

LEADER OF THE COUNCIL –‘CORPORATE’ PORTFOLIO AREA
COUNCILLOR SIMON BLACKBURN

The Corporate area covers my portfolio and those of:

- Councillor Ivan Taylor (Cabinet Member for Projects and Partnerships)

The full details of the portfolio areas can be found on the Council’s website at <https://www.blackpool.gov.uk/Your-Council/Your-councillors/Executive-members.aspx>

Corporate Issues

Financial Outlook for 2019/ 2020 and Beyond

Members may recall that our Medium-Term Financial Sustainability Strategy, 2016/ 2017-2021/ 2022, detailed 2019/ 2020 as the final year of Government’s four-year settlement offer. The most significant factors in terms of the Council’s budgetary resources are the amounts, which will be received by way of localised business rates collection, Council Tax and residual Revenue Support Grant (RSG). Indicative forecasts of these for 2019/ 2020, plus a best estimate of service pressures, suggest a budget gap of £9m for 2019/ 2020. As Members are well aware, we have a legal duty to set a balanced budget. Therefore, yet again, owing to the Government’s continued attack on local services, Blackpool Council will be forced to make the painful choices, savings and cuts needed to deliver £9m of cost reductions in the year ahead.

The Prime Minister and Chancellor are gleefully telling us that austerity is over. It most definitely is not for the people of Blackpool.

I wish to remind Members of the extraordinary impact of austerity on Blackpool Council, our town and residents. Over the period 2011/ 2012 – 2019/ 2020, the cumulative budget reductions amount to £152m, which is now significantly greater than the Council’s annual Net Requirement Budget – an extraordinary statistic. Even more starkly, the compound effect over the nine-year period is £830m of resource that has been removed from the Blackpool economy. Since 2011, staffing numbers have fallen from 3,050 Full Time Equivalent (FTEs) to 2,150 FTEs. That means there are nearly 1,000 fewer people employed in Blackpool to deliver badly needed services to our residents.

My administration has succeeded in maintaining key services and the viability of the Council despite this appalling financial context. Throughout this period, working balances have remained at £6m at the start of every financial year. Earmarked reserves have levelled out at

around £30m and Blackpool is at mid-point, ranking 25 out of 55 unitary authorities, based on their earmarked revenue reserves as a percentage of net revenue expenditure.

It is extremely difficult to forecast beyond 2019/ 2020 when the current four-year settlement ends; we are in the thick of the uncertainty regarding the Fair Funding review, 75% Business Rates Retention, Spending Review 2019 and Brexit. The autumn 2018 budget did not provide any further clarification regarding these areas, but it did make reference that the final figures for Spending Review 2019 would be set in due course, which may mean at the Spring Statement in 2019.

Work on the Council's Revenue and Capital Budgets for 2019/ 2020 is well underway and will be informed further by the announcement of the Provisional Local Government Finance Settlement, which the Ministry of Housing Communities and Local Government is aiming to publish on Thursday 6 December 2018.

I am in a position to report at least some positive news on future financing to Members. On the 25 September 2018, Blackpool joined a Lancashire wide bid to pilot 75% Business Rates Retention in 2019/ 2020. Early modelling shows that there is potentially additional extra growth to be retained under the pilot pool that is in the region of £10m across Lancashire. Should our bid succeed the modest gain to Blackpool in 2019/ 2020 will of course be welcome, but it is only a fraction of the value of funding we are already set to lose.

In-Year Position for 2018/ 2019

As at month five 2018/ 2019, the Council was forecasting an overspend by year-end of £4.0m with the main financial pressures presenting in Children's Social Care and Parking Services. Whilst the pressure in Children's Services remains the number one corporate concern, in the context of around £30m of Earmarked Revenue Reserves and with seven months of the financial year remaining in which to improve performance the Director of Resources remains confident that a more acceptable and manageable position will be reached by year-end.

It is quite remarkable that we are still succeeding in making improvements to the collection of Council Tax and Administration of Housing Benefit. At the end of month five, the amount collected for Council Tax (excluding Police and Fire precepts) was £23.8m and the collection rate was 43.4%. This compares to £21.7m and 42.7% at the same point in 2017/ 2018. The amount collected has actually risen by £2.1m, which is mainly due to increases in both Council Tax rate and base. Early indications show the improved collection rate has continued at month six.

In respect of Business Rates, at the end of month five, the amount collected was £20.9m and the collection rate was 41.7%. This compares to £21.4m and 41.7% at the same point in 2017/ 2018. Changes in both the Business Rates multiplier and base (due to the Revaluation in April 2017 and other movements) have made negative contributions of £0.5m, offset by a compensating increase to the Non-Domestic (NDR) Top-up amount. These changes do make year-on-year comparisons difficult. The Council's share of business yield continues at 49%.

From April 2014, Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay. However, 542 business rate summonses have been issued so far in this financial year.

In relation to performance data, the average number of days taken to process Housing Benefit and Council Tax Reduction Scheme new claims and changes in circumstances for September was 18 days.

We have recently undertaken a benchmarking exercise with some nearest neighbouring authorities regarding borrowing. This exercise demonstrated that Blackpool's average interest rate of 2.07% is the lowest of the 11 authorities that we have been able to benchmark with. It also demonstrated that our borrowing as a percentage of gross budget requirement was slightly below the 0.59% average.

Strategic Issues

Conference and Exhibition Centre

I am pleased to report that we currently have some very encouraging and detailed enquiries for bookings for 2020 and beyond. Everyone can now see the building taking shape. We are now in a position to carry out 'hard hat tours' for potential customers. Some of the improvements that benefit the wider complex are already in place, including improved and modernised electrical capacity, improved heating and we will also have air conditioning for many of the original conference and exhibition spaces such as the Empress Ballroom, Arena and Spanish Hall. The work to repair the roof and ceiling in the Spanish Hall is also well under way. This will significantly enhance the usability of these facilities in advance of the new build opening.

Blackpool Museum Project

Significant progress has now been made on the design of the exhibition within the proposed Museum. A mix of the best of museums and visitor attractions, it will be immersive, participatory and inclusive, featuring 1,250 sqm of themed displays, a 150sqm temporary exhibition gallery, along with learning and events spaces. It will feature the first permanent displays in a UK public museum on circus, magic, variety and ballroom dance with 800+ objects from Blackpool's internationally significant collections and loans from national partners, including the Victoria and Albert Museum. Importantly, it will tell the stories through the voices of the people who made it happen: performers, producers, visitors and residents. In an innovative move, we are working with comedy scriptwriters to ensure a fresh approach that reflects the spirit of the Museum and Blackpool itself.

The Museum is a key part of our vision for the future of Blackpool town centre. It will serve as a great compliment to all of the other projects currently in delivery. The Museum will enable culture-led economic growth by providing a memorable, quality and educational destination venue for visitors, creating new jobs and skills and by bringing local people together to proudly celebrate the Blackpool story. As Members are aware, we have already been awarded £4million from the Northern Cultural Regeneration Fund toward the Museum and have

received £400,000 development funding from the Heritage Lottery Fund (HLF). Our HLF Round Two application will be submitted in December 2018 for a further £4million, with a decision in March 2019. We have also been successful in our Stage 1 bid to the Coastal Communities Fund for £1.75million, we must submit our Stage 2 bid in January, with notification of the funding likely to be in April 2019. £1.5million has been earmarked from the Lancashire Economic Partnership Growth Deal. We also have a fundraising target of £675,500 and we are working with our fundraising charity, the Blackpool Museum Trust, to achieve this.

Blackpool Business Loans Fund

In February 2017, Council approved a significant extension of a former £10m loans fund to £100m to create a new Blackpool Business Loans Fund. The primary purpose of the fund is to promote economic development in Blackpool whilst ensuring that any such investment delivers a secure financial return for the Council. The Council has subsequently approved several strategic investments in health, transport, accommodation and manufacturing sectors, as well as smaller loans to facilitate new hospitality-related businesses. Since 2017, a further £74m has been approved.

Transforming Services

Blackpool Residents' Survey 2018

I am pleased that the Council committed to undertake a residents' survey earlier this year, with the previous survey conducted in 2014. Like any responsive Council, we want to know what our residents think and a residents' survey is one of many ways we seek to do this.

Over 750 residents completed the survey, online and over the telephone. Overall, the results of the survey are very encouraging. I am absolutely delighted to report to Members that despite huge reductions in our resources, resident satisfaction with services delivered by Council teams has increased across the board, with increases in satisfaction of between three and an impressive 23 percent. Only one area saw a slight reduction in satisfaction, domestic waste collections and this is a service, which we are pleased to be bringing back under Council control in mid-2019. Particularly notable are the satisfaction scores for Libraries at 92%, Leisure Services at 92%, Parks at 91%, Theatres at 87%, Transport at 83%, Art/ Culture at 83%, Older People Services at 83% and Young People Services at 80%. A big thank you must go to all our staff, partners and volunteers who help deliver these services.

I am also extremely encouraged that residents report that overall they are happier with Blackpool as a place to live and feel more connected to their community, than they were in 2014. The survey was delivered with really strong safeguards in place and despite understandable concerns beforehand, we received no complaints from anyone who was contacted by telephone to complete the survey.

Working with Partners

Blackpool Town Prospectus

I have previously reported to Members on work Business in the Community are carrying out as part of the Blackpool Pride of Place Partnership. A key aim of the partnership is to raise Blackpool's regeneration profile, with our business community and national government in particular. Indeed, the partnership Board is majority private sector, containing key actors who employ thousands of people in our area.

In October the partnership launched the 'Blackpool Town Prospectus', backed by the Council, Local Enterprise Partnership and our wider business community. The prospectus can be viewed at https://www.bitc.org.uk/sites/default/files/blackpool_town_prospectus_online-compressed.pdf

This prospectus was the result of over 12 months of consultation, seminars and workshops bringing together the views of major local businesses and national players including the Chairman of Virgin Holdings, Chairman of Barclays Bank, the founder of Mumsnet, Price Waterhouse Cooper and Visit Britain alongside over 100 local businesses.

The prospectus summarises the opportunities and challenges facing Blackpool, what we are doing to address them and what we want from national government in particular, to take things further in the years ahead. It is the plan to create thousands of new jobs and thousands of quality, affordable new homes.

This private sector led initiative is already receiving significant interest in Government and from many national agencies.

I am delighted that the Blackpool Town Prospectus has received a very positive welcome by local and regional media and it now making its way in and around Whitehall. Crucially, the prospectus makes it very clear what Blackpool needs to continue our regeneration journey by way of policy changes, new powers and resources. I look forward to working with the partnership and all its supporters to make the case for delivery of these things in the months and years ahead.