

Dear Councillor

**EXECUTIVE – WEDNESDAY 4 MARCH 2020**

Please find attached additional information for Wednesday 4 March 2020 meeting of the Executive, which were received after the agenda had been despatched.

<b>Agenda No</b>	<b>Item</b>
<b>2</b>	<b><u>COUNCIL TAX 2020/21</u> (Pages 1 - 8)</b>

Yours sincerely

Lennox Beattie  
Executive and Regulatory Manager

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### MINUTES OF BUDGET SCRUTINY PANEL MEETING - MONDAY, 24 FEBRUARY 2020

#### **Present:**

Councillor Mrs Callow JP (in the Chair)

Councillors

Burdess  
Farrell

Galley  
Hobson

Hunter  
Hutton

Mrs Scott  
Stansfield

#### **In Attendance:**

Councillor Kath Benson, Cabinet Member for Schools, Education and Aspiration

Councillor Simon Blackburn, Leader of the Council and Cabinet Member for Adults and Health

Councillor Neal Brookes, Cabinet Member for Housing and Welfare Reform

Councillor Gillian Campbell, Deputy Leader - Place and Tourism

Councillor Fred Jackson, Cabinet Member for Environment, Transport and Climate Change

Councillor Maria Kirkland, Cabinet Member for Community Cohesion and Leisure

Councillor Lynn Williams, Deputy Leader - Children

Councillor Mark Smith, Cabinet Member for Environment, Transport and Climate Change

Neil Jack, Chief Executive

Karen Smith, Director of Adult Services

John Blackledge, Director of Community and Environmental Services

Diane Booth, Director of Children's Services

Alan Cavill, Director of Communication and Regeneration

Steve Thompson, Director of Resources

Mark Towers, Director of Governance and Partnerships

Phil Redmond, Chief Accountant

Mark Golden, Finance Manger

Kirsten Whyatt, Finance Manager

Tracey Betts, Infusion Lead

Sharon Davis, Scrutiny Manager

John Greenbank, Democratic Governance Senior Adviser (Scrutiny)

#### **1 INTRODUCTION**

Councillor Mrs Callow, in the Chair, introduced the meeting and welcomed those present.

#### **2 DECLARATIONS OF INTEREST**

Councillor Adrian Hutton, Councillor Andrew Stansfield and Councillor Maria Kirkland declared a prejudicial interest in item three on the agenda, in relation to Council funding for Enveco, as Non-Executive Directors of the company. All indicated that they would leave the meeting should this subject be discussed.

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**3 COUNCIL BUDGET 2020/2021 PROPOSALS**

Mr Steve Thompson, Director of Resources, presented an overview of the Council's budget proposals for 2020/2021.

He explained that since 2011/2012 the Council had experienced significant financial pressure and had made approximately £982m in saving during this time. There had also been shift toward local authorities being more self-sufficient with less reliance on government funding.

Work on the current budget proposal had been undertaken since September 2019 but had been impacted by a delay in the confirmation of the local government settlement by central government.

Mr Thompson also informed the scrutiny panel that £19.65m of savings had been identified as part of the proposals. The budget had been developed to ensure that the Council could continue to deliver front-line services and where possible protect jobs. The savings identified therefore had mainly been in technical and corporate services.

The Council had also received £5.922m in the form of a Social Care Grant from government and it was proposed that this be allocated in full to Children's Social Care due to the high spending pressures the service experienced.

It was also explained that the government had indicated that a three-year local government settlement could be agreed going forward. This would allow greater clarity in future financial planning.

The Chair then invited the Directors present to outline the savings proposals identified within their directorates.

Corporate

Mr Thompson outlined the corporate savings identified. These savings included an increase in the period of voluntary unpaid leave from five to six days a year, a reduction in staff mileage expenses, re-evaluation of the Council pension contributions, reassessment of the Business Rate yield, an increase in the 2021 Council Tax base and a premium on empty homes, an additional £750k yield from the Business Loans Fund, retention of 55% of the inflation provision and an increase in the expected income from grants. It was noted the grant to support delivery of Public Health had been higher than previously expected.

The scrutiny panel queried how the Council expected Business Rates to develop in the future and how it was foreseen the revenue would be used. Mr Thompson responded that the government was moving toward Business Rate retention by local authorities of between 75% and 100%. The Council would however need to appraise what impact this would have before it could look to the future.

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Members questioned how Council Tax could be used in the future to support regeneration and better housing provision. Mr Thompson replied that the details of how the Council would use Council Tax revenue going forward would be taken into consideration as part of the development of the next Medium Term Financial Strategy. He also added that the Council had received modest income from the New Homes Bonus, compared to other authorities in the region.

Mr Neil Jack, Chief Executive, added that the Council was awaiting the outcome of the government's Fair Funding Review and that long-term planning could not take place until the details of the review were known. Councillor Simon Blackburn, Leader of the Council, also added that the Council had clear vision for the regeneration of Blackpool, through projects such as the Blackpool Airport Enterprise Zone. He outlined that Blackpool needed to attract businesses that could add to the business rate yield to maximise what the Council could do. It was also explained that links with other Lancashire authorities would be developed to ensure any changes to Business Rates would benefit a wider area.

#### Communications and Regeneration

Mr Alan Cavill, Director of Communications and Regeneration, presented an overview of the proposed savings identified within the Communications and Regeneration Directorate. These included the ring-fencing of adult learning funding, a renegotiation of event contracts and the relocation of the print unit to more commercial viable premises.

#### Growth and Prosperity

Mr Cavill outlined that the proposed savings identified in the Growth and Prosperity Team involved increased returns from regeneration investments.

The panel asked if the Council possessed the necessary commercial skills to maximise income generation. Mr Cavill replied that the Council had a good record of generating income from its services. An example of this had been the increased profitability of the print unit since its relocation, where it had gone from being a loss making service to generating a £20k surplus. It was also explained that the Council had experienced officers capable of making bids for and securing grant funding.

The sustainability of the Houndshill Shopping Centre, purchased by the Council in 2019, was also raised. Members noted the challenges being faced by high-street retailers and asked how the Council would retain businesses within the shopping centre. Councillor Blackburn replied that the Council had worked with the centre for an extended period, both with its previous owner and since its purchase and had built up considerable knowledge of the retail sector in Blackpool as a result. The Council had also developed relationships with the existing businesses within the centre and they had indicated a long-term commitment to remain. The panel also emphasised that the wider town centre would also need to be supported to ensure the Houndshill remained sustainable. Councillor Blackburn responded that the Council believed that enough retailers existed to ensure the centres' long-term sustainability.

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Community and Environment

**[Councillors Hutton, Stansfield and Kirkland left the meeting during the presentation of the saving proposals relating to Enveco].**

Mr John Blackledge, Director of Community and Environmental Services, presented an outline of the proposed savings identified within the Community and Environmental Directorate. These included staff efficiencies within Highways and Traffic, income generation from waste services, a reduction in public conveniences service charges, a saving of £200k due for further joint working between Enveco and waste services and an alternative service delivery model for integrated transport.

**[Councillors Hutton, Stansfield and Kirkland returned following the presentation of the saving proposals relating to Enveco].**

The panel asked whether consideration had been given to the commercial potential of the Council's leisure and green space assets. Mr Blackledge responded that many leisure events delivered by the Council had been supported by sponsorship and this would continue in the future.

Members also queried how the Community Safety team had coped with the pressures and demands it had experienced during 2019. In response, Mr Blackledge explained that the team had undergone a staffing re-structure, including a new lead officer, to better respond to the pressures it had been facing, in particular the challenges of Anti-Social Behaviour.

Mr Blackledge also explained that it should be recognised that there was a need to make savings to protect statutory and front line services.

Children's Services

Ms Diane Booth, Director of Children's Services, presented an overview of the proposed savings identified within the Children's Services Directorate. These included efficiencies with the business unit, a reduction in the role of the music service, moving Duke of Edinburgh award provision to leisure services, greater income generation from services provided to schools and a review of external placements.

Members queried if more could be done with early years providers to support the work of the directorate. Ms Booth replied that historically the Council had only worked with a small group of providers but that work had been undertaken to expand the numbers worked with. Although it was recognised that it could take time to establish relationships it was noted that seventy-two providers had agreed to attend an upcoming event regarding early help, which was considered a positive step.

The panel also asked how officers foresaw the Directorate's budget in twelve months' time. Ms Booth replied that it was expected that there would be fewer children entering services by this time which would allow for reduced spending. She also added that the Children's Services Medium Term Financial Plan would be considered at the next meeting

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of the Children and Young People's Scrutiny Committee.

Ensuring value for money for service users in external placements was also raised as an issue by Members. In response Ms Booth explained that this was a national problem but that the Council had improved its monitoring of providers, including spot checks, to ensure that quality was maintained. She also added that training had been provided for young inspectors to allow them to challenge providers on the care they provided. The Council also sought to have better control of the market within Blackpool by only working with those providing a high quality of service.

Councillor Blackburn also informed the panel that the Council would work with providers to ensure better outcomes for young people. He also noted that the focus would be on providers of services not regulated by Ofsted (under sixteens) or the Care Quality Commission (over seventeens). Mr Jack added that the Council would also prioritise placements for Blackpool residents.

Members further queried if the Council was correct to put further funding into Children's Services considering historic overspends within the Directorate, expressing concern that increased funding could encourage further overspending. Councillor Blackburn replied that the decision had been made to increase funding for the directorate for three principle reasons. The first related to the ongoing impact of the 2018 Ofsted inspection following which commissioners had been appointed to oversee improvements to the service. They expected that certain improvements would be made and there was a cost associated with these. The second issue was ongoing demographic pressure, which was noted as a national issue with the majority (95%) of local authorities overspending on children's services. The third was a need to invest in front line services such as early help, families in need and initiatives such as the Innovation Service. He added that the increased funding was aimed to reduce the demands and pressures experienced and lead to an improved service provision in the future.

#### Chief Executive

Mr Jack provided an outline of the proposed savings identified within the Chief Executive's Directorate. These included staffing efficiencies, the deletion of vacant posts and ending of Housing Option payments to My Blackpool Home.

#### Adult Services

Ms Karen Smith, Director of Adult Services, provided an overview of the proposed savings identified within the Directorate. These included the release of funding for extra support due to new health provision, the closure of Gloucester Avenue due to a reduction in use of the service due to changes in demand, a Financial Assessment Review of changes to service users' income, optimising the use of personalised care packages for those in supported living, joint working on Intermediate Care Services and funding from the local NHS Hospital Trust and Clinical Commissioning Group (CCG) for the Council to act as lead in the implementation of the Deprivation of Liberty Safeguards (DoLS).

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The review panel asked how officers saw the service going forward. Ms Smith replied that there needed to be an awareness of the pressures faced by the Directorate and their impact on provision. The learning of best practice by other authorities would also be utilised to improve service provision where possible. It was further queried if income generation from use of practices developed in Blackpool by other authorities had been considered. In response, Ms Smith explained that information on best practice was shared with other authorities as part of knowledge pooling and that no consideration of charging had been considered. She added that Blackpool had been noted for the work undertaken by the Council and Lancashire Fire and Rescue Service to promote fire safety.

Members also queried should the cost of the work required to lead on the implementation of the new Liberty Safeguards exceed the £50k provided by the NHS and CCG whether an additional contribution would be sought. Ms Smith responded that the £50k provided had been agreed with the NHS and CCG and represented a cautious estimate of the amount that would be needed to carry out the new Liberty Safeguard assessments. However she added that greater clarity of the work that would need to be undertaken would not be available until the government had provided its guidance on implementation. If the cost of this was then expected to exceed £50k further discussion would take place with partners.

#### Resources

Mr Thompson provided an outline of the proposed savings within the Resources Directorate. These included staffing efficiencies, income generation from a review of rents and leases, rent from a recent tenancy at Bickerstaffe House, Audit and Risk work undertaken on behalf on the Council's Wholly-Owned Companies and provision of accountancy services to schools. He also added that the Directorate's training budget had been protected. This would allow staff to continue to develop and widen their skill sets which could then be utilised by the Council to improve service delivery. It was also noted that the introduction of Universal Credit, which was managed by the Department for Work and Pensions, had resulted in a reduction in work for the Benefits Team.

#### Governance and Partnerships

Mr Mark Towers, Director of Governance and Partnerships, provided an overview of the proposed savings identified within the Governance and Partnerships Directorate. These included income generation from schools, academies and wholly owned companies and reduced external legal expenditure through the appointment of Legal Officers to support childcare legal work.

#### Other

Mr Thompson informed the review panel that the savings outlined by Directors totalled £17.397m leaving a savings gap of £2.252m to be identified to meet the target of £19.649m. He explained that in the event savings could not be identified within the year, this gap had been underwritten with earmarked reserves. It was explained that the Council remained in a healthy financial position and now had approximately £40m in earmarked reserves for 2020/2021. **Page 6**

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The review panel queried why there had been no information provided on Public Health within the savings documents. Councillor Blackburn responded that the funding for Public Health was provided from a ring-fenced external government grant and therefore not Council funds.

Members also asked how the stakeholder engagement had been undertaken and if views had been fed into the budget. Mr Thompson replied that the engagement had provided reassurance that the budget was in line with public and partners expectations. Mr Jack added that public feedback had also indicated the value of non-statutory services, such as parks and leisure, to residents of Blackpool. The panel also asked if the engagement process had been costly for the Council. In response it was confirmed that the process had been low-cost, delivered in-house and had included the use of the internet for stakeholders to provide responses.

#### Savings Options Considered and Dismissed

Mr Jack provided an update on the options considered to make savings as part of the budget process but rejected. These included:

- Changes to staff terms and conditions;
- Holding a referendum on increasing Council Tax;
- The closure of facilities, such as parks and leisure centres;
- Ending/ significantly reducing the provision of non-statutory services;
- Increasing car parking charges;
- Changes to provision of public conveniences, including closure or transfer to other operators; and
- Ending small services such as Dog Wardens and the Green Rover.

It was explained that these options had been rejected as being unrealistic or it was considered that the benefit of keeping a service outweighed the cost saving that could be made.

The panel noted the savings proposals outlined and thanked the officers involved in the preparation of the budget.

#### **4 NEXT STEPS**

The panel noted that the minutes of the meeting would be forwarded to the 4 March 2020 meeting of the Executive for consideration.

#### **Chairman**

(The meeting ended at 7.45 pm)

Any queries regarding these minutes, please contact:  
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