

# Public Document Pack

## Blackpool Council

13 November 2015

To: Councillors Blackburn, Cain, Campbell, Collett, Jackson, Jones, Kirkland, Smith, I Taylor and Mrs Wright

The above members are requested to attend the:

### EXECUTIVE

Monday, 23 November 2015 at 6.00 pm  
in Committee Room A, Town Hall, Blackpool

### A G E N D A

#### 1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 COUNCIL BUDGET 2016/17 CONSULTATION PROCESS (Pages 1 - 12)

3 FINANCIAL PERFORMANCE MONITORING AS AT MONTH 6 2015/16 (Pages 13 - 16)

#### Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

#### Other information:

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail [lennox.beattie@blackpool.gov.uk](mailto:lennox.beattie@blackpool.gov.uk)

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Carmel McKeogh, Deputy Chief Executive
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	23rd November 2015

## COUNCIL BUDGET 2016/17 CONSULTATION PROCESS

### 1.0 Purpose of the report:

- 1.1 For the Executive to approve the terms of the consultation process with respect to service changes to be proposed in the Council's 2016/17 budget.

### 2.0 Recommendation(s):

- 2.1 To approve the outline service changes detailed as the basis on which the consultation and equality analyses will be undertaken with affected parties.
- 2.2 To approve the use of an Enhanced Voluntary Redundancy payment incentive at a level of £3,000 (pro-rata for part time employees) and delegate the decision for determining the length of period for which this is to be offered to the Deputy Chief Executive, subject to a published officer decision, following consultation with the Leader of the Council.

### 3.0 Reasons for recommendation(s):

- 3.1 The Council continues to deal with the effects of substantial reductions in government funding, with cuts to services being unavoidable in achieving a balanced budget. The calculation of the outline savings detailed in this report is based on an estimate of the amount of government revenue funding due to the Council. As the Local Government Provisional Settlement is not due to be announced until December with the Final Settlement to follow, the precise level of savings required is not yet known.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None, there is no legal alternative to the Council setting a balanced budget, and in so doing it is appropriate to consult with staff and residents on how this can be achieved.

4.0 **Council Priority:**

4.1 The budget consultation process is relevant to both of the new Council priorities approved by Executive on 2<sup>nd</sup> November 2015, and due to be considered by Council on 25<sup>th</sup> November 2015.

5.0 **Background information**

5.1 The last four and a half years have seen significant cuts in public expenditure, with local government bearing the weight of austerity measures aimed at addressing the size of the deficit between government spending and borrowing. Blackpool residents have been amongst the hardest hit, with the Council having an estimated £261.52 less to spend on services for every single resident in the borough between 2011/12 and 2015/16, well above the North West average. Within this context, and given the reduced scope for efficiency savings as austerity measures continue, the redesign, reduction and cessation of key Council services is inevitable.

5.2 It is a legal requirement for the Council to set a balanced budget, with the Council's Medium Term Financial Strategy (MTFS) 2015/16 to 2017/18 setting out the basis on which the Council plans to achieve this. The Medium Term Financial Strategy estimates that the Council will need to make savings of £58m over this three year period, of which £20m needs to be made in the 2016/17 financial year.

5.3 The £20m is made up as follows:

Item	£m
Reduction in Revenue Support Grant and Business Rates	3.0
Pay awards, increments, employer's National Insurance, pensions, adoption of national living wage (NLW)	3.5
Non-pay inflation (1.2%) including adoption of NLW	5.3
Service developments and pressures, including demographic changes and increases in demand	5.5
In-year overspends in Children's and Adults departments	2.7
<b>Total</b>	<b>20.0</b>

The following key assumptions have been made:

- Pay award of 1.0% on average;
- Payment of annual increments;
- The continuation of voluntary unpaid leave of 5 days per full time equivalent

on average;

- Non-pay inflation funded at 1.2% on average plus the impact of implementing the national living wage.

5.4 The Council has identified Children Centres and Surestart centres as protected areas, supported by additional services added through the Better Start project. There is also a proposal to create a new Adolescent Hub allowing young people to access a number of services through one point of contact. Other protected areas include street cleansing and school crossing patrols, whilst library provision across the borough will be maintained through a review of working hours.

5.5 The Council is proposing to consult on meeting £9m of savings through funding reductions to services. Savings proposals involve the cessation of services or contracts, reductions to budgets and services, increasing fees and charges, more efficient working practices and raising more funding from external sources. The proposal is to make these across Council departments as follows:

- **Adult Services** - a general budget reduction, reduction of the volunteer's service, ceasing and negotiating contracts with external providers, and increasing fees and charges
- **Places** - bringing archived collections back to Blackpool from Lancashire County Council; increasing external funding to the visitor economy budget; and increasing parking revenue through a review of the current provision
- **Children's Services** - increased flexibility in the transport arrangements for children with special educational needs, a reduction of the children's social care contact team, undertaking a review of Council-run children's homes, and a review of the residential respite care provided to children with disabilities at Hornby Road
- **Community and Environmental Services** - contractual savings in the streetlight and public convenience contracts, cessation of the green waste collection service, increased income from the commercial waste service, a review of the school breakfast scheme, plus operational efficiencies in Public Protection, Highways and Road Safety and Parks which will result in staffing reductions
- **Other services** will all deliver staffing efficiencies and increased income targets, with increases in fees and charges wherever feasible.

Further detail is included at Appendix 2a.

5.6 The remainder of the £11m savings will not be made through cuts to services. Instead, they are proposed to be achieved through commercial land and property development, treasury management, negotiating with suppliers, New Homes Bonus, and a review of Council Tax and its premiums and discounts.

5.7 Having formulated a proposal with respect to the impact of savings on services in the 2016/17 budget, the next stage is to proceed to formal consultation on the proposals with relevant parties.

5.8 Does the information submitted include any exempt information? No

### 5.9 **List of appendices**

**Appendix 2a:** List of service proposals

### 6.0 **Legal considerations:**

6.1 Approval of this report will commence a consultation process on service proposals with residents and Trade Unions. The Council is required to and will consider the views offered and to consciously take them into account throughout further meetings and discussions on the proposals.

6.2 Legal advice has been taken regarding the proposal on Enhanced Voluntary Redundancy (see section 7.3) and the Council is able to offer this incentive for a limited period without breaching any employment law.

### 7.0 **Human Resources considerations:**

7.1 It will not be possible to find the necessary savings without reducing staffing costs, and as a result some services will reduce, cease or change.

7.2 More employees have been placed at risk than will receive a formal notice of redundancy. It is not possible to know for certain at this stage how many posts and people will be ultimately impacted, but it is anticipated that there will be 200 redundancies plus a further 50 employees in temporary contracts which will come to an end.

#### 7.3 *Mitigation for compulsory redundancies*

Services are being encouraged to take opportunities to mitigate redundancies. Measures include a review of temporary contracts and agency staff, asking employees to reapply for voluntary unpaid leave, and encouraging people to put forward requests for early retirement or voluntary redundancy.

Over the last 2 years the Council has offered an Enhanced Voluntary Redundancy payment (EVR) to “at risk” staff which has helped to keep the number of compulsory redundancies to a minimum. The EVR package offered last year was an additional payment of £3,000 (pro rata for part time employees) and in order for it to be financially viable employees had to meet the following criteria:

- Minimum 2 years’ continuous service
- No pension or an annual pension of £3,000 or less (pro rata for part time employees)
- Agreement to a lesser notice period should this be required

It is recommended that Executive approves the same enhanced voluntary redundancy offer for 2016/2017.

#### 7.4 *Support for employees*

The Council recognises that employees in this situation need as much help and support as possible. A dedicated Employment Adviser within Blackpool Council’s Positive Steps into Work Team will offer group sessions to fully explain the range of services available to employees and will coordinate referrals into the National Careers Service (NCS) for the following:

- **Skills Health Check:** The NCS offers a web-based tool to help staff better understand their own skills, identifying transferable skills and abilities and work objectives
- **Information on New Career Options:** Help to source information on training or qualifications needed for specific career choices
- **Entitlement Checker:** Verifying eligibility for public funding to use towards training costs
- **CV Building:** Advice on how to tailor your CV towards certain sectors using a bespoke web tool
- **Mock Interviews:** Help to prepare staff for formal interview scenarios including formulating answers to commonly asked interview questions, and suggested questions to ask employers
- **Lifelong Learning Account Guidance:** Introduction to the Lifelong Learning Account offered on the National Careers Service website which keeps a record of Skills Health Check reports and CV’s built using the NCS tool
- **Professional Networking:** Introducing staff to the benefits of using social media to search for jobs e.g. LinkedIn

In addition employees will be offered access to the following:

- **Get Started (Self Employment Advice):** Support from within the Council to turn business ideas into reality
- **The Money Advice Service:** Impartial, confidential support with financial issues

such as mortgages, pensions, debt and savings advice

- **Jobcentre Plus:** Benefit entitlement advice
- **Chance 2 Shine (Work Placements):** A Council-run service delivered by the Positive Steps into Work team which provides a range of structured work placements to enable you to gain valuable new skills and explore different areas of work.

## **8.0 Equalities considerations:**

8.1 The Council has a statutory responsibility under Equality Law, known as the Public Sector Duty, to examine and analyse the impacts on equality issues on any decisions it makes. Furthermore, the Council must have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct, whilst advancing equality of opportunity and fostering good relations between different groups.

8.2 The Council adopts a multi-level approach to equality to assess the possible impact of the current Budget proposals. This is in recognition of the often complex effect on service users, staff, citizens and visitors of these decisions.

8.3 This process involves a number of elements. Key stages undertaken so far include:

- Initial service level assessments of the expected and known impact of service reduction proposals on key equality groups/ protected characteristics;
- Briefings for key decision makers , at both Elected Member (Executive) and Senior Officer levels, on the Public Sector Equality Duty and the implications for decision making;
- Briefing and training for Senior Departmental Equality representatives and HR Advisors to ensure they can support their managers and departments in approaching the Equality Analysis of budget related proposals;
- Detailed advice and guidance on the paperwork for all key decision makers involved in the budgetary decision process.

Concurrently, initial briefings on the likely scope of the overall Budget position have been conducted with the Community-wide equality engagement groups including the town-wide Equalities Forum and the Disability Partnership.

8.4 Once significant equality implications are identified, these will be flagged up to decision makers prior to commissioning a full impact review involving data analysis and consultation with service users and others affected. This will also assess the effect of budget reduction on staff diversity issues, using a benchmark analysis of the current levels of workforce diversity for each of the key equality strands – Race, Gender, Disability, Age, Religion and Belief, and Sexual Orientation.

**9.0 Financial considerations:**

9.1 Section 100 of the Local Government Act 2002 requires Local Authorities to plan each year's revenue at a level sufficient to meet operating expenses and hence achieve a balanced budget.

**10.0 Risk management considerations:**

10.1 The risk is that the demand for services is so great that the Council is unable to meet needs within current financial constraints. This is mitigated by the content of the proposals in this report.

**11.0 Ethical considerations:**

11.1 The process of setting and consulting on the budget, with all the attendant potential impacts on service users, residents and staff, has several ethical implications. Many of these are dealt with in section 8.0.

11.2 The introduction of a budget pre-consultation phase for the first time (see section 12.0) ensures that the Council has adequate intelligence on resident and staff opinions on the budget to better inform our deliberations. However, it is recognised that in upholding some of the Council's ethical principles (for example, the promotion of social justice), the Council may need to communicate the reasoning behind some of the decisions where these conflict with residents' opinions. Additionally, the Council will take steps to ensure that the dignity of service users and residents is respected throughout the consultation process and in the formulation of the final budget proposals.

**12.0 External Consultation undertaken:**

**12.1 "Simalto" Budget-setting exercise**

As part of early engagement on the Council budget and residents' priorities, the Council commissioned Research for Today to undertake a Simalto budget setting exercise. The intention was to inform residents about the services which the Council delivers and the current budget situation, then seek their informed views on how the Council budget should be set. A parallel exercise was carried out with members of staff including a separate group of senior officers.

12.2 The process was open to anyone to participate in, and was promoted via the Council's website, third sector organisations, the emerging Citizen's Panel, the Council's followers on social media, plus formal "completion" sessions and outreach work in the

community. A video on the website explained the work of the Council and the budgetary situation.

- 12.3 The exercise concentrated specifically on service reductions and efficiencies, with other means of achieving savings such as debt restructuring not included. For the purpose of reporting on the findings the Council can therefore use the Simalto scenario which generated how people would manage an £8mn funding reduction.
- 12.4 The nature of the Simalto exercise, which is by necessity a simplified version of the budget setting process, means that it should only be used as a guide, rather than a specific suggestion to cut an exact percentage amount from a given service or budget.
- 12.5 Resident views broadly accord with the Council's proposals on SureStart and Children's Centres, Benefits, Illuminations, Cultural and Heritage Services, Street Cleansing and Support for Children. In these cases, no cuts are proposed.
- 12.6 They also broadly accord with proposals on Internal Council support; Domestic and Commercial Waste; Social Work assessment and support; Long and Short Term Residential Care; Home and Day Care; Looked After Children; Children's Social work; Adoption and Fostering; Customer First/ Planning/ Housing Options; Leisure Services; Education; Local Economy. In these cases, the Council is proposing savings, but in some instances these would be delivered through increasing income or removing vacant posts and would not therefore impact on the services that are delivered to the public.
- 12.7 The areas where views differ are: Debt Recovery, Enforcement/Trading Standards, Highways and Parks. In these cases, residents would uplift or preserve existing budgets which the Council feels that it has no alternative but to reduce.
- 12.8 In the case of Libraries, the Council is proposing a budget reduction whilst respondents have suggested there should be no change. The Council has launched a full consultation exercise on changing opening hours across Blackpool's 8 libraries which, despite the change in overall budget, would seek to maintain this number of libraries across the town.
- 12.9 This information is presented to the Council's Executive for consideration and use throughout the budget setting process and has informed the content of this report. It is important to emphasise, that the broad nature of this exercise, plus self-selection of participants, means it can only provide a guide to public opinion and perception. As such, it is separate from the consultation process which will commence on approval of the recommendations of this report.

12.10 Trade Unions and employees were briefed on the proposals by mid-November 2015 commencing the statutory consultation process which must last a minimum of 45 days.

**13.0 Background Papers**

13.1 Blackpool Council Medium Term Financial Strategy 2015/16 to 2017/18  
Chancellor's Summer Budget, 8<sup>th</sup> July 2015

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

18.2 **Date of Decision:**

19.0 **Reason(s) for decision:**

19.1 **Date Decision published:**

20.0 **Executive Members in attendance:**

20.1

21.0 **Call-in:**

21.1

22.0 **Notes:**

22.1

**2016/17 Budget Savings Proposals**

Directorate	Proposal	Saving
Adult Services	General efficiencies including loss of posts, increased income targets, reduction in supplies and services spend, etc.	472,000
Adult Services	Reduction in Adult Social Care budget	364,000
Adult Services	Final savings relating to the Supported Living proposal agreed for 2015/16	319,000
Adult Services	Reduction in commissioned contracts to external providers	89,000
Adult Services	Cessation of commissioned contracts to external providers	138,000
Adult Services	Increase in fees and charges across a range of services	100,000
<b>Total Adult Services</b>		<b>1,482,000</b>
Places	General efficiencies including loss of posts, increased income targets, reduction in supplies and services spend, etc.	125,000
Places	Arts and Heritage - end archive agreement with Lancashire County Council and move collections back to Blackpool	42,000
Places	Reduction to Libraries budget including a review of opening hours	200,000
Places	Increase external funding to the visitor economy budget	160,000
Places	Increasing parking revenue through a review of the current provision	125,000
<b>Total Places</b>		<b>652,000</b>
Children's Services	General efficiencies including removal of vacant posts, income targets, reduction in supplies and services spend, etc.	868,000
Children's Services	Reduction in the children's social care contact team	50,000
Children's Services	Review Council-run children's homes	400,000
Children's Services	Review Hornby Road which provides residential respite care for children with disabilities	400,000
Children's Services	Develop Adolescent Hub by reviewing a number of services that young people currently access	260,000
<b>Total Children's Services</b>		<b>1,978,000</b>
Community & Environmental Services	General efficiencies including loss of posts, increased income targets, reduction in supplies and services spend, etc.	105,000
Community & Environmental Services	Contractual savings in the street lighting and public conveniences contract	240,000
Community & Environmental Services	Review of the Highways and Road Safety service	200,000
Community & Environmental Services	Review of the Enforcement and Quality Standards service	180,000
Community & Environmental Services	Cessation of green waste collection service and increased income generation on commercial waste services	425,000
Community & Environmental Services	Reduction in the parks and green space budget resulting in reduced maintenance	200,000
Community & Environmental Services	Review of school breakfast provision	500,000
<b>Total Community and Environmental Services</b>		<b>1,850,000</b>
Public Health	Contracts and Commissioning changes that will be redirected in to other Public Health related commissioned services	1,760,000
<b>Total Public Health</b>		<b>1,760,000</b>
Back Office Services	General efficiencies including removal of vacant posts, income targets, reduction in supplies and services spend, etc.	1,145,000
Back Office Services	Increase in fees and charges in registrars, licensing and cemetery and cremation services	137,000
<b>Total Back Office Services</b>		<b>1,282,000</b>
<b>Sub Total - Directorates</b>		<b>9,004,000</b>
Corporate	A mix of commercial property development, treasury management, negotiations with suppliers, review of council tax and its discounts & premiums and new homes bonus	10,996,000
<b>Grand Total</b>		<b>20,000,000</b>

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	23rd November 2015

## FINANCIAL PERFORMANCE MONITORING AS AT MONTH 6 2015/16

### 1.0 Purpose of the report:

1.1 The level of spending against the Council's Revenue and Capital budgets for the first 6 months to 30th September 2015.

### 2.0 Recommendation(s):

2.1 To note the report

2.2 To require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, particularly in Children's Services, Adult Services, Property Services, Concessionary Fares, Parking Services, Community and Environmental Services, and Places.

### 3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council's Revenue and Capital Budget is kept under review by members.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None

**4.0 Council Priority:**

4.1 The relevant Council Priority is:

“Deliver quality services through a professional, well-rewarded and motivated workforce”

**5.0 Background Information**

5.1 See reports and appendices circulated to members under separate cover.

5.2 Does the information submitted include any exempt information? No

**5.3 List of Appendices:**

Report

Appendix 1- Revenue Summary

Appendix 2- Schedule of Service forecast overspendings

Appendix 3a- Chief Executive

Appendix 3b- Deputy Chief Executive

Appendix 3c- Governance and Regulatory Services

Appendix 3d- Ward Budgets

Appendix 3e- Resources

Appendix 3f- Places

Appendix 3g- Strategic Leisure Assets

Appendix 3h- Community and Environmental Services

Appendix 3i- Adult Services

Appendix 3j- Children’s Services

Appendix 3k- Public Health

Appendix 3l- Budgets Outside the Cash Limit

Appendix 4- Capital Monitoring

Appendix 5- Cash Summary

Appendix 6- Balance Sheet

All circulated to members under separate cover

**6.0 Legal considerations:**

6.1 None

**7.0 Human Resources considerations:**

7.1 See reports and appendices circulated to members under separate cover.

**8.0 Equalities considerations:**

8.1 An Equalities Impact Assessment was produced as a part of the budget setting process and remains relevant.

**9.0 Financial considerations:**

9.1 See reports and appendices circulated to members under separate cover.

**10.0 Risk management considerations:**

10.1 Impact of financial performance on Council balances. Financial performance against approved Revenue and Capital budgets.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 None

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1