



Report of:	To:	Date
Councillor Lesley McKay, Resources Portfolio Holder	Council	6 July 2023

Executive Report: Resources Portfolio Holder

1. Purpose of report

- 1.1 To inform Council of progress on key objectives and the current position on issues within the Resources Portfolio, as set out below.

2. Finance

- 2.1 The pre-audit final accounts for 2022/23 were published in line with the statutory deadline of 31 May 2023 and Wyre were one of only three council's in Lancashire to achieve this deadline. They are on schedule to be signed off by the Audit Committee at their meeting on 26 September – subject to external audit (Deloitte) catching up on the backlog of audits and having sufficient capacity. It should be noted that the 2020/21 and 2021/22 post-audit accounts are not yet signed off owing to a lack of resources at Deloitte. This was exacerbated by a national issue affecting the valuation of infrastructure assets which is now resolved. Many local authorities across Lancashire and the country as a whole are in the same position with over 1,000 local government accounts audits now behind schedule. This means that we are in the position of preparing our 2022/23 accounts without knowing our audited opening balances. We are not expecting any significant changes to the draft accounts but it all adds to the uncertainty in our forecasts.
- 2.2 Revenue slippage is at a similar level to 2021/22 and the value (net of reserve funding) is £1,197,750. As this expenditure still needs to be incurred, the saving is returned to balances to be spent in 2023/24 resulting in a contribution to balances of the same amount.
- 2.3 In summary, **additional income** from planning fees, bulky household waste, various grants, interest, legal fees and markets totals £830,288. **Savings** in employee costs, consultants and legal fees, waste containers, private contractor costs and bad debt total £705,769. These positive variances have been used to compensate for **reduced income** on benefits and rent allowances and increased expenditure on water charges, tree maintenance, postage and materials/consumables – in total unbudgeted adverse variances of £333,774.

- 2.4 The net savings of £1,202,283 (excluding changes to the general balances draw down of £5,190) together with other miscellaneous under spends of £194,643 have been used to top up the ICT Strategy Reserve £500,000, Capital Investment Reserve £394,906, Value for Money Reserve £252,020, Leisure Management Reserve £200,000 and the Property Investment Reserve by £50,000. This approach reflects a recognition of the need to invest in our own assets and ICT improvements and the council's ongoing commitment to spend to save schemes.
- 2.5 When you consider that our gross expenditure on services for last year was £54m, a net saving of £1.4m equates to 2.58%.

3. Governance and Business Support

- Procurement

- 3.1 **Insurance:** Following Cabinet approval in March, a competitive tender exercise has been undertaken to cover the insurance needs of the council using most economically advantageous tendering methodology. The resulting responses from the supply market have enabled the council to cover its statutory and non-statutory insurance needs on a three year long term agreement with a potential two year extension at a combined annual premium for all cover of £235,330 which is slightly higher than the 2022/23 premium but comes with the benefit of enhanced Public Liability cover (£25m was £10m), enhanced Employers Liability cover (£30m was £20m) and includes Contents cover within the Properties Liability policy (previously this was not covered). It also represents a saving against the 2023/24 budget of £47,050 owing to the fact that the industry indicated that the council should expect a 20% rise in prices which has not materialised owing to the competitive process followed.
- 3.2 **Energy costs at Wyre Sites:** We have now contracted 22 sites that have expiring electricity contracts at the end of September 2023 at greatly reduced rates on a two year supply contract with Opus Energy. This benefit was achieved by running a competitive auction in the supply market. The potential saving to the council per annum by contracting on the new rates, based on current consumption figures is estimated to be over £90,000 compared to the level paid in 2022/23. These sites will also benefit from data collection and aggregation software once introduced, which will allow our Estates team to better manage the use of energy across these sites so as to encourage reductions in energy waste and to further reduce costs and our carbon footprint.
- 3.3 **Energy costs – YMCA leisure centres:** Owing to the removal of the Energy Bills Relief Scheme from April and the unfortunate timing of their electricity contract renewal at the height of the wholesale market, the YMCA forecast that their subsidy requirement in 2023/24 could be significantly higher than budgeted which, at £350,000, is in itself more than double the pre-covid target. Urgent action was therefore required in order to mitigate the impact on the council's budget and limit the effect on the operational viability of the centres. With the agreement of the YMCA, a change of tenancy request (COT) was made to the incumbent

electricity supplier appointed by YMCA to legally break this contract and take advantage of current lower wholesale market pricing.

- 3.4** The gas supply for YMCA sites is currently in contract until the end of September 2023. The pricing of gas that the YMCA currently enjoy is low based on current market pricing so an exercise was undertaken to see which organisation could achieve the best pricing for the renewal contract. Wyre again undertook an auction and secured a two year contract to supply all sites at better rates than the YMCA could achieve owing to our overall buying power.
- 3.5** Overall, we expect to save on average approximately £200,000 on energy costs in a typical year as a result of the work carried out. This is positive news for both the council and the YMCA. Other work is also helping to reduce the forecast 2023/24 subsidy. However, this work is ongoing and the Medium Term Financial Plan in October will be updated to reflect any changes to the current budgeted subsidy level.
- 3.6** We are currently speaking with data collectors and aggregators about energy management software systems that can be used across all our sites to give accurate usage data on energy consumption to allow for energy saving targets to be introduced and energy waste to be identified and removed, saving on costs and carbon. When live, this data will be provided to the YMCA to allow them to manage their energy use and to be held accountable for energy improvements and usage reduction.

4. Contact Centre

- 4.1** The Energy Bills Support and Alternative Fuel Payment schemes closed to new applications on 31 May 2023. As at 8 June 2023 we had made payments to 1,100 applicants, with a further 114 applications being rejected and 30 still to be determined (as we are awaiting the supply of supporting evidence from the applicants). Subject to any further applications being sent to us late by the central government processing unit, we have until 30 June to determine and process these 30 applications for payment. There is a concern that the council will receive a flurry of applications from that unit, very close to the payment deadline and if this occurs, best endeavours will be made to obtain the necessary evidence and process them in time.
- 4.2** Issues around the verification of applications from persons residing on a permanent basis in static caravans and lodges sited on holiday caravan sites have made administration of these schemes somewhat problematic, as have the delays in BEIS passing applications on to the council to verify and pay with some applications being delayed by up to seven weeks.
- 4.3** LCC have allocated £860,000 to Wyre from the latest round of Household Support Fund (HSF4) to distribute to those most severely impacted by the cost of living crisis. Amongst other things, the guidance for this round of funding recommends that payments are made to those residents who are struggling with the cost of living increases, but do not claim social benefits. With this in mind an online application will be launched on the council website from the beginning of July and single

parents and households with dependent children, but not claiming any social benefits other than child benefit will be invited to apply for a HSF payment. They will be eligible for a payment providing that their gross household income is less than £50,000 and they hold less than £20,000 in savings.

- 4.4** Wyre residents in receipt of Localised Council Tax Support and other social benefits have already received multiple payments from previous HSF rounds and many are receiving additional support of up to £1,350 from the DWP this year, so have been excluded from applying for a payment from this round of HSF funding. However, it is envisaged that another automated payment, from the remaining balance of Council Tax Support Fund monies awarded to the council in April 2023, will be made to all LCTS claimants in January/February when household energy usage is at its highest and details will be announced nearer the time.
- 4.5** HSF payments totalling £31,000 will be made at the beginning of December to four foodbanks operating in Wyre, with the same amount being allocated to these foodbanks again in February 2024. Additionally, a further payment of £10,000 to help with the cost of their energy bills will be made available to the Fylde Coast Women's Aid domestic violence charity operating in Wyre.

5. Comments and questions

- 5.1** In accordance with procedure rule 11.3 any member of Council will be able to ask me a question or make a comment on the contents of my report or on any issue, which falls within my area of responsibility. I will respond to any such questions or comments in accordance with Procedure Rule 11.5.