

Blackpool Council

12 May 2018

To: Councillors Clapham, Critchley, Matthews and I Taylor

The above members are requested to attend the:

SHAREHOLDER'S ADVISORY BOARD

Thursday, 17 May 2018 at 2.00 pm
in Committee Room B

A G E N D A

ADMISSION OF THE PUBLIC TO COMMITTEE MEETINGS

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The Head of Democratic Governance has marked with an asterisk (*) those items where the Committee may need to consider whether the public should be excluded from the meeting as the items are likely to disclose exempt information.

The nature of the exempt information is shown in brackets after the item.

This information is provided for the purpose of this meeting only and must be securely destroyed immediately after the meeting.

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 either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

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 * MINUTES OF THE LAST MEETING HELD ON 5 APRIL 2018 (Pages 1 - 8)

To agree the public and restricted minutes of the last meeting held on 5 April 2018 as a true and correct record.

(This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

3 * BLACKPOOL ENTERTAINMENT COMPANY LIMITED (Pages 9 - 16)

To receive an overview of Blackpool Entertainment Company Limited from Michael Williams, Managing Director.

(This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

4 RE-DEVELOPMENT OF FLATS AT 19-29 TROUTBECK CRESCENT (Pages 17 - 24)

To inform the Shareholders Advisory Board and seek support for a proposal to demolish and re-develop 81 flats at 19-29 Troutbeck Crescent, Mereside, including 77 flats currently managed by Blackpool Coastal Housing.

5 * PERFORMANCE INDICATORS (Pages 25 - 50)

To agree a performance management framework for the Wholly Owned Companies and establish a headline suite of Key Performance Indicators (KPIs) for 2018-2019.

(This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

6 DATE AND TIME OF NEXT MEETING

To note the date and time of the next meeting as 24 July 2018, commencing at 2pm.

Venue information:

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

Other information:

For queries regarding this agenda please contact Sharon Davis, Scrutiny Manager, Tel: 01253 477213, e-mail Sharon.Davis@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.

Public Document Pack Agenda Item 2

MINUTES OF SHAREHOLDER'S ADVISORY BOARD MEETING - THURSDAY, 5 APRIL 2018

Present:

Councillor I Taylor (in the Chair)

Councillors

Clapham Matthews

In Attendance:

Mr Antony Lockley, Director of Strategy and Assistant Chief Executive

Ms Kate Aldridge, Head of Delivery and Performance (Item 4 only)

Mr Steve Thompson, Director of Resources (Item 6 only)

Mr Alan Cavill, Director of Place (Items 6 and 7 only)

Mrs Sharon Davis, Scrutiny Manager

Mr Mark Towers, Company Secretary

Mrs Jane Cole, Managing Director, Blackpool Transport Services (Item 4 only)

Councillor Mrs Christine Wright, Chairman, Blackpool Transport Services (Item 4 only)

Mr James Carney, Finance and Commercial Director, Blackpool Transport Services (Item 4 only)

Mr John Child, Managing Director, Blackpool Operating Company Limited (Item 6 only)

Councillor Graham Cain, Chairman, Blackpool Operating Company Limited (Item 6 only)

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 EXCLUSION OF THE PRESS AND PUBLIC

The Advisory Board resolved that under Section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the restricted minute within Item 3 'Minutes of the last meeting held on 1 March 2018', part of Item 4 'Blackpool Transport Services' during consideration of the financial projections and the whole of Item 5 'Blackpool Operating Company' on that grounds that they would involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

3 MINUTES OF THE LAST MEETING HELD ON 1 MARCH 2018

The Advisory Board considered the minutes of the last meeting held on 1 March 2018, noting that there was a public and restricted version.

The Advisory Board agreed that the minutes be signed by the Chairman as a true and correct record.

4 BLACKPOOL TRANSPORT SERVICES

Mrs Jane Cole, Managing Director, Blackpool Transport Services provided an overview of

MINUTES OF SHAREHOLDER'S ADVISORY BOARD MEETING - THURSDAY, 5 APRIL 2018

the work of the Company to the Advisory Board. She highlighted that the Company had a fleet of approximately 150 buses, 18 trams and 40 heritage trams. It was reported that the transformation plan had been implemented efficiently and that the five year business plan was therefore being renewed for 2018-2023. The new business plan would drive a wide range of ambitions including a potential park and ride scheme and the forthcoming Disability Conference.

The Advisory Board discussed the current bus depot located at Rigby Road and it was noted that an ambition to move to new premises was also included in the proposal for the business plan. Members discussed the options available to Blackpool Transport Services and noted that the heritage tram base would not be moved from the Rigby Road site at this stage. It was important that the bus depot was future proof and capable of supporting new technology such as electric buses.

In response to questions, Mr James Carney, Finance and Commercial Director, Blackpool Transport Services (BTS) advised that the cost of implementing electronic signage at bus stops was prohibitive and that the new app produced by BTS was well used and provided real time bus timetable information and mapping. Mrs Cole added that the bus shelters along the number three and four bus routes would be upgraded as part of a trial scheme to provide bolder and brighter timetabling information and improved shelter. The aim of the improvements was to reduce levels of vandalism and provide a better service for the community and if successful the scheme would be extended to additional bus routes.

Ms Kate Aldridge, Head of Delivery and Performance, Blackpool Council presented a draft list of performance indicators for use by the Shareholder's Advisory Board when monitoring the performance of BTS. Mrs Cole highlighted that BTS would be introducing bus stop surveys in the next few months in order to achieve a more comprehensive picture of customer satisfaction. It was noted that some data was provided annually and would be considered on that basis by the Advisory Board.

(The press and public were excluded prior to consideration of the remainder of the item.)

The Advisory Board agreed:

1. To receive a more detailed report on the budget of Blackpool Transport Services and the impact of the budget on the Shareholder at a future meeting.
2. To receive the data relating to the performance indicators identified at a future meeting of the Advisory Board.

5 BLACKPOOL OPERATING COMPANY

(The press and public were excluded prior to consideration of the item).

Mr Alan Cavill, Director of Place presented an overview of the options related to Blackpool Operating Company Limited's future objectives.

The Advisory Board agreed:

To receive a more detailed report including business plan on the options to a meeting of the Advisory Board to be held in July 2018.

6 CULTURE RELATED SERVICE DELIVERY OPTIONS

Mr Alan Cavill, Director of Place reported that the idea of creating a culture company had been first developed when making a bid for funding from the Arts Council. He added that although the bid had not been successful the reasons for creating a company had not diminished, namely to help the Council to provide services funded on a discretionary basis. It was reported that a number of other options were being considered and that a more comprehensive report would be provided to a future meeting of the Advisory Board.

The Advisory Board agreed:

To receive a more comprehensive report on culture related service delivery options at a future meeting.

7 DATE AND TIME OF NEXT MEETING

The Advisory Board noted the date and time of the next meeting as Thursday, 17 May 2018, commencing at 2.00pm.

Chairman

(The meeting ended at 11.55 am)

Any queries regarding these minutes, please contact:
Sharon Davis, Scrutiny Manager
Tel: 01253 477213
E-mail: Sharon.Davis@blackpool.gov.uk

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Report to:	SHAREHOLDER'S ADVISORY BOARD
Relevant Officer:	Michael Williams, Managing Director, Blackpool Entertainment Company Limited
Date of Meeting:	17 May 2018

BLACKPOOL ENTERTAINMENT COMPANY LIMITED

1.0 Purpose of the report:

- 1.1 To receive an overview of Blackpool Entertainment Company Limited from Michael Williams, Managing Director.

2.0 Recommendation:

- 2.1 To note the report and identify any issues for further consideration.

3.0 Reasons for recommendation:

- 3.1 To ensure the Advisory Board is fully informed about the work of Blackpool Entertainment Company Limited.

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:

Not applicable.

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 Michael Williams, Managing Director, Blackpool Entertainment Company Limited and Councillor Amy Cross, Chair, Blackpool Entertainment Company Limited will be in attendance at the meeting to speak to the papers provided and answer any questions.

5.2 Attached are two appendices that have been provided to give an overview of the work and performance of the company and the financial position. Appendix 3(b) Financial Position is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Does the information submitted include any exempt information? Yes, Appendix 3(b)

List of Appendices:

Appendix 3(a): Introduction to Blackpool Entertainment Company Limited
 Appendix 3(b): Financial Position (Exempt from publication)

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 None

10.0 Risk management considerations:

10.1 None

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None

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Trading and strategy

BECL's year end results for 2017/2018 represent a solid performance in a challenging environment, where a combination of ceiling issues in the Empress Ballroom and roof issues in the Spanish Hall impacted on our ability to host events.

The Company's long term strategy to diversify its asset portfolio continues. We have recently opened a second Tower Coffee Company and we also opened The Hop Public House.

We have opportunities in progress to develop the Blackpool Dance Festival brand in China and continue to believe there is the scope for further expansion of the Dance Festivals in Blackpool.

We will continue to identify opportunities for promoting our own events such as the International Soul Festival and The Great North West Motorbike show. In June 2018 BECL are the promoters of the Elvis Celebrations – a weekend of music and celebration of Elvis Presley.

Governance and the Board

The Board and its Committees have each continued to provide strong governance and oversight throughout 2017/2018 with the support and guidance of the Shareholder. During the financial year the Shareholder's internal audit team have undertaken two pieces of work:

- Governance Arrangements
- Risk Management

During 2018/2019 the audit team will undertake two additional audits:

- Cash Handling
- Decision Making

Responsibility and sustainability

BECL has a foundation of a robust governance structure and strong operating standards and practices. In the area of health and safety these support our constant focus on keeping our guests, employees and other visitors safe and secure. We have also worked further in improving experiences for guests with accessibility challenges, where our initiatives are aimed at improving guest information and delivering accessible environments. In the 2018 Red Rose Awards the Winter Gardens won the title of Corporate and Social Responsibility Business of the Year. The Red Rose Awards celebrate the success of Businesses across Lancashire.

We continue our programme of dance and music events working with Blackpool Council's Music Service to offer all school children across Blackpool, Fylde and Wyre the opportunity to perform in the Venue. The shows are a great experience for the children and afford them a very unique opportunity.

Capital Expenditure and Projects:

Conference Centre:

Works are now well underway and will be scheduled around our existing diary of events to facilitate show “get ins” and “get outs”.

The piling works are now complete and the frame will start to arrive in June and this will be a key milestone in the project.

Victoria Street Faience and Spanish Hall Roof and glazing:

Funding is now in place thanks to Historic England and preliminary works have now commenced. The project will see one of the columns and pillar of the Faience along the West elevation repaired and refurbished and the remaining area will be monitored.

The full glazing system to the Spanish Hall roof will be replaced to make the room watertight. Internal scaffolding is being installed in the Spanish Hall and the works are scheduled to be completed by December 2018.

Empress Ballroom Ceiling:

Works are progressing well to the repairs to the ceiling and the removal of the scaffolding is now underway. The preliminary repair works are due to be completed in May prior to the International Dance Festival. Quotes are currently being sourced for the repainting of the ceiling.

Business Planning

The Board and senior management team will meet on 10 May to review the current Business Plan and amend accordingly. KPIs will be discussed and agreed and strategic goals will be reviewed and new ones incorporated into the plan as appropriate.

140 years of Entertainment

In July 2018 we will launch a fundraising appeal to coincide with celebrations to mark 140 years of providing entertainment at the Winter Gardens.

There will be a yearlong calendar of events and activities to include:

- An art competition
- A Gala Dinner
- An exhibition of posters and memorabilia from the archive collections
- Guided tours and open days
- Film Festival and special one off screenings
- Branded retail items and limited edition collectables
- Fundraising shows and events



Notice of: **SHAREHOLDER'S ADVISORY BOARD**

Relevant Officer: Andrew Foot, Head of Housing

Date of Meeting: 17 May 2018

RE-DEVELOPMENT OF FLATS AT 19-29 TROUTBECK CRESCENT

1.0 Purpose of the report:

1.1 To inform the Shareholder's Advisory Board and seek support for a proposal to demolish and re-develop 81 flats at 19-29 Troutbeck Crescent, Mereside, including 77 flats currently managed by Blackpool Coastal Housing.

2.0 Recommendations:

2.1 That the Shareholder's Advisory Board notes the proposal to demolish and re-develop 81 flats at 19-29 Troutbeck Crescent, Mereside, and the role of Blackpool Coastal Housing in identifying the need for action, re-locating residents, and informing proposals for new development.

2.2 That the Shareholder's Advisory Board recommends to the Council's Executive that the flats owned by the Council and managed by Blackpool Coastal Housing Limited at 19-29 Troutbeck Crescent should be demolished and re-developed as set out in the report.

3.0 Reasons for recommendations:

3.1 To address the unpopularity and poor conditions in the existing flats and enable development of new homes.

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 priorities are:

“The Economy: Maximising growth and opportunity across Blackpool”

“Communities: Creating stronger communities and increasing resilience”

5.0 Background Information

5.1 Over the last few years, 77 flats rented by the Council through Blackpool Coastal Housing Limited (BCH) at 19-29 Troutbeck Crescent, Mereside, have become increasingly unpopular. There has been high turnover of the homes – an annual turnover ranging from 20-25% compared with around 10% for the whole Council housing stock - and it has been difficult to let the homes to new tenants.

5.2 The flats were constructed in the 1960s and comprise 42 one bedroom flats and 39 bedsits. 57 of the flats and bedsits are in T-shaped three storey blocks that are accessed through internal stairwells, and a further 24 flats are in three storey deck access blocks. Three of the flats in the deck access blocks and one of the flats in the T blocks have been sold to leaseholders through the Right to Buy. The blocks are located on the very edge of the Blackpool urban area, facing Preston New Road and Junction 4 of the M55, and thereby form one of the main gateways to Blackpool.

5.3 The principal reasons for the unpopularity of the flats are:

- Bedsits have become unpopular wherever they exist in the Council housing stock because most applicants prefer and can afford a one bedroom flat, even if they are single and under 35 years old and restricted to Housing Benefit at the Single Room Rate of £61.15 pw.
- Some of the flats and bedsits have very small kitchens or bathrooms that do not meet modern standards and the flats have electric heating systems that are costly to run.
- The communal access areas are dark and unattractive.
- There is a concentration of small units of accommodation mostly occupied by single people, with shared access arrangements.
- The relatively remote location is unattractive to some potential tenants.

5.4 The current and future projected costs of managing and maintaining the flats are high. Although the flats received Decent Homes investment several years ago, there remains a need for significant investment in the blocks for them to continue to meet this standard. The estimated cost of planned maintenance work for the 77 flats still owned by the Council over the next 30 years is £2,958,859 (at today's prices), equivalent to £38,427 per flat or £1,280 per flat per annum. The high cost for such small flats and bedsits reflects the large extent of communal areas, grounds and

outhouses. There would be a need to re-cover access decks and carry out balcony remediation works in the next 30 years and replace boundary walls, fencing, paving and hard-standings. The six T blocks have communal TV systems and door entry systems which are expensive to replace. Of the estimated spend of just under £3 million in the next 30 years, £500,000 would be required in the next five years.

- 5.5 There are also high on-going responsive repairs, management, and servicing costs of £85,000 p.a, equivalent to £1,104 p.a for each Council rented flat. High turnover, and difficulties in re-letting, lead to high management costs and rent loss. Management costs have been exacerbated by high levels of anti-social behaviour and there have been higher than average levels of rent arrears among tenants in the blocks. BCH has instigated management measures to try to address the unpopularity of the flats, including increasing the lettable standard to attract new tenants, but this has not led to a significant uplift in demand. Consideration has also been given to introducing new lettings policies but the flats are not sufficiently attractive to a wider customer base. BCH has ceased re-letting flats as they have become vacant since late 2016 because of the difficulty in finding new tenants, and because of the recognition that significant action is required which would potentially require tenants to move. There are currently 35 of the 77 rented flats held vacant.
- 5.6 It is now clear that radical action is required, and that this needs to address the configuration and not just the condition of the flats if it is to be sustainable in the long term. Two options have been considered:
1. Refurbishment and re-configuration. This would include converting all of the bedsits to create a wider mix of flats in the T blocks, addressing the problems of unacceptably small kitchens and bathrooms, and introducing gas central heating. A re-configuration would produce 24 one bedroom flats and 12 two bedroom flats in the T blocks and retain 24 one bedroom flats in the deck access blocks. A refurbishment scheme would also seek to make communal areas and external elevations of the blocks more attractive, including applying external wall insulation and rendering. The costs of a refurbishment scheme would be £3.43 million, equivalent to £61,250 per flat managed by BCH (as there would be 56 flats managed by BCH at the end with four leaseholders remaining).
 2. Demolition and new build. It would cost an estimated £500,000 to acquire vacant possession of all of the existing flats, including Home Loss payments to tenants and buying out leaseholders, and a further £230,000 to demolish the existing blocks ready for a new development on the site. Around 40 new family homes could be constructed on the site. These could be affordable homes for rent, with affordable homes able to attract new grant funding from Homes England.
- 5.7 It is recommended that the option of demolition and new build is taken forward because:

- The refurbishment scheme would not be sufficient to ensure the sustainability of the flats in the long term - while it would remove bedsits and create some larger flats, there would still be a concentration of flats with shared access arrangements. It would be impossible or uneconomic to adapt the existing building forms to create a wider mix of house types.
- The demolition and new development scheme will enable the construction of new homes that better meet the greatest needs for affordable homes in Blackpool. The existing Council housing stock and private rented sector has a majority of one bedroom flats and bedsits, and families needing affordable homes currently have to wait longer for a family house than single people and couples looking for flats. There is also a lack of homes for people with limited mobility who require level access.
- A re-development scheme will help improve this important gateway into Blackpool, opposite the new Whyndyke Farm development planned for the other side of Preston New Road.
- The initial costs of a refurbishment scheme would be less than the costs of demolition and building new homes, but access to grant funding for new build, higher rents from larger new homes, and the lower future management and maintenance costs would more than offset the initial cost difference – see Section 9 below.
- While a refurbishment scheme would enable some existing tenants and leaseholders to stay in their homes while work is carried out, most would have to move to enable the re-configuration, making it almost as disruptive as re-development.

5.8 Demolition and re-development will mean that all existing tenants and leaseholders will need to move out. The demolition option will mean that new homes built on the site will not generally meet the needs of existing residents because they are likely to be predominantly family-sized homes and not small flats. But there are alternative Council flats elsewhere at Mereside and the 42 existing tenants will all be offered alternative Council tenancies and be able to stay at Mereside if they wish to do so. It is intended that there will be a temporary suspension of the usual re-letting arrangements for one bedroom flats by BCH at Mereside so that they can be made available for tenants moving from 19-29 Troutbeck Crescent who wish to stay in the area.

5.9 Blackpool Coastal Housing is highly experienced at supporting vulnerable tenants to move to new homes, such as at Queens Park and All Hallows, and will support tenants to find a new home which meets their needs and support them with the removal arrangements. Tenants will be entitled to Home Loss payments of £6,200 per household if they have been resident for at least 12 months and also further disturbance payments to help with removal costs.

- 5.10 Two of the four leasehold properties are currently owner occupied and two are privately rented. Owners will be compensated, and residents of the flats will be assisted to find alternative homes by BCH based on their individual circumstances. Any resident who has lived in a leasehold property for more than a year will also be entitled to a Home Loss payment.
- 5.11 Following a decision on the report, work will begin immediately by BCH to find alternative homes for existing residents. At the same time, plans will be drawn up for a re-development scheme, potentially including land to the east of Troutbeck Crescent. The mix of new homes will focus on family sized houses. Local residents in the wider area will be consulted as the plans are worked up. A further report will be brought for consideration when plans for new development on the site have been drawn up and are ready to be taken forward.

5.12 Does the information submitted include any exempt information? No

5.13 **List of Appendices:**

None

6.0 Legal considerations:

- 6.1 Tenants and leaseholders have been consulted in accordance with legal requirements, and Council tenants will be given the required notice of the termination of their existing tenancies and given offers of appropriate alternative accommodation in accordance with individual needs. The acquisition of leaseholder interests will be undertaken through voluntary agreement where possible but will otherwise be subject to Council powers to compulsorily purchase to enable demolition and re-development. The Council will pay statutory levels of compensation in the acquisition of all interests, including the termination of tenancies and acquisition of leasehold interests through voluntary agreement or Compulsory Purchase Order.

7.0 Human Resources considerations:

- 7.1 The demolition and re-development will be undertaken using existing staff resources. The scheme will be led by the Council's Housing team, with support on the planning of new development from the development team at My Blackpool Home. Officers of BCH will lead the re-location of existing tenants, advising on the requirements for new Council homes, and letting of new Council homes. Negotiations with leaseholders will be conducted by the Council's Estates team and support at all stages will be provided by the Council's Legal and Finance teams.

8.0 Equalities considerations:

- 8.1 There are no specific additional consequences for groups with protected characteristics but re-development will have a significant impact on all existing residents. The re-location of residents will be undertaken by giving appropriate support to all those affected, in helping residents to understand their options, and in assisting with moves.

9.0 Financial considerations:

- 9.1 The financial implication to the Council's Housing Revenue Account business plan of pursuing the demolition and redevelopment option compared with no investment is a net cost to the Housing Revenue Account over 30 years of £734,000 excluding acquisition and demolition costs (or £1,464,000 including acquisition and demolition costs). But in reality demolition is likely to be cost neutral or financially positive because managing the retained blocks without investment would be likely to be increasingly costly and there would be a risk of vacancy levels further increasing over the next 30 years.
- 9.2 New affordable housing development on the site should stack up financially on its own terms over 30 years, assisted by new Affordable Housing Grant from Homes England which is likely to be available at a rate of around £30,000 per new home. New rented homes at Troutbeck could be delivered by the Council; although the borrowing headroom in the Council's Housing Revenue Account is limited by Government rules, the available borrowing is currently sufficient for the Council to bring forward around 100 new Council homes over the next five years.
- 9.3 The financial implications to the Council's Housing Revenue Account (HRA) business plan of pursuing the alternative refurbishment option compared with no major investment would be a higher net cost to the HRA over 30 years of £2.9 million.

10.0 Risk management considerations:

- 10.1 The principal risk at this stage is the risk of not being able to acquire possession of all of the flats. BCH will give support to ensure that all tenants can find and move to suitable new homes. Approval will also be sought from Executive for the Council to prepare for a Compulsory Purchase Order if it is required to acquire leaseholders' interests.

11.0 Ethical considerations:

- 11.1 While re-development is disruptive to existing residents, the Council and BCH will work with residents with compassion and transparency to deliver the scheme as set out in this report.

12.0 Internal/ External Consultation undertaken:

12.1 BCH officers have spoken and/or written to everyone affected on behalf of the Council, encouraging them to give their views on the proposal for demolition and re-development and explaining what it could mean for them. Of those contacted, over 80% said that changes are required at Troutbeck. Around 60% supported demolition or had no objection, and 40% were against demolition. Of current tenants contacted, over half said that they had considered moving, and of those who hadn't over half supported demolition.

13.0 Background papers:

13.1 None

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Report to:	SHAREHOLDER'S ADVISORY BOARD
Relevant Officer:	Antony Lockley, Director of Strategy and Assistant Chief Executive
Date of Meeting:	17 May 2018

WHOLLY OWNED COMPANIES PERFORMANCE FRAMEWORK

1.0 Purpose of the report:

1.1 To agree a performance management framework for the Wholly Owned Companies and establish a headline suite of Key Performance Indicators (KPIs) for 2018-2019.

2.0 Recommendation(s):

2.1 The Board is asked to:

- Consider and agree the framework as outlined in this report and make any comments as necessary;
- Consider and agree the initial suite of Key Performance Indicators for 2018-2019.

3.0 Reasons for recommendation(s):

3.1 To consider the views of the Advisory Board prior to implementing the framework.

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:

The Board could choose not to adopt a formal performance framework and request that the companies provide data based on their key performance indicators.

4.0 Council Priorities:

4.1 This contributes to both Council priorities:

- Economy – maximise growth and opportunity across Blackpool
- Communities – create stronger communities and increase resilience

5.0 Performance Framework

- 5.1 The Shareholder’s Advisory Board has a responsibility under its Terms of Reference “to hold regular meetings with nominated Company representatives in relation to the strategic performance of each Company, in particular the business plan objectives and long term development”.
- 5.2 To facilitate these conversations, the Council has developed a suite of KPIs in consultation with the Companies. The intention is not to create an onerous approach to performance management, but to enable a shared understanding on issues of common interest. In particular, the indicators seek to explore issues relating to the purpose of the Council owning the companies: to ensure the effective management and development of key services and assets which enhance the lives of residents and the visitor experience.
- 5.3 To achieve this, the indicators include data from a mix of sources. Some are already monitored by the boards of the Companies and are subject to internal performance management arrangements. Others will be taken from their management information and data collection mechanisms, whilst a small number will be taken from data gathered via the Rolling Visitor Survey undertaken by Infusion Research for the Council. This ensures the Board has a holistic view of the impact being delivered. The relevant outcomes for each of the KPIs either fit with the Council Plan’s two priorities or the cross-cutting ambition to ensure that service delivery mechanisms are resilient and sustainable.
- 5.4 Some of the indicators will require internal development work before a figure can be produced and reported. The Performance, Delivery and Commissioning Team will advise Companies on appropriate arrangements if necessary. Targets will be set in consultation with the Companies prior to the July Board meeting. Comparisons will primarily be based on historic data, although where data is available for similar organisations this will also be referred to in the analysis.
- 5.5 Indicators monitored by the Advisory Panel will form part of the Council headline set of indicators referenced in the Council’s Performance Management Framework (**Appendix 5(b)**). It is for individual Companies to determine whether they need to incorporate these indicators into their internal performance management arrangements.
- 5.6 Companies should provide performance indicator data to the Performance, Delivery and Commissioning Team on a six monthly basis. Performance will be reported to the Advisory Board in line with the schedule below:

Meeting	What will be reported?
9 October 2018	Blackpool Transport - 6 monthly performance
6 November 2018	Blackpool Entertainment Company - 6 monthly performance Blackpool Operating Company - 6 monthly performance
22 January 2019	Blackpool Coastal Housing - 6 monthly performance Blackpool Housing Company - 6 monthly performance
2 July 2019	All companies - annual review

Managing Directors will be asked to provide a brief commentary on performance and the Performance, Delivery and Commissioning Team will make observations on data quality (where necessary) for inclusion in performance reports.

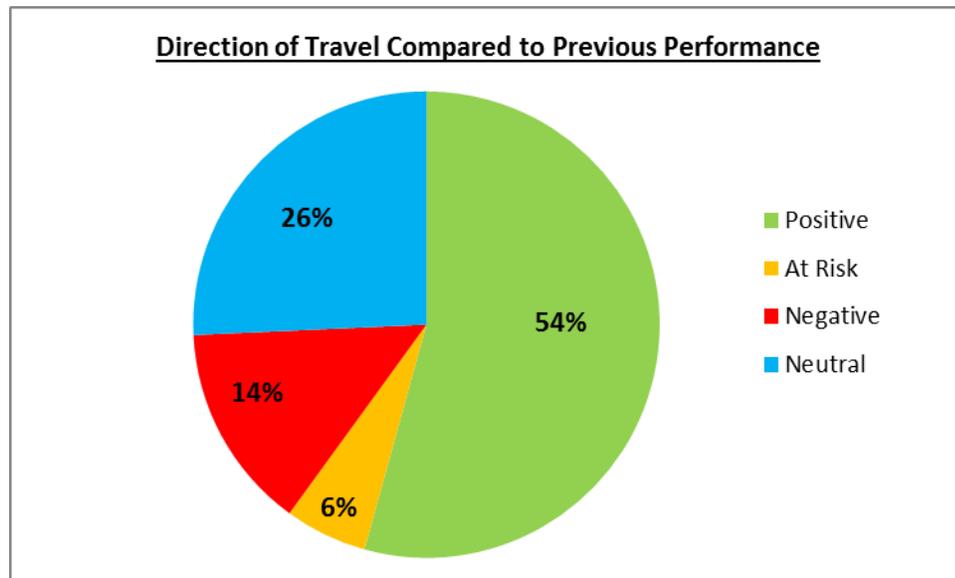
Prior to six monthly performance being reported from October 2018, the Chair of the Advisory Board and Antony Lockley, Director of Strategy and Assistant Chief Executive, will liaise with all Managing Directors to agree performance targets for 2018/2019.

- 5.7 The Performance, Delivery and Commissioning Team will be available to provide advice and guidance on the performance management framework; however it will be the responsibility of the Companies to ensure that data and commentary is collected and submitted in line with the reporting schedule.

6.0 Performance Analysis

6.1 The wholly owned companies indicator set comprises of 45 indicators in total. Due to the timing of this initial report, it has been necessary to report the most recent figures for some indicators as year-end data is not yet available. This has been noted in the KPI Dashboard, where applicable.

The chart below shows the direction of travel when latest performance is compared with previous performance (where data is available).



The majority of indicators are showing an improvement in performance. Further details can be found in **Appendix 5(a)**. Appendix 5(a) is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Does the information submitted include any exempt information? Yes, Appendix 5(b)

6.2 **List of Appendices:**

Appendix 5(a): KPI Dashboard (Exempt from publication).

Appendix 5(b): Blackpool Council Performance Management Framework

7.0 **Legal considerations:**

7.1 None

8.0 **Human Resources considerations:**

8.1 None

9.0 **Equalities considerations:**

9.1 The framework makes provision for monitoring access to services by people with disabilities.

10.0 Financial considerations:

10.1 None

11.0 Risk management considerations:

11.1 None

12.0 Ethical considerations:

12.1 None

13.0 Internal/ External Consultation undertaken:

13.1 Not applicable

14.0 Background papers:

14.1 None

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Performance Management Framework

February 2018

1. Purpose

This document is designed to outline the Council's approach to performance management from the Council Plan through to Individual Performance Appraisals, and how research, performance information and analysis will be brought together to inform sound, evidence based decision making.

2. Background and Introduction

Performance management is defined as 'taking action in response to actual performances to make outcomes for users and the public better than they would otherwise be' (Source IDeA).

Performance management is important because it allows the Council to:

- assess short-term needs and long-term sustainability;
- prioritise what needs to be done within the resources available;
- ensure we provide value for money;
- motivate and engage staff and assign accountability;
- identify and rectify poor performance at an early stage;
- learn from past performance and improve future performance; and
- increase public satisfaction.

It is key that there is clear accountability for performance management, and that there is ownership and all levels for the quality of information that the Council uses to understand how it is performing against its stated aims. The performance information that is used should be proportionate, indicative of what is happening in services and how they are delivering. This indication should be explored through the analysis of performance over time, in relation to resource and investment and compared locally and nationally as appropriate.

3. Principles

Our performance management approach will support sound decision making by using the information produced by teams, systems, services and external partners to assess our progress toward outcomes. It should link in with decisions about the allocation of new and existing resources to maintain and improve performance in key areas, including monitoring the impact of new projects.

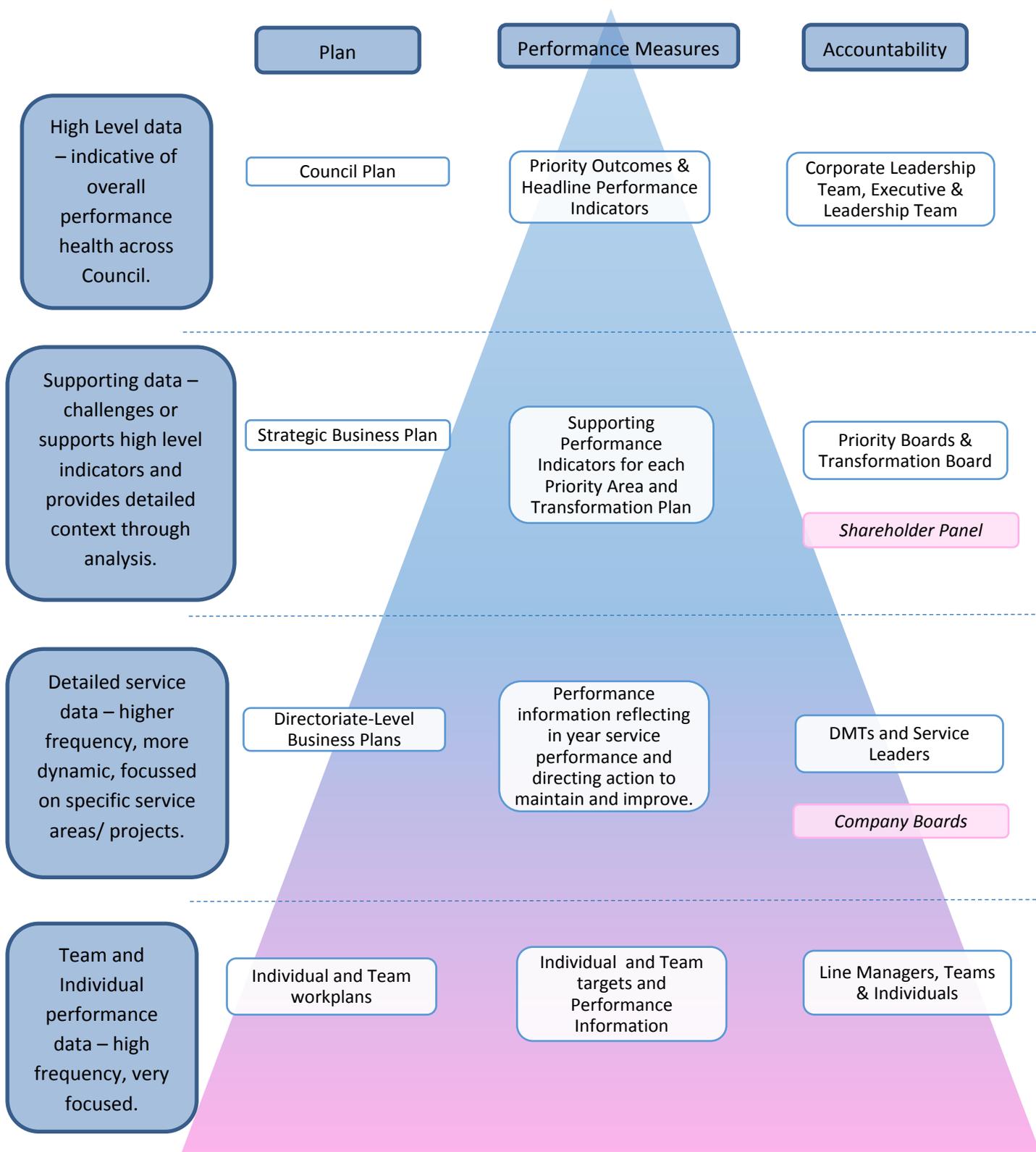
Decision makers across the Council should be supported to have access to information that they can trust and that is truly reflective of what is being achieved, with strong supporting information available for challenge at a detailed level.

Each priority within the Council Plan will have a small number of outcomes which are designed to describe the impact that the Council expects to see as a result of the actions of the Council. Each of these outcomes are monitored using a collection of performance indicators that, at a high level, give a view on the progress made in achieving those outcomes.

Performance will be compared with the performance of other, similar authorities and used to highlight those areas where performance requires attention. Where there are indications that performance is falling below acceptable levels, this will be subject to thematic focus and action plans developed where appropriate to engineer performance improvement.

We take a systematic approach to performance management, following the industry-recognised '**plan/do-review/revise**' cycle. The diagrams that follow summarise the process and the "what, where and who" for information and accountability in this framework.





Plan/ Do

Effective planning and implementation is critical to success. It informs decision-making. It is also the prerequisite for performance monitoring.

Ongoing performance monitoring is vital to ensure that the work we are doing is supporting the achievement of our planned outcomes, as it allows for immediate responsive action(s) on a day-to-day basis at all levels of the Council.

The significant plan types which the Council needs to have in place are detailed at Appendix A, including the plan purpose, monitoring arrangements and accountability.

As part of the development of any plan, desired outcomes and success criteria should be defined, with clarity over how these will be measured. For plans which are Directorate level and above where there will be a clear link directly to the Council Priorities. Measures will be selected from plans which will be monitored and reported as part of the supporting Data for headline KPIs.

Working with Our Partners

In order to achieve the overall vision for Blackpool we need to collaborate effectively with our partners to create an integrated approach to achieving outcomes for residents and visitors.

When considering partnership working, we should ensure that we apply the same high standards of performance management in order to achieve our shared outcomes. This includes setting appropriate measures to enable partners and the public to judge progress and ensuring performance information covers the work of all partners.

As part of ensuring effective delivery of our vision and priorities, the Council has an approach of establishing Wholly-Owned Companies. These are subject to their own internal performance management, with an additional layer of corporate oversight provided by the Shareholder Advisory Panel. Key performance indicators monitored by the Shareholder Panel will form part of the Council Headline set of indicators. Other key partners include public sector organisations in Blackpool such as the Police, Clinical Commissioning Group and NHS Blackpool, and agencies that are paid by the Council to deliver essential services.

We have a responsibility to find more effective ways of making public money deliver better outcomes for our residents and visitors. In the current financial climate this has never been more important. Effective commissioning is the process for deciding how to use the total resources available to the Council in order to improve outcomes in the most efficient, productive, equitable and sustainable way.

Where the Council enters into a commissioning activity, we should ensure clear performance management arrangements are in place so that all concerned parties have a firm understanding of what outcomes we want to achieve and how we are going to measure success. Performance information, including key performance indicators which are required to evaluate intended performance and outcomes, will be specified in the contract or service level agreement and may form part of the supporting information for headline KPIs which are reported to the boards.

Review/ Revise

The review/ Revise stage assesses whether or not plans are on course to deliver objectives and meet targets. It also identifies opportunities for improvement.

Reviews should happen regularly through the life of a plan, focusing on a combination of monitoring of performance indicators and self-evaluation of progress toward overall outcomes. They should support focussed decision making on the allocation of resource, sustainability and highlight performance challenges.

The “revise” element is about analysing and learning from the information we have gained through the plan delivery and from various other sources, including service user, resident and visitor feedback, research, and findings of external inspections and audit. This, alongside the performance information gathered through the life of the plan will supporting the consideration of major decision making including whether a project, service or specific action should stop, start or continue in its current form. It is also about seeking options for process change through analysing what has and has not worked.

Programme and Project Review

The Council’s transformation programme and projects are reviewed by the Transformation and Priority boards on a regular basis, as determined by each board. When a project receives approval, the anticipated impact on key performance indicators and outcome measures will be built in to the reporting arrangements to the relevant board.

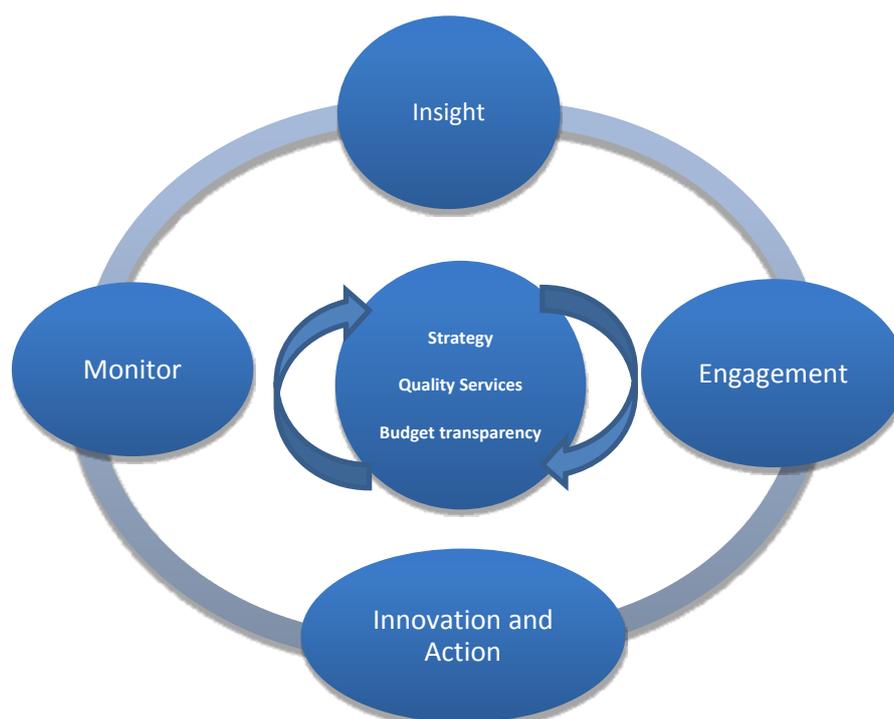
Directorate Performance Review

Structured management review is undertaken at directorate level in the form of DMT meetings. It is the responsibility of the Director and Finance Managers to ensure effective review at the directorate level. The business support teams are responsible for providing accurate and timely performance information for the directorate review. Strategic and key operational risks, workforce issues and asset management matters should form part of the review.

Based on sound analysis, ‘revisions’ can be made at any level of the Council, from corporate priorities right through to individuals’ own personal objectives. These may include a redistribution of resources, revised plans and timescales, or even a revision to our objectives and priorities in the next round of planning.

The Corporate Performance and Delivery Unit will support directorates to link outcomes to performance indicators and to help compare performance to others who share key statistical characteristics with Blackpool. When directorates are considering action to address performance issues, or to engineer significant change, the Corporate Performance and Delivery Unit will support officers to access relevant research and evidence to support options appraisal.

Role of the Corporate Performance and Delivery Unit



The Corporate Performance and Delivery Unit will work with directorates and services to develop performance reviews using the following cycle:

Insight

The team will work alongside people doing the work to understand their perspective on what influences performance. They will gather information from other areas on different performance delivery options, and seek comparisons on the cost of delivering a certain level of performance compared to other areas.

Engagement

The team will work with the service to explore their response to the insight gathered, and to seek clarification if required, preparing to move through to a stage where options for improvement are explored.

Innovation and Action

The team will work with the service support and/or challenge the proposed response to performance challenges, and the timescales and resource proposed to deliver it.

Monitor

The team will support the service to monitor implementation and impact through to the point that performance is recovered to target levels.

Appendix A – Significant Plans

Council Plan

Our Plan sets out the Council's vision, priorities, outcomes and success measures. It also outlines ambitious projects and initiatives that are planned by the Council in partnership with others to support the delivery of improvements across Blackpool. The Council Plan spans a period of five years. The Council Executive are responsible for developing the Council Plan.

Each priority within the Council Plan will have a delivery plan. Initially these will be formed by taking key objectives and planned projects within each area, and ensuring that there are a strong supporting range of performance indicators that ensure that progress toward the intended outcomes is monitored. As the new Council Plan is developed, projects emerging at directorate level will be presented to the Priority Boards for debate and inclusion in the Priority Plans. These projects will cascade down into directorate level business plans ensuring that interdependencies and impact are highlighted.

Medium-Term Financial Sustainability Strategy (MTFSS)

The Council's MTFSS provides an integrated planning and financial framework for the next four years, including the detailed budget strategy for the next financial year. The annual revenue budget and forward financial planning together with the capital programme enable the Council to align its financial resources with its priorities.

The Head of Finance (151 Officer) is responsible for developing and updating the MTFSS to ensure the MTFSS supports the Council's priorities and secure economy, efficiency and effectiveness in the Council's use of resources. The Budget Timeline Group gathers information to produce the MTFSS's Savings Programme (Efficiency Plan), with the savings required then being monitored by Transformation Board, which agrees variations to planned savings to minimise adverse impact on delivering priorities. The MTFSS is scrutinised by the Audit Committee, endorsed by Executive and approved by Council.

It is the responsibility of CLT and the Executive to lead the implementation and monitoring of the progress of our corporate priorities and outcomes alongside the MTFSS and Annual Budget. They are also responsible for dealing with emerging strategic, cross-cutting issues and corporate risks that might prevent the Council from achieving our planned outcomes.

Elected Members have an important role to play in monitoring how well the Council is achieving its priorities. They should be prepared to challenge officers on service performance to ensure that priorities are delivered and the needs of local communities are being met.

Programme and Project Plans

Proper planning and implementation ensures key elements of any given initiative/programme/project are thought through at the early stage and are delivered effectively. There should not be a 'one size fits all' approach to management documentation and control due to variations in programme/project size or significance. Programme and project planning, therefore, should use appropriate corporate programme and project documentation templates.

Included in any planning timeline, before the commitment of significant resource, there must be a project approval process. As part of this process, the following key information should be shared with the Performance and Delivery Unit, who will apply a "critical friend" approach to supporting or challenging the proposal:

- Scope of project
- Source of funding
- Outline timescale
- Evidence base

-
- Contribution to vision and priorities
 - Risks

The role of the corporate support is to support the creation of robust, evidence based and sound decision making. The Corporate Performance and Delivery Unit will therefore explore objectively the assertions made for the proposed intervention. Challenge by the Corporate Performance and Delivery Unit will not mean that a project is not supported, but may influence its direction and the strength of scrutiny as a project progresses.

Appointed project managers are responsible for creating project plans and other required documentation.

It is the responsibility of lead officers to ensure that appropriate plans are in place to evaluate the impact of their projects. Wherever possible, projects and programmes should include key milestones that outline when there are decision points in the project enabling consideration of “stop/ continue” at which points the Corporate Performance and Delivery Unit will support the project/ programme delivery team to offer a robust assessment of the impact of each option. A recommendation will be made by the responsible Director to:

- Stop – the project is no longer on track to achieve objectives and/ or is no longer a priority for resource
- Continue – project is on track, no additional resource required or additional resource should be put in place to address opportunities or challenges

Directorate Business Plans

Directorate business plans span three years and are the action plans which support the Council Plan. Each plan outlines the contribution that the directorate will make to achieve the Council’s priorities and outcomes. It sets out key milestones to carry out council commitments and defines performance indicators and targets. Directorate business plans also define directorate’s priorities in carrying out the core services.

Our integrated business planning process provides the opportunity to make rational and coordinated decisions about levels and types of provisions and how and where to use resources: finance, people, skills and assets. It is also a key process for assessing risks to achievement and how to manage those risks.

Directorate plans will be collated corporately and key actions within the plans will form the Priority and Transformation Plans, which will span all directorates. New projects developed will be considered by Priority Boards in the first instance. The Performance and Delivery Unit will support directorates to monitor and report on plans, budget saving commitments and strategic risks throughout the performance year and support the consideration of impacts on other directorates.

Directors and their directorate management teams (DMTs) are responsible for developing and monitoring their directorate business plans. A network of directorate champions will provide peer support and ensure plans are developed in an integrated way. Directorate business plans are challenged by the Corporate Leadership Team (CLT) and endorsed by the pertinent Cabinet Member.

Service Delivery Plans

Service delivery plans translate directorate objectives into service targets and operational activity, aligning with finance, workforce and risk issues. Heads of Service and Service Managers are responsible for producing and monitoring their service delivery plans.

Individual Plans

Individual plans (staff appraisals) translate service or group delivery plan objectives into practical working measures and targets for all members of staff within the Council. They ensure employees understand their contribution and accountability towards meeting the Council vision and priorities.

A staff appraisal for every member of staff is carried out on an annual basis, in accordance with the Council’s staff appraisal policy- there will be local arrangements in place to ensure that the appraisal method works within the

operational area. It is a joint responsibility of the line-manager and staff member to ensure that the appraisal is carried out in accordance to the Council's policy.