

Public Document Pack

Dear Councillor

EXECUTIVE - MONDAY, 7 FEBRUARY, 2022

Please find attached updated the appendices related to the General Fund Revenue Budget for the Monday 7 February, 2022 meeting of the Executive, forwarded to Members under separate cover.

This document will also be considered at the Council meeting to be held on the 8 March 2022, please bring this document to either meeting if you are attending.

Agenda No	Item
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6	<u>GENERAL FUND REVENUE BUDGET 2022/23</u> (Pages 1 - 134)
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
on
7 FEBRUARY 2022

GENERAL FUND REVENUE BUDGET 2022/23

1. Purpose

- 1.1 The purpose of this report is to determine the overall level of net expenditure to be included in the General Fund Revenue Budget for 2022/23 and to identify a budget savings plan that will ensure a balanced budget in-year.

2. Context

- 2.1 The current Medium Term Financial Sustainability Strategy (MTFSS) covering the period 2021/22 – 2026/27 was approved by Executive on 8th November 2021 and presented a financial outlook, an assessment of risks and indication of the Council’s challenges over these 6 years. Since the last 4-year Settlement ending in 2019/20 the Council has had to plan based on 1-year only Settlements due to the consequences of exiting the European Union followed by the impact of Covid-19. It was hoped that there would be a multi-year Settlement for 2022/23, however, a 1-year only Settlement was again announced for the forthcoming year with high level control totals for the sector as a whole in 2023/24 and 2024/25 pending a reform of local government funding with a consultation due in the spring.
- 2.2 The 10 key principles of the Medium Term Financial Sustainability Strategy are:
- the statutory obligation to balance the Council’s budget in each year of the period;
 - resourcing services in line with Council priorities;
 - embedding a culture of value for money and efficiency savings in all activities;
 - keeping local taxes and charges as low as practicable;
 - maximising the level and resilience of the resources of cash, assets and people;
 - ensuring significant risks are identified and mitigated where possible;
 - ensuring financial reserves reflect the levels of business and risk;
 - optimising capital spending freedoms;
 - a sympathetic but robust approach to income and debt management in accordance with a refreshed Income and Debt Recovery Strategy
 - adherence to the Council’s climate emergency declaration of reaching net carbon zero by 2030 (and measures to lead the town towards the same objective).

3. The Local Government Finance Settlement 2022/23

- 3.1 The Local Government Finance Settlement sets the amount of Central Government funding available to Councils. The Secretary of State for Levelling Up, Housing and Communities announced the Provisional Local Government Finance Settlement for 2022/23 on 16th December 2021. The Final Settlement is expected to be announced in early February 2022.
- 3.2 The Settlement Funding Assessment (SFA) for Blackpool Council is split between resources received via Revenue Support Grant, an assessment of its share of Business Rates collectable plus a Top-up element from the Business Rates Retention Scheme. The Provisional SFA amounts to **£63,885,000** in 2022/23. This compares with the Settlement Funding Assessment in 2021/22 of £63,420,000.

4. Other Funding 2022/23

- 4.1 There are several other significant components of Central Government funding, some of which have been rolled into the Settlement Funding Assessment and some which remain separate specific grants:

4.2 New Homes Bonus (NHB) Grant

The 2022/23 New Homes Bonus allocations have been announced. This funding takes the form of an unringfenced grant which is distributed between local authorities based upon the net growth in housing provision within their areas. The overall allocation for each authority is based on a legacy payment for 2021/22 plus the 2022/23 allocation and the scheme also only rewards growth in homes above a minimum expectation of +0.4% per annum.

The 2-year cumulative figure for 2022/23 has been confirmed as **£211,274** with an in-year element of £203,224. As the roll forward is for one year, with any funding beyond 2022/23 subject to the next Spending Review and potential new proposals, the allocations in 2022/23 will not result in legacy payments being made in subsequent years based on those allocations.

4.3 Housing Benefit (HB) Administration Grant

The Housing Benefit subsidy scheme is the means by which local authorities claim subsidy from the Department for Work and Pensions (DWP) towards the cost of administering HB in their local areas. Benefit schemes of rent rebates for tenants of a local authority and rent allowances for private tenants are provided for by the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992 (as amended). Claimants obtain these benefits by direct application to the authority. Eligibility for, and the amount of, HB is determined in all cases solely by the local authority. The Council received Housing Benefit Administration Subsidy grant in 2021/22 of £736,159. The Council has not yet received notification of the grant for 2022/23 but it is estimated that the grant will reduce by approximately 2% due to claimants moving to Universal Credit.

4.4 Public Health Grant

The transfer of Public Health services and their responsibility to local government from April 2013 brought with it ringfenced grant funding.

When the Provisional Local Government Finance Settlement for 2022/23 was announced there was no detail on Public Health funding, therefore for planning purposes Blackpool's allocation for 2022/23 has been assumed at **£18,511,785**, the same level as in 2021/22.

4.5 Better Care Fund (BCF)

The Better Care Fund is a programme spanning both the NHS and local government which seeks to join-up health and care services so that people can manage their own health and wellbeing and live independently in their communities for as long as possible. The aim of the BCF is to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support and providing them with integrated health and social care services, resulting in an improved experience and better quality of life.

The Provisional Settlement announcement confirmed the Improved Better Care allocation for Blackpool Council at **£10,875,000**, a 3% inflationary increase of £319,000 from 2021/22.

On publication of the Policy Framework and Planning Requirements in 2022 the Council will work with Clinical Commissioning Group colleagues to agree the value of the pooled budget for 2022/23.

4.6 Dedicated Schools Grant (DSG)

The Dedicated Schools Grant (DSG) is paid in support of the local authority's schools budget. It is the main source of income for the schools budget, Early Years and High Needs pupils. Local authorities are responsible for determining the allocation of the grant in consultation with local schools forums. Local authorities are responsible for allocating the Schools Block of the grant to individual schools in accordance with the local schools' funding formula.

The DSG in 2021/22 prior to Academy Recoupment was £130,747,000 and the provisional allocation for 2022/23 is **£136,924,000**. A draft allocation of the DSG was considered by the Blackpool Schools Forum on 18th January 2022 and will be formally approved on 15th March 2022.

In addition to the DSG, the Government also announced an extra £1.6 billion for schools and High Needs. The allocation for Blackpool schools has been estimated at just over £3 million, taking the increase to £6.5 million, which equates to 6.9% compared to 2021/22. This additional funding will be allocated directly to schools as a supplementary grant, with school-level funding amounts confirmed in spring 2022. Blackpool will also receive an additional £946,000 of High Needs funding, taking the year-on-year increase to £3.8 million, or 15.1%. The increases are mainly due to the continued rollout of national formulae for the Schools Block and the High Needs block, both of which have resulted in additional allocations for Blackpool.

4.7 Additional Social Care Funding

On 16th December 2021 the Chancellor of the Exchequer announced an increase of £636m to the Social Care Grant taking the national amount to £2.346bn. This funding was allocated to support local authorities to meet rising demand for adult and children's social care services. Blackpool's allocation for 2021/22 was £8,017,000 and this will increase to **£10,735,000** in 2022/23, an increase of £2,718,000 which has all been allocated to Adults Social Care.

4.8 2022/23 Service Grant

This new £822m grant for 2022/23 will be distributed via 2013/14 Settlement Funding Assessment shares and whilst the funding remains it will be distributed differently in future years. The grant is to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. The grant also includes funding for local government costs for the increase in employer National Insurance Contributions. The government has indicated that this grant will not be ringfenced and conditions on reporting requirements will not be attached. This is so local authorities can provide support across the entire sector. For 2022/23 Blackpool's allocation is **£3,330,000**.

4.9 Market Sustainability and Cost of Care Fund

This new £162m grant for 2022/23 will be distributed via the Adults Social Care Relative Needs Formula which equates to allocation of **£610,000** for Blackpool. A further £600 million will be made available nationally in both 2023/24 and 2024/25. These proposals are funded by the new Health and Care Levy announced in September 2021.

4.10 Lower Tier Services Grant

The Lower Tier Services Grant was introduced in the local government finance settlement 2021/22 for local authorities with responsibility for lower tier services. Blackpool's allocation for 2022/23 is **£319,000** and increase of £16,100 from 2021/22.

4.11 Core Spending Power

The Core Spending Power figures include the SFA, compensation for under-indexing the business rates multiplier, Council Tax, the Improved Better Care Fund, NHB, Social Care Grant and Lower Tier Services Grant. The Core Spending Power also includes the new 2022/23 Services Grant and the Market Sustainability & Fair Cost of Care Fund. The table below shows Blackpool's Core Spending Power for 2022/23:

Core Spending Power	2022/23	2021/22
	£m	£m
Settlement Funding Assessment (SFA)		
- Revenue Support Grant (RSG)	15.6	15.1
- Business Rates Baseline Funding Level	48.3	48.3
Compensation for under-indexing the business rates multiplier	4.0	2.5
Council Tax Requirement	65.0	62.6
Improved Better Care Fund	10.9	10.6
New Homes Bonus	0.2	0.0
Social Care Grant	10.7	8.0

Lower Tier Services Grant	0.3	0.3
2022/23 Services Grant	3.3	0.0
Market Sustainability & Fair Cost of Care Fund	0.6	0.0
Total	158.9	147.4
Change in Provisional Revenue Spending Power		
Percentage Change	+7.8%	

However, this calculation does not reflect inflationary pressures (pay awards, National Living Wage announcements, non-pay) and demand pressures (see 7.1), which are required to be self-funded.

5. Revenue Budget 2021/22 – Projected Outturn

5.1 The summary at Appendix 1 shows the projected adjusted revenue outturn as at month 9 for the current financial year.

5.2 Line 21 of this summary shows that it is now estimated that a sum of £5,616,000 will be taken from working balances as at 31st March 2022.

The main areas of budgetary variance are set out below:

	Covid-19	Non-Covid	Total
	£000	£000	£000
Growth and Prosperity	-	-	-
Adult Services	-	508	508
Strategic Leisure Assets	1,302	-	1,302
Children's Services	420	4,287	4,707
Parking Services	198	(198)	-
Community and Environmental Services	426	(351)	75
Governance and Partnership Services	-	307	307
Subsidiary Companies	998	(1,247)	(249)
Communications and Regeneration	340	232	572
Chief Executive	-	(100)	(100)
Treasury Management	-	(1,912)	(1,912)
Concessionary Fares	1,405	(2,294)	(889)
Ward Budgets	-	-	-
Resources	73	(206)	(133)
Net Service Overspendings 2021/22	5,162	(974)	4,188
Net Adjustment from Contingencies / Reserves / Covid-19 Funding	(1,484)	2,912	1,428
Net Overspending 2021/22	3,678	1,938	5,616

5.3 The reasons for the overspendings are well documented in the Council's monthly Financial Performance Monitoring reports and recovery plans are under constant review. The Scrutiny Committees continuously scrutinise overspending services to seek assurances that effective remedial action is being taken.

5.4 In accordance with previous convention any overspendings on service budgets as at 31st March will be recovered in the following year 2022/23, but this will be revisited and reviewed at Provisional Outturn in the context of the exceptional pressures and circumstances of 2021/22.

6. Cash Limited Revenue Budget 2022/23

6.1 There is a statutory requirement upon the Council to set a balanced budget:

- 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.
- Section 114 of the Local Government Finance Act 1988 requires the chief finance officer of an authority to report to its Members and external auditor if it appears that the expenditure of the authority incurred (or proposed to incur) in a financial year is likely to exceed the resources available to meet that expenditure.

6.2 The cash limit upon the Revenue Budget for 2022/23 is **£160,276,000** (line 22 of Appendix 1 summary). This represents the maximum sum of net expenditure which is sustainable within the resources available.

6.3 The base Revenue Budget for next year incorporates the following key assumptions as outlined in the 2021/22 – 2026/27 Medium Term Financial Sustainability Strategy:

- delivery of the 2021/22 Revenue Budget including Working Balances
- pay award level of 1.75% for 2021/22 and 2.5% in 2022/23 (from an original assessment of 3.7%)
- the payment of annual increments
- voluntary 5 days' unpaid leave on average
- employer national insurance changes
- auto-enrolment based on previous uptakes
- the payment to commissioned services of the National Living Wage
- in view of the slowdown in financial performance of children's social care in 2021/22, their MTFP budget reductions to be deferred
- general non-pay inflation to rise by CPI as forecast by the OBR in the Spending Review 2021
- growth in the adult social care budget to reflect reasonable demographic pressures, but the budget capped at the level of specific grant, precept and NHS contributions
- the Growth and Prosperity budget target to be rightsized over the 2-year period 2022/23 - 2023/24
- Council tax and precept increases incorporated based upon Government assumptions of 2.0% and 1.0% respectively
- Treasury Management budget predicated on a Base Rate of 0.75% (0.50% above the current Base Rate) with interest rates to remain at low levels
- the latest estimates of Settlement Funding Assessment
- the Council fulfils its statutory obligation to balance its budget.

7. Budget Gap 2022/23 and Methodology for Delivering

7.1 The budget gap for the next financial year as stated in the Medium Term Financial Sustainability Strategy (MTFSS) can be analysed as follows:

	£m
Reduction / (Increases) in funding / income	(5.8)
Pay- related costs	6.2
Non-pay inflation	2.8
Service pressures	3.0
Demand and demographic pressures	1.2
Prior year non-recurrent savings	6.6
Sub Total	14.0
Settlement and post MTFSS revisions	(5.4)
Total	8.6

7.2 Settlement and Post MTFSS Revisions

Following the Provisional Settlement announcement on 16th December 2021 an assessment was made to compare the assumptions in the MTFSS against the funding as outlined at sections 3 and 4 above. This resulted in £2,027,000 more income than was previously assumed. A line by line review of the remainder of the MTFSS was also carried out which identified a further £3,344,000 savings. These included a reduced 2022/23 pay award assumption from 3.7% to 2.5%, a revised figure for the NNDR cap and an increase in the number of Council tax properties. As a result of this the original £14.0m gap as per the MTFSS reduces to £8,629,000.

7.3 Adult Services

The Adult Services budget operates under the principle of earmarking specific additional resources allocated for expenditure growth to Adult Social Care. For 2022/23 the 1% Council tax precept, the Improved Better Care Fund, the Social Care Grant increase in full and the Market Sustainability and Fair Cost of Care Fund means that there is an additional £4,274,000 of funding being allocated to Adult Services.

The pressure nationally on social care services is well documented, and despite the additional funding allocated there will be ongoing challenges for adult social care which cannot be addressed without effective partnership working with Health partners, including funding commitments which are under discussion as the model of delivery and commissioning across health evolves.

Secondly, there are cost pressures from increasing pay levels and provider fees. The National Living Wage (NLW) went up by more than expected in national predictions to £9.50 per hour. However, this rate is still below many other industries competing for the same potential employees, such as the retail sector. A number of major retailers are now routinely paying £10 per hour. This competition is putting an upward pressure on pay rates, with many local authorities believing that a move towards the Foundation Living Wage (FLW) of £9.90 per hour, will be necessary in order to retain a sustainable number of staff in the care sector. There is already a severe shortage of staff in all areas and high turnover, leading to increased overheads in terms of advertising, training and oversight costs. Residential care providers are also seeing increased costs in other areas of their business, relating to essentials such as insurance, consumables, gas and electric.

The net cost pressure on Adults Services, assuming a fee rate based on the NLW of £9.50 per hour and after allocating the available funding, is £2.6m. The Council is currently in discussions with the NHS locally about options to fund the cost pressure. The Council aspires to pay the Foundation Living Wage, not only is it right that as a Council we value our care workers with a fair wage, it is also needed to ensure a sustainable care market, though this commitment would come at the cost of an additional £2m per annum. A sustainable care market with capacity, is essential in keeping people out of hospital and to ensure patients in hospital can be discharged into a care setting in a timely, safe and organised manner. The Council also working with our local NHS organisations to find ways to fund this additional cost, which is in the interest of the whole of the health and care partnership, and more importantly our vulnerable residents. It is also worth noting that the whole of local government is lobbying for a fair share of the £12bn generated by the Health and Social Care Levy, particularly given that only £162m has been allocated to social care in 2022/23.

7.4 Savings Programme

Achieving savings of the scale demanded requires 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.

The Savings Programme constitutes 7 thematic workstreams:

- i) Technical savings – these cover areas such as debt and PFI restructurings, pensions, review of reserves and provisions, use of capital receipts and capital-to-revenue transfers and review of Business Rate yield assumptions.
- ii) Income generation and management – fees and charges income will continue to be optimised along with returns on business loan support, regeneration initiatives and traded services.
- iii) Procurement and commissioning - maximising best value from the market place through an innovating commissioning regime to reduce third-party spend and deliver targeted social value.
- iv) Demand management and self-help initiatives such as the current Channel Shift project work which has accelerated during the pandemic period.

- v) Transformational efficiency measures under the direction of the Chief Executive's Corporate Delivery Unit with a focus on 'upstream' prevention.
- vi) Structural reform:
 - internally with Council services being the provider of first choice
 - collaborating and partnering with the Council's own companies as has already progressed significantly with the adoption of the Companies Governance Framework and a common Management Services Agreement.
 - across the wider public sector including the Integrated Care System and Partnership, the Local Resilience Forum and One Public Estate.
 - with the private and voluntary sectors.
- vii) Service reductions and cuts, which are considered once i) – vi) have been exhausted.

This exercise has generated the necessary service budget target savings of **£8.6m** in 2022/23. These are listed at Appendix 2 along with the summary actions required to deliver them.

In setting realistic budgets for the forthcoming year services will be expected to meet any additional service-specific pressures that may emerge in accordance with the cash limited budgeting regime.

8. Other Considerations

8.1 Staffing Implications

The Council continues to work incredibly hard throughout the year to mitigate the potential for compulsory redundancies.

In order to achieve this the following action is taken:

- continuation of voluntary unpaid leave arrangements
- strict controls via a weekly Resourcing Panel on external recruitment for all but essential posts that cannot be filled through redeployment or restructuring services
- consideration of applications for early retirement and voluntary redundancy
- holding vacant posts throughout the year which are subsequently removed resulting in a saving
- encouraging employees to voluntarily reduce their hours of work
- offering unpaid career breaks and unpaid sabbaticals
- cessation or limitation of the use of agency staff and casuals.

As a result of the above there will be no compulsory redundancies in relation to the 2022/23 budget. There may however be up to 15 temporary contracts which will come to an expected end. In addition a small number of voluntary redundancy requests may be received and approved where this makes a saving and can be achieved without disruption to services.

8.2 Financial / Economic Context

Even before Covid the effect of the economic climate was adversely impacting upon the ability to pay for some and make others more cautious in terms of their personal spending. The overall effect now will be to make collection of income due to the Council, both Council Tax and fees and charges, even more difficult. However, regeneration investment in the town continues and its ever-improving tourism offer is putting Blackpool in a strong place to attract visitor numbers once lockdown has eased that will bolster the town's tourism economy.

Interest Rates - The outlook for short-term interest rates is that they rise from 0.25% to a weighted average of 0.50% in 2022 because of inflationary pressure. Interest receivable on temporary investments will continue at modest levels and debt restructuring opportunities will be kept under continuous review to minimise interest payments.

8.3 Business Loans Fund

The 2019/20 Budget increased the Loans Fund to £200m. Loans are available to businesses across the Fylde coast and strongly linked to growing and safeguarding the local economy. The Council has had approvals and expressions of interest totalling over £161m of loans as at 31st December 2021, although this is offset by repayments made to date. The total amount which has been drawn down so far is £100m net of repayments that have been made. These loans have created / safeguarded 1,752 jobs.

The ability of the loans fund to continue to lend is currently under review. This is due to a consultation currently being undertaken about Minimum Revenue Provision (MRP) being applied to loans provided. The imposition of MRP on any future loans is likely to inhibit the loan approval process.

8.4 Equalities Analysis

The Council has a statutory responsibility under equality law, known as the 'Public Sector Duty', to examine and analyse the impacts on equality issues of 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.

The Council adopts a robust 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. This year, in particular, we have focused on the immediate and medium-term impacts of the pandemic. A Blackpool Covid equality impact assessment has been prepared which highlights the differential effects across our community and the results of this have been fed into the Budget equality considerations

Where potentially significant equality implications have been identified within the proposals outlined in this report, these are flagged up to decision makers and if appropriate this leads to 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 reductions 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.

A summary of the Council's equalities analyses of the consequences of the proposed budget savings on services and their users is attached at Appendix 3.

8.5 Budget Engagement

In line with last year's engagement the Council has undertaken two exercises to seek initial comments and ideas on the Budget, prior to more formal consultation on any proposals leading to significant service impacts or changes. The first was aimed at individual residents, which received 117 responses, whilst the second was aimed at stakeholder organisations and received 11 responses. The surveys were available online and as paper copies at front facing Council buildings and were widely publicised via the Council's social media channels.

The survey included questions which asked for opinions about Council priorities and services at a broad level, but also sought comments on ways in which the Council could save or generate money. In line with the previous year, views were sought on the importance of the Climate Emergency on the Council's budget-setting process.

Respondents to the residents survey (appendix 4) identified the most important services to their household or community as household recycling and bin collection services (91.4%), parks or other open space (86.1%), services for adults and older people including those with additional needs and/or disabilities (74.1%) and services for children and young people including those with additional needs and/or disabilities (70.4%).

From the pre-existing Council priorities, the economic theme that most respondents rated as 'very important' or 'important' was to deliver on boosting enterprise, skills and economic activities (76.7%). The communities theme that most respondents rated as 'very important' or 'important' was to increase safeguarding (82.8%). 76.1% of respondents thought that there should be 'significant consideration' or 'some consideration' placed on meeting the climate emergency target when considering its overall budget.

Comments received tended to focus on Council finances, including calls for greater financial controls and monitoring and to spend more money with local businesses. People also commented that the Council should ensure that they maintain in person and telephone access points for residents, as well as online services.

Given it was aimed at local organisations more so than individuals, the stakeholder survey (Appendix 5) sought more general comments. A majority of respondents felt that there should be 'significant' or 'some' consideration to be given to climate issues when setting the Council's budget. Among the main considerations about how the Council should think about saving money and what considerations needed to be made were:

1. Looking at contract/procurement processes – making sure contracts have an emphasis on favouring local services.

2. Making sure more people are able to access services online, but making sure there is support for those at risk of digital exclusion, such as older residents and those with accessibility issues.
3. Adopt collaborative working processes where possible, including highlighting the benefits of collaborative working

Many comments were made about how respondents thought the Council can better deliver on the economy and for communities. These suggested that the following areas should be prioritised: tourism strategy, procurement, funding in social care and making Blackpool a viable place to live and work, particularly for young people.

Where respondents shared detail about how they believed that changes to Blackpool Council's budget would affect their own organisation, the following impacts were outlined; increased service costs, impact of retaining/recruiting staff facilities and the ability to gain new contracts.

8.6 Scrutiny Leadership Board

The Informal Scrutiny Leadership Board considered the key Budget pressures and savings required at its informal meeting on 19th January 2022 and has produced a report attached at Appendix 6 for consideration by the Executive.

9. Capital Expenditure

- 9.1 The Council's Capital Programme for 2021/22 – 2023/24 is also to be considered in a separate report to this Executive meeting. Debt financing costs for the capital programme have been included in the Revenue Budget on the basis of the indicative borrowing allocations received from Government and any Prudential Borrowings.
- 9.2 The size and value of the Capital Programme is set in accordance with those allocations plus any available external grants, Prudential borrowing schemes (for which the costs are to be separately funded from service budgets), capital receipts and revenue contributions. Schemes being financed by Prudential borrowing continue to require specific approval of the Executive.
- 9.3 Future revenue costs of capital schemes will also have to be contained within existing bottom-line budgets, except where provision has specifically been agreed in advance.

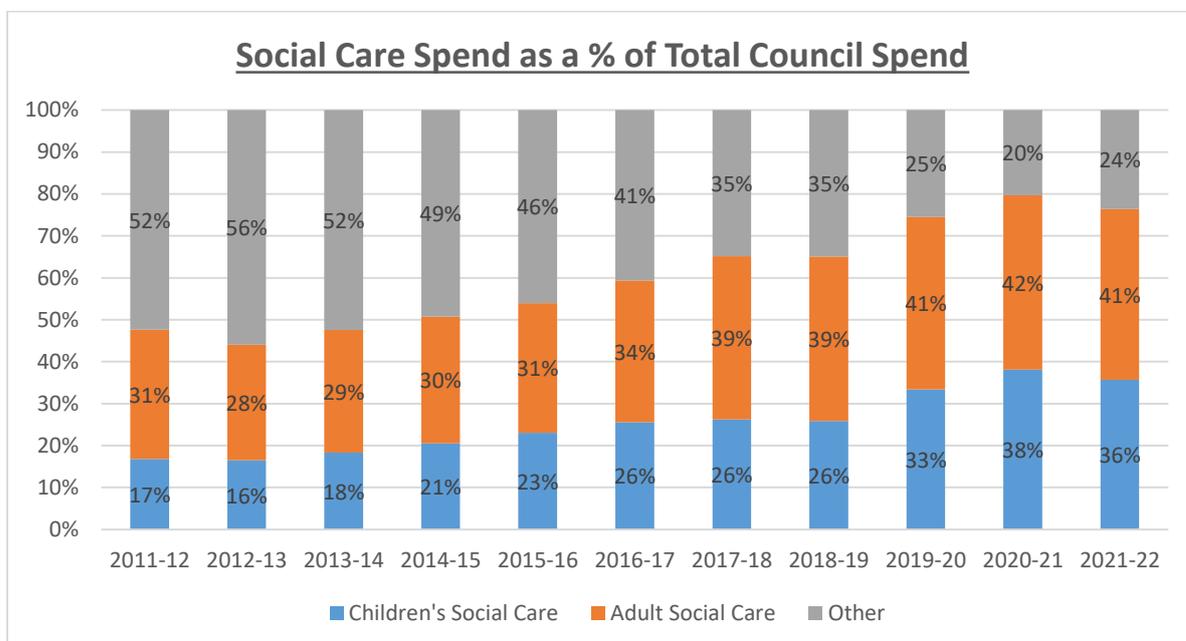
10. Working Balances and Reserves (and in the context of Children's Services)

- 10.1 Section 25 of the Local Government Act 2003 imposes a duty upon the Council's statutory finance officer to report on the robustness of the estimates and the adequacy of reserves.
- 10.2 The proposed Budget for 2022/23 is underpinned and reinforced by Council-wide risk management and robust budget setting and monitoring processes.
 - Risk Management – Risk management processes are embedded across the Council. A strategic risk register is maintained and a Corporate Risk Management Group meets half-yearly to review the risks contained in the register. The strategic risk register identifies the key risks facing services in the delivery of Council priorities and which are scrutinised regularly by the Audit Committee. In addition, the recommendation

concerning the level of the general working balances included in this Budget is itself a product of a risk-based assessment.

- Budget Setting – Accountancy staff work with budget holders to comprehensively review all budgets on an annual basis. The budgets set are cash limited. Instances of unavoidable growth, service demand pressures and new developments are identified and scrutinised as part of the budget process, together with other issues such as meeting new legislative requirements and statutory obligations.
- Budget Monitoring – Monitoring is carried out on a monthly basis with effect from month zero and highlights any significant variances and areas of risk, both for current and future years, with regular reports being presented to the Executive and Scrutiny Committees. This provides an opportunity to take action to mitigate such variances. Bearing in mind the importance of successfully delivering budget savings in the current financial year, detailed monthly reports on progress in achieving savings have been reported to the Corporate Leadership Team.

- 10.3 Under a Local Authority Accounting Panel Code of Practice (LAAP) issued in November 2008 the establishment of and transfers to/from reserves are subject to the approval of the Council's statutory finance officer. The Council's reserves are continuously reviewed to ensure that they remain at an appropriate level.
- 10.4 In addition to the Council's general working balances a number of specific revenue reserves have been established to cover specific risks and uncertain commitments. Without these specific reserves the Council's general working balances would need to be set at a higher level. Taking into account specific reserves it is the opinion of the Council's statutory finance officer that the Council should continue to plan for a level of general working balances of **£6m**. This level is necessary in view of the scale of the Council's gross revenue budget and associated risks. An assessment of the significant risks and the steps which are being taken to mitigate these risks are set out in Appendix 7.
- 10.5 The Council has made significant investment in Children's Social Care over the last decade and at a time when local government budgets have been drastically reduced. The impact of this can be seen in the chart below which highlights that spend in 2021/22 represented 36% of the Council's revenue spend compared with 17% in 2011/12. Indeed all social care now represents 77% of the Council's revenue spend compared with 48% 10 years ago.



A Children's Social Care Medium Term Financial Strategy (CSCMTFS) is in place and under continuous review to ensure that positive changes happen as planned. The CSCMTFS, approved by the Executive in July 2020, aims to reduce expenditure on children's social care by 33% over the next six years whilst improving the outcomes of local children and families.

11. Capping

11.1 Under schedule 5 of the Localism Act 2011 the Government introduced a requirement to hold a local referendum when proposed Council tax increases are deemed excessive. On 16th December as part of the Provisional Local Government Settlement it was announced that an increased Council tax referendum threshold of 3% would apply for 2022/23 (comprising 1% for expenditure on adult social care and 2% for other expenditure).

11.2 This flexibility is offered in recognition of inflationary pressures such as the raising of the National Living Wage and demographic changes which are leading to growing demand for adult social care and increased pressure on Council budgets. A requirement of this flexibility is that the Council spends the additional funds raised through the Adult Social Care Precept on adult social care only.

12. Medium Term Financial Prospects

12.1 Local government continues a further period of uncharted territory. In the face of mounting inflationary and demand pressures it is battling to adapt and in some cases completely revolutionise the services that it provides. The MTFSS lays out the principles that will underpin the Council's financial direction to 2027, over which time it will have to reconcile increasing pressures upon its services with resources that are not increasing commensurately. For 2023/24, there is an estimated budget gap of **£11.3m** with a further saving of **£4.1m** required in 2024/25. It is therefore evident that along this journey further services will have to be reprioritised and inevitably some jobs lost, which will not go unnoticed by the residents of Blackpool, the businesses that operate here and the visitors who come to stay.

To achieve the corporate objectives of the Council every opportunity and idea must be explored. Every effort will need to be made to work with the public, partners, voluntary sector and the private sector to minimise the impact of the cuts on the people who need and depend upon our services. Seeking external funding and maximising income opportunities will also be vital.

Despite being a challenging period with yet another 1-year settlement and many uncertainties for many people including staff, this no-cuts budget evidences that the commitment to delivering the best possible services to Blackpool residents remains undiminished.

13. Recommendations

The Executive is asked:

- (1) To recommend to Council the level of net expenditure for the draft General Fund Revenue Budget 2022/23 of **£160,276,000** (ref. paragraph 6.2)
- (2) To recommend to Council a level of budget savings of **£8.6m** (ref. paragraphs 7.1 and 7.4 and appendix 2)
- (3) To recommend to Council that the Chief Executive be authorised to take any necessary steps to ensure any staffing savings are achieved (ref. paragraph 8.1)
- (4) To recommend to Council that the target level of working balances remains at **£6m** (ref. paragraph 10.4)
- (5) To consider any further facts, information and stakeholder feedback which may emerge and report the details to the meeting of the Executive on 24 February 2022.

Mr S Thompson

Director of Resources

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Budget Saving Proposals 2022/23			
	£000s	£000s	Description
2022/23 Budget Gap (as per MTFSS)		13,963	
Review of budget assumptions	3,307		
Settlement improvement	2,027		
		5,334	
2022/23 Revised Budget Gap		8,629	
Directorate Savings			
Children's Services			
Children's Safeguarding service	42		Rightsizing budgets in line with demand across several depatments
Schools Private Finance Initiative	50		Surplus funds
Speech and Language therapy	40		Contribution from external funding
Finance and Funding	5		Reduction in postage budget
		137	
Chief Executive			
Chief Executive	53		2% general efficiency target met from frozen post (£25k), procurement, income generation and non-recurrent in the interim
		53	
Community & Environmental			
Business Services	150		Management of vacancies and recruitment across the directorate
Catering	100		Increased income generation due to customer growth
Highways	100		Service review
Coastal Protection	150		Income generation
Community & Environmental	122		Further 2% general efficiency target met from frozen posts, procurement, income generation and non-recurrent in the interim
		622	
Communications & Regeneration			
Communications & Regeneration - Marketing	200		Marketing budget one off contribution
Economic Development, Print Services & Planning, Transport & Policy	50		Removal of vacant posts and income generation
Museum	50		Review budget after opening
Visit Blackpool	300		Review of spend with external contractors
Communications & Regeneration	124		Further 2% general efficiency target met from frozen posts, procurement, income generation and non-recurrent in the interim
		724	
Governance & Partnerships			
Legal	25		Reduction on external spend

Budget Saving Proposals 2022/23			
	£000s	£000s	Description
Registrars and Bereavement Services	25		Fees and charges increase
Governance & Partnerships	78		Further 2% general efficiency target met from frozen posts, procurement, income generation and non-recurrent in the interim
		128	
Outside Cash Limit			
Concessionary Fares	700		Reduction in spend due to lower usage
Subsidiary Companies - Blackpool Operating Company	900		Increased dividend
Subsidiary Companies - Blackpool Transport Services	50		Budget rightsize
Parking	1,081		Increase in fees
Employer's Pension	1,248		Over recovery of employers pension contributions
Prudential Borrowing	88		Removal of service budget following end of schemes
Treasury Management	742		Interest rate headroom reassessment in context of pre-period borrowing
Outside Cash Limit	11		Further 2% general efficiency target met from frozen posts, procurement, income generation and non-recurrent in the interim
		4,820	
Public Health			
Public Health Grant	250		Redirection of inflation funding to support Leisure Services in addressing health inequalities
		250	
Resources			
Accountancy	23		General efficiencies including removal of vacant posts, increased income generation and reductions in supplies and services
Audit	7		General efficiencies including increased income generation and reductions in supplies and services
ICT	35		General efficiencies including increased income generation and reductions in supplies and services
Social Care Benefits	11		Removal of vacant post
Benefits	149		General efficiencies including removal of vacant posts and increased income generation
Property Services	234		Property rationalisation and increased rental income
Resources	216		Further 2% general efficiency target met from frozen posts, procurement, income generation and non-recurrent in the interim
		675	
Adults			
Adults	1,051		2% general efficiency target met from commissioning, income generation and non-recurrent in the interim
		1,051	
Corporate			
General Reserves		169	Contribution from balances
Total Savings Proposals		8,629	
2022/23 Budget Gap / (Surplus)		0	
Other Non-Recurrent Savings to replenish Working Balances			

Budget Saving Proposals 2022/23			
	£000s	£000s	Description
Children's Services			
All departments	130		Review of departmental reserves and provisions
		130	
Community & Environmental			
Street Lighting Private Finance Initiative	500		Contract negotiation
Waste	250		Saving as a result of establishing ENVECO
		750	
Chief Executive			
HR Business Partnership & Schools	75		Review of departmental reserves and provisions
Corporate Delivery Unit	458		Mainstreaming of service and consequential removal of reserve
Housing	100		Review of departmental reserves and provisions
		633	
Communication & Regeneration			
Adult Learning	50		Review of departmental reserves and provisions
		50	
Outside Cash Limit			
Corporate	473		Review of bad debt provision
Council Tax and NNDR Cost of Collection	205		Review of departmental reserves and provisions
		678	
Public Health			
Public Health	1,000		Review of departmental reserves and provisions
		1,000	
Resources			
Procurement	39		One-off VAT refund plus improved energy efficiency rating for Bickerstaffe House
ICT	15		Additional one off income
Revenues	33		Review of departmental reserves and provisions
Discretionary Support Scheme-Admin Team	10		Additional one off income
Benefits	100		Review of departmental reserves and provisions
		197	
Corporate			
Pensions	2,600		Over recovery of employers pension contributions 20/21 and 21/22
		2,600	
Total Other Non-Recurrent Savings Proposals		6,038	To replenish Working Balances

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Equality Analysis (EA) Record Form

Formerly Equality Impact Assessment

**January / February 2022**Department: **Corporate**

Team or Service Area Leading Assessment:

Coordinated by Head of Equality and Diversity

Title of Policy/ Service or Function:

Council Budget 2022-2023

Committee:

Executive

Lead Officer:

Steve Thompson / Andy Divall

STEP 1 - IDENTIFYING THE PURPOSE OR AIMS

1. What type of policy, service or function is this?

Revenue Budget for 22/23

2. What is the aim and purpose of the policy, service or function?

The proposals are intended to support the management of a reduction in funding which have led to a gap of approximately £14 million in 2022/23 and further pressures anticipated in future years, as set out in the Medium Term Financial Sustainability Strategy , 2021/22 to 2026/27, and in the main Executive report.

The purpose of this equality analysis is to:

- 1) Describe the work and decision making processes which assess potential impacts on key equality groups (protected characteristics) of the Budget proposals and highlight potential areas of adverse impact that could constitute discrimination.
- 2) Set out actions to ensure procedures are in place to continue to monitor and review the Equality impact of reduced revenue funding and consequent effects on services and staff reductions.

Background and legal context

The Council has a statutory responsibility under section 149 of the Equality Act 2010, known as the “Public Sector Duty”. This requires a conscientious and systematic examination of impacts on equality issues on all relevant decisions. This is set within the context of our overarching requirement under Equality law, as a designated public authority to have “due regard” to the need to –

- Eliminate discrimination, harassment, victimisation and other prohibited conduct
- Advance equality of opportunity
- Foster good relations between different (defined) groups

Council commitment to Equality and Diversity

The Council’s priorities and commitments are contained in a). The Equality Objectives ¹b) The Council Plan

These documents describe the importance of this agenda to the Council and set out four specific Objectives.

The Councils approach to Equality Analysis of the 2022-23 Budget proposals

As with previous budgetary cycles the Council has implemented a multi-level approach to the equality analysis exploring the impact of the Budget decisions arising from the Government’s financial settlements. This year, the government published its own assessment of the policy and equality impacts of the financial settlement. This analysis, highlighted possible impacts – with Age, ethnicity and disability considered the most relevant protected characteristics.

¹ The Council’s Equality Objectives are :

Services – We will deliver services that are fair – measured by more people telling the Council they experience fair treatment by Council services

Staff – We will ensure that the workforce is more representative of the community the Council serves and equality and diversity is embedded in our staff culture

Decision making – We will involve people from diverse backgrounds in decision making at every level

Cohesion – We celebrate the growing diversity in Blackpool and increase respect and understanding for all

<https://www.gov.uk/government/publications/provisional-local-government-finance-settlement-2022-to-2023-draft-policy-impact-statement/provisional-local-government-finance-settlement-2022-to-2023-draft-policy-impact-statement>

The government's assessment has provided an important context to the Council's own work to scope and assess the implications of revenue budget decisions.

Covid pandemic and its economic and social consequences

The context for this process has been greatly influenced by the Covid Pandemic. The Council produced its own Equality Assessment of the effect of the pandemic on the community. This assessment and its conclusions has provided us with a solid foundation for the Council to explore the equality impacts of this and future years budget proposals.

In particular, we have been at every stage mindful of the following :

Direct physical and mental health impacts

1. Older people, disabled people and BAME communities are more likely to have been directly impacted through serious illness/ death if they contract COVID 19. Many more, in and around these groups whilst not directly affected, will have felt more impacts of the pandemic on their physical and emotional wellbeing – than other groups of people.
2. In addition, these groups, alongside others such as LGBT, people with mental health conditions and people living alone or in care institutions may well have been more vulnerable or disproportionately affected by the impact of policies like social distancing as a result of Covid19, and be affected by the emotional and wellbeing issues around this.

Economic impacts

3. The economic impact on people (employment and income levels) is going to take time to play out, but in the longer term is most likely to more adversely affect younger people, women, some BAME groups and the disabled.

Social and cohesion impacts

4. It is clear that young people and children who live in particularly vulnerable households, due to domestic violence, drugs and alcohol abuse or parental mental health issues – will have suffered more emotional health and wellbeing issues during Covid19 lockdown, and hence many more will be at further risk and affected than before.
5. It is also the case that children and young people who live in households near or under the poverty lines, will, in aggregate, have suffered more than their peers – and the adverse impact on their education and general wellbeing is likely to be more sustained and damaging.
6. Past experience of significant economic contraction suggests we can expect to see, over time, a rise in community tensions and a sharp deterioration in social cohesion. A new piece of research has further highlighted this risk , and it's methodology has placed Blackpool as the local authority area “ ***where stresses on social cohesion are most likely to have been amplified by the economic consequences of the pandemic*** “

Process and procedures underpinning the budget Equality Analysis

In recognition of the complex effect on service users, staff, citizens and visitors of these decisions. This process involves a number of elements , key stages are summarised as :

- Initial service level proposals and scoping of equality issues. Focus is on the expected and known impact of service reduction proposals on key equality groups / protected characteristics; this work is led by Senior Managers responsible for the services, guided by advice by the Head of Equality and Diversity. The work is to identify the scope of possible impacts, in order to inform Chief Officer's deliberation and Elected Members selection of proposals to take forward to consultation.
- Briefing sessions with all Directorate heads to explore possible scope and impact of specific proposals on key Equality issues.
- Concurrently, initial engagement on the likely scope of the overall Budget position has been conducted , via a brief on line survey with the Community in general and some targeting of that survey to representatives of equality groups.

- All budget related proposals with significant equality implications are identified to decision makers, an appropriate level of impact work is commissioned through data analysis and consultation with service users, and other stakeholders affected.
- Assessing staffing impacts. As explained in the main report, at this stage, we don't anticipate a significant direct impact on staffing as a result of this year's proposals. If this should change and staffing impacts do become evident, we are then able to assess the effects on staff diversity issues. We do this by preparing a benchmark analysis of the current levels of workforce diversity for each of the key equality characteristics – Race, Gender, Disability, Age, Religion and Belief, and Sexual Orientation. This is then compared to the demographic profile of the pools of staff that would be placed at risk of redundancy through the specific service proposals, and any significant variances highlighted and investigated.

This work is important for two reasons, firstly, to ensure there is no discrimination through the selection processes and secondly, to track our process in working towards a workforce that better represents the community we serve. This assessment forms the basis of discussion and consultation with staff representatives through the Trade Union JCC structures.

- At appropriate stages, all the above is communicated and discussed with senior decision makers at Chief Officer and Elected Member levels. This in turn informs the final decisions, which are included within the finalised 2022-23 Revenue Budget report.
- Special training for Cabinet members to ensure understanding of the responsibility of decision makers under the terms of section 149 of the Equality Act 2010 – the Public Sector Duty.

Ongoing Departmental Equality review and compliance monitoring

To reinforce specific equality analysis of budget related decisions, the Council operates a rigorous Equality performance and compliance process, which applies to all departments. This process aims to reinforce the annual work on budget equality analysis by focusing on the systems and procedures in place across the councils departments and companies that ensure compliance with the Public equality duty, as well as wider good practice in equality and diversity.

A full compliance review of all Departmental Equality Action plans was conducted during the autumn of 2021 and results and recommendations reported to the Council's Chief Officers.

3. Please outline any proposals being considered.

Funding and budgetary proposals as set out in the Executive report entitled General Fund Revenue Budget 2022/23 and in the report's other appendices.

4. What outcomes do we want to achieve?

To manage the impact of a further large reduction in funding which have led to a funding gap of approximately £14 million in 2022/23 and further pressures anticipated in future years as set out in the Medium Term Financial Sustainability Strategy.

5. Who is the policy, service or function intended to help/ benefit?

Many of the Council's services specifically addressing social and economic inequalities and have a wide impact on inclusion and community cohesion in Blackpool.

6. Please summarise the main data / research

Population Demographics

The population of Blackpoolⁱⁱ is estimated as 139,305, with a larger proportion of residents aged 60+ compared to national age structure. Residents are mostly of White British ethnicity. Black and Minority Ethnic groups, including Irish and European residents, are estimated to make up 6% of the population approximately 8,500 people, compared with the estimated proportion for England of 20%.

According to the most recent estimates the population of Blackpool continues to gradually fall year on year. This goes against both the regional and national trend as the population of the North West and England are both seeing gradual increases each year.

1. Table 1: Population Demographics

Age ⁱⁱⁱ	Blackpool %	England %
Aged 0-17 years*	20.8	21.4
Aged 18-24 years	7.8	8.6
Aged 25-59 years	45	46.5
Aged 60+	26.5	23.6
Ethnicity ^{iv}		
White British	94	80
White Other e.g. European, Irish	3	6
Mixed/multiple ethnic groups	1	2
Asian/Asian British	2	8
Black/African/Caribbean/Black British	0.2	3
Other ethnic group	0.2	1
Tenure ^v		
Owned or Shared Ownership	62	64
Social Rented	11	18
Private Rented	26	17

*Totals may not add up to 100% due to rounding

The most recent data for Blackpool shows a higher percentage of residents who are described as separated or divorced, 12.5%, compared to 9.2% in the North West region and 8.7% in England & Wales.^{vi}

Age

Blackpool has a slightly older demographic in comparison to the regional and national average with 20.4% of people over the age of 65 compared to 19.1% for the North West and 18.2% for England. The percentage of people who are of working age in Blackpool is below that of the regional and national averages with 61% of people aged between 16 and 64 compared to 61.9% in the North West and 62.6% for England. The number of people aged under 16 in Blackpool is also slightly lower with 18.6% of people in Blackpool aged below under 16 compared to 19% in the North West and 19.2% for England.^{vii}

Race and Ethnicity

Blackpool has a predominantly white population with 94% of people describing themselves as White British compared with 80% for England. The Black and Asian community make up 3% of Blackpool’s population, whilst another 3% of the population are of Eastern European origin.^{viii}

According to the 2011 census 94.6% of people living in Blackpool were born in the United Kingdom as opposed to 91.8% regionally and 86.6% nationally. Of those born outside of the UK, the highest percentages were born in Europe (2.5%) and Asia (1.4%).

Ethnic Group	Blackpool %	England %	North West %
White British/other	96.6	85.5	90.2
Mixed ethnic groups	1.2	2.2	1.6
Asian	1.2	6.2	5.6
Black	0.2	3.4	1.3
Arab	0.1	0.4	0.3
Other	0.1	0.6	0.3

Gender and Transgender

Blackpool’s population is composed of 49.6% men and 50.4% women (similar to the national gender balance).^{ix} The census does not currently include questions relating to Transgender. National Government estimates the total number of Tran’s people in the UK as within the range of 200,000 to 500,000.

However, Blackpool has a significant LGBT community therefore; the numbers of transgender people who visit and live in the town are likely to be significantly higher than the national average.

Religion or Belief/Faith Communities

The majority of the Blackpool population are Christian, with 67.2% of people describing themselves as Christian compared with 67.3% in the North West and 59.4% in England. Over 24% of people in Blackpool describe themselves as having no religion. This is similar to the national figure of 24.7%. However, the percentage of people with no religion in the North West is smaller with only 19.8%.

The remaining population is relatively small with only 0.7% of people describing themselves as Muslim, this equates to just over 1,000 people in Blackpool. This is significantly lower than the figures for both the North

West and England with 5.1% and 5% respectively. Blackpool also has lower proportions of its population who describe themselves as Buddhist, Hindu, Jewish and Sikh compared with the rest of the country. ^x

Religion	Blackpool	North West	England
Christian	67.2	67.3	59.4
Buddhist	0.3	0.3	0.5
Hindu	0.2	0.5	1.5
Jewish	0.2	0.4	0.5
Muslim	0.7	5.1	5.0
Sikh	0.0	0.1	0.8
Other religion	0.4	0.3	0.4
No religion	24.5	19.8	24.7

Sexual orientation

There is anecdotal evidence to suggest that Blackpool has one of the largest gay and lesbian populations outside of the country's largest cities. The 2011 Census shows that 0.5% of the Blackpool population aged 16 and over was registered as being in a same sex civil partnership. The figure for England and Wales was 0.2%. In 2017, there were 605 marriages carried out in Blackpool, 6.9% of which were same sex civil ceremonies. ^{xi}

Health and Disability

Blackpool has poor life expectancy, with life expectancy at birth for males the poorest in England at 74.5 years compared to 79.6 years for the rest of England. Life expectancy for females is equally poor, at 79.5 years, compared to 83.2 years for the rest of England. ^{xii} Blackpool has the lowest life expectancies for both men and women of all upper tier local authorities. The gap in life expectancy between those who live in the most deprived quintile in Blackpool and those who live in the least deprived is estimated to be 10 years. The biggest contributors for both men and women are circulatory diseases [heart disease or strokes for example] (21.8% in males, 24.1% in females), cancer (15.7% in males, 15.6% in females), respiratory diseases [flu, pneumonia and chronic obstructive respiratory disease and digestive diseases including chronic liver disease and cirrhosis (14.5% in males, 15.9% in females). These four areas contribute over half of the overall life expectancy gap in Blackpool. ^{xiii}

In Blackpool, from July 2018 to June 2019, 22.8% of working age people are classed as economically inactive, this is a similar figure to that of the North West and England which have 22.9% and 20.9% respectively of working age people classified as economically inactive in the same period. From July 2018 to June 2019, 51% of economically inactive people in Blackpool were classed as being 'long-term sick' compared with 26.1% of people in the North West and England which have 25.9% and 22.1% respectively. ^{xiv}

Substance and Alcohol misuse is high, with alcohol-related mortality the highest for males in England and 2nd highest in females in England^{xv}. Admissions to hospital in Blackpool for alcohol-related conditions (narrow definition) are much more prevalent than the regional and national average. With 1,521 per 100,000 compared to 700 in the North West and 632 in England.^{xvi} Further estimates suggest that the prevalence of opiate (e.g. heroin, morphine or codeine) and/or crack cocaine use in Blackpool was 23.45 per 1,000 population amongst 15-64 year olds^{xvii}. Blackpool has the highest drug prevalence rate across the North West region, and has the second highest rate nationally, second only to Middlesbrough.

The number of people registered with severe long-term mental health problems and who are actively accessing treatment is higher than the regional and national average. Blackpool's prevalence of GP diagnosed depression amongst those aged 18 and over is the highest in the North West at 17.3%, significantly higher than the national average of 10.7%^{xviii}. Within the Blackpool NHS CCG area, Projecting Adult Needs and Service Information (PANSI) estimates that by 2020 amongst 18-64 years old, 1,963 (2.4%) adults are estimated as having a borderline personality disorder, 2,751 (3.4%) as having an anti-social personality disorder and 371 (0.5%) people being diagnosed with a psychotic disorder. 7.2% of Blackpool's 18-64 population are estimated as having two or more psychiatric disorders.^{xix} NHS Blackpool CCG GP practices have some of the highest rates of prescribing anti-depressants in England.^{xx} Blackpool has the seventh highest rate of suicide in England with 13.7 per 100,000 cases per year.^{xxi}

Conception rates in Blackpool females under 18 year old, are the third highest in England (32.9 conceptions per 1,000 females aged 15-17).^{xxii} In addition, Blackpool has a lower proportion of teenage pregnancies leading to abortion (33.8%) compared to England (52%).^{xxiii} This implies a greater relative proportion of teenagers go on to become parents. Teenage conceptions have associated risks for both parent and child's health and social wellbeing.

The Royal National Institute of Blind People (RNIB) estimate that across 2016/17 there are 1,560 people registered blind or partially sighted in Blackpool.^{xxiv} According to NHS England, in 2020, 24% of Blackpool adults aged 18 and over are estimated to have hearing loss of 25 dHBL or more. According to the Department of Education, most children with hearing and visual impairments are educated within the mainstream school system and do not generally attend special schools.^{xxv}

As of January 2019, there were a total of 642 children or young people with a statement of SEN (Special Educational Needs) or EHC (Education, Health and Care) plans. This is approximately 3.3% of pupils in Blackpool and is roughly in-line with the proportions for England and the North West.^{xxvi} The largest grouping of children and young people in Blackpool with an EHC plan are aged 11-15 (38.7%) with those aged 5-10 representing 31.6% of the total number of children and young people with EHC plans. Analysis of School Census data by Blackpool Council shows that SEN is more prevalent among boys than girls. As of January 2019, 65.5% of all SEN pupils are boys compared to 34.5% girls.^{xxvii}

When looking at the number of children who require SEN support (children identified as having Special Educational Need but do not necessary have a SEN statement or EHC plan). Blackpool supports around 3,957 children. This is around 20.4% of all pupils in Blackpool, higher than England (14.9%) and the North West (15.2%). 83.8% of pupils with SEN receive SEN support, greater than England (79.4%) and the North West (79.1%).^{xxviii}

Learning Disabilities

The Blackpool adult population has a higher prevalence of learning disabilities compared to the national figure with 4.44 adults per 1,000 people with a learning disability getting long-term support from local authorities

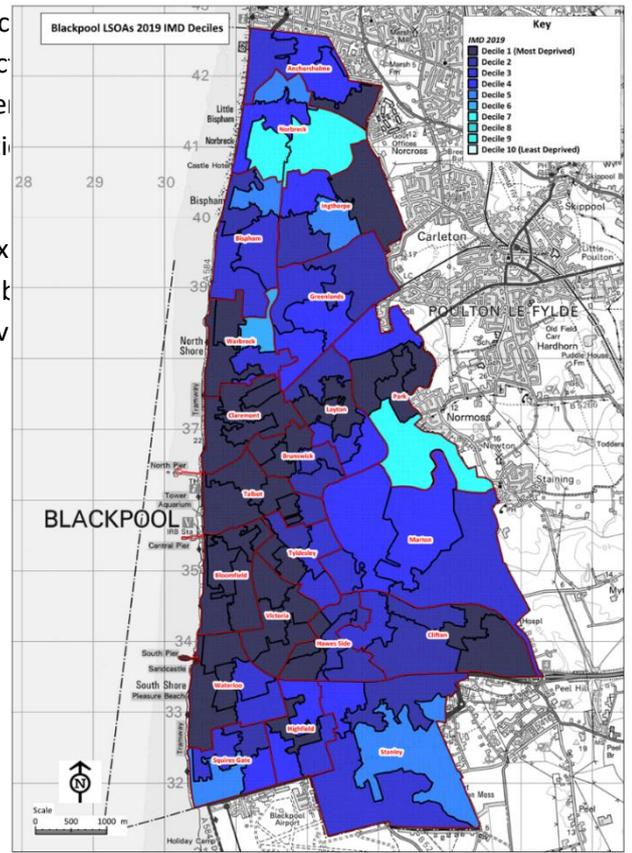
compared to 3.38 per 1,000 people in England and 3.84 per 1,000 people in the North West.^{xxix} As of May 2019, 846 people in Blackpool (0.6%) claimed a Disability Living Allowance higher than the national average and the North West (0.5% respectively) with severe learning difficulties in the mainstream education system. Pupils with severe learning disabilities. In addition a large proportion of pupils are considered autistic.^{xxxi}

People with learning disabilities and autism are one of the most likely to be living in poverty than the general population, partially due to limited employment. Analysis by ONS of the Annual Population Survey revealed that the pay gap between disabled and non-disabled workers was 12.2%.^{xxxii}

Poverty and Deprivation

Blackpool has a large proportion of residents living in deprived areas and is currently ranked the most deprived authority in England under the Indices of Deprivation 2019^{xxxiii}, based on the following criteria; the average LSOA score, concentration of deprivation measures and rank of average score measure. Additionally, Blackpool has the highest proportion of neighbourhoods in the most deprived 1% (22 out of 94) in the country. In the 2010 and 2015 Indices, Blackpool ranked 1st for the concentration of deprivation within the town.

Poverty is a significant factor in Blackpool. Across the Income Deprivation affecting Children measure, Blackpool is now ranked 2nd bottom (down from 9th in 2015). Data from End Child Poverty estimates that from 2017/18, 37.8% of children are estimated to be in poverty (after housing costs). This is higher than the UK-wide figure of 30% of children reported to be living in poverty and 32% in the North West (average of authorities in the North West).



7. What are the impacts or effects for Key Protected Characteristics?

General impacts covering protected characteristics

In drawing together the detailed proposals the authority has been mindful of the need to assess the Equality impacts and wherever possible and mitigate any adverse effects on service provision.

Although the scale and continuing annual cycle of cuts have made it impossible to protect all services to the most vulnerable children and adults in our community, we have made these decisions having regard to the impact this will have on people who share protected characteristics, and have tried to mitigate and reduce impact, wherever we can. A very large proportion of the Council's revenue budget is now spent on statutory adults and children's services, which means there is very little room to make savings that don't in some way affect services.

The collective long-term effects on people and groups of combined service cuts alongside other government initiatives such as welfare reform are difficult to judge at this stage and will only really become apparent over time. The opportunity for these issues to be explored further through consultation and engagement with key community groups and service providers will be important in the period ahead.

The effect of the Budget in respect of the Council's workforce diversity will continue to be measured and assessed for the impact on the overall composition of employees, compared with the Blackpool population. This will help us to assess progress towards our target of becoming an employer that better reflects the composition of the community we serve.

Specific impacts

As the budget report explains, the approach is based on securing the Council's sustainability through implementing our Medium-Term Financial Sustainability Strategy (MTFSS.) The plan makes clear that service reductions and cuts were the last resort and only considered after other options have been exhausted.

As in previous years, some of the specific proposals taken forward at this stage could affect equality issues and protected groups. These specific equality issues and impacts have been – and will continue to be - explored in detailed Equality Analysis, which has informed the final decision making process.

It is also recognised that continued year on year cuts to services , can and does have a real impact on the response times and quality of front line public services. These impacts , although spread across all service users and residents , will affect vulnerable people and groups more , given that many Council services are disproportionately used by them. The Council has been very conscious of this during the process of developing these proposals and as a consequence, reductions in staffing have been considered only as a last resort, when all other options to reduce budgets have been explored.

Relationships between or within communities (cohesion)

The continued reduction in Council funding for deprived communities across much of Blackpool will have an inevitable effect on services and support for these neighbourhoods, and therefore could add to the pressures and tensions within these areas. The research paper highlighted above, **Building back resilient Communities** –published recently, has also reinforced the need for vigilance on this.

The Council will keep a close dialogue with key community groups and leaders, to monitor this, and react if / when required.

The Council will also continue to fulfil obligations and responsibilities in recording and monitoring Hate Crime and related incidents. Monitoring the levels and patterns of Hate Crime will be a very important means of tracing the effects on community tensions of the reductions in the wider public sector spend in a post pandemic Blackpool in the year ahead.

8. What do you know about how the proposals could affect levels of socio –economic inequality, in particular poverty?

Given the widespread and deep levels of deprivation in Blackpool, and the effects of multiple years of cuts to the Council’s revenue budget. Further cuts, can at best only serve to reduce the scope of the Council to address these matters .These issues have been considered by decision makers throughout this process, however in the final analysis the Council is obliged to set a balanced budget .

9. What can be done to improve the policy, service, function or any proposals in order to reduce or remove any adverse impact or effects identified?

Significant budget reductions on this scale, by there very nature, have an unavoidable adverse impact on service delivery and people. However, the decisions on individual service areas, as far as possible, have been made with regard to the impact on particular vulnerable groups and people sharing protected characteristics.

The impact on staff sharing protected characteristics will also be equality monitored to ensure, groups do not suffer disproportional adverse impact due to this and make sure that our policies do not indirectly discriminate on people who share protected characteristics.

In due course, further Equality engagement will be important as the effect of combined service cuts are difficult to measure at this stage and will only really become apparent over time. The budget reductions over the last decade are unprecedented in scale and the opportunity for these issues to be explored further through consultation and engagement with key community groups and service providers will be important in the year ahead.

The effect of the reduction in budget in respect of the workforce diversity will be measured and assessed and the long term impact on the staffing profile in respect of the overall balance of the workforce will be tracked.

10. Consultation

Consultation briefings on the broad budget position facing the Council have been undertaken with the community equality groups during 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19, 2019/20, 2020/21 2021/22 budget cycles. The Council's Director of Resources or his representative has often personally attended and briefed a number of these groups over this period, and this year the Director attended the town's forum of Faith Leaders for this purpose.

Communication and an early budget related engagement survey has also taken place via the Council's extensive corporate communication methods – which include web site, social media, media briefings & press statements and interviews.

Once the specific proposals were published in February 2022, specific consultations with all affected stakeholders-amongst them staff, service users and other key stakeholders – have taken place. The outcomes of these consultations have been considered by key decision makers, and accordingly have informed the final proposals contained in the budget.

Consultation with the Trades Unions with regards to staffing issues has been embedded into normal working practices and has also met all formal consultation requirements.

ACTION PLAN

Issues/ adverse impact identified	Proposed action/ objectives to deal with adverse impact	Targets/Measure	Timeframe	Responsibility	Comments
1. Need for continued dialogue and engagement with vulnerable groups / communities and providers on the long term impact of budgetary reductions	To maintain support for structures of community engagement in equality and diversity	To engage key groups over the long term impact of service reductions on specific Equality issues in Blackpool	On-going throughout 2022 and beyond.	Director of Resources Head of Equality and Diversity	
2. Need for a full examination of the effect of service reduction on workforce diversity and continued dialogue and engagement with staff over budgetary reductions in future years	If adverse impacts on staffing levels become apparent – to conduct equality monitoring on staff at risk of redundancy and take appropriate action if adverse impacts are identified To track staff equality monitoring data to ensure an accurate picture of current workforce diversity.	To mitigate any disproportional effect on staff who share protected characteristics, and monitor the target of becoming a more diverse employer.	Within current and any future redundancy processes	Head of HR/OD Head of Equality and Diversity	
3. Need for detailed examination of the effect of service reductions on specific service users and continued dialogue / engagement with them over budgetary	To conduct equality analysis as part of service redesign /commissioning review proposals and take appropriate action if possible to mitigate adverse impacts are identified	To mitigate any disproportionate effect on service users who share protected characteristics if possible, and monitor the outcome of changes.	Within current and any future budget reduction exercises	Relevant Chief Officers	

Issues/ adverse impact identified	Proposed action/ objectives to deal with adverse impact	Targets/Measure	Timeframe	Responsibility	Comments
reductions in future years					
4. Deepen awareness and compliance with Public duties and decision making	Embed the new Equality Performance and compliance assessment process across all Council Dept. Roll out new Equality Duty course to all Cabinet Members, senior and key staff.	To ensure the authority is fully compliant with all aspects of the public sector equality duties.	On-going throughout 2022 and beyond.	Head of Equality and Diversity & Relevant Chief Officers	

ARRANGEMENTS FOR MONITORING AND REVIEW

Agreed action	Monitoring arrangements	Timeframe	Responsibility	Comments
1. To maintain current support for structures of service user and provider engagement.	To be built into the Directorate Business planning and Compliance review processes	2022 and ongoing	Chief Officers Head of Equality and Diversity	
2. To conduct equality monitoring on staff at risk of redundancy and take appropriate action if adverse impacts are identified To track staff equality monitoring data to ensure an accurate picture of current workforce diversity.	To be built into the Directorate Business planning and Compliance review processes	2022 and ongoing	Head of HR Head of Equality and Diversity	
3. Where appropriate to conduct equality monitoring on service	To be built into the Directorate Business	2021 and ongoing	Relevant Chief Officers	

Agreed action	Monitoring arrangements	Timeframe	Responsibility	Comments
changes and take appropriate action if adverse impacts are identified	planning and Compliance review processes		Head of Equality and Diversity	

ⁱ Page 16 , Building back resilient Communities – Hope Charitable Trust 2021

ⁱⁱ ONS Mid-Year Population estimates 2018

ⁱⁱⁱ ONS Mid-Year Population Estimates 2018

^{iv} ONS Census 2011, Ethnicity, 2011

^v ONS Census 2011, Tenure, 2011

^{vi} ONS Census 2011, Living Arrangements, 2011

^{vii} ONS Mid-Year Population Estimates 2018

^{viii} ONS Census 2011, Ethnicity, 2011

^{ix} ONS Mid-Year Population Estimates 2018

^x ONS Census, Religion, 2011

^{xi} Blackpool Registrars, 2017

^{xii} ONS Life Expectancy, 2016-18

^{xiii} Public Health England based on ONS death registration data and mid-year population estimates, and Ministry of Housing, Communities and Local Government, Index of Multiple Deprivation, 2015

^{xiv} Economic inactivity (Jul 2018-Jun 2019), Nomis (2019)

^{xv} Alcohol-related mortality, Public Health England (based on ONS source data), 2018

^{xvi} Calculated by Public Health England: Health and Social Care Information Centre - Hospital Episode Statistics (HES) and Office for National Statistics (ONS) - Mid Year Population Estimates, 2019

^{xvii} Opiate and crack cocaine use: prevalence estimates by local area, Public Health England, 2019

^{xviii} Depression: Recorded prevalence (aged 18+) 2018/19, Quality and Outcomes Framework (QOF), NHS Digital, 2019

^{xix} Blackpool JSNA based on Projecting Adult Needs and Service Information (PANSI) data, 2020

^{xx} 'Antidepressants prescribed far more in deprived English coastal towns', Gayle, Damien, <https://www.theguardian.com/society/2017/apr/14/antidepressants-prescribed-deprived-seaside-towns-of-north-and-east-blackpool-sunderland-and-east-lindsey-nhs>

^{xxi} Suicide registrations in England and Wales by local authority, 2016 to 2018, 2019

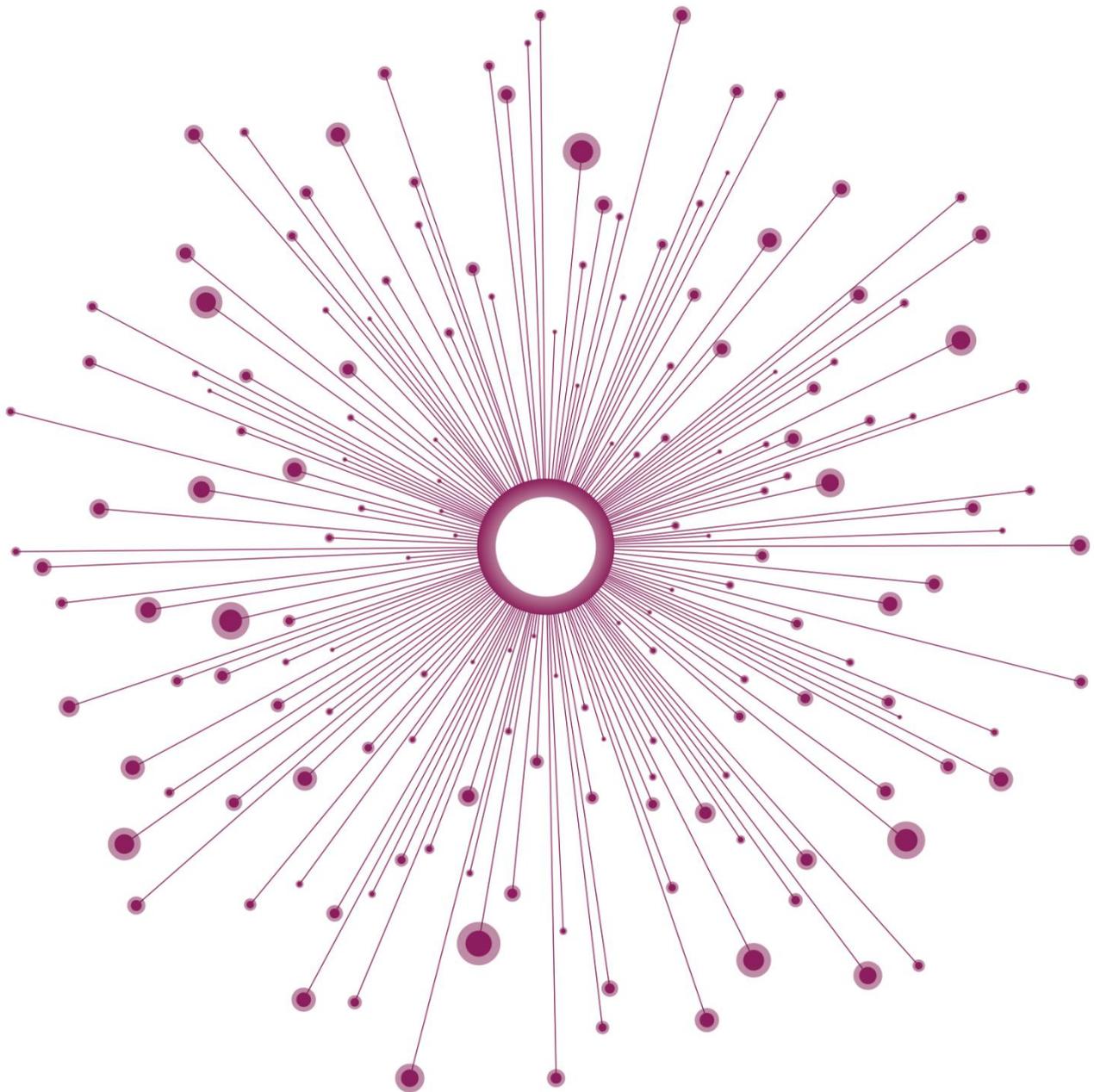
^{xxii} Conception statistics, England and Wales, Office for National Statistics, 2019

^{xxiii} Under 18s conceptions leading to abortion (%), Conceptions in England and Wales: 2017, Office for National Statistics, 2019

^{xxiv} Registered Blind and Partially Sighted People, NHS Digital, 2017

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- ^{xxv} Statements of SEN and EHC plans: England, Department for Education, 2019
- ^{xxvi} Special educational needs in England: January 2019, Department for Education, 2019
- ^{xxvii} SEND Census Data 2016-2019, Business Intelligence Team, August 2019
- ^{xxviii} Special educational needs in England: January 2019, Department for Education, 2019
- ^{xxix} Adults (18 and older) with learning disability getting long term support from Local Authorities, NHS Digital Adult social care activity and finance report, Short and Long Term Care statistics 2017/18, 2019
- ^{xxx} DLA by condition, Department of Work and Pensions, May 2019
- ^{xxxi} Special educational needs in England: January 2019, Department for Education, 2019
- ^{xxxii} Disability pay gaps in the UK: 2018, ONS, 2019
- ^{xxxiii} End Child Poverty, Poverty in Your Area, 2019. Figures based on Households below average income 2017/18, Department for Work and Pensions, 2019

Blackpool Council Budget Engagement: Residents' Summary Report December 2021



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1. Executive Summary

The aim of the Budget Engagement exercise was to gain views from residents and stakeholders in order to assist in the budget setting process. Two separate exercises were undertaken, one focussed on stakeholders and the other on residents. This report analyses the responses to the residents' survey, although it should be noted that some responses did come from people based outside of Blackpool, although these respondents did have a connection with the local area.

Key findings:

- The services perceived as most 'important' by respondents were household recycling and bin collection services (91.4%), parks or other open space (86.1%), services for adults and older people including those with additional needs and/or disabilities (74.1%) and services for children and young people including those with additional needs and/or disabilities (70.4%);
- The services perceived as least 'important' by respondents were theatre or concert venues (36.9%), car parks (36.3%) and museums or galleries (22.1%);
- From the pre-existing council priorities, the **economic** theme that most respondents rated as 'very important' or 'important' was to **deliver on boosting enterprise, skills and economic activities** (76.7%), whilst the economic priority that had the least number of respondents rating it as 'very important' or 'important' was **infrastructure and regeneration** (60.3%);
- From the pre-existing council priorities, the **communities** theme that most respondents rated as 'very important' or 'important' was to **increase safeguarding** (82.8%), whilst the community priority that had the least number of respondents rating it as 'very important' or 'important' was **the focus on young people** (70.7%);
- **76.1%** of respondents thought that there should be 'significant consideration' or 'some consideration' placed on meeting the climate emergency target when considering its overall budget, with the majority again favouring 'some' rather than 'significant' consideration.

2. Methodology

The questionnaire was available via the council’s consultation and engagement page, along with a link in the e-version of ‘Your Blackpool’. The questionnaire was also promoted across the council’s social media and paper copies of the questionnaire were available via public-facing services.

117 responses were submitted from **November 22 to December 12 2021**.

Throughout the document, many respondents gave more than one answer for each question and left some questions unanswered. As such, the number (and percentage) of answers to the questions can differ from the total number of respondents who answered the question.

Social media engagement

The reach from posts about the engagement made across each social media channel was as follows:

Channel	Number of people posts reached
Facebook	c.4.9k
Twitter	c.1k

There were 1,112 visits made to the consultation and engagement website page during this period and 80 clicks via the e-version of the Your Blackpool.

Demographics

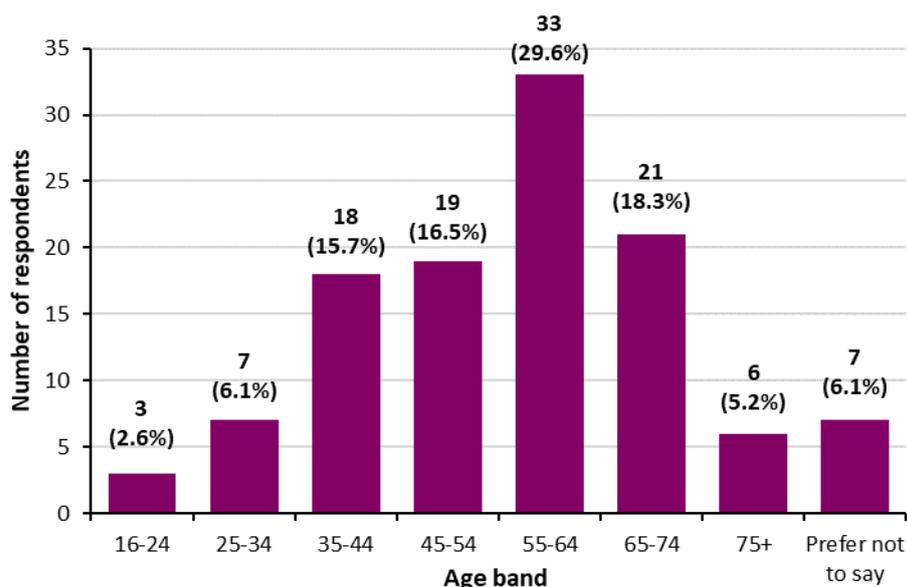
The profile of respondents was broadly in line with that of the borough, with an under-representation of men and those in the youngest and oldest age categories. No comparative statistics are available to compare the proportion of LGBTQ+ respondents, and a proportion of respondents exercised a preference not to state this.

Gender (Base – 115)

There were 59 female respondents (51.3%), 48 males (41.7%) and one respondent who identifies as non-binary (0.9%). Seven respondents (6.1%) preferred not to state their gender.

The following chart shows the breakdown of responses by age band:

Figure 2.1: Respondents by age band (Base – 115)



21 respondents stated they either work for or with Blackpool Council (18.6% of respondents who stated their work situation). A breakdown by responses by organisation is shown in the following table:

Table 2.2: Do you work for/with any of the following organisations? (Some responses covered multiple categories) [Base – 113]

	Count
Blackpool Council	21
A local business in Blackpool	13
Other	7
Other public sector organisation in Blackpool	8
A third sector or voluntary organisation in Blackpool	9
None of these	49
Prefer not to say	10

100 respondents gave their postcode information, a breakdown of respondent by postcode area was as follows:

- FY1 – 16 responses (16%);
- FY2 – 18 responses (18%);
- FY3 – 20 responses (20%);
- FY4 – 35 responses (35%);
- FY5 – 9 responses (9%);
- Outside of Blackpool - 2 responses (2%).

The survey did not require respondents to provide a full postcode. Given that responses were received from postcode FY5, which is outside of the council boundary, it is also possible that some respondents from FY4 are also not Blackpool residents.

Further demographic information

Health and disability (Base – 116)

70 (60.3%) respondents stated they did not have a health problem or disability. 37 respondents (31.9%) stated they have a health problem or disability in their day-to-day activities. Nine respondents (7.8%) preferred not to say if they had a have a health problem or disability.

Ethnicity (Base – 116)

104 respondents (89.7%) identified as white, which includes English/Welsh/Scottish/Northern Irish/British Irish, Gypsy or Irish Traveller or any other white background. Three respondents (2.6%) identified as being from non-white ethnicity groups. Nine respondents (7.9%) preferred not to disclose their ethnicity.

Sexual orientation (Base – 115)

91 respondents (79.1%) identified as heterosexual/straight. Six respondents identified as a gay man (5.2%), four respondents (3.5%) identified as Bi and one respondent (0.9%) identified as a gay women/lesbian c. 13 respondents (11.3%) preferred not to state their sexual orientation.

3. Blackpool Council Services

Respondents were asked to give their views on the importance of the council's primary services. The following table outlines the responses by service/facility. Comparisons to the previous year, with significant changes highlighted, are shown in Appendix A.

Table 3.1: Q1. Thinking about the services and areas which could be affected by changing budgets, how important are the following services to you/your family and/or your community?

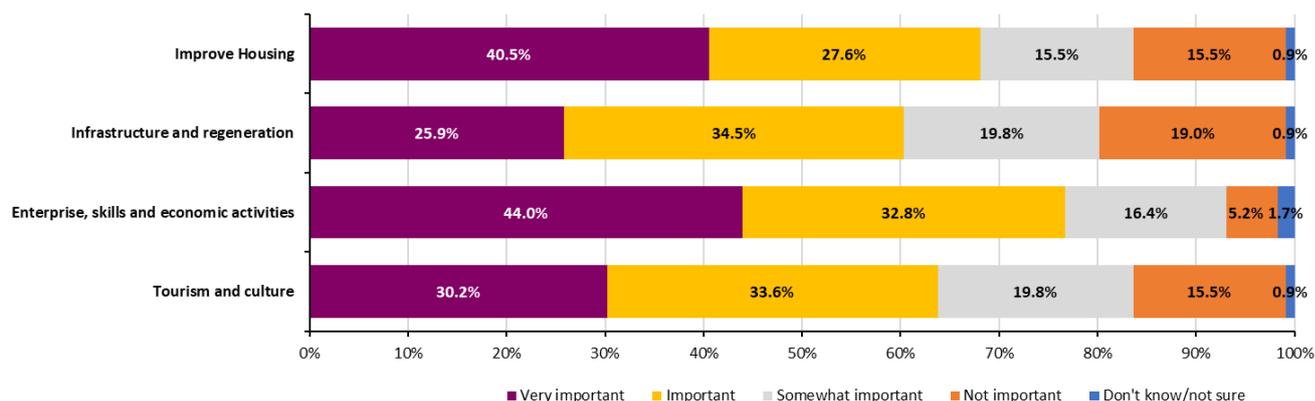
Service/facility	Important	Neither important nor unimportant	Unimportant	Don't know/not sure	*Total
Household recycling and bin collection services	106 (91.4%)	7 (6%)	2 (1.7%)	1 (0.9%)	116
Household Waste Recycling Centre	84 (73%)	26 (22.6%)	3 (2.6%)	2 (1.7%)	115
Local transport services	70 (61.9%)	35 (31%)	7 (6.3%)	1 (0.9%)	113
Car parks	41 (36.3%)	48 (42.5%)	24 (21.2%)	0 (0%)	113
Services for children and young people including those with additional needs and/or disabilities	81 (70.4%)	22 (19.1%)	11 (9.6%)	1 (0.9%)	115
Services for adults and older people including those with additional needs and/or disabilities	86 (74.1%)	23 (19.8%)	6 (5.2%)	1 (0.9%)	116
Library facilities	57 (49.6%)	36 (31.3%)	21 (18.3%)	1 (0.9%)	115
Sport and leisure facilities	58 (51.8%)	40 (35.7%)	14 (12.5%)	0 (0%)	112
Museums or galleries	25 (22.1%)	58 (51.3%)	29 (25.7%)	1 (0.9%)	113
Theatre or concert venues	41 (36.9%)	49 (44.1%)	19 (17.1%)	2 (1.8%)	111
Parks or other open spaces	99 (86.1%)	10 (8.7%)	5 (4.3%)	1 (0.9%)	115
General customer services - complaints, comments or inquiries	62 (53.9%)	39 (33.9%)	14 (12.2%)	0 (0%)	115
Benefits services	50 (43.9%)	37 (32.5%)	25 (21.9%)	2 (1.8%)	114

* Some percentages may not sum to 100% due to rounding

4. Blackpool Council Priorities

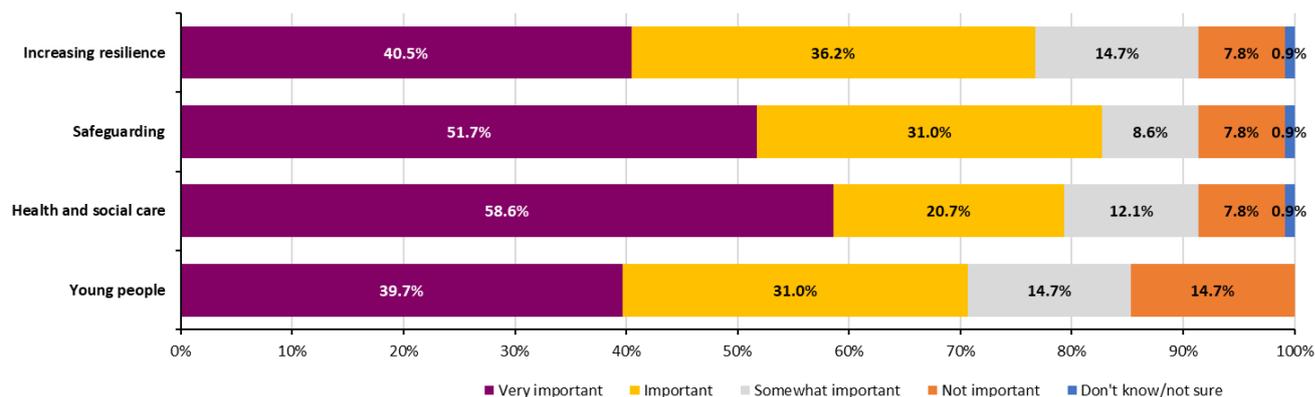
Respondents were asked to give their views on the importance of the council’s economic and community priorities. A description of some of the work being undertaken in each area was provided with each council priority. The following charts outline the responses by service/facility.

Figure 4.1: Q2. Thinking about Blackpool Council's ambition to deliver on the economy, how important are the following council priorities to you? (Base - 116)



In comparison to the previous year, across all economic priorities the proportion of respondents that thought that a priority was important (‘very important’ or ‘important’) decreased. The largest decrease was seen across the priority on delivering on infrastructure and regeneration in Blackpool. With a 17.6 percentage point drop from the previous year in those believing this priority to be ‘important’.

Figure 4.2: Q3. Thinking about Blackpool Council's ambition to deliver for communities, how important are the following council priorities to you? (Base - 116)



In comparison to the previous year, across three community priorities the proportion of respondents that thought that a priority was important (‘very important’ or ‘important’) increased, with the proportion of respondents who thought priorities relating to young people being important reducing by 0.4 percentage points. The largest increase was seen across delivering on better safeguarding outcomes in Blackpool. With a 4.5 percentage point increase from the previous year in those believing this priority to be ‘important’.

Climate emergency

Respondents were given an opportunity to state what level of priority the council should place on meeting the climate emergency target when considering its overall budget.

Q4. How much consideration should the council place on meeting the climate emergency target when considering its overall budget? (Base – 113)

40 respondents (35.4%) thought that 'significant consideration' should be placed on meeting the climate emergency target when considering the council's overall budget. 46 respondents (40.7%) who thought that there should be 'some consideration'. 25 respondents (22.1%) thought there should be 'a little consideration' and two respondents (1.8%) thought there should 'no consideration'.

In comparison to the previous year, the level of support for there being 'significant consideration' or 'some consideration' to meeting the climate emergency target when considering its overall budget increased by 2.4 percentage points from the previous year. Those thinking that there should be 'no consideration' given reduced by 4.8 percentage points from 2020 to 2021.

5. Blackpool Council Priorities Comments

Respondents were asked to contribute to some open-ended questions seeking ideas and suggestions about further savings and/or improved efficiencies. Many respondents covered multiple themes and as such, the number of answers by theme may exceed the total number of respondents who answered the question. Comments made by respondents are shown in a document accompanying this report.

Q5. Do you have any ideas or suggestions you think we should consider or is there anything else we could be doing?

Excluding 'no'/'N/A'/'don't know' comments, the following main themes were identified:

- **49** comments around council finances, specifically; how money is managed, income generation and contract negotiation. 14 comments focused on greater financial controls being in place, specifically; more scrutiny on town-wide investments, council staffing, spending within council services, including procurement and charging policies. Nine comments were around the town's image and spending in the town centre, with seven comments focused on spending around tourism and four comments around the illuminations, including questioning extending the illuminations are on for. Eight comments were based around contracts, including the amount contractors charge the council and consulting with staff before awarding contracts, with three comments addressing local contracts, including using more local suppliers and only using local contractors for council contracts;
- **37** comments around accessing council services, specifically; how people move towards accessing services online, whilst also making sure access to service was available for all. Nine comments re-iterated the need to continue to support those who are unable to access services online, with the council needing to provide an in-person option for those who cannot access services online. Eight comments emphasised the need to have information that is easy to access and readily available, with four comments specifically mentioning improving the council website to make it easier to navigate. Seven comments highlighted specific groups such as older groups and those with a disability who may not be easily to access services online. Seven comments detailed support/training people might need to access services online, including making IT training part of an application process, increasing awareness of how people can access services online and hubs which can support people online;
- **35** comments around collaborative or joined-up working, specifically; work done in conjunction with other councils, partners and organisations to reduce costs for services. 15 comments focused on collaboration specifically, including working with the private sector and working closer with other councils in Lancashire, particularly with other Fylde Coast councils. Seven comments focused on appropriate spending, such as monitoring quality of service and spending on particular services. Six comments were around community engagement, including investing in volunteer and community support, having places to engage with the community such as hubs

and youth centres and engaging with residents before projects are announced. Five comments were around consolidating services, such as amalgamating services and agencies that do similar activities and whether the council need multiple offices and buildings;

- **38** additional comments around what else the council could be doing/or should consider around the budget, eight comments re-iterated the need to spend money appropriately, including three comments on spend on staffing at the council. Six comments highlighted that spending was being prioritised on tourism rather than on residents. Five comments mentioned support services/facilities including; working with specific people to support them, whether council services should be external or internal and having more facilities around the town to support residents. Four comments mentioned council tax, mainly that it was too high for the level of service resident receive. Another four comments talked about the town's image, in terms of people having a negative perception of the town and ways in which it can be more appealing.

Q6. Do you have any ideas that could help the council save money or generate additional revenue?

Excluding 'no'/'N/A'/'don't know' comments, there were **45** comments were made how the council could save money or generate additional revenue. The main themes identified were:

- **11** comments detailed ways money could be spent more appropriately, such as rethinking ward budgets, reviewing spending in council services and spending on infrastructure such as transport infrastructure;
- **Seven** comments focused on how the council could improve Blackpool's offer/image, such as attracting bigger retail names and focusing on development in the town centre;
- **Six** comments focused on the role of tourism, such as charging more for events, bringing in a tourist tax and bringing in a charge for those driving through the illuminations;
- **Six** comments were related to staffing and wages at the council, such implementing wage cuts, freezing wage rises and restructuring teams and management structures;
- **Five** comments focused on current council services and facilities, including reviewing services such as libraries and having more facilities in place across the town such as public toilets and waste bins;
- **Five** comments were focused on parking, including bringing in park and ride, free parking and processing and reporting parking issues more easily.

Q7. Do you have any additional comments about the council's 2021/22 budget?

Excluding 'no'/'N/A'/'don't know' comments, there were **23** additional comments made about the 2020/21 budget. The main themes identified were:

- **Eight** comments again re-iterated about spending money appropriately, including focusing spending on residents;
- **Five** comments on council oversight of the impact of increased costs to households, including raising the issue of increased council tax on the cost of living;
- **Four** comments highlighted Blackpool's image and that better maintenance is required in terms of the upkeep of roads, litter and open spaces for example;
- **Two** comments highlighted the role of central government in terms of getting more funding from central government;
- Other comments highlighted the need for more police, the prioritisation of tourists over residents, helping those in vulnerable groups such as those who are elderly and young children and getting infrastructure issues such as having more infrastructure such as schools and transport facilities to go with any new housing stock.

6. Appendix A: Service/Facilities 2021-2020 Comparison

Services/facilities where there has been more than a six percentage point change in the response category as compared to the previous year has been highlighted in the table below.

In terms of services being 'important', local transport services, library facilities and general customer services saw the greatest increase in the proportion of respondents who thought that the service/facility was 'important'. Whereas, theatre and concert venues and museums saw the greatest decrease as compared to the previous year. Although; the response category that increased the most in these areas was the 'neither important nor unimportant' rather than the 'unimportant' response category.

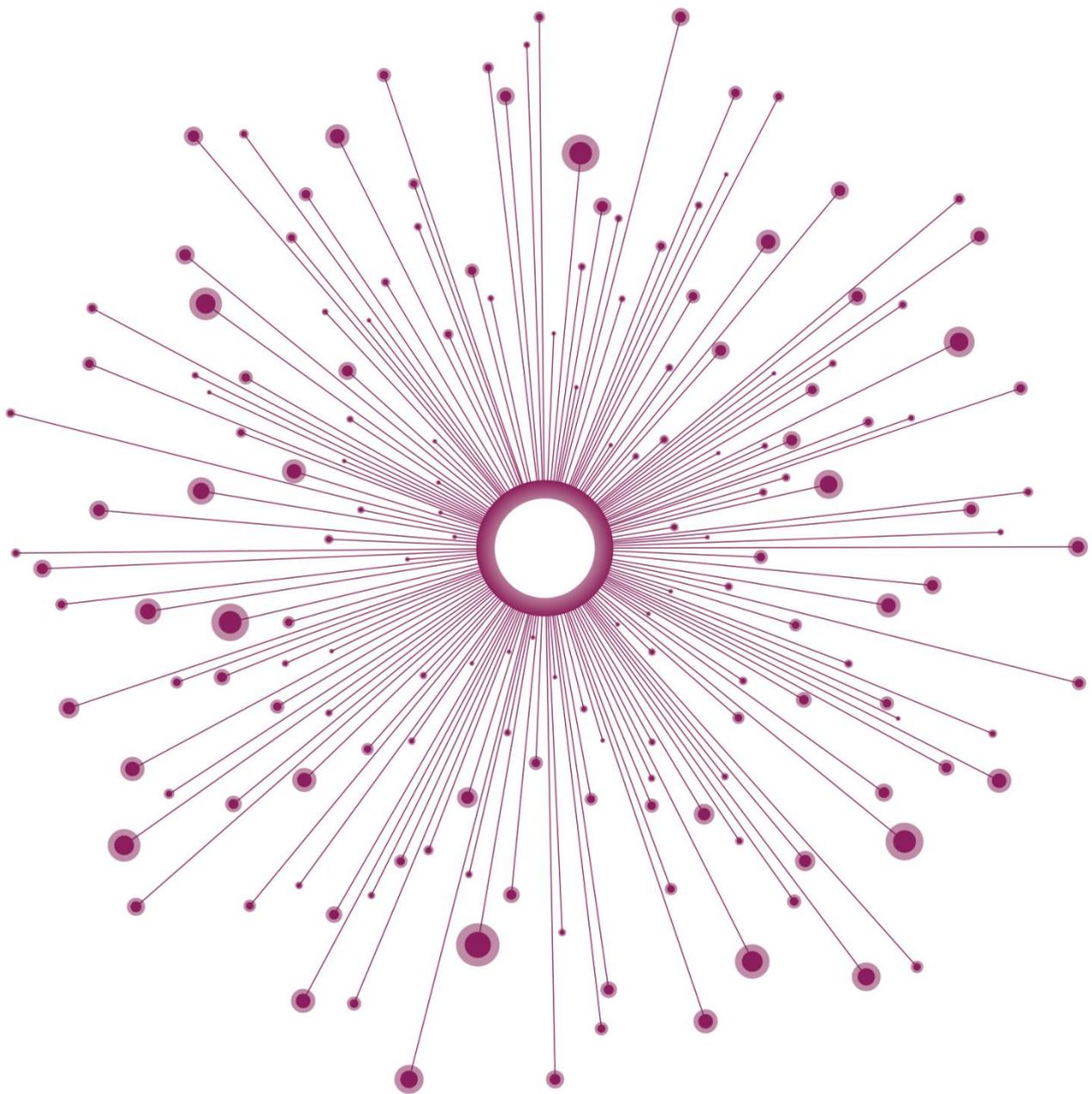
Table 3.2: Change in percentage points in 'importance' of council services/facilities from 2020 to 2021

Service/facilities	Change in percentage points from 2020 to 2021: Important	Change in percentage points from 2020 to 2021: Neither important nor unimportant	Change in percentage points from 2020 to 2021: Unimportant	Change in percentage points from 2020 to 2021: Don't know/not sure
Household recycling and bin collection services	+0.8%	-1.3%	-0.4%	+0.9%
Household Waste Recycling Centre	+4.6%	-1.5%	-3.8%	+0.7%
Local transport services	+7.2%	+1.4%	-8.4%	-0.2%
Car parks	+5.3%	-0.3%	-3.2%	-1.8%
Services for children and young people including those with additional needs and/or disabilities	-1.9%	+0.7%	+1.8%	-0.5%
Services for adults and older people including those with additional needs and/or disabilities	+1.7%	+0.5%	-1.6%	-0.6%
Library facilities	+11.8%	-6.4%	-4.9%	-0.6%
Sport and leisure facilities	+4.6%	+2.5%	-6.1%	-1.1%
Museums or galleries	-6.0%	+14.5%	-8.3%	-0.2%
Theatre or concert venues	-16.6%	+14.5%	+0.7%	+1.4%
Parks or other open spaces	+0.2%	-5.0%	+4.3%	+0.5%
General customer services - complaints, comments or inquiries	+9.5%	-5.9%	-1.6%	-2.1%
Benefits services	+0.5%	+5.0%	-4.4%	-1.1%

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Blackpool Council Budget Engagement: Stakeholder Summary Report

December 2021



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1. Executive Summary

The aim of the Budget Engagement exercise was to gain views from residents and stakeholders in order to assist in the budget setting process and in addition to seek views on the importance of its priorities. Two separate exercises were undertaken, one focussed on stakeholders and the other on residents. This report analyses the responses of stakeholders. In total, there were **11** responses from stakeholders.

Key findings:

- A majority of respondents felt that there should be ‘significant’ or ‘some’ consideration to be given to climate issues when setting the council’s budget
- Among the main considerations about how the council should think about saving money and what considerations needed to be made were:
 1. Looking at contract/procurement processes – making sure contracts have an emphasis on favouring local services
 2. Making sure more people are able to access services online, but making sure there is support for those at risk of digital exclusion, such as older residents and those with accessibility issues
 3. Adopt collaborative working processes where possible, including highlighting the benefits of collaborative working
- 14 comments were made about how respondents thought the council can better deliver on the economy and for communities. These suggested that the following areas should be prioritised: tourism strategy, procurement, funding in social care and making Blackpool a viable place to live and work, particularly for young people;
- From nine comments about how respondents believed that changes to Blackpool Council’s budget would affect their own organisation, the following impacts are expected: increased service costs, impact of retaining/recruiting staff facilities and the ability to gain new contracts.

2. Methodology

An online questionnaire available from the council's consultation and engagement page was emailed via pre-defined mailing lists to:

- The voluntary, community and faith sector
- Blackpool schools mailing lists (including head teachers and business leaders groups)
- Providers working with adult and children's services

The questionnaire was also distributed to existing known contacts in the private and public sector. Contacts were encouraged to cascade the questionnaire via their own mailing lists/contacts lists. In addition, the questionnaire was promoted across the council's social media on a number of occasions.

11 responses were received from **November 22 to December 12 2021**.

Five respondents answered on behalf of a private sector organisation. Three responses were from the voluntary, community or faith sector. One from a public sector organisation and two responses were from 'other' types of organisation.

From responses who disclosed their role in their business/organisation, seven responses came from chief executives/directors/owners/service head, one response from a headteacher and two responses came from those in varying roles including an advocate and community service manager.

From responses where the organisation's postcode information was submitted, all respondents except two were from Blackpool-based organisations.

3. Results

Respondents were given an opportunity to state what level of priority the council should place on meeting the climate emergency target when considering its overall budget and how much consideration should be given to 'greener options' when considering budget decisions.

Q1. How much consideration should the council place on meeting the climate emergency target when considering its overall budget? (Base – 11)

Six respondents thought that 'significant consideration' should be placed on meeting the climate emergency target when considering the council's overall budget. Two respondents thought that there should be 'some consideration' and three respondents thought there should be 'a little consideration'.

Budget management comments

Respondents were given an opportunity to respond to the following free-text questions asking about how they would think about saving money and what considerations need to be in place. Many respondents' answers for each question covered multiple themes and as such, the number of answers by theme may exceed the total number of respondents who answered the question. Comment totals do not include those answering 'no', 'N/A', 'don't know' or similar.

Q2a. Council finances - How we manage our money, generate income, negotiate and award contracts

Nine comments were made around council finances highlighting the following:

- Three comments referred to the council's process for awarding contracts; with respondents stating there should be more emphasis on local suppliers and more jobs given in-house rather than to contractors;
- Other comments highlighted that the council should use people not in work to support the community and provide business support, invest in renewable energy, continue to improve the quality of tourism in Blackpool and review business engagements from councillors on a regular basis.

Q2b. Accessing council services - How we move towards accessing services online, making services accessible to all and improve digital literacy in Blackpool

Six comments were made around accessing council services highlighting the following:

- Three comments referred to online services; namely the need for online services to be accessible, particularly for those with visual impairments;
- Other comments highlighted the need for education at an early age so people are comfortable going online, making sure people have an option of communicating

face-to-face, having Wi-Fi coverage across the borough and one comment that some apps for some online council services didn't function as smoothly as it could.

Q2c. Collaborative or joined-up working - How we work together with other councils, partners and organisations to reduce costs for services

Four comments were made around collaborative or joined-up working highlighting the following:

- Three comments agreed that wider collaboration between the council and its partners is needed, with one comment emphasising the benefits in terms of knowledge, skills and technology development;
- One comment highlighted the need to pool budgets together to cover services.

Q2d. Is there anything else you would like to add?

Two additional comments highlighted the following:

- One respondent stated that services should be re-located to the town centre and incentivise people to come live in the areas re-located from;
- Another comment referred to trying to be more cost effective and green with the illuminations by suggesting they be switched off by 11pm in the week and midnight on weekends.

Q3. Are there any other areas you think we should be looking at?

Seven comments were made around other areas the council should be looking at:

- Three respondents commented on the role of tourism, with comments ranging from whether tourism should be the unique selling point of the town and the role of Blackpool airport in boosting tourism;
- Other comments highlighted, increasing communication to show the progress the town is making, greater funding for social care and there should be more community engagement to listen to and hear the views of residents.

Q4. Please provide details of how changes to our budget might affect your business/organisation.

Nine comments were received about how changes to Blackpool Council's budget might affect businesses/organisations:

- Two comments referred to contracts, with changes possibly affecting the ability to gain new contracts;
- Two comments referred to the impact on staffing, in terms of the impact of living wage levels increasing impacting budgets and the decline of the town linked to impact on the type of employees that the business/organisation might be able to attract;
- Two other comments mentioned that service costs would likely increase;

- Other comments highlighted the impact of stretching budgets could impact the viability of their business/organisation and that the impact is dependent on what changes go ahead.

Q5. Do you have any specific suggestions on how the council can better deliver on the economy within existing resources?

Six comments were made about how the council can better deliver on the economy:

- Two comments focused on tourism, with one comment stating the focus should be on all year tourism and another that hotels that are not fit for purpose should be closed down due to their negative impact on Blackpool's visitor economy;
- Two comments focused on procurement, including engaging with the community during the procurement process and making sure the outcome of procurement activities have a long-term viability and don't incur further costs in the future;
- Other comments highlighted the need to regenerate deprived areas, communicate the progress being made in Blackpool and provide greater accessibility support for residents that require support.

Q6. Do you have any specific suggestions on how the council can better deliver for communities within existing resources?

Eight comments were made about how the council can better deliver for communities:

- Three comments referenced funding in social care, with two comments highlighted the benefits and issues of increasing/decreasing funding in this area;
- Two comments referenced the need to make Blackpool a viable place to live and work, with an emphasis on retaining young people after they have gone to university;
- Other comments highlighted the need to regenerate deprived areas, work more collaboratively with the third sector and consider the co-location of services to maximise access to a range of services.

Q7. Do you have any additional comments to make about future budget plans in Blackpool?

Three final comments highlighted; more strategic thought behind investments and more long-term planning, providing a greater proportion of all year round jobs, further investment in the airport and for the council to step in and stop hotels/B&B's from being turned into houses of multiple occupation.

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Budget Scrutiny: Informal meeting 19 January 2022

The Scrutiny Leadership Board met informally on 19 January 2022 to consider an overview of the budget proposals for 2022/2023. As per the process agreed by the Board previously at its meeting on 15 October 2020, rather than meeting once the full budget had been finalised this earlier input whilst the budget was in development would allow for more timely and constructive comments to be made. The Director of Resources and Leader of the Council attended the meeting and this report sets out the comments made during that meeting.

The Director of Resources presented the Scrutiny Leadership Board with the detail of the budget pressures for 2022/2023, highlighting the total budget savings required to be made. He noted where recurrent and non-recurrent savings had been identified to date, outstanding amounts to be identified, additional income to be received, the pressures in relation to social care services, the importance of Medium Term Financial Sustainability Strategy and the level of earmarked reserves. The key comments made for consideration by the Executive were as follows:

- The impact of the rising cost of living in particular relation to the cost of energy for Council buildings was highlighted and whether anything could be done to lobby the Government in order to limit the impact of price rises and any impact on the delivery of services. It was also commented that the Council should ensure that it explored every option to implement energy saving measures in its buildings.
- The issues relating to collection of Council Tax and the housing market were considered in depth. It was noted that Blackpool was the only town in England showing a reduction in population, the number of empty properties and that the number of people claiming single person discount had increased. There had also been a sustained increase in the number of Air bnb properties in the town. There was concern regarding the impact of these issues on the level of Council Tax that could be collected and it was suggested that further work was required to determine the impact of Air bnb properties and what could be done to mitigate the impact.
- In relation to the additional funding required for Adult Social Care services, that the Council should continue to seek support as it has been from the Clinical Commissioning Group (CCG) (the Integrated Care System from April 2022). It was considered that some of the additional funding allocated by the Health and Social Care Levy to the CCG would be more effectively spent within social care services in order to reduce the demands on the NHS.
- With regards to the Council's pension contributions to the Lancashire Pension Fund, it had been explained that the pension fund had been overfunded as highlighted by a re-evaluation in October 2021 and that the Council would therefore seek to not increase future payments. This course of action was supported and it was noted that the constitution of the pension fund did not allow refunds for overpayments.

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Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£k
<p>1. Demand pressures continue in Looked After Children. Spend on social care has doubled in the last 9 years and despite ongoing budgetary growth overspends continue to be forecast.</p> <p><i>[% of historical trend]</i></p>	<p>Regular monthly meetings are held with the Director and s151 Officer to monitor progress over the financial year.</p> <p>A Children's Social Care MTFP has been produced and signed off by the Executive. The Directorate has a MTFP Project Board in place to monitor delivery with the Chief Executive, Director of Children's Services and other key members.</p>	<p>2,400</p>
<p>2. Growth in Adult Social Care demand along with the impact of National Living Wage on Care Providers forcing additional cost pressures on businesses with potential loss of providers and reduction in service to the vulnerable unless Council provides support.</p> <p><i>[% of estimated population]</i></p>	<p>Regular monthly meetings are held with the Director and s151 Officer to monitor pressures over the financial year.</p> <p>An Adults MTFP is produced and reviewed annually.</p>	<p>1,200</p>
<p>3. Growing inflationary pressures and potential recession leading to drop in income as the economy realigns following EU Exit and Covid.</p> <p><i>[inflationary buffer of 1%]</i></p>	<p>Local government resources have already reduced hugely over the last decade and at the same time there have been significant increases in demand pressures particularly in social care, leaving services with no resources to cover such pressures. Medium Term Financial Sustainability Strategy in place to help with such pressures which is reviewed on an annual basis. However, a prudent level of reserves is needed to cope with economic pressures in year.</p>	<p>900</p>

Appendix 7

<p>4. Reduction in Revenue Support Grant and Section 31 grants e.g. Adult Social Care and Public Health grants.</p> <p><i>[% of grants at risk]</i></p>	<p>The Interpretation of changes in funding resulting from the annual spending review review are fed into annual refresh of the Council's MTFP.</p> <p>Regular review of latest guidance and links to key networks to ensure Council is aware of changes arising so they can prepare appropriate responses.</p>	<p>550</p>
<p>5. Budget savings of £9.1m are required in 2022/23. If they are not achieved, this will result in service budget overspendings at outturn.</p> <p><i>[delivery of % full-year effect in]</i></p>	<p>Robust and realistic series of plans for each Directorate to demonstrate how the savings are to be achieved, monitored at Corporate Leadership Team and by Portfolio Holders on a monthly basis.</p>	<p>400</p>
<p>6. Business rates appeals. External impacts on appeals due to reductions in rateable values.</p> <p><i>[% of NNDR income]</i></p>	<p>Ongoing monitoring of collection rates and by client and business groups, enabling early intervention by Council support staff.</p> <p>Robust and consistent recovery processes in place.</p> <p>Closer liaison with VOA to understand business rate appeals pending.</p>	<p>400</p>
<p>7. Projected revenue income from property holdings is not delivered as the property market for retail and commercial premises undergoes continuing rationalisation following Covid and the unwinding of Government support to businesses.</p> <p><i>[% drop in collectable income]</i></p>	<p>Council has revised its its income projections based on information provided by the national specialist employed to advise on retaining maximum return from its assets.</p> <p>Council regularly undertake market testing of advisors to ensure we retain those best able to best manage our portfolio.</p>	<p>150</p>
<p>TOTAL</p>		<p>6,000</p>