

Notice of:	EXECUTIVE
Decision Number:	EX56/2018
Relevant Officer:	Neil Jack, Chief Executive Steve Thompson, Director of Resources / Statutory Finance Officer Arif Rajpura, Director of Public Health
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	10 December 2018

COUNCIL BUDGET 2019/2020 CONSULTATION PROCESS

1.0 Purpose of the report:

- 1.1 To consider the terms of the consultation process with respect to service changes to be proposed in the Council's 2019/2020 Revenue Budget.

2.0 Recommendation(s):

- 2.1 To approve the outline service changes detailed at Appendix6a as the basis on which the consultation and equality analyses will be undertaken with affected parties.
- 2.2 To approve the use of an Enhanced Voluntary Redundancy payment (EVR) incentive at a level of £3,000 (pro-rata for part time employees) for a set period of time to be determined by the Chief Executive.
- 2.3 To continue to engage through formal consultation mechanisms where budget proposals require appropriate feedback and to ensure that the Council is engaged with all partners, linking in with the CVFS leadership group, as appropriate as referred to in section 12 of the report.
- 2.4 To refer this report to the Budget Scrutiny Panel scheduled to meet on Tuesday 18 December 2018.

3.0 Reasons for recommendation(s):

3.1 The Council continues to deal with the effects of substantial reductions in government funding, with cuts to services being unavoidable in achieving a balanced budget. The calculation of the outline savings detailed in this report is based on an estimate of the amount of government revenue funding due to the Council.

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 – but the final decision of Council in February 2019 will be to set a new revenue budget.

3.3 Other alternative options to be considered:

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

4.0 Council Priority:

4.1 The budget consultation process is relevant to both of the Council priorities: "The economy: Maximising growth and opportunity across Blackpool" and "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

5.1 It is a legal requirement for the Council to set a balanced budget. Each successive year, the scope remaining for savings from efficiency measures becomes less. The last eight years have seen recurrent budget savings of £143m, a figure which now exceeds Blackpool Council's annual Net Budget Requirement of £124m. Delivering savings of this magnitude has had an unavoidable impact on service levels, jobs and morale, but by 2022 more radical, fundamental, transformational and sustainable solutions will be necessary. In 2016, the Executive agreed the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the six-year period, 2016/17 to 2021/22. Agreement of the Medium-Term Financial Sustainability Strategy also complied with the conditions set by the Secretary of State for Communities and Local Government that acceptance of the four-year Funding Settlement Offer, which finishes at the end of the next budget year.

5.2 The Strategy summarises the comprehensive review and assessment that has been undertaken of how the Council can finance its future service delivery and the level of savings needed if these activities are to be facilitated and maintained. It also sets out the risks anticipated throughout what is forecast to be an ongoing harsh economic climate for local government.

5.3 Residents surveyed in 2018 indicated that the services provided by the Council are valued and in the budget proposals, every effort has been made to protect direct delivery.

5.4 Each successive year, the scope remaining for savings from efficiency measures becomes less and over the term of the strategy achieving savings of the scale demanded, will require concerted action and consideration of a broad range of initiatives, whilst maintaining strong financial management and budgetary control, addressing any areas of overspending in a timely manner, maximising savings and ensuring value for money.

5.5 The proposals outlined at Appendix 6a have been formulated across the Council's Senior Management Team and in consultation with the Executive. It is these proposals which the Executive is asked to agree to form the basis on which the consultation and equality analyses will be undertaken with affected parties.

5.6 Does the information submitted include any exempt information? No

5.7 **List of Appendices:**

Appendix 6a – Budget Savings Proposals.

6.0 Legal considerations:

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

6.2 Where the proposals have the potential to impact on employees they will be the subject of trade union and employee consultations in line with statutory requirements.

7.0 Human Resources considerations:

7.1 Whilst it is not possible to find all of the necessary savings without reducing staffing costs the number of potential compulsory redundancies has been kept to a

minimum.

- 7.2 The number of employees who have been placed at risk is lower than in previous years and not all of them will receive a formal notice of redundancy. It is not possible to know for certain at this stage how many employees will be ultimately impacted, but it is anticipated that there will be up to 15 compulsory redundancies plus a further 10 employees in temporary contracts which will come to an end and agreement of up to 20 voluntary redundancies where it is possible to agree employee requests.
- 7.3 Services continue to take every opportunity to mitigate redundancies. Measures include a review of temporary contracts, holding posts vacant, use of temporary agency staff, asking employees to reapply for voluntary unpaid leave and encouraging people to put forward requests for early retirement or voluntary redundancy.
- 7.4 Over the last seven years the Council has offered an enhanced voluntary redundancy to “at risk” staff, which has helped to keep the number of compulsory redundancies to a minimum. The enhanced voluntary redundancy package offered last year was an additional payment of £3,000 (pro rata for part time employees) and in order for it to be financially viable employees had to meet the following criteria:
1. Minimum two years’ continuous service;
 2. No pension or an annual pension of £3,000 or less (pro rata for part time employees and based upon figures prior to taking an increased lump sum);
 3. Agreement to a reduced notice period should this be required.

It is recommended that Executive approves the same enhanced voluntary redundancy offer for 2019/2020.

- 7.5 The Council recognises that employees in this situation need as much help and support as possible. A dedicated Employment Adviser will offer group sessions to fully explain the range of services available to employees and will coordinate referrals into the National Careers Service (NCS) for the following:
- Skills Health Check: The NCS offers a web-based tool to help staff better understand their own skills, identifying transferable skills and abilities and work objectives
 - Information on New Career Options: Help to source information on training or qualifications needed for specific career choices.
 - Entitlement Checker: Verifying eligibility for public funding to use towards training costs
 - CV Building: Advice on how to tailor a CV towards certain sectors using a bespoke web tool
 - Mock Interviews: Help to prepare staff for formal interview scenarios

including formulating answers to commonly asked interview questions, and suggested questions to ask employers

- Professional Networking: Introducing staff to the benefits of using social media to search for jobs e.g. LinkedIn.

7.6 The Council recognises that employees in this situation need as much help and support as possible. A dedicated Employment Adviser will offer group sessions to fully explain the range of services available to employees:

- Get Started (Self Employment Advice): Support from within the Council to turn business ideas into reality;
- Jobcentre Plus: Benefit entitlement advice.

In addition employees will be offered access to the following:

- Employee Assistance Programme (EAP) which is an independent and completely confidential service providing help and assistance for employees and their immediate families, for any personal or work-related problems;
- Priority for Internal Job Vacancies.

8.0 Equalities considerations:

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

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

8.3 Cumulatively this process has involved:

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

involved in the budgetary decision process

- Briefing sessions with all Directorate heads to explore possible scope and impact of proposals on key equality issues.

8.4 Each year, once significant equality implications have been identified, these are flagged up to decision makers and where appropriate the commissioning of a full impact review involving data analysis and consultation with service users and others affected. Each year the Council also assesses the effect of budget reduction on staff diversity issues, using a benchmark analysis of the current levels of workforce diversity for each of the key equality strands – Race, Gender, Disability, Age, Religion and Belief, and Sexual Orientation.

9.0 Financial considerations:

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

10.0 Risk management considerations:

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

11.0 Ethical considerations:

11.1 The early engagement process referred to in section 12 ensures that the Council has some intelligence on resident and staff opinions on the budget to better inform its deliberations. However, it is recognised that in upholding some of the Council's ethical principles (for example, the promotion of social justice), the Council may need to communicate the reasoning behind some of the decisions where these conflict with residents' opinions. Additionally, the Council will take steps to ensure that the dignity of service users and residents is respected throughout the consultation process and in the formulation of the final budget proposals.

12.0 Internal/ External Consultation undertaken:

12.1 In 2014, and again in 2018, the Council undertook a survey with Blackpool residents. As part of this survey, residents were asked about key Council services. This survey indicated that satisfaction levels have improved in most areas, despite considerable budget challenges.

12.2 As part of the initial engagement in preparing the budget proposals, representatives from the third sector were given the opportunity to provide feedback to the council. The engagement took place via the third sector leaders forum and was included in

the weekly CVS bulletin. Results were positive with 62% believing that the Council had managed budget cuts 'fairly well'. It was generally felt that the council have done their best in a difficult situation however it was believed that stronger partnership working and shared funding bids between the council and third sector would help to achieve future savings.

12.3 There was a clear desire for the Council to become more involved with the CVFS leadership group – a new group formed following a review of the former 3rd sector leaders forum. The Council's Community Engagement and Partnership Manager has agreed how to explore this further with the group.

12.4 In previous years, before the budget has been agreed, the Trade Unions and Non-Domestic Rate Payers have been invited to attend a scrutiny committee meeting mid-February to make representations on the budget. Following a recent development review on scrutiny, undertaken in conjunction with North West Employers, it is recommended that these meetings are not held formally as part of the scrutiny process but that key attendees are invited to address and make representations direct to the Executive when it considers the draft budget in February 2019. This is in addition to earlier briefings with the Trade Union representatives. As part of the engagement process the Council's Director of Resources will be addressing a meeting of the Blackpool Business Leaders Group and will feedback any comments to the Executive.

12.5 In relation to the involvement of scrutiny committees, the Tourism, Economy and Resources Scrutiny Committee has agreed (similar to previous years) to establish a Budget Scrutiny Panel to consider proposals earlier in the process, i.e how the savings will be met and the resulting impact on services. This meeting has been scheduled for 18 December 2018 and will involve members across all three scrutiny committees.

12.6 A formal response from the scrutiny panel will then be considered by the Executive, along with any representations from the trade unions or Non-Domestic Rate Payers at an Executive meeting prior to Budget Council on the 28 February 2019.

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? 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: N/A Date approved:

17.0 Declarations of interest (if applicable):

17.1 Councillor Blackburn declared a personal interest in line 1.11 of the budget savings at Appendix 6a to the Executive report. The nature of the interest being that he was a tenant of Blackpool Housing Company Limited.

18.0 Executive decision:

18.1 The Executive agreed the recommendations as outlined above namely:

1. To approve the outline service changes detailed at Appendix6a as the basis on which the consultation and equality analyses will be undertaken with affected parties.
2. To approve the use of an Enhanced Voluntary Redundancy payment (EVR) incentive at a level of £3,000 (pro-rata for part time employees) for a set period of time to be determined by the Chief Executive.
3. To continue to engage through formal consultation mechanisms where budget proposals require appropriate feedback and to ensure that the Council is engaged with all partners, linking in with the CVFS leadership group, as appropriate as referred to in section 12 of the report.
4. To refer this report to the Budget Scrutiny Panel scheduled to meet on Tuesday 18 December 2018.

18.2 Date of Decision:

10 December 2018

19.0 Reason(s) for decision:

The Council continues to deal with the effects of substantial reductions in government funding, with cuts to services being unavoidable in achieving a balanced budget. The calculation of the outline savings detailed in this report is based on an estimate of the amount of government revenue funding due to the Council.

19.1 Date Decision published:

11 December 2018

20.0 Executive Members present:

20.1 Councillor Blackburn, in the Chair

Councillors Benson, Campbell, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

21.0 Call-in:

21.1

22.0 Notes :

22.1 Apologies were received from Councillor Cain who was engaged elsewhere on official Council business.