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Blackpool Council

Dear Councillor

EXECUTIVE - MONDAY, 20 FEBRUARY, 2017

Please find attached additional information for the Monday, 20 February, 2017 meeting of the Executive, namely the minutes of the Tourism, Economy and Regeneration Scrutiny Committee meeting with Trade Union representatives and Non-Domestic Rate Payers held on 10 February 2017.

Yours sincerely

Please ask for:

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Agenda Item 2

MINUTES OF TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE MEETING - FRIDAY, 10 FEBRUARY 2017

Present:

Councillor Hunter (in the Chair)

Councillors

Mrs Callow JP	Galley	Ryan
G Coleman	Mitchell	

In Attendance:

Mr Michael Williams, Chairman, Blackpool Improvement District Board

Ms Julia Orry, Mr Neil Adams, Mr James Rupa and Mr Dave Dickinson, Unison
Mr Kevin Jarman and Mr Allan Small, Unite

Councillor Gillian Campbell, Deputy Leader of the Council

Mr Neil Jack, Chief Executive

Mr Steve Thompson, Director of Resources

Mr John Blackledge, Director of Community and Environmental Services

Mr Alan Cavill, Director of Place

Dr Arif Rajpura, Director of Public Health

Mrs Lorraine Hurst, Head of Democratic Governance

Mr Phil Redmond, Chief Accountant

Mr Mark Golden, Finance Manager

Mr Steve Maher, Finance Manager

Mr Chris Kelly, Acting Scrutiny Manager

1 DECLARATIONS OF INTEREST

Councillor Galley declared a personal interest with regard to item 2 'General Fund Revenue Budget 2016/2017', the nature of the interest being that he was a Board Member of Blackpool Transport Company and Blackpool Entertainments Company Limited.

Councillor G. Coleman declared a personal interest with regard to item 2 'General Fund Revenue Budget 2016/2017', the nature of the interest being that he was a Board Member of Blackpool Entertainments Company Limited.

Should issues relating to the financial interests of either company be debated during the meeting, Members noted that their interests would become prejudicial and that they would therefore leave the room for the duration of the debate on that issue.

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2 GENERAL FUND REVENUE BUDGET 2017/2018 CONSULTATION WITH NON DOMESTIC RATE PAYERS AND TRADE UNION REPRESENTATIVES

Mr Thompson, Director of Resources, presented a summary of the General Fund Revenue Budget 2017/2018. He provided the context for the budget setting process, explaining that the six year Medium Term Financial Sustainability Strategy had been approved by the Executive in September 2016. He reported that the key driver for the Strategy had been to set out the efficiency plan for the next four years and to receive a four year settlement offer from Central Government.

The Committee was advised by Mr Thompson that local government was now six and a half years into a period of public sector austerity and the impact upon jobs in Blackpool had been that there were now fewer members of staff than there had been at the start of the millennium despite the Council now providing more services.

Mr Thompson advised that the Council was required to make £18.7 million of savings in 2017/2018 and in order to do so, a savings programme constituting seven thematic workstreams had been developed, which included:

- Technical savings
- Income generation and management
- Procurement and commissioning
- Demand management
- Transformational efficiency measures
- Structural reform
- Service reductions and cuts

Mr Thompson advised that the Chartered Institute for Public Finance and Accountancy (CIPFA) had considered the Medium Term Financial Sustainability Strategy and had reported that the Council had a positive approach to its financial management and determination to protect services, including those services that worked towards developing the local economy. The report also highlighted the risks in the Strategy, which included ongoing overspend costs in Children's Services, not fully achieving the growth and prosperity agenda, and increasing the Business Loans Fund from £10 million to £100 million.

Mr Thompson reported that the Final Local Government Finance Settlement for 2017/2018 was not due to be announced until 22 February 2017. He provided the Committee with details of the Provisional Local Government Finance Settlement and of other sources of funding for the Council through various grants, such as the New Homes Bonus Grant, the Adult Social Care Support Grant and the Public Health Grant.

The Committee was advised of the projected revenue outturn for 2016/2017 and noted the huge budgetary pressures in Children's Services. It was considered that the costs would not be sustainable in the event of numbers of Looked After Children continuing to rise. However, the Committee was advised that the investments made in recent years, including the implementation of the Better Start and Head Start programmes, would result in a reduction in the numbers of Looked After Children.

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Members were provided with details of the budget gap for the next financial year and Mr Thompson explained that he considered that it would be the last year of having to achieve very difficult savings targets. It was noted that there would be a requirement for some job losses but that it was expected that most staff cuts would be met voluntarily.

Mr Thompson advised the Committee of the Capital Programme for 2017/2018 and provided details of the working balances. He considered that £6 million remained an appropriate level of general working balances to cover the scale of the gross revenue budget and associated financial risks. Members were advised that working balances were forecast to reduce by £3 million for the current financial year, but that would be undertaken to analyse which earmarked reserves would be most appropriate to instead utilise for working balances to bring the level up to £6 million.

Following the presentation of the General Fund Revenue Budget by Mr Thompson, the Chairman invited questions and comments from Non Domestic Rate Payers. Mr Michael Williams, Chairman Blackpool Business Improvement District, raised questions relating to the CCTV service and street cleaning in the town centre. Mr Jack, Chief Executive advised that the Council was committed to maintaining and improving the CCTV service in the town centre and explained that discussions were ongoing with the Police and neighbouring local authorities to ensure a more efficient and extensive service across the whole of the Lancashire Constabulary's Western Division, which would help to protect the ongoing running of the service into the future.

Mr Blackledge, Director of Community and Environmental Services advised that the savings in Waste Services related to domestic waste collection rather than town centre street cleansing. He added that in relation to the street cleansing team, whilst staffing had reduced in recent years, there had been significant investment in the service, for example the machinery used. He also noted that there were not expected to be staffing cuts in the street cleansing in the next few years.

The Chairman invited questions and comments from Trade Union representatives. Representatives from Unison raised questions relating to the risks associated with increasing the Business Loans Fund. Mr Thompson advised that increasing the amount of the fund would build upon the successes already achieved from the Business Loans Fund at its current level and help to stimulate the local economy further, which would subsequently deliver a revenue return for the Council. He assured the Committee that interest rates on the terms of any loan would be dependent on the level of risk posed by the particular organisation seeking investment. However, it was noted that there would always be an element of risk inherent in loaning to businesses as there was always a possibility that some would fail.

Unison representatives raised questions relating to the overspend in Children's Services and Mr Jack provided an update on the recruitment arrangements for the position of Director of Children's Services. He advised that that the main reason for the overspend was due to the high costs of placements for the significantly high number of Looked After Children, which was considered to be an issue felt by local authorities nationally. He advised the Committee of the plans to address the issues of the high costs of placements, providing Members with details of the short term 'crash pad' facility and the Better Start and Head Start initiatives.

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Further questions were raised by Unison in relation to proposed savings to the costs of overtime. Mr Thompson explained that there was a preference to have more substantive posts rather than having to pay the high costs associated with premium overtime.

Questions were raised with regards to improving the employee attendance and Mr Jack advised that sickness levels were currently unacceptably high and not sustainable. He explained that the current sickness levels had the effect of creating a vicious circle resulting in unnecessary stress being placed upon those staff members having to cover work for absent colleagues. He advised that the savings proposals were based upon managers being compassionate where necessary but ensuring consistent application of the sickness absence policies across the organisation. Unison members felt more could be done by the organisation with regards to implementing flexible working patterns on a temporary basis, for example if they needed to assist with temporary care arrangements of a dependent. Mr Jack advised that such arrangements could be considered further but that individual services were required to manage their own demands.

Unison raised further questions relating to the establishment of Council owned companies and whether that would result in amendments to the terms and conditions of staff being transferred. Mr Jack explained that TUPE transfers protected workers' terms and conditions and also that it did not follow that the terms and conditions would deteriorate for those staff members and that the terms and conditions of the staff in the already existing Council owned companies had improved as a result of the Council's involvement with the company.

Union representatives requested whether consideration could be given for future years to ending the unpaid leave scheme, as it was considered that many staff members felt under pressure to accept five days unpaid leave. Mr Jack explained that the scheme was voluntary and was considered to be the least worst option as the savings were required to be made. He noted that if the unpaid leave scheme did not operate, the savings would need to be found elsewhere, which would most likely lead to additional job cuts instead.

The Chairman invited comments and questions from the Committee and Members noted that the cumulative impact of funding cuts to the local authority over the past seven years amounted to over £1 billion.

The Committee agreed to forward the comments made in the consultation meetings by the Non-Domestic Rate Payers and Trade Union representatives, together with the draft minutes from this meeting to the Executive for consideration.

Chairman

(The meeting ended at 11.25 am)

Any queries regarding these minutes, please contact:
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