Adverse

##### 7.8 Significant budget variances: -

- Estimated pay award additional cost (-£0.017M)
- Salary savings +£0.307M which includes 7fte vacant planning positions.
- Additional cost of Capita consultancy required to deliver building control (-£0.130M)
- Planning fee income has slowed down in-line with nationwide trend (-£0.100M)
- Legal/expert witness costs (-£0.085M) regarding planning appeals

#### Resources +£0.153M Favourable

##### 7.9 Significant budget variances: -

- Estimated pay award additional cost (-£0.013M)
- Salary savings +£0.271M including key accountancy and ICT vacancies.
- Increase in external audit fees payable (-£0.093M)
- Revenues shared service charges from Preston City Council reduced +£0.021M
- Reduction in Housing Benefit management fee grant (-£0.037M) received from central government.

#### Sustainable Growth +£0.443M Favourable

##### 7.10 Significant budget variances: -

- Estimated pay award additional cost (-£0.008M)
- Salary savings +£0.213M which includes Economic Development Manager position to be deleted and various positions funded by UKSPF for an interim period.
- Consultancy costs (-£0.035M) for Canal Quarter and Frontierland not included in budget.
- Energy price changes +£0.070M
- Business rates revaluations largely relating to Museums and Car Parks +£0.255M
- Market income (-£0.030M) down on last year with a higher number of vacant stalls and units. A publicity drive and signage improvements are underway to encourage new stall holders.

#### Corporate Services (-£1.593M) Adverse

##### 7.11 Significant budget variances: -

- The provision for staff turnover target (-£0.447M) is held within Corporate Services

whilst the additional costs/savings generated are attributed to the individual service lines. The council salary related position as a whole (including the additional pay award, agency and consultancy costs) is expected to be overspent by -£0.051M. However, it should be noted that the approved pay award has had a significant detrimental impact of (-£0.399M) which is included within the overall total.

- An additional top-up pension payment in of (-£0.131M) is due in respect of 2022/23 actual pensionable pay (originally planned for in 2022/23 but notified after the IAS 19 schedule had been prepared by the actuary so not able to be recognised in that year)
- Projected pension strain payments (-£0.393M) relating to redundancies made through the year as detailed in section 6.2.
- A reassessment of the bad debt provision (-£0.389M) includes a significant increase in allowances for rental income due from commercial properties.
- An amount of (-£0.232M) income from HRA relating to a proportion of recharged pension cost is not expected as this cost is now accounted for directly within HRA.

#### Other Items +£1.386M Favourable

##### 7.12 Significant budget variances: -

- The Council's minimum revenue provision (MRP) is underspending against budget +£0.285K due slippage on capital programme schemes during 2022/23.
- New borrowing has not been incurred as anticipated largely due to significant levels of slippage on schemes in the capital programme leading to higher levels of cash balances +£0.582M
- Interest rates on investment income are substantially higher than the 4% forecast in September 2022 due to increase in bank rate in response to inflationary pressures +£0.519M

#### Financing +£0.167M Favourable

##### 7.13 Significant budget variances: -

- There is a back-dated one-off technical adjustment to retained business rates income which DHLUC employ relating to the 2023 rating revaluation. The same process occurred for the 2017 revaluation. The adjustment relates to the difference between the draft NNDR data used for 22/23 and the updated position following the submission of the NNDR3 form at the end of the financial year.

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

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

Table 2 Quarter 2 Financial Monitoring – Subjective Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Employees	24,741	24,829	11,981	25,751	(922)
Premises Related Exp	6,967	6,973	3,592	6,285	+688
Transport Related Exp	1,656	1,656	958	1,771	(115)
Supplies and Services	12,934	13,013	7,062	15,737	(2,724)
Transfer Payments	21,977	21,977	9,185	21,977	0
Support Services	60	60	44	152	(92)
Capital Charges	17	17	0	17	0
Capital Financing Costs	2,152	2,152	300	1,570	+582
Appropriations	1,255	1,255	0	970	+285
Income	(49,197)	(49,370)	(30,265)	(50,890)	+1,520
Capital Financing Inc	(300)	(300)	0	(300)	0
<b>Sub Total</b>	<b>22,262</b>	<b>22,262</b>	<b>2,857</b>	<b>23,040</b>	<b>(778)</b>
Net Recharges to Housing Revenue Account	(1,032)	(1,032)	0	(1,032)	0
RMS Capital Charges (now Housing Revenue Account)	(139)	(139)	907	(139)	0
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Revenue Reserve funded items included in above analysis	(297)	(2,541)	49	(1,418)	(1,123)
<b>Sub Total</b>	<b>(1,171)</b>	<b>(1,171)</b>	<b>817</b>	<b>(1,171)</b>	<b>0</b>
<b>General Fund Revenue Budget</b>	<b>21,091</b>	<b>21,091</b>	<b>3,674</b>	<b>21,869</b>	<b>(778)</b>
Financing Income	(10,481)	(10,481)	4,464	(10,648)	+167
<b>Council Tax Requirement</b>	<b>10,610</b>	<b>10,610</b>	<b>8,138</b>	<b>11,221</b>	<b>(611)</b>

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

## 8.0 HOUSING REVENUE ACCOUNT SUMMARY POSITION

8.1 As at the end of Q2, a year end overspend against budget of **(-£0.020M)** is projected. A summary of the Q2 revenue position for the HRA is set out in table 3 below.

Table 3 Quarter 2 Financial Monitoring – HRA Service Analysis

	Original Budget 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Working Variance 2023/24 £'000
Policy & Management	2,883	3,123	1,296	3,063	+60
Repairs & Maintenance	7,272	7,958	3,144	8,133	(175)
Welfare Services	(20)	146	(367)	87	+59
Special Services	232	276	156	277	(1)
Miscellaneous Expenses	1,027	977	517	948	+29
Income Account	(16,450)	(16,450)	(8,132)	(16,466)	+16
Capital Charges	5,453	5,453	0	5,453	0
Appropriations	(914)	(2,000)	0	(1,992)	(8)
<b>Sub Total</b>	<b>(517)</b>	<b>(517)</b>	<b>(3,386)</b>	<b>(497)</b>	<b>(20)</b>
Net Recharges to General Fund	517	517	0	517	0
<b>Housing Revenue Account Budget</b>	<b>0</b>	<b>0</b>	<b>(3,386)</b>	<b>20</b>	<b>(20)</b>

8.2 Significant budget variances: -

- Estimated pay award additional cost (-£0.118M)
- Reduction in buildings insurance premium +£0.156M
- Additional costs relating to damp and mould inspections and remediation (-£0.150M)
- Energy price changes +£0.029M
- Additional rent loss from voids due to ongoing capital projects (-£0.145M)
- Additional service charge income including increased uptake of furniture package service and due to volatility in energy costs +£0.232M

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

## 9.0 CAPITAL PROJECTS (General Fund & HRA)

- 9.1 At Q2 a year end variance against budget of **£7.027M** (General Fund +£6.982M, HRA (+£0.045M)) 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 2023/24 £'000	Working Budget 2023/24 £'000	Q2 Actual 2023/24 £'000	Projected Outturn 2023/24 £'000	Projected Variance 2023/24 £'000
<b>General Fund</b>					
Communities & Leisure	161	259	264	264	(5)
Environment & Place	1,239	2,643	68	1,608	+1,035
Housing & Property	2,283	2,437	(2,669)	1,857	+580
People & Policy	0	0	(40)	0	0
Planning & Climate Change	4,487	4,487	(240)	100	+4,387
Resources	965	1,141	179	1,386	(245)
Sustainable Growth	2,221	2,467	(5,037)	1,237	+1,230
<b>GENERAL FUND - TOTAL</b>	<b>11,356</b>	<b>13,434</b>	<b>(7,475)</b>	<b>6,452</b>	<b>6,982</b>
<b>Housing Revenue Account</b>					
Adaptations	300	300	158	420	(120)
Energy Efficiency / Boiler Replacement	999	1,193	247	1,216	(23)
Kitchen / Bathroom Refurbishment	938	938	405	972	(34)
External Refurbishment	357	282	40	153	+129
Environmental Improvements	150	570	82	570	0
Re-roofing / Window Renewals	557	726	159	671	+55
Rewiring	88	125	33	125	0
Lift Replacement	0	0	0	0	0
Fire Precaution Works	280	520	257	526	(6)
Housing Renewal & Renovation	577	1,263	227	1,219	+44
Mainway Pilot Scheme	1,950	1,950	869	1,950	0
<b>HOUSING REVENUE ACCOUNT - TOTAL</b>	<b>6,196</b>	<b>7,867</b>	<b>2,477</b>	<b>7,822</b>	<b>45</b>
<b>GRAND TOTAL</b>	<b>17,552</b>	<b>21,301</b>	<b>(4,998)</b>	<b>14,274</b>	<b>+7,027</b>

- 9.2 The Capital Programme working budget has been adjusted as follows during quarter 2:  
£M

Working budget reported at quarter 1	11.378
Net Slippage & accelerated expenditure	<u>2.056</u>
Working budget at quarter 2	13,434

- 9.3 The underspending against budget relates principally to General Fund. Schemes currently in the Development Pool account for £4.7M of the underspend. Extended timescales for vehicle deliveries are expected to lead to £1.035M and £0.127M slippage in the vehicle replacement programme and the purchase of vehicles for the home improvement team. £0.984M expenditure in respect of the Gateway Solar Array will not be completed until 2024/25 following a wider review of the asset. The allocation of £0.487M for Property De-Carbonisation works is now expected to commence in 2024/25.
- 9.4 Two schemes are expected to utilise some of their 2024/25 capital budget during the current financial year as works are proceeding more quickly than originally anticipated. These are Lancaster Local Fibre Network (-£0.245M) and Mellishaw Park (-£0.168M). It is expected that the £0.425M budget for Morecambe Co-op Renovation is likely to be released as the scheme is now likely to be fully funded using Brownfield Land Release Fund grant. This will be subject to a future separate report to Cabinet.
- 9.5 Three schemes within the General Fund capital programme are currently expected to overspend largely as a result of unexpected costs. These are Mellishaw Park (-£0.256M), Gateway Low Voltage Switchgear (-£0.045M) and 1 Lodge Street (-£0.057M).
- 9.6 The overall projected favourable variance on the HRA Capital Programme of (+£0.045M) relates to additional materials costs off-set by underspends elsewhere within the



programme, alongside a virement to fund additional adaptation works, subject to ICMD approval.

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

## 10.0 RESERVES

10.1 The Council's unallocated balances are projected to be **£9.970M**. This takes account of the projected net overspend reported here. Overall, the combined level of usable reserves is forecast to decrease to **£22.547M**. Table 6 Quarter 2 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 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024	31 March 2023	From Revenue	To / (From) Capital	To Revenue	31 March 2024
	£	£	£	£	£	£	£	£	£	£
<b>Unallocated Balances</b>	(9,145,100)				(9,145,100)	(11,678,400)			1,708,000	(9,970,400)
<b>Total Earmarked Reserves</b>	(11,497,500)	(2,591,000)	187,000	2,019,000	(11,882,500)	(13,074,700)	(2,852,000)	229,000	3,121,090	(12,576,610)
<b>Total Combined Reserves</b>	(20,642,600)	(2,591,000)	187,000	2,019,000	(21,027,600)	(24,753,100)	(2,852,000)	229,000	4,829,090	(22,547,010)

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

10.3 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.

## 11.0 COLLECTION FUND

### Business Rates

11.1 At the Autumn Statement on 17 November 2022 Central Government announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties in 2023/24. The 2023/24 Retail, Hospitality and Leisure Business Rates Relief scheme provides eligible, occupied, retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief, using a grant under section 31 of the Local Government Act 2003.

11.2 The collection rate for Business Rates is currently 54.8%, which is ahead of the profiled target of 51.4%. The annual target is 98.0%.

### Council Tax

11.3 The current collection rate for Council Tax is 55% which is slightly behind the profiled target of 56.5%. The annual target is 95.0%. The number of Local Council Tax Support claimants at Q2 is 9,671.

## 12.0 WRITE OFFS

12.1 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 Offs

	Q1	Q2	Q3	Q4	Total
Council Tax	54,395	147,683			202,078
Business Rates	190,998	69,756			260,754
Housing Benefit Overpayments	0	38,126			38,126
Housing Rents (HRA)	31,577	17,452			49,029
<b>Total</b>	<b>276,970</b>	<b>273,017</b>	<b>0</b>	<b>0</b>	<b>549,987</b>

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

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b> 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.</p>	
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> <b>(including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b> None directly identifiable, due to the high level nature of this report.</p>	
<p><b>LEGAL IMPLICATIONS</b> There are no legal implications directly arising.</p>	
<p><b>FINANCIAL IMPLICATIONS</b> As set out in the report.</p>	
<p><b>OTHER RESOURCE IMPLICATIONS</b> <b>Human Resources / Information Services / Property / Open Spaces:</b> References and any related implications are contained within the report and related appendices.</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b> The report has been written by the Section 151 Officer.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b> The Monitoring Officer has been consulted and has no further comments</p>	
<p><b>BACKGROUND PAPERS</b> None.</p>	<p><b>Contact Officers:</b> Paul Thompson Chief Finance Officer &amp; s151 Officer <b>Telephone:</b> 01524 582603 <b>E-mail:</b> <a href="mailto:pthompson@lancaster.gov.uk">pthompson@lancaster.gov.uk</a> <b>Ref:</b></p>