



**Council Tax**

# Lancaster City Council

## Resources

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Chief Officer (Resources)  
October 2017

**LANCASTER  
CITY COUNCIL**  
*Promoting City, Coast & Countryside*

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# Presentation Purpose

**Departmental Overview**

**Opportunity for Challenge**

**Generate further options for the budget**

**Inform Corporate Plan**



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# Strategic Fit

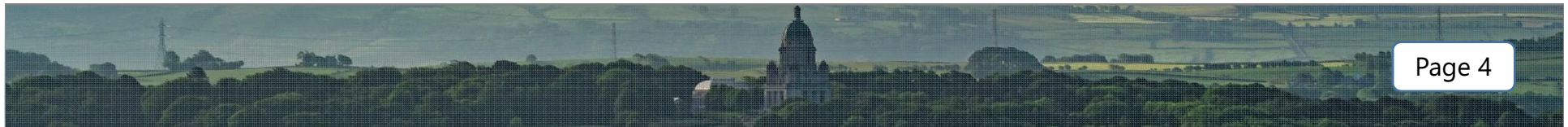
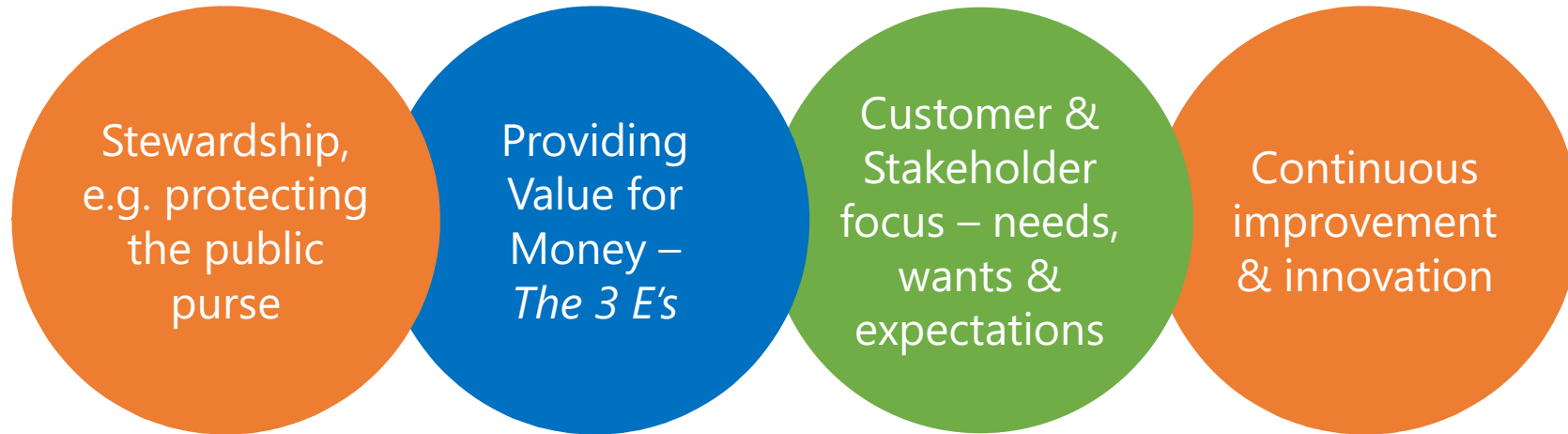


Corporate Plan



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# Key Drivers



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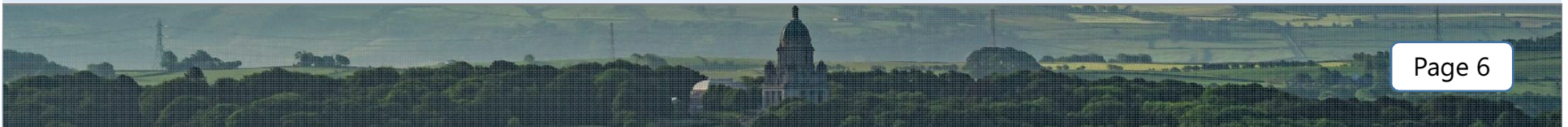
# Previous Year Review

## ON A JOURNEY:

- Digital
- Customer Focus
- Asset Management and Planning
- Financial Management and Planning
- Welfare Reforms and Local Taxation
- Gaining investment in key areas

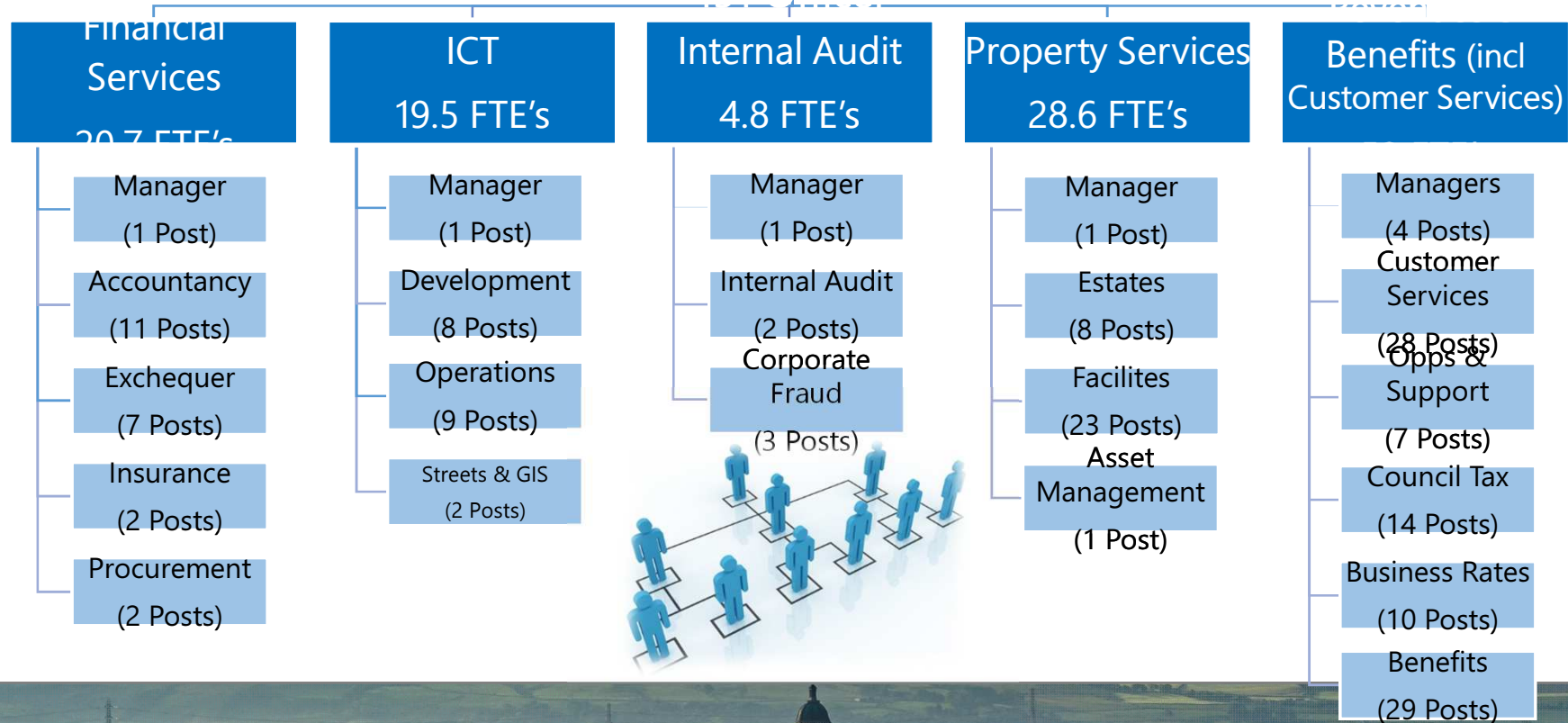
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# On A Journey.....



# Structure

Chief Officer (Resources) & Section  
151 Officer



# Resources

2017/18 Budgets	Employees	Premises	Transport	Supplies and Services	Benefit Payments	Recharges In	GROSS EXPENDITURE	Income	Recharges Out	GROSS INCOME	Transfers to/(from) Reserves	NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£
Financial Services	778,900	-	2,500	190,700	-	325,200	1,297,300	(4,600)	(1,292,700)	(1,297,300)	-	-
ICT	620,200	700	2,600	428,100	-	122,400	1,174,000	(1,000)	(1,173,000)	(1,174,000)	-	-
Internal Audit	188,300	-	600	139,000	-	50,100	378,000	-	(313,800)	(313,800)	-	64,200
Property Services	430,000	-	3,600	142,600	-	361,200	937,400	(937,400)	(937,400)	(1,874,800)	-	(937,400)
Management & Admin	454,500	-	3,600	52,500	-	361,200	871,800	(31,900)	(839,900)	(871,800)	-	-
Estates Management	156,300	776,300	-	104,200	-	222,100	1,258,900	(1,501,500)	-	(1,501,500)	(60,000)	(302,600)
Facilities Management	198,300	792,100	300	82,500	-	1,001,600	2,074,800	(49,000)	(1,973,600)	(2,022,600)	-	52,200
Revenues & Benefits	521,800	-	300	2,598,600	32,905,800	1,997,000	38,023,500	(35,837,600)	(887,800)	(36,725,400)	(170,300)	1,127,800
Customer Services	521,800	-	300	31,000	-	153,000	706,100	(700)	(705,400)	(706,100)	-	-
Operations & Support	-	-	-	76,600	-	105,800	182,400	-	(182,400)	(182,400)	-	-
Council Tax	-	-	-	894,900	-	176,600	1,071,500	(306,000)	-	(306,000)	-	765,500
Business Rates	-	-	-	600,100	-	54,100	654,200	(612,900)	-	(612,900)	(170,300)	(129,000)
Benefits	-	-	-	996,000	32,905,800	1,507,500	35,409,300	(34,918,000)	-	(34,918,000)	-	491,300
	2,539,200	700	9,600	3,499,000	32,905,800	2,855,900	41,810,200	(36,780,600)	(4,604,700)	(41,385,300)	(170,300)	254,600
% of Gross Expenditure (excluding Benefit Payments)	29%			39%		32%	8,904,400					

Note: Notional capital charges have been excluded from the above analysis



# Financial Services

## Functions / Purpose

### Accountancy

- Budget co-ordination & preparation
- Monitoring & reporting
- Closedown
- Treasury Management
- Collection Fund Accounting
- Financial Regulations
- Support & Advice
- Projects
- VAT



### Exchequer

- Payroll
- Creditors
- Debtors
- Income Management
- Support & Advice



### Insurance

- Claims Handling
- Liaising with Insurers
- Annual Renewals
- Support & Advice



### Procurement

- Contract Management
- EU Compliance
- Support & Advice
- Transparency Data
- Procurement Cards Administration



# Financial Services

## Performance / Benchmarking

- Closure & Publication of Accounts by Statutory Deadlines – achieved
- Unqualified Audit Opinion – achieved
- Positive VFM Conclusion - achieved
- Payment of invoices within 30 days – currently 94% Council wide
- Timely Publication of Transparency Data – target met quarterly
- Insurance Benchmarking – review due to start this month
- External Benchmarking – previously undertaken with mixed results, due to be reviewed again



# Financial Services

## Key Issues / Challenges

### COMPLIANCE

- Faster Closedown Requirements - statutory
- Legislative Changes – Payroll / VAT / Accounting Requirements / Procurement

### ENABLING

- Support for Key Projects – Canal Corridor, Salt Ayre etc
- System Replacements / Upgrades / Enhancements – improved user experiences
- Centralisation of Payroll Function – efficiency improvements
- Insurance Review – Wyre BC
- Succession Planning & Resilience
- Proactive v Reactive Demands – need to manage expectations

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# Internal Audit

## Functions/ Purpose

- Statutory function – Local Government Act (S.151) / Account & Audit Regulations
- Purpose of Internal Audit / Corporate Fraud Team
- Annual Internal Audit Opinion / Annual Governance Statement
- Formulating the Audit / Corporate Fraud Plans



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# Internal Audit

## Performance / Benchmarking

- What does “good performance, effectiveness and added value” look like?
- Customer feedback
- Performance Indicators
- Improvements to services
- Benchmarking with peers / sharing best practice
- Corporate Fraud Team 2016/17 performance



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# Internal Audit

## Key Issues / Challenges

- Small Internal Audit Team / managing expectations
- Building resilience / developing skills / qualifications / shared knowledge
- Lack of IT Auditors
- Budget reductions / impacting on internal controls
- Different ways of working / taking more risks / complex audits
- Counter fraud awareness / increasing referrals

# Information, Communications & Technology

## Functions/ Purpose

### Strategy

- ICT Strategy
- Digital Strategy
- Security Policies
- Budget
- Account Management
- Programme Management
- Major incident response

### Development

- Customer Experience Mapping
- Business Analysis
- Project Management
- Specification of Requirements
- Design
- Procurement
- Development
- Testing
- Implementation
- Change Management
- Security

### Operations

- Service Desk
- Incident Management
- Problem Management
- Systems Maintenance
- Provisioning
- Guidance / advice
- Telephony
- Communications

### Streets & GIS

- Street Naming
- Building Numbering
- Geographic Information Systems
- Data science



# Information, Communications & Technology

## Benchmarking / Performance

Performance Indicators	Actual 2016 / 2017	Target 2017 / 2018	Frequency
Number of services with fully transactional online self service capability	Data not available 2016/17	Baseline – new measure 2017/18	Quarterly
Number of services with fully transactional online self service capability available via the iLancaster app	Data not available 2016/17	Baseline – new measure 2017/18	Yearly

- Digital awareness
- User experience
- ICT service provision



# Information, Communications & Technology

## Key Issues / Challenges

- Increasing demand
- Rate of change of technology
- Reduced funding
- Increased regulation / compliance requirements
- Increased complexity of technology
- Digital awareness across the organisation
- Cloud – getting the greatest benefit to the organisation
- Increasing automation of processes
- Increasing productivity of staff using modern tools
- Seeking to work with other Districts in common areas
- Tapping into University skills
- Cultural change



# Property Services

## Functions / Purpose

### **Estates Management**

- Acquisitions
- Disposals
- Hiring and Lettings
- Valuations
- Commercial Property

### **Asset Management**

- Property Strategy
- Property Review

### **Facilities Management**

- Planned Maintenance
- Reactive Maintenance
- Facilities Support
- Courier
- Hospitality
- Print Room

### **Restructure – Main Changes**

- Asset Manager
- Hospitality Team
- Facilities Support Officer Contracts
- Maintenance Technician (Handyperson)
- Business Support



# Property Services

## Performance / Benchmarking

### Percentage occupancy of commercial buildings (half-yearly)

Number of Commercial Properties	32	
Total Floor Area		13,246m <sup>2</sup>
Total Occupancy Level	96%	
Total Income during 2016/17		£1.3M
Total Expenditure during 2016/17	£777K	
Balance during 2016/17		£523K



# Property Services

## Performance / Benchmarking

### Amount of energy used across all Council property (half-yearly)

Amount spent on Gas in 2016/17

**£269K**

Amount spent on Electricity in 2016/17

**£523K**

Amount spent on Water in 2016/17

**£286K**

Average consumption of Gas and Electricity over last 3 years

**3.7M kWh p.a.**



# Property Services

## Performance / Benchmarking

The repairs identified in the 2012 condition survey were categorised as follows:

- A (Good) – 47%
- B (Satisfactory) – 32%
- C (Poor) – 16%
- D (Failed) – 5%

Since the 2012 Condition Surveys we have invested £7.3M to address required maintenance across the portfolio:

- 2012/13 - £0.8M
- 2013/14 - £0.8M
- 2014/15 - £1.4M
- 2015/16 - £1.9M
- 2016/17 - £2.4M



# Property Services

## Key Issues / Challenges

- Complete implementation of new structure and develop cultural change and customer focus
- Work with the Services to complete our overarching Corporate Property Strategy and Accommodation Strategy including assessing our assets for:
  - Condition - New surveys being commissioned this year
  - Suitability – Measure the fitness for purpose of our buildings
  - Sufficiency – Measure the utilisation in our buildings and set standards
- Complete a review of the commercial property portfolio (targets to be informed / confirmed through review) and develop the Group's commercial skills and approach
- Ensure the provision of sound property services support to key projects, such as Canal Corridor North, Bailrigg Garden Village and other strategic projects



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# Customer Services

## Functions/ Purpose

### For Our Residents

- Provide a prompt response, an understanding ear and reliable advice.
- Enable them to access a wide range of Council services.
- Deliver a consistent experience across multiple channels – over the phone, via email and face to face visits at Lancaster and Morecambe town halls.

### For Our Stakeholders

- Aim to be pioneering frontline representatives of the Council's corporate values and behaviours.
- Facilitate their customer interactions.
- Feedback how processes can be improved and simplified.

# Customer Services

## Demand / Performance

Average figures per week 2016/17

Service	Telephone	LTH Visits	MTH Visits
General Switchboard (Tel. 582000)	959		
Council Tax, Benefits including UC Support (Tel. 582965)	476	232	194
Parking (Tel. 582972)	18	133	18
Environmental Services (Tel. 582491)	632	29	18
Elections (Tel. 582905)	146	20	5
Housing (Tel. 582005, 582257)	276	125	53
Other (Markets, Licensing, Planning, TH Visitors)		246	115
<b>Totals</b>	<b>2,509</b>	<b>784</b>	<b>404</b>

### Average customer transaction cost per channel

Face to face £8.62  
 Telephone £2.83  
 Web self-service £0.15

### How do we do?

92% of calls are answered  
 Average phone wait – 2 mins  
 Average TH wait – 4 mins



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# Customer Services

## Key Issues / Challenges

### Where do we want to be?

- Work with our colleagues to refine processes so they are efficient, cost effective and crucially, meet our residents' needs
- Explore the huge scope of opportunity to offer our residents digital alternatives to access our services.
- Join up with internal and external partners so that access to services is convenient, seamless and transparent for our residents.

### What's happening now?

- New technology – 'Customer Experience Platform' (increasing self-service).
- Supporting benefit customers through the transition to UC.
- Review of the corporate Customer Service Strategy.



# Revenues & Benefits (Shared Service)

## Functions/ Purpose

### **Operating as a Shared Service with Preston City Council (started 1 July 2011)**

#### **Statutory Services:**

Billing, collection and recovery of Local Taxation:

- Council Tax 64,234 properties (Net Debit £68.8M)
- Business Rates 5,233 businesses (Net Debit £66.1M)

Administration of Benefits:

- Housing Benefits 6,692 current live cases
- Council Tax Support 10,735 current live cases
- Administer Welfare reforms and work in partnership with DWP to roll out Universal Credit
- Minimising Housing Benefit Overpayment and maximising the recovery of those that occur

Billing collection and recovery of the two BIDS (Lancaster (£243K) & Morecambe (£125K).



# Revenues & Benefits (Shared Service)

## Performance / Benchmarking

<b>Value for Money:</b>	<b>2010/11</b>	<b>2016/17</b>
Staffing Resources (Shared Service)	177.76 FTE's	94.6 FTE's
Benefits - Cost per Claim	£75.90	£47.56
Council Tax - Cost per account	£10.74	£4.45

<b>Performance:</b>		<b>2015/16</b>	<b>2016/17</b>
Collection Rates:	Council Tax	96.4%	96.4% (in year)
	Business Rates	98.8%	99.0% (in year)
Benefit processing:	New Claims	24 days	24 days
	Change of Circs	9 days	8.1 days

**Shared Service Budget: £3.59M**      **Budget savings generated since introduction: £5M**  
**Self Serve / E-solutions: 5,667 emails issued incorporating 24,000 pages of correspondence**

# Revenues & Benefits (Shared Service)

## Key Issues / Challenges

- **To ensure that staffing structures and resources remain fit for purpose** in our ever changing environment, shifting resources to areas of greatest need to achieve optimum results.
- **To maintain a good standard of Benefits processing with ever reducing resources;** given ongoing welfare reforms and the difficulties created in the continued roll out of Universal Credit.
- **To progress and embrace new technology** by developing and introducing e-solutions, mobile working, digital performance management and e-capture technology, in order to achieve further efficiencies.
- **To maintain stretching in-year collection targets for both Council Tax & Business Rates;** given welfare reform and the high rise in consumer debt, coupled with the technical changes imposed in Council Tax, and the increased propensity to adopt rate avoidance tactics in Business Rates.

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# Value for Money

Shared Service / Collaborative Arrangements – Savings heading towards £1M per year

Providing the same or improved levels of service to the customer with fewer resources

Improving internal processes, reducing time spent on tasks and improving efficiency

Improving financial management and asset management, corporately and at service level

Reviewing and re-negotiating contracts to produce savings and procure better products/services

Developing/replacing systems and infrastructure to improve security, resilience and deliver improvements

Providing assurance internally, and gaining an independent view – External Auditor



# SWOT Analysis

## Strengths

- Professional, dedicated staff
- Expertise and knowledge
- Responsive and accessible
- A corporate view of organisation
- Willingness to learn and improve, take things on, come up with ideas – we care
- Financially sound

## Weaknesses

- Prioritisation & programming
- Capacity
- Succession planning (incl. recruitment)
- Managing expectations
- Marketing ourselves, not recognising achievements
- How best to demonstrate VFM?

## Opportunities

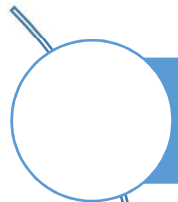
- Technology developments
- Asset review
- Cultural change
- Business planning
- Business intelligence
- Working smarter

## Threats

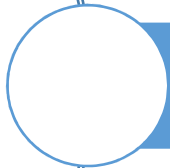
- Loss of resources – funding, skills, experience
- Legislative changes
- Conflicting workloads & demands
- Other organisations' decisions
- Not being able to keep all the plates spinning



## Community Empowerment/ Partnership working



Customer Access to Services – iLancaster, Self Service



Assets of Community Value – Right to Bid, Asset Transfers



Shared / Collaborative Working – Other Local Authorities etc



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# Climate Change/ Environmental Impact

- Mainly Supporting Role
- Property Angle:
  - Refurbishment
  - Renewable Energy Schemes
  - Energy Efficiency





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# Customer Needs

External &  
Internal

Reactive      Responsive      Planned  
Proactive

- Understanding & managing, expectations, needs and wants
- Making the most out of data / business intelligence
- Equality and Diversity
- Accessibility

# On A Journey.....

