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Blackpool Council

27 January 2017

To: Councillors Benson, Blackburn, Cain, Campbell, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

The above members are requested to attend the:

EXECUTIVE

Monday, 6 February 2017 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.

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|---|---|-----------------|
| 2 | GENERAL FUND REVENUE BUDGET 2017/18 | (Pages 1 - 6) |
| 3 | CAPITAL PROGRAMME 2017/18 TO 2019/20 | (Pages 7 - 12) |
| 4 | PROPOSED RENT REVIEW 2017/2018 | (Pages 13 - 18) |
| 5 | TREASURY MANAGEMENT STRATEGY 2017/18 | (Pages 19 - 24) |
| 6 | FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2016/17 | (Pages 25 - 28) |

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

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	6 February 2017

GENERAL FUND REVENUE BUDGET 2017/18

1.0 Purpose of the report:

- 1.1 To consider the proposal for Blackpool Council's draft General Fund Revenue Budget 2017/18 as outlined in the report circulated to Members under separate cover.

2.0 Recommendation(s):

- 2.1 To recommend to Council the level of net expenditure for the draft General Fund Revenue Budget 2017/18 of £120,248,000 (ref. paragraph 6.2).
- 2.2 To recommend to Council a level of budget savings of £18.7m (ref. paragraphs 7.1 and 7.2 and Appendix 2)
- 2.3 To recommend to Council that the Chief Executive be authorised to take any necessary steps to ensure all staffing savings are achieved (ref. paragraph 8.1)
- 2.4 To recommend to Council that the business loans fund is increased from £10m to £100m with immediate effect (ref. paragraph 8.3)
- 2.5 To recommend to Council that the target level of working balances remains at £6m (ref. paragraph 10.4)
- 2.6 To recommend a detailed review of earmarked reserves takes place at Provisional Outturn 2016/17 to reprioritise and un earmark funds to replenish working balances to their target level in 2017/18 (ref. paragraph 10.4)
- 2.7 To consider the report of the Budget Scrutiny Review Panel as attached at Appendix 3 and consider any actions arising from that review.
- 2.8 To note that the Tourism, Economy and Resources Scrutiny Committee will be formally consulting the Trade Unions and Business Ratepayers on the proposals on the morning of 10 February 2017.

2.9 To consider any further facts and information which subsequently come to light and report the details to the meeting of the Executive on 20 February 2017.

3.0 Reasons for recommendation(s):

3.1 To enable progression to the next stage of the consultation and scrutiny process.

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? Not applicable - the report once approved will become the Council's new approved budget.

3.3 Other alternative options to be considered:

As outlined in the Budget report.

4.0 Council Priority:

4.1 The relevant Council Priorities are:

“The economy: Maximising growth and opportunity across Blackpool”

“Communities: Creating stronger communities and increasing resilience”

5.0 Background Information

5.1 The purpose of this report is to determine the overall level of net expenditure to be included in the General Fund Revenue Budget for 2017/18 and to identify a budget savings plan that will ensure a balanced Budget.

5.2 Does the information submitted include any exempt information? No

5.3 List of Appendices:

- Report
- Appendix 1- General Fund Budget
- Appendix 2- Savings Summary
- Appendix 3 – Budget Scrutiny Review Report
- Appendix 4 - Equality Analysis

Appendix 5 - Assessment of Significant Financial Risks
(All circulated to members under separate cover)

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 Human Resources considerations are outlined in the budget report, circulated to members under separate cover.

8.0 Equalities considerations:

8.1 An Equalities Analysis forms Appendix 4 to the budget report.

9.0 Financial considerations:

9.1 As outlined in the Budget report, circulated to members under separate cover

10.0 Risk management considerations:

10.1 As outlined in the Budget report circulated to members under separate cover. Appendix 5 forms an Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 Consultation will take place at a meeting with both the Trade Unions and Business Ratepayers on 10 February 2017. It has also taken place at meetings of the community engagement groups and wider consultation has taken place via the Council's extensive corporate communication methods which include website, social media and media briefings.

13.0 Background papers:

13.1 Budget working papers

14.0 Key decision information:

- 14.1 Is this a key decision? Yes
- 14.2 If so, Forward Plan reference number: 28/2016
- 14.3 If a key decision, is the decision required in less than five days? No
- 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: 27 January 2017 Date approved:

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

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Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting :	6 February 2017

CAPITAL PROGRAMME 2017/18 TO 2019/20

1.0 Purpose of the report:

- 1.1 To consider the Capital Programme 2017/18, 2018/19, 2019/20 – circulated to members under separate cover.

2.0 Recommendation(s):

To recommend the Council :

- 2.1 To approve of the Capital Programme for 2017/18 as set out at Appendices A and B, including the in year contingency of £600,000.
- 2.2 To adopt the Single Capital Pot approach as outlined in Section 4 with a top slice of 12.5% to allow for investment in key priority areas and overspends that are not otherwise fundable (reference paragraph 4.2).
- 2.3 That Executive approvals will continue to be required for all Prudential borrowing schemes (reference paragraph 3.1)
- 2.4 To approve the Capital Prudential Indicators as identified in Appendix C.

3.0 Reasons for recommendation(s):

- 3.1 To ensure delivery of the Council's key objectives.

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? Not applicable - the report once approved will

become part of
the Council's
new approved
budget

3.3 Other alternative options to be considered:

None

4.0 Council Priority:

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 The Council's 2017/18 Capital Programme runs concurrently with the 2017/18 revenue budget with schemes usually extending over a number of years. For that reason the programme projects forward indicative spending for 3 years. This report updates the programme set in 2016/17 and seeks to ensure that capital expenditure is spent in areas that will contribute to meeting the Council's priorities. The 2017/18 programme is submitted for approval. The 2018/19 and 2019/20 programmes have been drawn up based upon individual allocations and current proposals. These will be reviewed as part of the budget processes for 2018/19 and 2019/20 in the light of changing priorities and final funding levels that mean no commitments can yet be identified in respect of these schemes.

5.2 Does the information submitted include any exempt information?

No

5.3 List of Appendices:

Capital Programme Report
Appendix A- Capital Programme Summary
Appendix B- Capital Programme by Service
Appendix C- The Prudential Code for Capital Finance- Prudential Indicators
(All circulated to members under separate cover)

6.0 Legal considerations:

6.1 As outlined in the report, circulated to members under separate cover.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 As outlined in the report, circulated to members under separate cover.

9.0 Financial considerations:

9.1 Once approved, capital budget monitoring will be reported to the Executive on a monthly basis with effect from Month 3 2017/18.

10.0 Risk management considerations:

10.1 As outlined in the attached report.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 Internally with Capital Asset Management Group and the Corporate Leadership Team.

13.0 Background papers:

13.1 Individual scheme business cases and budget working papers.

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 27/2016

14.3 If a key decision, is the decision required in less than five days? No

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: 27 January 2017 Date approved:

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 present:

20.1

21.0 Call-in:

21.1

22.0 Notes :

22.1

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Report to:	EXECUTIVE
Relevant Officers:	Alan Cavill, Director of Place and Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Mrs Christine Wright, Cabinet Member for Housing
Date of Meeting:	6 February 2017

PROPOSED RENT REVIEW 2017/2018

1.0 Purpose of the report:

- 1.1 To consider the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2017/2018.

2.0 Recommendation(s):

To recommend to the Council that:

- 2.1 A rent reduction of a minimum of 1% is implemented for all Housing Revenue Account properties in 2017/2018.
- 2.2 The level of Housing Revenue Account balances remain protected at £1 million, as previously agreed.
- 2.3 That de-pooled services (as detailed in Appendix C) and that other service charges (as detailed in Appendix D and E) are charged as outlined.

3.0 Reasons for recommendation(s):

- 3.1 To ensure that rent levels are appropriate and the Housing Revenue Account is financially secure currently and in the medium term.

The rent reduction is proposed on the basis that this is a statutory requirement.

Retaining the previously agreed level of £1million at which Housing Revenue Account balances are protected ensures that prudent balances are maintained.

- 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? Not applicable - the report once approved will become part of the Council’s new approved budget
- 3.3 Other alternative options to be considered:

To reduce rents by a greater amount, this course of action is not recommended for the reasons set out in paragraph 4.3 of the Proposed Rent Review report.
- 4.0 Council Priority:**
- 4.1 The relevant Council Priority is:

“Communities: Creating stronger communities and increasing resilience”
- 5.0 Background Information**
- 5.1 As part of the preparation of the draft 2017/2018 Housing Revenue Account (HRA) Budget, Members must consider the level of rents and service charges to be set in connection with Council Housing dwellings during the next financial year.
- 5.2 The report, circulated to members under separate cover, details the 2017/2018 Draft Budget and the proposed changes in rent and service charges.
- 5.3 New charges for Housing Revenue Account Services and related Non-Housing Revenue Account properties are also proposed.
- 5.4 Does the information submitted include any exempt information? No
- 5.5 **List of Appendices:**
Report on the Proposed Rent Review 2017/18
Appendix A: Housing Revenue Account Draft Budget 2017/2018
Appendix B: Rent Parameters
Appendix C: Depooled Charges
Appendix D: Review of Fees and Charges
Appendix E: Charges for non-Housing Revenue Account properties
(All circulated to members under separate cover)

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 An Equalities Impact Analysis has been completed.

9.0 Financial considerations:

9.1 These are set out in the report.

10.0 Risk management considerations:

10.1 None

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 The rent report is shared with the board of Blackpool Coastal Housing, which includes tenant and leasehold representatives and independent members.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 30/2016

14.3 If a key decision, is the decision required in less than five days? No

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: 27 January 2017 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

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Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	6 February 2017

TREASURY MANAGEMENT STRATEGY 2017/18

1.0 Purpose of the report:

1.1 The Treasury Management Strategy Report 2017/18 and its annexes A, B, C and D.

2.0 Recommendation:

To recommend to the Council:

2.1 To adopt all the Elements of the Treasury Management Strategy 2017/18 and to approve the Prudential Indicators and Limits for 2017/18 to 2019/20 which are set out in Annex B to this report.

2.2 To approve the Prudential Indicators and Limits for 2017/18 to 2019/20 which are set out in Annex C to this report.

2.3 To approve the Minimum Revenue Provision Policy Statement for 2017/18, which will ensure a prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out within Annex D to this report.

3.0 Reasons for recommendation:

3.1 A feature of the 2011 edition of the CIPFA Code of Practice on treasury management activities is the annual approval of strategy and reporting of performance information. This report circulated to members under separate cover sets out the Council's Treasury Management Strategy for 2017/18.

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? Not applicable - the report once approved will become the Council’s new approved budget

3.3 Other alternative options to be considered:
None

4.0 Council Priority:

The relevant Council Priorities are:

“The economy: Maximising growth and opportunity across Blackpool”

“Communities: Creating stronger communities and increasing resilience”

5.0 Background Information

5.1 The Council is required by statute to publish an annual Treasury Management Strategy incorporating its Investment Strategy.

5.2 In essence the Treasury Management Strategy is an annual plan of how Blackpool Council will manage its investments and cashflows. It identifies the Council’s borrowing needs and shows how it will invest temporary surplus cash balances, and how it will control its banking, money market and capital market transactions.

5.3 The Scale of Operations at Annex A shows the levels of capital expenditure, long-term borrowing and temporary investments and also the impact that spending on new capital schemes has on average council tax levels.

5.4 Does the information submitted include any exempt information?

No

5.5 List of Appendices:

Annex A – Scale of Operations

Annex B – Elements of the Treasury Management Strategy 2017/18 – 2019/20

Annex C – Prudential Indicators

Annex D – Policy on Minimum Revenue Provision

(All circulated to members under separate cover)

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 Please see the Report and its Annexes A to D.

10.0 Risk management considerations:

- 10.1
1. Liquidity Risk (accessibility and/or running out of cash)
 2. Market Risk (movements in interest rates – yield)
 3. Credit Risk (investment counterparties might default – security)
 4. Legal Risk (transactions and actions legal/within regulatory limits)
 5. Operational Risk (adequacy of internal processes)

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 With the Council’s Treasury Management Panel

13.0 Background papers:

13.1 None

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 31/2016

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: N/A

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

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:

22.0 Notes:

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Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	6 February 2017

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2016/17

1.0 Purpose of the report:

1.1 The level of spending against the Council's Revenue and Capital budgets for the first 9 months to 31st December 2016.

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, specifically Children's Services, Strategic Leisure Assets 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:

“The economy: Maximising growth and opportunity across Blackpool”

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 - Governance and Partnership Services

Appendices 3b/c - Ward Budgets

Appendix 3d - Resources

Appendix 3e - Places

Appendix 3f - Strategic Leisure Assets

Appendix 3g - Community and Environmental Services

Appendix 3h - Adult Services

Appendix 3i - Children’s Services

Appendix 3j - Public Health

Appendix 3k - Budgets Outside the Cash Limit

Appendix 4 - Capital Monitoring

Appendix 5 - Cash Flow Summary

Appendix 6 - General Fund Balance Sheet Summary

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 present:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1