



SUPPLEMENTARY INFORMATION

Budget and Performance Panel

Wednesday, 1 February 2023

The attached presentation was provided by Councillor Anne Whitehead at the meeting.

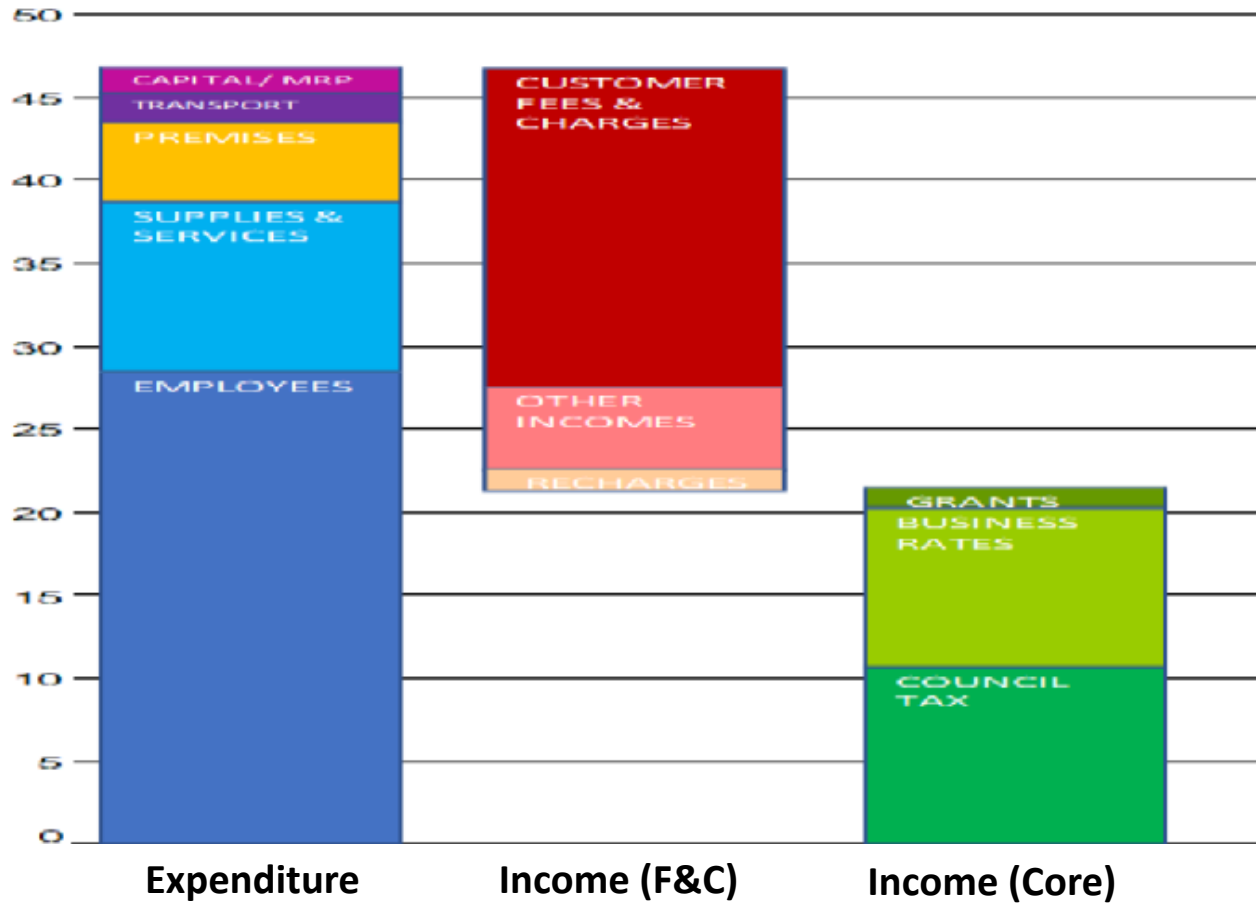
5	2 - 25	BUDGET AND POLICY FRAMEWORK UPDATE - PRESENTATION
		The attached presentation was provided by Councillor Anne Whitehead, Cabinet Member with responsibility for Finance and Resources, at the meeting.

Budget & Policy Framework Proposals 2023/24

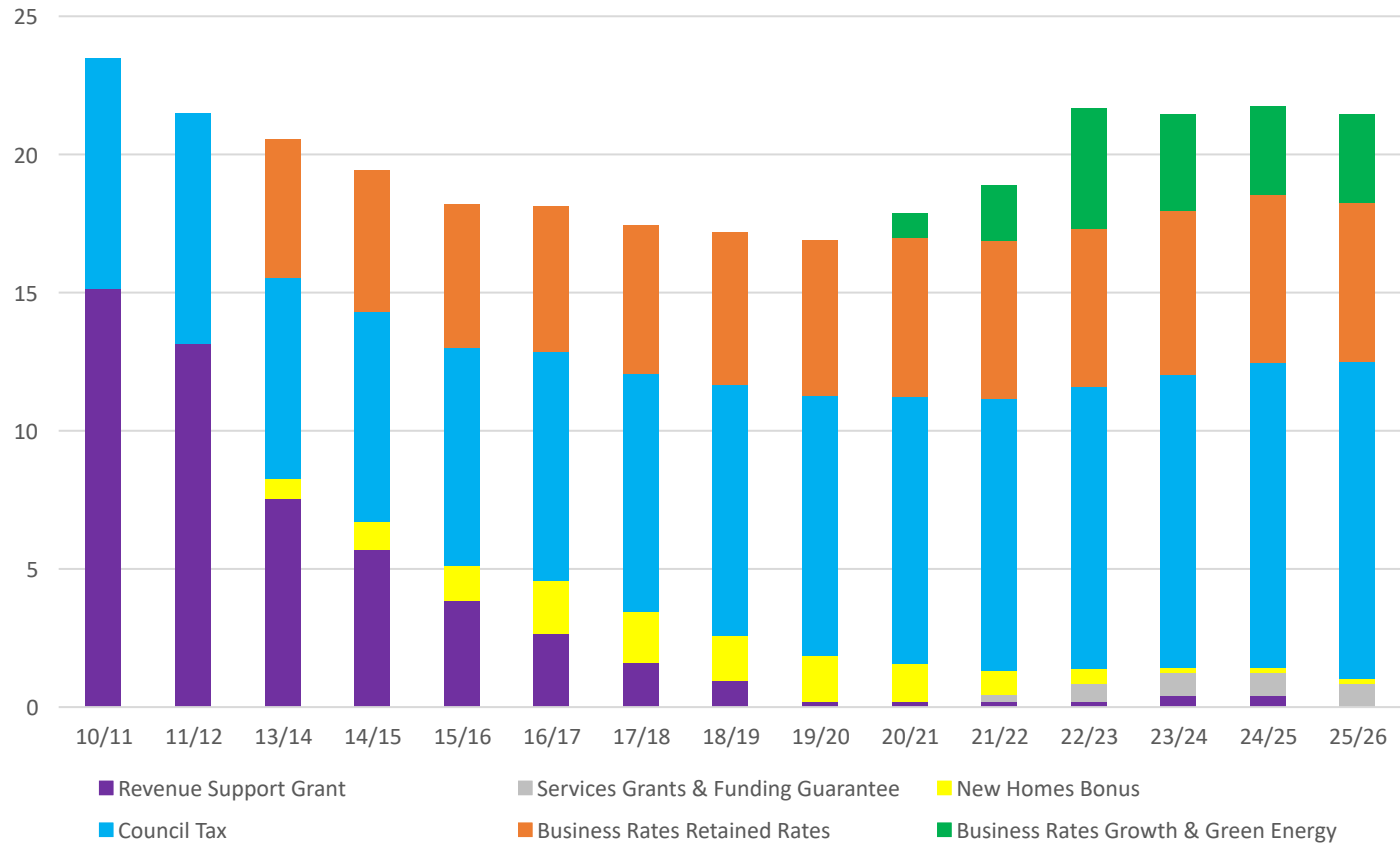
Presentation by
Anne Whitehead
Cabinet Member for Finance and Resources

Budget & Performance Panel: 1 February 2023

Revenue Budget (£M) 2022-23



Core Income (£M) 2010/11-2025/26



General Fund Revenue Budget Projections (Sep 2022) (if no action is taken)

	2022/23	2023/24	2024/25	2025/26
Net Revenue Budget at Q2 2022 (£M)	23.52	24.39	27.18	28.78
Deficit (£M)	2.97	4.21	6.42	8.41
Deficit as % of Net Revenue Budget	13%	17%	24%	29%

Council's Core Plan 2030 – Strategic Priorities & Outcomes

Priorities	A Sustainable District	An Inclusive and Prosperous Local Economy	Healthy and Happy Communities	A Co-operative, Kind and Responsible Council
Strategy	Climate Emergency <i>taking action to meet the challenges of the climate emergency</i>	Community Wealth-Building <i>building a sustainable and just local economy that benefits people and organisations</i>	Increasing Wellbeing, Reducing Inequality <i>empowering and supporting healthy ways of living, and tackling the causes of inequality</i>	Community Engagement, Power and Resilience <i>drawing on the wealth of skills and knowledge in the community, and working in partnership</i>
Outcomes	net zero carbon by 2030 while supporting other individuals, <u>businesses</u> and organisations across the district to reach the same goal (Carbon Zero)	supporting the development of new skills and improved prospects for our residents within an environmentally sustainable local economy (Sustainable Skills)	supporting wellbeing and ensuring local communities are active, engaged, <u>involved</u> and connected (Community Engagement)	listening to our communities and treating everyone with equal respect, being friendly, honest, and empathetic (Listening and Empathy)
	moving towards zero residual waste to landfill and incineration (Reduced Waste)	advocating for fair employment and just labour markets that increase prosperity and reduce income inequality (Fair Work)	tackling discrimination and reducing inequality (Reducing Inequality)	working in partnership with residents, local organisations, anchor institutions and partners recognising the strengths and skills in our community to build a powerful force working for our district (Partnership)
	increasing the amount of sustainable energy produced in the district and decreasing the district's energy use (Sustainable Energy)	supporting new and existing enterprises in sustainable innovation and the strengthening of local supply networks (Sustainable Innovation)	focused on early-intervention approaches and involving our communities in service design and delivery (Early Intervention)	investing in developing the strengths and skills of our staff and councillors (Investing In Our Skills)
	transitioning to an accessible and inclusive low-carbon and active transport system (Low Carbon and Active Transport)	using our land, property, <u>finance</u> and procurement to benefit local communities and encouraging residents, businesses, organisations and anchor institutions to do the same (Social Use of Resources)	(re)developing housing to ensure people of all incomes are comfortable, <u>warm</u> and able to maintain their independence (Access to Quality Housing)	focused on serving and enabling our residents, local <u>organisations</u> and district (Enabling)
	supporting our communities to be resilient to flooding and adapt to the wider effects of climate change (Climate Resilience)	securing investment and regeneration across our district (Investment and Regeneration)	improving access to and involvement in arts, culture, <u>leisure</u> and recreation, supporting our thriving arts, culture and heritage sector (Access to Culture and Leisure)	embracing innovative ways of working to improve service delivery and the operations of the council (Innovative Public Services)
increasing the biodiversity of our district (Biodiversity)	Promoting business ownership models that empower the local workforce, such as co-operatives, social <u>enterprises</u> and community ownership (Inclusive Ownership)	keeping our district's neighbourhoods, parks, <u>beaches</u> and open space clean, well-maintained and safe (Quality Public Spaces)	providing value for money and ensuring that we are financially resilient and sustainable (Value for Money)	

Outcomes-Based Resourcing (OBR) Approach

- **Budget Process:** delivering a balanced budget for 2023-24 and beyond, taking all possible steps to minimise the use of reserves
- **Long-Term Review:** redesigning the council around delivering services and priorities in a financially stable and sustainable way

OBR Principles

- Protecting & Enhancing Frontline & Neighbourhood Services
- Working Collaboratively & Sharing Resources with Partners & Communities
- Maintaining Control of our Services
- Ensuring our Services reach those needing them the most
- Supporting our People to do what People do best, using Technology to do what Technology does best
- Seeing the big picture (data) and listening (conversations)

Results of Outcomes Based Resourcing Survey (N=546)

Statutory Services	Reduce Funding (%)
Providing Planning & Building Control Advice	32
Providing Environmental Health Services	17
Collecting Rubbish & Recycling	6
Keeping Streets Clean	6

Results of Outcomes Based Resourcing Survey (N=546)

Non-statutory Services	Stop or Reduce Funding (%)
Connecting Communities/Partners with Council & Each Other	51
Supporting Local Businesses and Entrepreneurs	38
Promoting Tourism & Providing Visitor Information	34
Organising and Supporting Events	34
Supporting Local Arts & Culture	28
Providing Customer Support for our Residents	27
Providing Sports & Leisure Facilities	27
Encouraging Economic Investment in District	21
Providing Grants/Donations to Voluntary Sector Organisations	18
Providing CCTV and Investigating Incidents of ASB	18
Managing Parks, Playgrounds, Open Spaces, Seafront	12

Savings and Budget Proposals £K

	2023/24	2024/25	2025/26	2026/27
Central Services	76	143	145	147
Communities & the Environment	445	507	519	527
Corporate Services	338	352	362	372
Economic Growth & Regeneration	1,132	1,889	1,974	2,045
Senior Leadership Restructure	448	458	463	469
TOTAL	2,439	3,349	3,464	3,560

Senior Leadership Team Restructure

- New structure to be in place from April 2023
- To ensure each core service delivers services and outcomes in a financially-sustainable way
- Each Senior Leader
 - *to review their service area in line with the OBR principles*
 - *will be supported to deliver on Plan 2030 Priorities*
- Saving about £450K per year

Back-Office Support Functions

- To be continually reviewed to generate efficiencies and savings e.g. shared services across other Councils, Public Sector Bodies and Partner Institutions
- Areas include
 - *Office of the Chief Executive*
 - *Legal Services*
 - *Financial Services*
 - *Internal Audit*
 - *Human Resources*
 - *Democratic Services*
- Savings of about £500K per year already identified due to deletion of vacant posts and efficiencies

Assets and Hospitality

- Comprehensive Review of Council's Land and Buildings to identify opportunities to generate best value from each
 - *Disposal via sale or lease where appropriate*
 - *Shared use with local partners and stakeholders*
- Minimise Energy and Maintenance Costs of Buildings, e.g. Morecambe and Lancaster Town Halls
- Review of Hospitality Provision, e.g. Cafes, to provide effective and joined up operating models
- Savings of about £400K per year identified

Fees and Charges

- Inflationary increases to be applied generally for 2023/24.
- Exceptions:
 - *Car Parking – frozen*
 - *Garden Waste Collection – increase by £1 to £41*
- Charging for Electric Vehicle Recharging in our car parks
- Review to be undertaken for
 - *Building Control & Planning Pre-application Advice*
 - *Public Protection & Pest Control*
 - *Trade Waste*
- Gross income from fees and charges expected to be £18.58M in 2023/24

Visitor Services

- Council Visitor Information Centres in Lancaster & Morecambe to be closed at end of Summer 2023
- Net annual cost to Council is about £250K
- Council to continue to strongly promote District's outstanding visitor offer taking a highly-focussed online approach
- There will be access to tourist information at locations where staff have other roles, e.g. Morecambe Town Hall, Salt Ayre Leisure Centre.
- Council keen to talk to other organisations about provision of visitor information, e.g. Morecambe Town Council, Shops, Leisure, Arts & Culture Venues, Eden Project Morecambe

Arts, Culture, Heritage and Events

- Council to stop operating from the Platform Entertainment Venue from October 2023.
- Net annual cost to Council is about £150K
- Building will still be available to hire for large events, on full cost recovery basis
- Council happy to talk to anyone who has a business model for an alternative use that supports the local economy e.g. Morecambe Town Council, Business
- Could consider Community Asset Transfer

Arts, Culture, Heritage and Events

- Museums to have reduced opening hours and a revised operating model from October 2023, ahead of a fundamental review of the service
- This is expected to provide an annual saving of about £300K
- Council to continue to seek support for the District's thriving cultural programmes and events
- Council will explore opportunity to work in partnership and source external funding where Council can no longer provide direct resource for events

Business Support

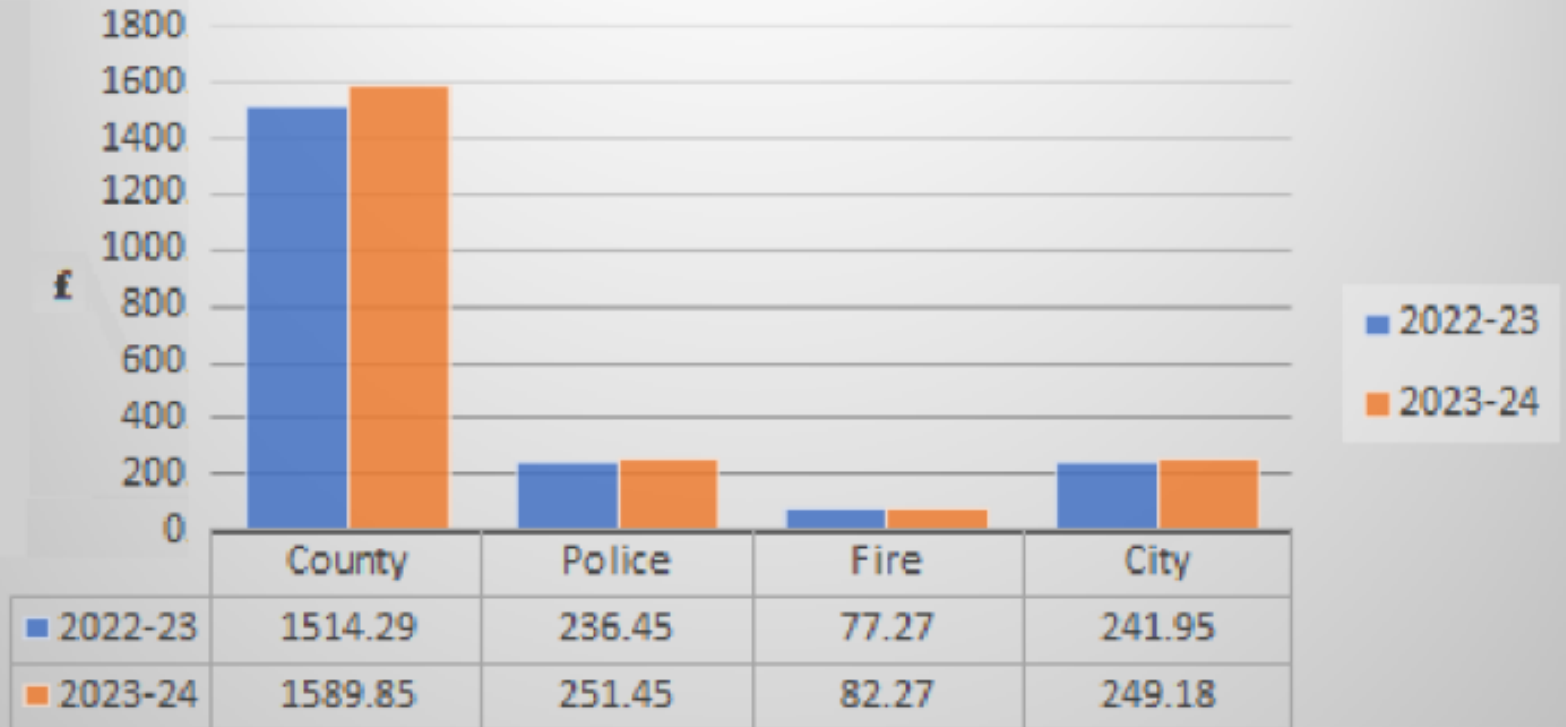
- Council's Business and Skills Support function will move during 2023-24 to a partnering model
- Taking a facilitating and co-ordinating role in joining up local services
- Annual savings of about £200K
- External funding sources to be sought

Lancaster City Council component of Council Tax 2022/23 to 2025/26

Annual increase of 2.99%

Year	Yearly amount (Band D)	Additional income relative to no annual increase
2023/24	£249.18	£308K
2024/25	£256.63	£632K
2025/26	£264.31	£971K
2026/27	£272.21	£1,328K

Annual Council Tax Bill for Band D (predicted)



General Fund Revenue Budget (Jan 2023) (£M)

Expenditure (forecast)	2023/24	2024/25	2025/26	2026/27
Base Budget	24.39	27.18	28.73	30.29
Asset Repurposing	0.28	0.30	0.45	1.08
Changes to Assumptions	0.58	0.86	0.86	0.87
Savings Proposals	-2.44	-3.35	-3.46	-3.56
Income Generation Proposals	-0.42	-1.11	-1.12	-1.13
Capital Programme Review	-1.49	0.27	0.54	0.54
Revenue Support Grant	-0.41	-0.41	0	0
Business Rates (Net)	-9.41	-9.28	-8.95	-9.13
Council Tax	-10.61	-11.04	-11.48	-11.94
To/from Reserves	-0.47	0	0	0
Deficit	0	3.41	5.56	7.01

Future Strategy

- We need to tackle the structural deficit
- We want to deliver services that residents/businesses need and rely on
- We want to achieve positive outcomes for our district
- Move to the second stage of the outcomes-based resourcing project

What we are doing

- 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

Budget & Policy Framework Proposals 2023/2024

Cabinet welcomes your views and feedback

Any Questions?