

GOVERNANCE COMMITTEE, THURSDAY 30 MAY 2019

DRAFT STATEMENT OF ACCOUNTS 2018/19 ADDITIONAL AMENDMENTS MADE

1 ANALYSIS OF SERVICE EXPENDITURE AND INCOME

Two exercises were undertaken which have affected the detail of:

- Note 1: Expenditure and Funding Analysis (EFA)
- Comprehensive Income and Expenditure Statement (CIES)
- Note 8: Note to the Expenditure and Funding Analysis

These are:

- 1) A review to ensure that all service cost centres were correctly and identically aligned in the outturn figures shown under 'Financial Performance' in the Narrative Report and in the EFA. This revealed that a number of cost centres, correctly listed under Neighbourhoods and Development in the former, were incorrectly listed under Planning and Property in the latter.
- 2) A review of the completeness of the information in the EFA and reconciliation of the individual service lines to the corresponding lines in the outturn table. This indicated that there was a need to include additional disclosures in respect of non-statutory adjustments in the EFA. The need to do so did not arise in 2017/18, because the presentation of the outturn figures was by type of expenditure and not by service as is the case in 2018/19. These disclosures have now been added and the corresponding figures for 2017/18 incorporated. Completion of this has enabled the full reconciliation of the services lines between the outturn table and the EFA, thus producing the full effect, in terms of transparency of actual service expenditure, that the EFA is designed to provide.

The overall totals remain unchanged and there is no impact on the overall movement on the General Fund Balance. The amendments are movements between lines and columns only, with a further column added in Note 8.

The amended tables are shown below, with the amendments (other than rounding differences) highlighted.

EXPENDITURE AND FUNDING ANALYSIS

2017/18				2018/19		
Net Expenditure chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis (note 8 and 10)	Net Expenditure in the CIES		Net Expenditure chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis (note 8 and 10)	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
864	28	892	Chief Executive	867	4	871
5,799	1,338	7,137	Neighbourhoods & Development	5,668	1,478	7,146
105	1,423	1,528	Planning & Property	397	1,316	1,713
1,518	(59)	1,459	Finance & Assurance	1,686	314	2,000
1,345	44	1,389	Legal, HR & Democratic Services	1,348	(2)	1,346
1,600	195	1,795	Customer Experience & Operations	1,694	139	1,833
1,096	118	1,214	Budgets Not in Directorates	554	(90)	464
12,327	3,087	15,414	Net cost of Service	12,214	3,159	15,373
(12,722)	(4,013)	(16,735)	Other Income and Expenditure	(12,745)	(1,863)	(14,608)
(395)	(926)	(1,321)	(Surplus) / Deficit in year	(531)	1,296	765
(18,593)			Opening General Fund Balance at 1 April 2016	(18,988)		
(395)			Add Surplus / Less Deficit on General Fund Balance in Year	(531)		
(18,988)			Closing General Fund Balance at 31 March 2018	(19,519)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

2017/18				Note	2018/19		
Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
1,007	(115)	892	Chief Executive	873	(2)	871	
9,973	(2,836)	7,137	Neighbourhoods & Development	9,791	(2,645)	7,146	
3,951	(2,423)	1,528	Planning & Property	3,765	(2,052)	1,713	
1,657	(198)	1,459	Finance & Assurance	2,277	(277)	2,000	
1,716	(327)	1,389	Legal, HR & Democratic Services	1,639	(293)	1,346	
23,478	(21,683)	1,795	Customer Experience & Operations	22,247	(20,414)	1,833	
1,214	0	1,214	Budgets Not in Directorates	464	0	464	
42,996	(27,582)	15,414	Cost of Services	41,056	(25,683)	15,373	
398	0	398	Other operating expenditure	369	0	369	
3,484	(3,518)	(34)	Financing and investment income and expenditure	4,349	(3,512)	837	
9,768	(26,867)	(17,099)	Taxation and non-specific grant income	10,055	(25,869)	(15,814)	
56,646	(57,967)	(1,321)	(Surplus) / deficit on provision of services	55,829	(55,064)	765	
		(128)	(Surplus) / deficit on revaluation of Property, Plant and Equipment assets			(607)	
		(5,077)	Re-measurement of the net defined benefit liability	37d		(1,318)	
		(5,205)	Other Comprehensive (Income) and Expenditure			(1,925)	
		(6,526)	Total Comprehensive (Income) and Expenditure			(1,160)	

NOTE 8: NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2018/19	Adjustments for Capital Purposes (Note A)	Net change for the Pensions Adjustments (Note B)	Other Statutory Adjustments (Note C)	Total Statutory Adjustments	Non-Statutory Adjustments (Note D)	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	2	(5)	7	4	0	4
Neighbourhoods & Development	1,787	(61)	(29)	1,697	(219)	1,478
Planning & Property	307	(21)	4	290	1,026	1,316
Finance & Assurance	4	581	(2)	583	(269)	314
Legal, HR & Democratic Services	18	(12)	(8)	(2)	0	(2)
Customer Experience & Operations	161	(30)	8	139	0	139
Budgets Not in Directorates	0	(90)	0	(90)	0	(90)
Net Cost of Service	2,279	362	(20)	2,621	538	3,159
Other income and expenditure from the Expenditure and Funding Analysis	(2,073)	809	(61)	(1,325)	(538)	(1,863)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	206	1,171	(81)	1,296	0	1,296

2017/18 Comparative Figures	Adjustments for Capital Purposes (Note A)	Net change for the Pensions Adjustments (Note B)	Other Statutory Adjustments (Note C)	Total Statutory Adjustments	Non-Statutory Adjustments (Note D)	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	£'000	£'000	£'000			£'000
Chief Executive	25	4	(1)	28	0	28
Neighbourhoods & Development	1,498	92	2	1,592	(254)	1,338
Planning & Property	367	33	(2)	398	1,025	1,423
Finance & Assurance	4	121	(1)	124	(183)	(59)
Legal, HR & Democratic Services	16	23	5	44	0	44
Customer Experience & Operations	161	44	(10)	195	0	195
Budgets Not in Directorates	0	131	(13)	118	0	118
Net Cost of Service	2,071	448	(20)	2,499	588	3,087
Other income and expenditure from the Expenditure and Funding Analysis	(4,439)	888	126	(3,425)	(588)	(4,013)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(2,368)	1,336	106	(926)	0	(926)

Further text has also been added, to describe the nature of the Non-Statutory Adjustments.

2. NOTE 13: FINANCE AND INVESTMENT INCOME AND EXPENDITURE

An old version of the table for this Note was included in the document originally circulated. The correct version is shown below, again with any differences (other than rounding adjustments) highlighted.

2017/18 £'000		2018/19 £'000
138	Interest payable and similar charges	137
888	Net interest on the net defined benefit liability (note 37)	809
(180)	Interest receivable and similar income	(312)
(291)	Income and Expenditure in relation to investment properties and changes in their fair value (note 16)	701
182	Allowance for impairment of outstanding debts*	269
(771)	Losses or (surplus) on trading accounts (note 29)	(767)
(34)	Total	837

3. NARRATIVE REPORT: CORPORATE PLAN AND PERFORMANCE 2018/19

Further review of the overall balance between the sections of the Report suggested that a disproportionate weight of material had been included in this particular section. A revised format has been produced, with the level of detail and the number of individual tables reduced and reference made that the fuller version will be available when the annual Performance Report is subsequently published. The intention is that this will give more equal weight and prominence to the other information included, while retaining sufficient detail to maintain the overall substance of the corporate overview provided by the report.

The revised content is shown below.

REVISED CONTENT, CORPORATE PLAN AND PERFORMANCE 2018/19

The Annual Corporate Plan Performance report for 2018/19 will be presented to full Council at the end of July 2019. The report will provide an overview of how the Council performed against the identified deliverables for 2018/19, within the five-year 2018/23 Corporate Plan.

In summary, the Council has made good progress throughout the first year of this five-year journey, although it is important to understand that many of these Corporate Plan projects run across multiple years, therefore a significant amount of the work completed to date has been at a strategic planning and consultation level. Although this process can be time intensive, South Ribble Borough Council are committed to ensuring that the projects delivered meet the needs of South Ribble's communities, and therefore follow a 'we asked, you said, we did' approach. With the Corporate Plan, some projects are delivered directly by the Council itself, while others are led by other organisations, with the Council playing a supporting or influencing role.

The Corporate Plan is delivered with the purpose to achieve the Council's vision and ambition.

This vision is summarised as:

'South Ribble is and continues to be recognised nationally as the best place in the UK'.

And the ambition is to be:

'A Council that is recognised for being innovative, forward thinking and financially self-sufficient, whilst putting people at the heart of everything we do'

From 2019/20 onwards the Council has committed to aligning the projects delivered within the Corporate Plan to the 2019/24 South Ribble Community Strategy, which was developed by the South Ribble Partnership in 2018. Doing this allows the Council to work towards shared community objectives in collaboration with community partners, in the priority areas of Effective Partnerships, Growth, Connected, and Place.

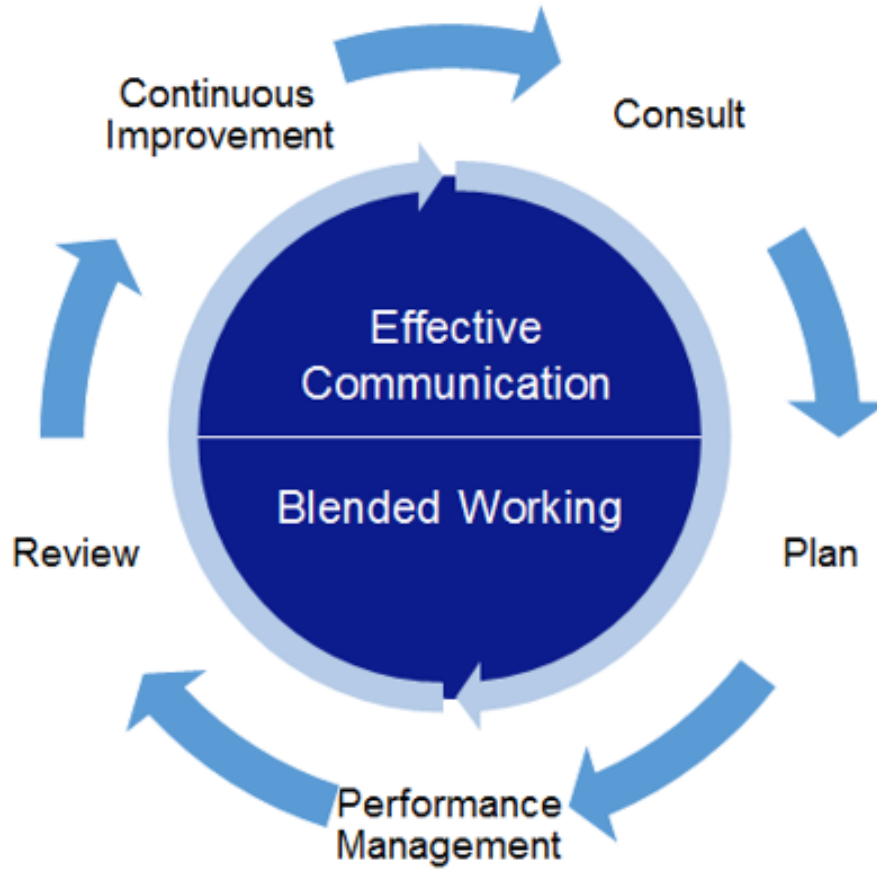
Although South Ribble Borough Council's Corporate Plan is directly informed by the South Ribble Community Strategy, both the Corporate Plan and Community Strategy are influenced by wider regional and sub-regional plans. The Council work closely with partners at a regional and sub-regional level to develop policies (*what is intended to be delivered*) and strategies (*how this is intended to be delivered*) that support these plans, and bring mutual benefits for all organisations and districts involved.

These policies and strategies then influence policies and strategies that are in place within the Council, however using the 'performance management, review, and continuous improvement approach' these policies and strategies remain equipped to facilitate the successful delivery of the Corporate Plan, whilst also producing outcomes aligned with the Community Strategy and wider regional and sub-regional plans.



Council officers (*also known as 'Our People' within the Corporate Plan*) are fundamental for successfully delivering the identified Corporate Priorities. The Corporate Planning and Delivery Framework sets out below the 'Corporate Planning and Delivery Cycle'. This cycle breaks down the annual process of Corporate Planning and Delivery into five stages, namely, Consult, Plan, Performance Management (*and Delivery*), Review (*and Evaluation*), and Continuous Improvement, whilst being underpinned by Effective Communication (*frequently and consistently throughout*), and the embedded Blended Working approach.

This framework and way of working echoes South Ribble Borough Council's ethos of being 'One Council, One Team, Creating Excellence', by both creating and supporting the high performing teams that have delivered the excellent progress made across the five-year Corporate Plan to date.



The Corporate Plan is broken into three key **Corporate Priorities** (as shown in the model below), each which contain programmes and projects for delivery. Each of these priorities are underpinned by **'Our People'**, as we must develop and support our Council officers to facilitate the delivery of our Corporate Plan for all of South Ribble's communities.



The areas of activity and the identified projects associated with each of these are identified below, together with examples of performance against them in 2018/19. A detailed performance report for the year will be presented to full Council towards the end of July 2019.

Excellence and Financial Sustainability

This heading covers the following:

- Council Investment Portfolio Programme
- Transformation Programme
- Shared Services with Chorley Council

The table below sets out progress achieved in respect of the Council Investment Portfolio Programme.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Civic Centre Commercialisation Phase 1	The completion of the first phase of this project has included the successful renovation of the Civic Centre's Business and Conference Centre, which is now available for external use and generating revenue. Furthermore, improvements have been made	Complete	Phase 2 of Business and Conference Centre project is set to commence through 2019/20, this is set to include further commercialisation and the renovation to the café area.

	to the reception area, including signage for the Department for Work and Pensions (DWP) partners who are now located in the Civic Centre		
Worden Hall Arts Centre Commercialisation Phase 1	An investment opportunity was advertised for bids to be provided for the commercial use of Worden Hall, and applicants have now been shortlisted.	On-track	The investment opportunity shall be worked up and finalisation for consideration by Cabinet.
Depot Commercialisation Phase 1	The vehicle workshop at Moss Side Depot has now been outfitted with equipment to enable MOT tests to be carried out on the premises. The MOT test Centre is forecasted to be open for use from May 2019, initially starting with in-house vehicles and opening up to staff, partners, and the public via a phased approach.	On-track	Through 2019/20 Council officers will aim to seek additional opportunities to increase revenue through the Moss Side Depot's assets and services.
Surplus sites disposals programme Phase 1	The specification, scoring schedule and tender documentation have now been drafted for the procurement team. The tender aims to appoint advisors for a three-year period with the option to extend for an additional year.	On-track	Advisors will carry out a strategic asset review of surplus sites to identify next steps.
Develop business case for South Ribble Home Build proposal	A consultation exercise was carried out looking at a number of sites in the Council's ownership, this included letters to residents and public consultations. Both the 'McKenzie Arms' on Station Road, Bamber Bridge and Kingsfold Drive sites were identified as priorities for full business cases and options appraisals that must be reported back to Cabinet.	On-track	The Homebuild Strategy shall be reviewed with the new administration and a clear way forward shall be agreed.

Health and Wellbeing

This heading covers the following:

- Health, Leisure and Wellbeing Campus Programme
- Homelessness and Independent Living Support
- Social Isolation and Loneliness
- Support for Communities and Volunteering
- Lancashire Mental Health Strategy
- Deliver the Borough's Air Quality Plan

Examples of progress achieved in 2018/19 are:

Homelessness and Independent Living Support

This programme is one multiple Corporate Plan programme that the Council have committed to in order to tackle inequalities that exist across the Borough. More specifically this programme looks to prevent the number of individuals that reach the stage of becoming homeless, and also ensure that those who do reach this stage are not in that situation for the long-term. Furthermore, this programme aims to ensure that those living with disabilities are able to improve their quality of life within their homes, in a way that is both quick and accessible.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Development of a Homelessness project to implement the new Homelessness Reduction Act 2017	This project was successfully delivered to implement the Homelessness Reduction Act 2017. The Homelessness Strategy is now ongoing as 'business as usual'.	Complete	Implement a new service delivery model of health focused on prevention.
Implement a project to deliver additional Independent living support to people living with a disability	The completion of this project has enabled customers who have been referred for assistance through the fast track process to benefit from adaptations to their homes quicker, and therefore been able to be discharged sooner. The project will continue to be delivered as 'business as usual'.	Complete	

Support for Communities and Volunteering

This programme focuses on how the Council, partners, and members of the community can work together to actively participate in improving the quality of life for those across South Ribble's communities living with inequalities.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Adopt a revised Council Tax Support Scheme for 2019/20	The Council Tax Support scheme was agreed for 2019/20 with no change to annual billing. Following an additional report to Council regarding the outcome of further modelling and recommendations for a review of the Hardship Policy, further work will be undertaken in 2019/20.	Complete	A review will take place for the Exceptional Hardship Payment Policy as part of the Council Tax Support Scheme for 2020/21, this will include carrying out a consultation on preferred scheme options.
Develop volunteering strategy framework to support people and communities to be resilient	This has been developed alongside the South Ribble Community Strategy, with additional consultation specific to volunteering and participation also carried out. A drafted strategy has been produced and in agreement with Cabinet, the strategy will be going out for further consultation. This consultation programme will form the basis of an implementation and action plan to bring the strategy to life.	Complete	Work with partners to deliver actions identified in the Volunteering Strategy, with a key outcome going forward being to develop a 'deal' with communities that will support the Council's wider health and wellbeing approach as well as transformation of services.

The average number of days taken to process a new housing benefit claim (including weekends) for 2018/19 was 22 days, this being level with the England national average of 22 days. It is also worth noting that Quarter 4 achieved an average of 19.05 days. Council Officers have worked hard to maintain high performance despite the impact of Universal Credit.

Place

This heading covers the following:

- Cuerden Strategic Site
- Economic Strategy: Supporting Existing and New Businesses
- City Deal and Plan for Successors Programme
- Central Lancashire Core Strategy and South Ribble Local Plan
- Housing Framework: Delivery of a balanced housing market
- Place Promotion
- My Neighbourhood Plans
- River Ribble Masterplan
- Raising Community Aspirations in relation to Growth and Improvements in the Borough
- Renewable Energy

Examples of progress achieved in 2018/19 are:

City Deal and Plan for Successors Programme

The City Deal aims to significantly increase the speed and scale of development across South Ribble and Preston over the next ten years, this includes investment in infrastructure, employment land and housing. South Ribble Borough Council play a crucial role in influencing the direction of this programme, although it is Lancashire County Council that are the leading authority.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Work with partners and developers to increase the rate of delivery of new homes and commercial floor space by unlocking City Deal sites	The end of year completion survey has been undertaken and shows step change in delivery. Furthermore, over 490 units have been delivered, this being 417 above target.	On-track	Act as an enabling authority whilst working with partners and developers to increase the rate of delivery of new homes and commercial floor space by unlocking City Deal sites, prioritising infrastructure development.
Deliver projects listed in the City Deal Business and Delivery Plan 2017/20	A mid-term review has been ongoing for the majority of the year which has led to delays. Completion is now forecasted for July 2019.	Off-track	Carry out a strategic review of projects listed in the City Deal Business and Delivery Plan 2017/20, identify priorities and commence delivery.
Masterplans for Penwortham, Lostock Hall and Leyland town centres	Penwortham: Public Consultation took place in September 2018, following this there was some delay as County Highways staff were redirected into a Public Enquiry for some time. Work has commenced on drafting the scheme, with discussions to take place between South Ribble Borough	On-track	Further scoping will be carried out and masterplans will be developed for key centres (Leyland, Bamber Bridge, and Penwortham) in South Ribble. This will include including consultation with key stakeholders, including

	Council and Lancashire County Council regarding funding which will help inform the detail of the programme.		local residents, businesses, and partners. Following this delivery of agreed improvements will commence.
	<u>Leyland:</u> An Initial Options Assessment presentation has been made to Leyland Town Centre Team, and final draft of the Masterplan to be prepared before public consultation in the Summer.	On-track	
	<u>Lostock Hall:</u> No progress has been made on this project, this will be influenced by any permissions given on the Pickering's Farm Major Development Site.	Off-track	

Place Promotion

The Place Promotion programme aims to promote South Ribble both within local communities through investing in community events and festivals, but also on a regional and national level in order to attract more residents and businesses to choose South Ribble as a place to live, work, play, and do business.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Invest Central Lancashire and South Ribble Inward Investment Marketing Plan/Activity	This has included the joint promotion of investment opportunities with City Deal partners, working with industry partners such as Place Northwest and direct promotion through relevant business media. New materials have been produced both with City Deal branding and with 'Business in South Ribble' and Apprentice Factory branding, all promoting the investment opportunities and support in South Ribble. South Ribble attended MIPIM UK as a partner on the Lancashire stand, which was a major opportunity to reach the wider target market and that was complemented by more focussed Place Northwest Development updates at Lancashire level.	On-track	Develop Invest Central Lancashire and South Ribble Inward Investment Marketing Plan/Activity, and deliver actions.

Develop South Ribble Programme for festivals and events	A draft Events Programme for 2019/20 was approved and now plans for individual events are being worked up with more detail around health and safety, risk management, publicity and promotion.	On-track	Finalise the South Ribble Programme for festivals and events, to build on South Ribble's thriving community spirit, and begin to deliver planned events.
South Ribble Ambassador programme	This project has not progressed as quickly as anticipated due to further scoping being required. This project will be aligned with actions identified in the South Ribble Community Strategy, and delivery will begin to commence in 2019/20.	Off-track	Work with partners to build a network of South Ribble Ambassadors, representing different key stakeholder groups across the Borough.

River Ribble Masterplan

This programme has a significant scope, all of which focusing on the areas surrounding the River Ribble. This includes improving road infrastructure, investing in nature and wildlife, and making walking and cycle paths that are accessible for all.

Project (s):	2018/19 Performance Update	Status	Next Steps in 2019/20
Masterplan for River Ribble Green links joining river frontage to local amenities & wider network	Themed walks have been completed in partnership with Lancashire Wildlife Trust and Ribble Rivers Trust with routes including signage, way marking and leaflets. Improvements have been carried out to widen footpaths, increase visibility and enhance habitats. Partnership working has also been established with the Environment Agency to address flood management issues between the M6 and Penwortham Holme.	On-track	To prepare the Masterplan for River Ribble, Green Links, which will include consultation and the implementation of priority projects.
Accessibility work including completion of Cross Borough Link Road	Whilst the opening of the Cawsey to Carwood Road has slipped, after over 20 years this important connection to the east of the Borough will finally be available for local residents.	On-track	Awarding of contracts and to begin construction of the Cross Borough Link Road, including the connection from Bee Lane to the A582.

<p>Progress development of a project for new Ribble Crossing (subject to HIF Funding being awarded)</p>	<p>Lancashire County Council have not managed to secure funding in 2018/19, however there is a need to continue to explore funding opportunities and secure planning permission for development of new Ribble Crossing, as this project is of key importance to continue the secure economic growth within the Borough and to improve connections within the wider Lancashire area.</p>	<p>Off-track</p>	<p>Explore funding opportunities and secure planning permission for development of new Ribble Crossing.</p>
<p>Progress Delivery of Central Parks Masterplan</p>	<p>Extensive improvements to footpaths have been delivered throughout the area, and work has started on a new footpath through Dog Kennel / Cockshott Woods, including preparatory work for entrances at Leyland Road, Wateringpool Lane and Todd Lane North. New entrance furniture has been designed and manufactured including Central Parks signage and lecterns.</p> <p>A Central Parks management plan for the Preston Junction Local Nature Reserve (LNR) has been implemented with volunteers and is managed by Lancashire Wildlife Trust, and the Pollinator strategy has continued in partnership with the Bee Centre. Landowner approval has been obtained by Lancashire County Council to upgrade bridle path between Winery Lane and the Ribble, and Forest Schools outdoor education programme has been established at Vernon Carus and Preston Junction LNR.</p>	<p>On-track</p>	<p>Continue delivery of masterplan for major parks.</p>

Our People

Identified projects in this area are:

- Organisational Development
- Apprenticeships

Key Performance Measures in this area are:

- 12 Council officers are undertaking apprenticeship courses through the apprenticeship levy (including degree level).
- Sickness absence has improved from an average of 9.62% in 2017/18 to 8.15% in 2018/19, this now being below the LGA England national average of 8.2%.
- The gender pay gap has also decreased from 2016/17 to 2017/18 as both a median and mean average figure:
 - Mean: 5.49% to 3.87%
 - Median: 0.61% to 0.42%*(Please note: gender pay gap figures are reported one year late).*