

## **Annual Report of the Portfolio Holder for Finance and Resources 2022-23**

### **Outcomes Based Resourcing**

The outcomes-based resourcing (OBR) programme was initiated in Autumn 2022, and the first stage was completed with the approval of a balanced budget for 2023/24. Setting the budget this year was particularly challenging due to spiralling inflation, which significantly increased our operating costs and the demand for our services, and the below inflation funding from Central Government.

Officers and Cabinet members worked hard together within six groups to successfully deliver this first stage of the OBR process:

- Strategy & Coordination (oversight, co-ordination and decision-making)
- Service Level (review of entirety of services for establishment of minimum service levels, efficiency, reduced energy use, income generation and commercial opportunities)
- People, Organisational Development & Governance (supporting delivery of future people strategy and associated policy, ensuring alignment with and governance for all OBR proposals)
- General Fund Assets (review of General Fund Assets, reduced Council's use of buildings, reduced energy use and costed plans for Council's main assets)
- Financial Strategy (review of medium-term financial strategy and options for capital and reserves)
- Partnerships, Engagement & Communication (consideration of partnership working to deliver strategic priorities, management of communication and engagement)

The second stage will continue throughout 2023 and 2024, when the council's services and functions will continue to be reviewed in order to match resources more closely with our long-term strategic outcomes for the district, whilst achieving balanced budgets in future years.

### **Financial Services**

I should like to thank Paul Thompson and the Financial Services team for all their hard work in helping to maintain a sound financial basis for the Council and in producing a balanced budget for 2023/24.

The service:

- led where appropriate and provided in-depth support to the OBR Project, through analysis, forecasting, training and briefings.
- provided support on significant projects such as Eden Project Morecambe, Mainway Housing, Mellishaw Park and the UK Shared Prosperity Fund.
- continued to support pandemic-led schemes such as the Contain Outbreak Management Fund, Household Support Fund, and Vaccine Champions, whilst assisting the government in reconciling expired schemes (business grants).
- completed the closure of accounts exercise within statutory deadlines.
- prepared a balanced budget and supporting strategies in line with the budget policy and framework whilst achieving committee deadlines.
- supported accountability and scrutiny through completion of over 50 individual finance reports.

- processed and paid the award and back pay to salaries in record time ahead of other authorities – a benefit to all council employees who might have been suffering the effects of cost-of-living increases.
- continued the focus on efficiency improvements within Exchequer Services across all payment functions, streamlining processes for compliance and efficiency including:
  - sundry debtor invoices converted to direct emailing which means all reminders and follow up letters are also now automated to direct emailing saving staff time, printing, paper, posting costs. Also reduced reliance on staff being tied to council buildings to undertake these tasks.
  - improvements in the way monthly invoices are created for the Festival Market, replacing manual input with automated processes for bulk input giving significant staff time savings.
  - improvements in the way annual invoices for Environmental Health annual pest control contracts are created replacing manual input with automated processes for creation of invoices and instalment schedules resulting in significant staff time savings.
  - promotion to internal services of eStore and addition of more items for self-serve generating cost saving and time saving for taking payment.
- carried out Insurance tender and renewal for the 2023/24 insurance policies and achieved £191,000 saving on the premiums compared to last year, which is an excellent result for the council, especially in the current insurance market where premiums continue to rise.

### **Revenues and Benefits**

I should like to thank Andrew Taylor and the Revenues and Benefits team for all their hard work in developing policies for and administering the various government grant schemes this year, in addition to their normal activities. Because of the cost-of-living crisis, debt recovery has recently become more difficult.

The service:

- continued to deliver Business Grant schemes in line with Government Guidance during the first part of the financial year.
- delivered the Covid-19 Additional Relief Fund via business rates reductions to eligible businesses.
- implemented the new non-domestic rating list following the first revaluation of business premises since 2017.
- has increased business rate collection rates year on year (2022/23 98.9% in year, 2021/22 98.3% in year, 2020/21 97.2% in year).
- delivered the £150 Council Tax Energy Rebate scheme to eligible customers.
- developed policies and started to make payments for the Energy Bills Support Scheme Additional Funds and the Energy Bills Support Scheme Alternative Fuel Payment Alternative Funds schemes.
- supported vulnerable households by awarding additional Council Tax Support from the governments Additional Council Tax Support Fund.
- handled increased Housing Benefit take-up within existing performance targets (New claims processed within 20.6 days, change events within 6.4 days) ensuring that vulnerable customers receive assistance in a timely manner.

- the Corporate Enquiry Team prevented 9 defective right to buy applications for Lancaster City Council owned properties, with a total discount value of over £500,000.
- participated in a Home Office led pilot utilising the Digital Economy Act to access HMRC earnings data for Council Tax debtors post liability order.

## **Procurement**

The inclusion of Social Value in our contracts had a slow start as many of the contracts were not of sufficient value to warrant this. However, this year has seen a significant number of complex and high value contracts, particularly with relation to the Canal Quarter, Mellishaw Park, Bay Gateway and Mainway. Together with routine works that have to be tendered on an ongoing basis, this has led to jump in the number of contracts including Social Value. The procurement team has provided support and guidance to the lead officers preparing the tender documents which has been greatly appreciated.

The procurement team has continued to provide substantial support to officers on the Procure-to-Pay process. A major challenge has been the significant number of new officers who need to be trained by the team on processes and policies.

Many thanks are due to Helen McMahon for all her support and training of officers in these procedures.

**Cllr Anne Whitehead**  
**Cabinet Member for Finance and Resources**

**April 2023**