

## **Executive Annual Report 2018/19**

### **Councillor Anne Whitehead**

Cabinet Member and Portfolio Holder with responsibility for Finance, Revenues and Benefits, Performance Management and Community Wealth Building

### **Executive Membership**

- Cabinet
- Canal Quarter Cabinet Liaison Group
- Planning Policy Cabinet Liaison group
- Shared Revenues and Benefits Service Joint Committee

### **Overview of Portfolio Responsibilities**

Responsibility for Finance, Revenues and Benefits, Performance Management, Community Wealth Building

### **Progress made during 2018/19**

#### **Finance**

The Council continues to operate in a difficult financial climate, as central government funding to local authorities continues to be reduced. In spite of this, the Council is on target to meet its 2018/19 revenue budget and has set a balanced budget for 2019/20 which has protected front line services, maintained full Council Tax Support to the most vulnerable and introduced additional resources to meet Council priorities in the areas of anti-social behaviour, CCTV, food poverty and support for park improvements.

The Council's Medium Term Financial Strategy highlights a budget gap in excess of £2m from 2020/21 onwards, but importantly sets out ambitious plans to meet this gap with its

Funding the Future Strategy which will look to make savings from a rigorous pursuit of efficiency, increased commercialism and carefully risk managed property investments in the Lancaster district.

Work has commenced on a revised approach to capital expenditure in support of key corporate projects such as Canal Quarter, Heysham Gateway and Bailrigg Garden Village. A Member and Officer Capital Strategy Group will oversee the effective implementation and monitoring of key capital projects which will arise from the Economic Growth Plan and Climate Change Action Plan.

Business rates retention continues to be an uncertain source of funding for the Council which carries a significant risk associated with the Heysham Nuclear Power Station. However, the delivery of successful projects such as Canal Quarter and Heysham Gateway provide an opportunity for the Council to benefit from business rates growth and direct this financial benefit towards projects and services which benefit the Lancaster district and its communities.

All in all, the Council's Medium Term Financial Strategy aims to provide a positive response to Lancaster's financial challenges as an alternative to managing decline. By focussing on financial resilience and proactive management, we will continue to protect and enhance service provision.

For the second year, we will be required to close our annual accounts by 31 May. As last year, we will meet this deadline and aim to receive an unqualified opinion on the accounts and our arrangements for Value for Money.

## **Revenues and Benefits**

The service has had another challenging year, adapting to continuing welfare reforms and universal credit changes.

In July 2016, the Lancaster & Morecambe district went live on the full Universal Credit (UC) service, which is administered by the Department for Work and Pensions (DWP). It is reported that there are around 8,400 customers currently receiving UC in the City Council area. Numbers transferring to UC have slowed down following announcements

by the Works and Pensions Secretary to adopt a “test and learn” approach to the managed migration process, based upon Harrogate’s experiences. The managed migration process for Lancaster is now only scheduled to start in 2020/21.

There are ever increasing numbers of data share documents received by the council and this in turn increases workload. The current housing benefit/council tax support caseload currently stands at 11,626, a slight increase from April 2018. At the same time, the Assessment Team continues to experience issues with processes and procedures linked to UC; these are on-going and are being highlighted to DWP via the Partnership Manager as they arise. Through Customer Services, the council has been providing personal budgeting support to UC applicants on behalf of DWP. However, from April 2019, the Government has announced a new arrangement, whereby the Citizens Advice will be funded to take on the responsibility of delivering Universal Support.

The Localised Council Tax Support scheme benefits were maintained during 2018/19 and in December 2018, council took the decision to retain basically the same scheme for 2019/20, one of the few councils to retain up to 100% support levels. The decision to unlock previous backdating restrictions has proven successful in helping claimants receive additional support to which they were entitled.

The service continues to deal with issues relating to business rates, including the fallout from the 2017 revaluation and the myriad of property relief schemes now in place, together with the ongoing difficulties resulting from the adoption of rate avoidance tactics. Both Lancaster and Morecambe Business Improvement Districts (BID) continue to deliver benefits to the local community and generate a combined yield of £360k for local projects.

More generally for the service, budget savings targets have been achieved and despite reducing operating costs, performance targets have been broadly maintained. However, processing times are hampered in obtaining UC information from DWP, although slowly but surely matters are improving.

Looking forward, the focus remains on managing ongoing Government reforms effectively and shaping service delivery to encourage channel shift by educating and assisting customers to use self-serve solutions.

## **Performance Management**

Progress against corporate success measures was reported quarterly to both Cabinet and Budget & Performance Panel, with opportunity for members to ask questions and discuss successes and areas for improvement.

Regular reporting of progress on key measures has highlighted a number of successes from across the Council during 2018-19, including:

- Reduction in time taken to re-let Council houses from 63.13 days at the end of 2017-18, to 25.68 days for the period October-December 2018
- Sustained strong performance in determining all categories of planning applications, ranking 7<sup>th</sup> of 330 authorities in England for non-major applications, and 23<sup>rd</sup> of 330 authorities in England for major applications
- Reduction in residual waste collected per household from 88.4kg for the period July-September 2017, to 81kg for the same period in 2018

The adoption of the Council Plan 2018-22 during the year provided a strong outcome focus to link strategy to operations in future performance reporting. In practice there are two steps to achieving this, both of which are in progress concurrently

The first is developing strategy documents focused around the key areas of our Ambitions, such as the Economic Growth Plan, Climate Change Action Plan and Financial Sustainability Plan. These documents will set out in more detail what will be achieved in each area over the coming years.

The second is reviewing the Council's corporate Performance Indicators, which measure the organisation's success in achieving its Ambitions. A refreshed set of Indicators will provide regular updates on progress against significant outcomes from the Council Plan and supporting strategies.

Automated collation of data into performance dashboards has been successfully trialled during 2018-19, and further development on this will continue in 2019-20, including interactive dashboards for members and the public. Microsoft's Power BI product provides

the opportunity to draw data from the widest possible variety of sources, both internal and external to the council, into a single interactive dashboard.

A trial of the product conducted using the Property team's energy usage data provided enhanced capability for the team to compare usage across different years, as well as saving time on collating information from different sources, with the team planning on expanding the dashboard in the next phase of development.

Roll-out of the product will focus initially on developing a dashboard around the corporate Performance Indicators, followed by working with different teams across the organisation in more depth to make best use of their data.

Strongly linked to the organisation's performance, and the successful delivery of Council Plan outcomes, is supporting the strong management and coordination of the wide range of corporate projects. Full-day sessions were recently held for all officers involved in leading projects, to discuss best practice in project management and also to set out the Council's future approach to supporting key projects through consistent documentation and reporting. The recruitment of a Programme Manager from March 2019 also adds much-needed capacity in coordinating and supporting strategic decision-making as many exciting projects develop.

## **Community Wealth Building**

The Council has been working with the Centre for Local Economic Strategies (CLES) to help to develop its approach to local wealth building. CLES have worked with the Council participating in events leading up to the development of the Economic Growth Plan and training sessions have been held recently for key staff.

The Council has purchased a data analysis tool to assist in analysing invoice spend. The analysis is for first tier spend only and can identify the location of the office to which the invoice was paid, if the supplier is an SME or Voluntary organisation. The tool also allows access to data from other local authorities who are signed up to use the data analysis tool. This could be used for collaborative purchasing processes. At present, there is limited data for Lancaster. However, over time this information should increase and become more meaningful.

A part time Local Wealth Building Officer has been recruited to support local wealth building activities and joined the Council in March. The council is currently commissioning a diagnostic piece of work to assess where the district is in terms of:

- Employment, skills and the workforce, considering employment terms and conditions, levels of apprenticeships, the Living Wage, volunteering and youth employment
- Procurement and local spend, particularly by anchor institutions in the area, how wealth can be retained and how local businesses can access new opportunities
- Use of land, property and assets to support local wealth building, considering how these can be used to help local economic initiatives develop and thrive and how planning can support
- Entrepreneurialism and local ownership of the economy, looking at what is needed to create an environment in which entrepreneurialism succeeds in local communities

Over 30 people have been supported via local community economic projects such as The Growing Club, Angels Den and the Slow Fashion event.