



| Report of: | Meeting | Date |
|---|---------|-----------------|
| Councillor Lesley McKay, Resources Portfolio Holder and Clare James, Corporate Director Resources (s.151 Officer) | Cabinet | 10 January 2024 |

Cost Profiles – Benchmarking Results 2023/24

Key decision: No

1. Purpose of report

- 1.1 To consider the findings of the 2023/24 benchmarking study, a key element used to demonstrate that the council has proper arrangements in place for securing value for money.

2. Corporate priorities

- 2.1 The demonstration of value for money and an understanding of how well the council's overall service costs compare with others ultimately leading to better value for money services for local people.

3. Recommendations

- 3.1 That the Cabinet considers the benchmarking information attached and uses the findings to influence future service reviews.
- 3.2 That the information be shared with the Overview and Scrutiny Committee to support the development of their work programme.

4. Background

- 4.1 The council's external auditors have a statutory responsibility, as set out in the National Audit Office's (NAO) Code of Audit Practice 2020, to give a value for money (VFM) commentary each year as part of their audit of the financial statements. Essentially, the VFM commentary considers whether the authority "has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources".

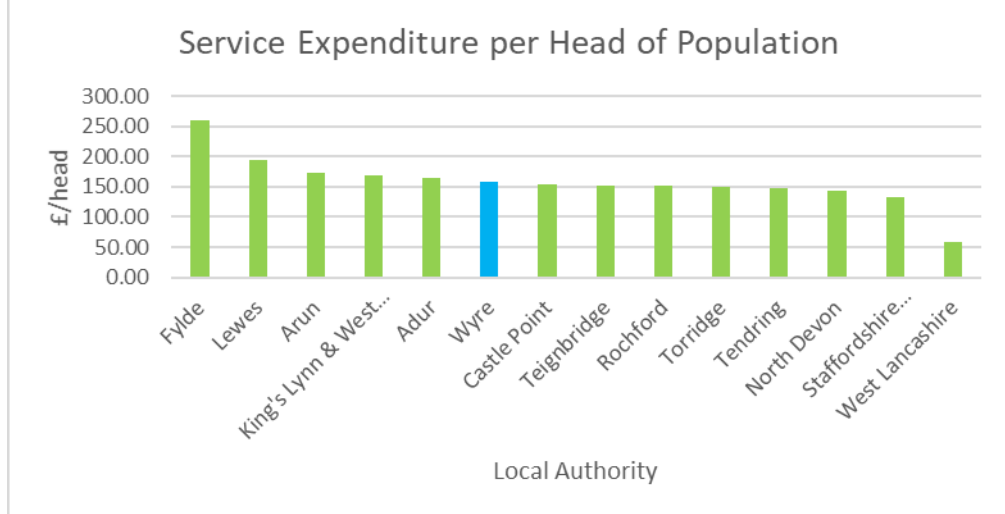
- 4.2** The external auditors follow a risk based approach to target audit effort on the areas of greatest audit risk. They consider the arrangements put in place by the authority to mitigate these risks and plan their work accordingly. No significant risks were identified in relation to the most recent VFM conclusion for the year ending 31 March 2019. They concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. However, following the pandemic, all other audits have been delayed (2020/21, 2021/22 and 2022/23) owing to national resourcing pressures. No issues have been raised by the External Auditor on the 2020/21 accounts which are soon to be signed off at the time of writing this report.
- 4.3** In the past, Overview and Scrutiny Committee have used the results of the benchmarking study to inform value for money reviews as part of their annual work programme. It was not deemed sensible to benchmark pandemic years and so this report marks a return to the pre-pandemic process previously followed.
- 4.4** The contents of this report have been based upon the 2023/24 Original Budget. However, it is acknowledged that these estimates will not now reflect the outturn position in many areas owing to the changing nature of the council's operating activities and the impact of inflation throughout the course of the year.

5. Key issues and proposals

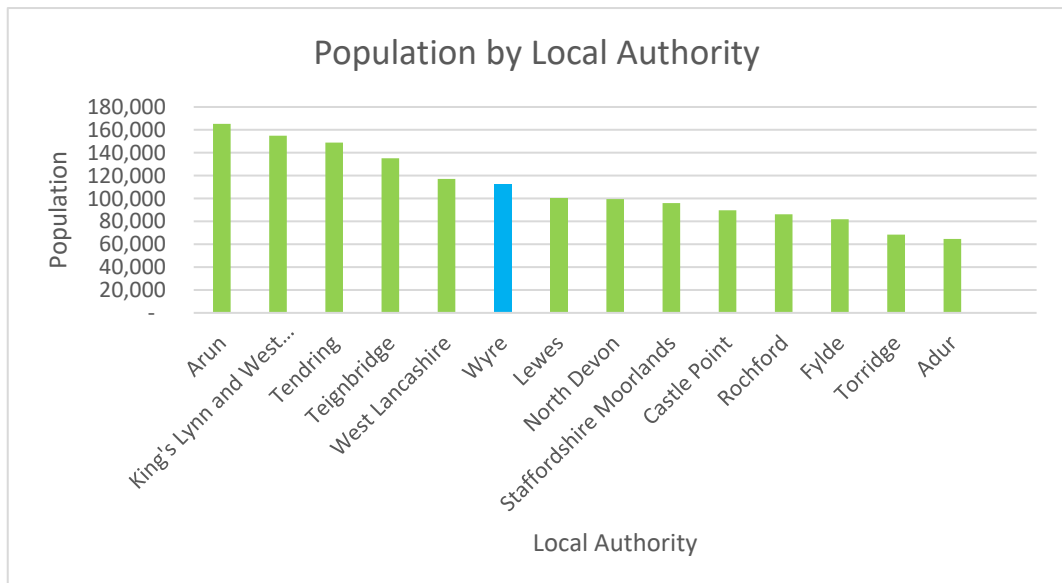
- 5.1** Statistics published by the Department for Levelling Up, Housing Communities (DLUHC) have been analysed. These statistics allow us to analyse the money that councils plan to spend on their services each year. To put the spending into context, the information is expressed relative to a number of different denominators with the main one being the council's population.
- 5.2** Comparisons are based on the 'Nearest Neighbour Group' in alignment with those used in CIPFA's Resilience Index. This is the most recent freely accessible family group available and as such this report concentrates on comparing our costs to those local authorities (16 including Wyre that are considered to have similar characteristics, demographics, etc.). However data is unavailable for Scarborough and Sedgemoor as these lower tier authorities are now no longer in existence. They are now part of larger unitary councils and have therefore been excluded from the Nearest Neighbour Group for the purposes of this report.
- 5.3** It is important to state that distinctive features of planned spending are not by themselves either right or wrong and circumstances can vary significantly even between nearest neighbour authorities, with the following questions being raised:
- Is the difference in the council's spending associated with differences in the level of service it provides?

- Is the council's spending consistent with that of other council's providing services in a similar way or quality?
- Has the council's spending changed compared to others in the last three years?
- Is the scale of the service large enough to justify making distinctions between councils?

5.4 The council's budgeted total expenditure per head of population for 2023/24 is £159.28 and this places us as the 6th highest spender in the group (compared to 7th lowest in 2022/23 at £139.17 per head of population).



5.5 The population information used in the report is taken from the mid-year estimates of population published by the Office of National Statistics (ONS). Our spending plan for 2023/24 uses the ONS's June 2021 population estimate of 112,457 which places us as the 6th largest authority out of the 14 in the group.



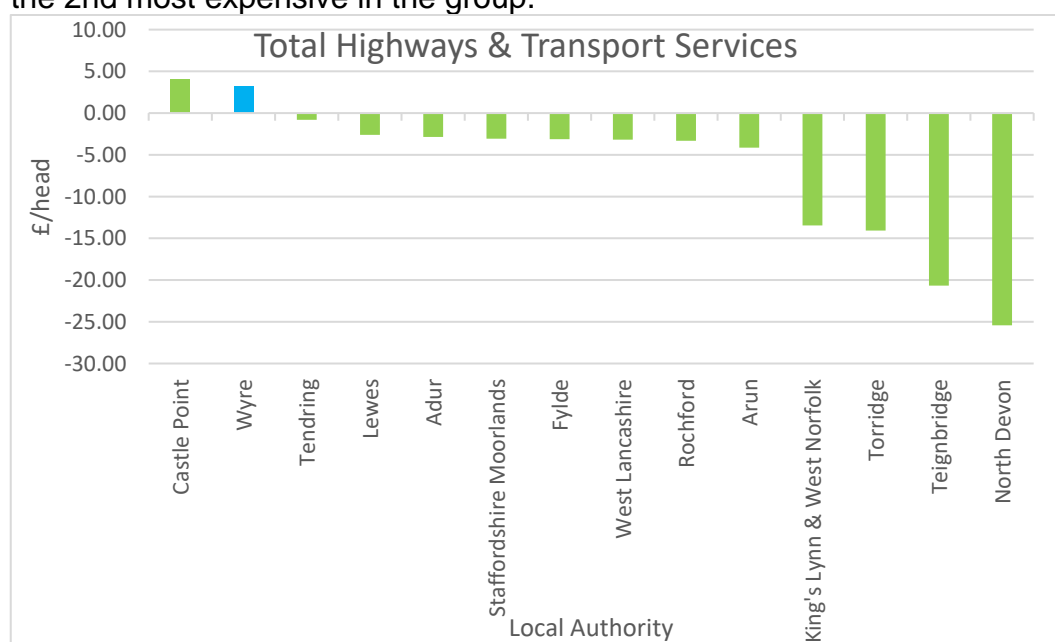
5.6 The total expenditure cost of £158.28 per head of population is made up as follows (figures in brackets show the 2022/23 equivalent):

| | £ | % | % |
|---------------------------------------|---------------|------------|--------------|
| Highways and Transport Services | 3.25 | 2 | (2) |
| Housing Services | 10.93 | 7 | (6) |
| Cultural and Related Services | 36.26 | 23 | (24) |
| Environmental and Regulatory Services | 53.87 | 34 | (34) |
| Planning and Development Services | 13.99 | 9 | (7) |
| Central Services | 40.97 | 25 | (27) |
| Total | 159.28 | 100 | (100) |

5.7 The following paragraphs of the report will take each area in turn and summarise any key findings.

5.8 Highways and Transport Services

At Wyre, net expenditure on highways and transport services is £3.25 per head of population, equivalent to just 2% of the total spend per head but is the 2nd most expensive in the group.



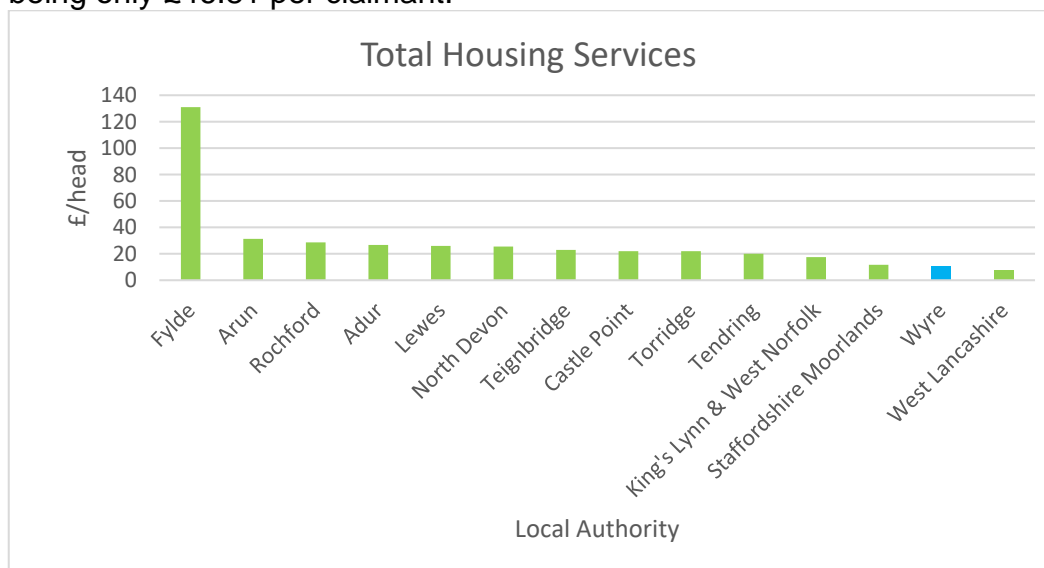
- The net income that we earn from car parking is £0.37 per head of population, the lowest of all the peer group. North Devon is the highest earning authority in the group reporting net income of £25.48 per head with Teignbridge being the next highest earning £20.68 and Fylde reporting earnings of £5.50. If we add back in the rental income for the two car parks now operated by Booths our income rises to £1.87 per head and our ranking moves up one place to 2nd lowest;
- The cost for Public Transport, essentially the Fleetwood to Knott End Ferry, Bus Shelters and the Bus Station at Cleveleys is £1.44 per head, the highest within the group. If the ferry is stripped out, our unit cost becomes £0.54 per head and our position improves

from 10th to 8th overall with four group members declaring a nil spend;

- Highways maintenance net costs, including support for the LCC public realm/agency agreement and non-agency roads, are £1.91 per head of population, the 3rd highest spend, with 9 authorities declaring a nil spend. This includes maintenance of roundabouts, shrub beds and other features installed on highway land owned by Wyre as well as the maintenance of adopted highways following the housing stock transfer;
- Transport Planning, Policy and Strategy encompasses support service recharges totalling £5,000 only and is not an easily cashable saving;
- Of the seven authorities declaring expenditure against Street Lighting, Wyre is ranked middle of the group at £0.23 per head. Tendring at £0.13 per head is the best performer within the group. This reflects the transfer of Street Lighting to Lancashire County Council (LCC) a number of years ago leaving a modest budget mainly for festive lighting.

5.9 Housing Services

Wyre is the 2nd lowest spender with expenditure on Housing Services of £10.93, 7% of the spending. Administration of housing benefit at £118.40 per Housing Benefit claimant (3,767) places us 12th in the group prior to the receipt of government grant, with the true cost to the council after grant being only £46.81 per claimant.



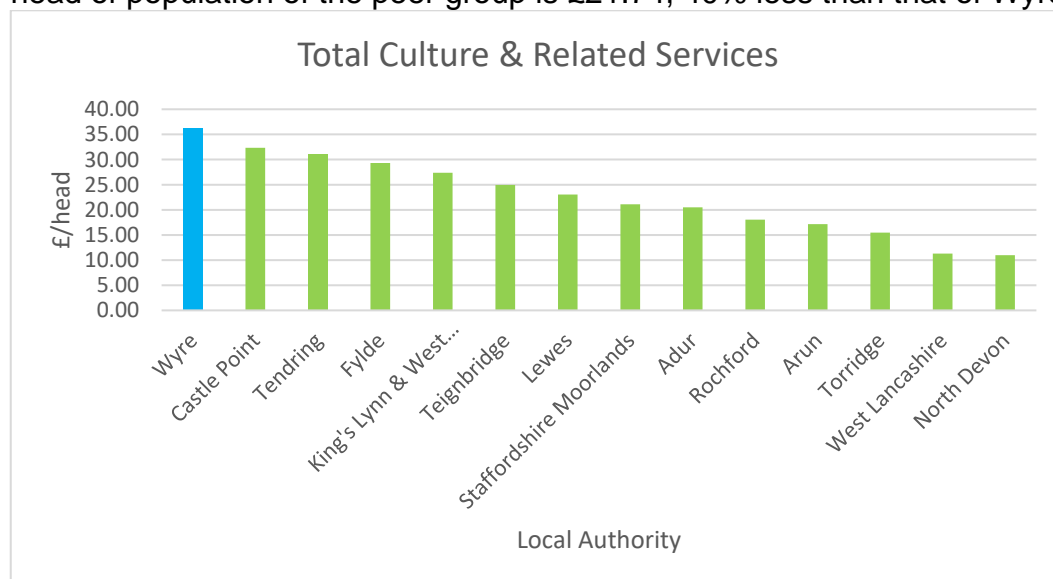
The cost per household owed a 'homelessness relief or prevention duty' is £1,309 per case placing us as the 4th lowest spending authority in the group. The worst performing member of the group is Adur at £10,171 per case of homelessness relief or prevention.

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- Discretionary rent rebates and rent allowances, where we voluntarily disregard war disablement and war widows' pensions, at £8.23 per Housing Benefit claimant place us as the 3rd lowest spender. It should be remembered, however, that much of this cost is met by the government in the form of housing subsidy. The real cost to the council for local housing benefit schemes in 2023/24 is expected to be £2.06 per Housing Benefit claimant;
- Only Fylde, King's Lynn & West Norfolk and Lewes, in addition to Wyre have categorised expenditure as 'supporting people' costs, with Wyre, reflecting its Care and Repair and Handy Persons Scheme, being the highest spender at £1.50 per head. Without the current external funding to run their service, the unit cost would rise to £2.13. The contributions from the council and Blackpool, Fylde & Wyre Clinical Commissioning Group has enabled the service to continue for this financial year. The scheme is now ongoing on the understanding that Wyre's subsidy level does not run above £40,000 (prior year £73,400, but this was offset by a transfer from the Homelessness Reserve and in 2021/22 the contribution was £28,900).

5.10 Cultural and Related Services

This includes culture and heritage, recreation and sport, open spaces and tourism. Wyre is ranked as the highest with a cost of £36.26 per head of population, 23% of the spending. Excluding Wyre, the average spend per head of population of the peer group is £21.74, 40% less than that of Wyre.



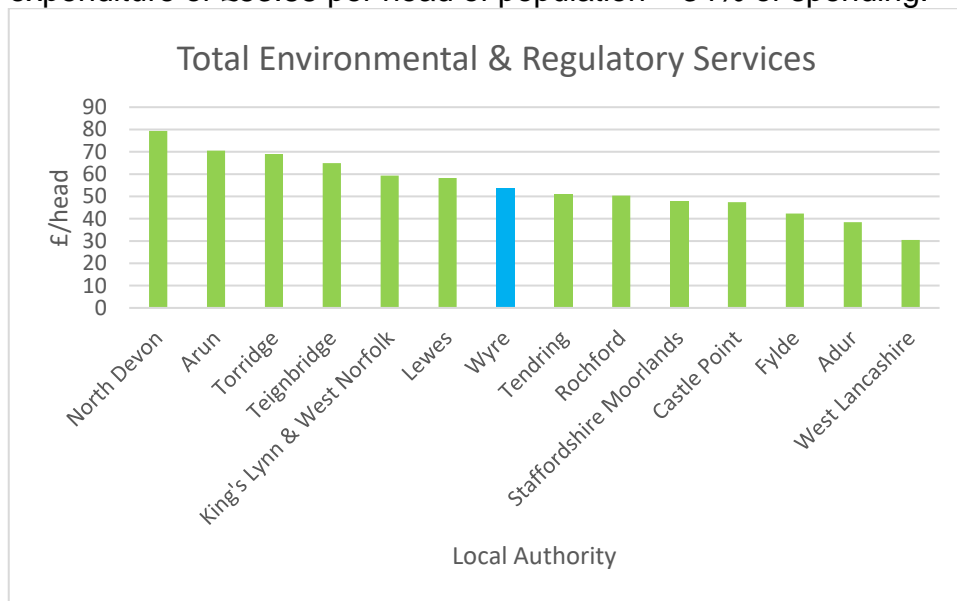
- Culture and heritage costs, incorporating the Marine Hall, Thornton Little Theatre, Marsh Mill, the Wyre Volunteers and Arts Development/Promotion, are the highest spend in the family group at £6.96;
- Recreation and Sport costs of £10.76 per head results in Wyre being the 5th highest spender within the group;
- Parks and open spaces costs which include Wyre Estuary Country Park, Rossall Point and the Allotments show us to be the 5th highest spender based on local authority area at £59.52. Lewes

and Tendring have comparable local authority areas in size and their unit costs are £36.38 and £44.46 respectively (both mid-table). Also included here is the impact of areas that relate to the transfer of housing stock although this is not thought to be a significant factor following a high level review. It should also be noted that within the Nearest Neighbour group, some local authorities have devolved responsibility to parish and town councils for unadopted assets. Fylde BC is one such example in respect of some of its parks;

- Tourism costs of £1.14 place us as the 5th highest spender with Lewes at £5.42 the highest spender within the group.

5.11 Environmental and Regulatory Services

The cost profiles show Wyre to be mid-range within in the group with expenditure of £53.88 per head of population – 34% of spending.



- Owing to the difficulty in accurately identifying contractor and client costs for the different waste streams, these two service areas have been combined. When Waste Collection, Waste Disposal and Recycling are combined our total spend of £20.51 is the 4th lowest in the family group;
- Of the fourteen authorities within the group declaring expenditure, Wyre's Cemetery, Cremation and Mortuary Services spend at £0.20 per head is 7th highest (Cemeteries only in Wyre). The top performing authority is Fylde with net income of £8.73 per head (Fylde operate a crematorium unlike Wyre);
- Regulatory Services spend is £11.63, meaning that Wyre ranks as the 4th lowest spender per head of population within the Nearest Neighbour Group. West Lancashire, at £7.55, is the best performing Local Authority within the group;
- Wyre's Community Safety (includes CCTV) unit rate per head is £2.58, making it the 7th highest spender within the family group out of the thirteen authorities declaring expenditure. The top ranked Local Authority is Lewes at £0.03;

- Wyre is the 3rd highest spender for Other Environmental and Regulatory Services which includes Trade Waste (not applicable to Wyre), Coast Protection, Flooding and Land Drainage at £6.12 per head of population. With King's Lynn & West Norfolk spending the most at £18.98 per head of population and Adur generating a surplus of £4.05 (this is historically owing to their trade waste collection service). In this category, Wyre's highest area of spend is in relation to sea defences (56%);
- With Street Cleansing expenditure at £12.63 per head of daytime population for Wyre, this results in a ranking of 5th highest spending Local Authority within the group. The top performing authority is West Lancashire with net income of £0.05 per head.

5.12 Planning and Development Services

Wyre is the 4th lowest spender on planning and development services within its family group at £13.99 per head – 9% of spending – primarily due to the income from the council's property portfolio.

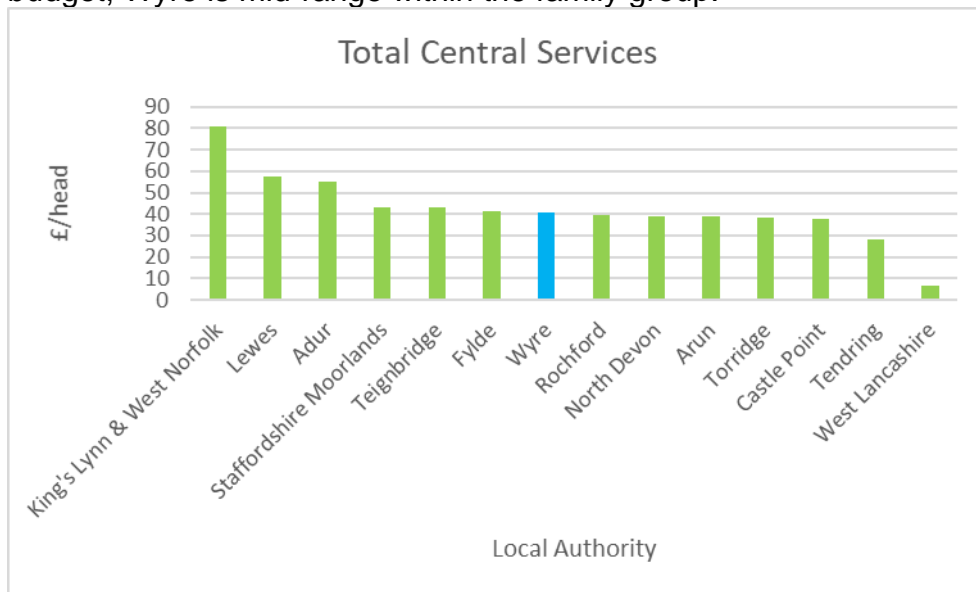


- Of the thirteen authorities reporting spend against Economic Research and Economic Development, Wyre has a net cost per head of £0.44, making it the 3rd top ranking authority. However, this includes investment income of circa £416,850 which, when stripped out, results in a cost per head of £4.13, significantly impacting Wyre's ranking to the 5th most costly authority.
- In terms of Building Control, Wyre's cost per planning decision is 7th highest within the group at £199. The best ranked authority, Teignbridge, reported a net income of -£67 per planning decision;
- Wyre is ranked as the 6th best performer within its family group in terms of its Development Control cost per decision at £754 with West Lancashire reporting a net income of -£63 per decision;
- In terms of Planning Policy, Wyre's spend of £5.53 per head makes it the 4th highest ranked spending authority within the family group, with King's Lynn and West Norfolk the lowest ranking out of those that reported a spend at £0.80 cost per head

- Of the eleven authorities reporting spend on Community Development, Wyre is ranked as the 3rd best performer at £0.87 per head.
- Business Support includes Business Support and Wyred-Up at £23.87 per number of active enterprises in Wyre (4,105). This reveals Wyre to be the 3rd highest spender of 7 authorities who report expenditure, with 4 authorities reporting net income including North Devon, the highest at -£103 per business.

Central Services

5.13 With expenditure of £40.97 for Central Services, approximately 25% of the budget, Wyre is mid-range within the family group.



- Of the thirteen declaring expenditure against Corporate and Democratic Core, Wyre is the 4th highest spending authority in the group at £22.94 per head. West Lancashire at £1.01 per head is the best performer within the group.
- Local Tax Collection, measured per taxable property within an authority, costs £21.91 for Wyre which is 5th highest within the Nearest Neighbour Group. West Lancashire was the best performing authority at £5.82 per taxable property;
- Wyre's Emergency Planning unit rate is £1.28 per head which places us as the highest spending authority within our family group. The lowest unit rate was £0.23 for Teignbridge;
- Other Central Services, essentially Electoral Registration, Elections, Land Charges and Grant Support costs £4.43 per head of population which places Wyre as the 6th lowest spending authority per head within the family group;
- Non-Distributed Costs retirement benefits - relates to costs associated with past service, settlements and curtailments i.e. anything other than current service pension costs - of £1.64 per head place Wyre as the 5th best performing local authority out 13 authorities who reported costs within the group. The top ranked authority is West Lancashire with net income of -£1.26 per head.

Summary

5.14 Based on the above analysis and applying knowledge of Wyre's unique circumstances, a number of areas have been identified as potentially underperforming relative to our peers within the Nearest Neighbour Group.

Update on 2022/23

5.14.1 Culture and Related Services, in comparison to our peer group, Wyre has the highest spend per head of population (£6.93 in 2023/24 up from £6.11 per head in 2022/23) for both 2022/23 and 2023/24, with 2023/24 projecting increased net spend of circa £350,000. Owing to rising energy prices and the increase to the National Living Wage, our leisure centre operator endured another challenging year and the YMCA's 2022/23 outturn position was slightly higher than the subsidy agreed at the start of the year (£347,500) at £354,184, which is itself significantly higher than pre-pandemic levels. The theatres have again underperformed and this has been recognised as a strategic issue with a separate workstream having already commenced to review the commercial future of both Marine Hall and Thornton Little Theatre and a strategic review is currently being undertaken to determine the future direction of both assets. Within this category, tourism costs, are £1.14 per head, placing Wyre as 5th highest spender within the group. It is pleasing to report that costs have reduced following the relocation of Garstang Tourist Information Centre. However, as a new Tourism and Visitor Economy Strategy forms part of the Council Plan's strategic focus going forward, it could prove beneficial to link in with other high performing family group members to see if any lessons can be learned.

5.14.2 Parking Services income, at £0.37 per head of population, ranks Wyre as the lowest performer within our family group in 2023/24. This represents a significant deterioration against our equivalent figure from 2022/23 of £0.74 net income. However, this reflects the cyclical nature of the Resident Parking Permit scheme, together with increased utility and support service costs. The new Residents Parking Permit scheme went live from 1 April 2020 and is still proving popular. With regard to 2023/24 outturn, the council has achieved circa £375,000 pay and display income to date, around £30,000 more compared to the equivalent 2022/23 period.

5.14.3 Homelessness expenditure, measured per household owed a relief or prevention duty, compares favourably with members of the nearest neighbour group, at £1,309 per household in Wyre. This represents an increase in cost per incidence from 2022/23 when the unit rate was £867 (using same household numbers). Homelessness has received a significant amount of national attention and external funding in recent years. Our expenditure remains relatively high across this area though, due in part to the ongoing Cost of Living Crisis which is seeing more demand for this

service. It should also be noted for other housing services, including housing benefit administration and Supporting People, whilst our position within the family group has remained stable, net costs have increased. It is recommended that further work is done to understand our level of costs compared to our nearest neighbours.

5.14.4 Economic Development expenditure, at £4.13 per head of population (adjusted for investment income), ranks Wyre the 5th worst performer within the family group. Within this category is Fleetwood Market and Market House Studios which have seen increased budgeted net costs of £76,000 which mainly reflect increased utility and staffing costs. However, significant changes are expected at Revised Estimates that will worsen this position owing to the delays to the major capital scheme. This has resulted in increased disruption and rent reductions for traders. It is recommended that utility costs are reviewed once the building improvements have been completed and an assessment of the subsidy at the studios is carried out to support a more commercially viable service.

5.15 Further Work

The scrutiny programme for the current year always includes a review of income from charging and this report compliments that focus. The findings outlined here will hopefully springboard further discussions with family group member councils in key areas of focus such as sport and recreation and culture and heritage.

6. Alternative options considered and rejected

6.1 Alternative family group approaches such as the LGA were considered and rejected. All identified are very similar and it is consistent to continue to use the CIPFA approach for now. This report represents a high level assessment and a more in depth analysis on key areas is recommended to reap further benefits.

| Financial, Legal and Climate Change implications | |
|---|---|
| Finance | There are no costs arising directly from this report. The Council’s Medium Term Financial Plan identifies the need to secure efficiency savings in future years. The delivery of value for money services will not only assist with our financial planning but will also aid the prioritisation of resources. The new Council Plan has identified a fourth strand around being Innovative and Customer focused, reflecting the move towards more evidence based and data driven decision-making. This report aims to be a starting point for the commencement of further work to undertake a more detailed exploration where deemed useful. |

| | |
|----------------|--|
| Legal | None arising directly from the report. |
| Climate Change | None arising directly from the report. |

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

| risks/implications | ✓ / x |
|------------------------|-------|
| community safety | x |
| equality and diversity | x |
| health and safety | x |

| risks/implications | ✓ / x |
|--------------------|-------|
| asset management | x |
| ICT | x |
| data protection | x |

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

| report author | telephone no. | email | date |
|---------------|---------------|--|------------|
| Penny Jones | 01253 887298 | penny.jones@wyre.gov.uk | 15/12/2023 |

| List of background papers: | | |
|----------------------------|------|--------------------------------|
| name of document | date | where available for inspection |
| None | | |

List of appendices

None