

Executive Annual Report 2016/17

Councillor Anne Whitehead

Cabinet Member and Portfolio Holder with responsibility for Finance and Revenues and Benefits

Executive Membership

- Cabinet
- Canal Corridor Cabinet Liaison Group
- Shared Revenues and Benefits Service Joint Committee

Overview of Portfolio Responsibilities

Responsibility for Finance and Revenues and Benefits

Corporate Plan Key Outcomes/Success Measures

Corporate Plan - Key Outcomes	Success Measures
Well run, value for money services that are valued by the public and demonstrate good governance, openness and transparency.	<ul style="list-style-type: none">• Maintain an "unqualified" value for money conclusion from our external auditors.• Review the Localised Council Tax Benefits Support Scheme (LCTS) to determine a sustainable scheme for the future.
Maintain a financially stable position and strong financial forecast for the delivery of Council services.	<ul style="list-style-type: none">• Implement agreed budget proposals and take positive action where they do not deliver desired outcomes.• Develop and implement a range of further savings and income generation opportunities to sustain the Council's budget.

Progress made during 2016/17

Finance

In March 2016, balanced budgets were set for 2016/17 and 2017/18. Due to the continuing cutbacks in funding by Central Government, the Council was forced to budget for a large amount of savings for 2016/17 and beyond, leading to an annual savings package of around £2.8M. This required the implementation of a large number of savings proposals, which included service efficiencies and reductions, income generation and invest-to-save schemes. This has been extremely challenging, and officers have worked very hard to overcome problems which have arisen. Most of the proposals have been implemented or their implementation is underway. Unfortunately, some were delayed which has resulted in a shortfall in savings income for 2016/17. The most notable delay was in the charging for green waste collection, where the start date had to be moved from August to January. However, the take-up of the service to date has beaten new targets. Nevertheless, with other savings and income arising during the year on other various council activities, by year end only a very small overspend was forecast on the Council's budget as a whole.

Capital investment of £5M was agreed for the refurbishment and redevelopment of the Salt Ayre Leisure Centre. Work commenced in May, in partnership with Alliance Leisure. The project commenced on time and continues to be managed to budget and according to the timeline. The new facilities have made a hugely positive impact and have been a significant addition to the district's leisure portfolio.

Looking forward, local government continues to face major funding reductions year on year from Central Government. From around 2020 onwards, changes to local authority responsibilities and various funding streams are expected as part of the overhaul of the local Government Finance system. It is not clear yet what the potential impact might be, or when the changes might be implemented by Government. There are a number of issues around the 100% Business Rate retention scheme, not least how it will work for two tier councils. Whilst the New Homes Bonus is set to continue until around 2020/21, funding allocations will reduce in future as a result of Government diverting resources into Adult Social Care.

For this year's budget process, we adopted a two-stage approach. Stage 1 concerned proposals for 2017/18. These were proposals which could readily be implemented or were minor, or which were building capacity to ensure that the Council can deliver its existing transformational and innovative budget options for future years. The balanced budget proposals for 2017/18 allowed for the creation of a £500K reserve to help boost local economic growth and attract new businesses, create jobs and support regeneration of the Heysham Gateway area. We aim to start the next phase of budget setting early in 2017/18, starting with a strategic review of the Council's services and priorities. Performance data against the current corporate plan will be fed into the strategic review in order to inform new Corporate Plan proposals for 2018/19 onwards. The review will lead on to the development, prioritisation and planning of a programme of efficiencies, income generation and invest-to-save proposals. In working out the details of this approach, we will need to consider how best to engage with other Members and stakeholders.

Revenues & Benefits

The service has had another challenging year, adapting to and implementing continuing welfare reforms and other changes. Key achievements include:

- **Universal Credit (UC).** The Lancaster district went live on the full UC service in July 2016, which is now open to all new claims, including anyone on existing benefits or tax credits who has a change in their circumstances (which generally triggers a claim for UC). The Department of Works and Pensions (DWP) administers UC in the main, but there is a lot of information-sharing between the two organisations, and the Council provides personal budgeting support to UC applicants, on behalf of DWP. The volume of personal budgeting support and enquiries through Customer Services is slowly increasing, although the assessment team continues to experience issues with the processes (as they link to DWP); these are being highlighted to DWP on a regular basis and they are still on-going.

The current number of claims in March 2017 in the Lancaster City Council area affected by Universal Credit is 1,499, an increase from 270 in January 2016. The Council has just responded to a request for feedback from the Work & Pensions

Committee and there is clearly a long way to go before UC can be rolled out nationally, in an effective manner.

- **Localised Council Tax Support (LCTS).** The LCTS scheme benefits were maintained during 2016/17 and back in December, Council took the decision to retain basically the same scheme for 2017/18, with only two very minor changes to bring it in line with changes to the housing benefit scheme.
- **Business Rates.** The service has had many issues to deal with this year, including the recent revaluation and the myriad of property relief schemes now in place, together with the difficulties of rate avoidance tactics. The Business Improvement District for Morecambe is now in place, alongside the Lancaster BID.

More generally for the service, budget savings targets have been achieved and despite reducing operating costs, local taxation collection rates have been broadly maintained. The service continues to perform well in processing benefits promptly and accurately (on average 24 days for new claims and 8 days for changes in circumstances) but is hampered in waiting for UC information from DWP.

Looking forward, the focus remains on shaping service delivery to manage ongoing Government reforms effectively and on optimising performance in what continues to be a difficult environment.