

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Neil Jack, Chief Executive Steve Thompson, Director of Resources / Statutory Finance Officer Arif Rajpura, Director of Public Health
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	11 December 2017

## COUNCIL BUDGET 2018/2019 CONSULTATION PROCESS

### 1.0 Purpose of the report:

- 1.1 For the Executive to consider the terms of the consultation process with respect to service changes to be proposed in the Council's 2018/2019 Revenue Budget.

### 2.0 Recommendation(s):

- 2.1 To approve the outline service changes detailed at Appendix 3(a) as the basis on which the consultation and equality analyses will be undertaken with affected parties.
- 2.2 To approve the use of an Enhanced Voluntary Redundancy payment (EVR) incentive at a level of £3,000 (pro-rata for part time employees) for a set period of time determined by the Chief Executive.
- 2.3 To continue to engage through formal consultation mechanisms where budget proposals require appropriate feedback and to ensure that the Council is engaged with all partners.

### 3.0 Reasons for recommendation(s):

- 3.1 The Council continues to deal with the effects of substantial reductions in government funding, with cuts to services being unavoidable in achieving a balanced budget. The calculation of the outline savings detailed in this report is based on an estimate of the amount of government revenue funding due to the Council.
- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes – but the final decision of Council in February 2018 will be to set a new revenue budget.

3.3 Other alternative options to be considered:

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

**4.0 Council Priority:**

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

**5.0 Background Information**

- 5.1 It is a legal requirement for the Council to set a balanced budget. Each successive year, the scope remaining for savings from efficiency measures becomes less. The last seven years have seen recurrent budget savings of £137m, a figure which now exceeds Blackpool Council's annual Net Budget Requirement of £120m. Delivering savings of this magnitude has had an unavoidable impact on service levels, resident satisfaction ratings, jobs and morale, but by 2022 more radical, fundamental, transformational and sustainable solutions will be necessary. Last year, the Executive agreed the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the six-year period, 2016/17 to 2021/22. Agreement of the MTFSS also complied with the conditions set by the Secretary of State for Communities and Local Government that acceptance of the four-year Funding Settlement Offer 2016/17 to 2019/20, required publication of a four-year efficiency plan that can be combined with medium-term financial strategies.
- 5.2 Against this backdrop, the Strategy summarises the comprehensive review and assessment that has been undertaken of how the Council can finance its future service delivery and the level of savings needed if these activities are to be facilitated and maintained. It also sets out the risks anticipated throughout what is forecast to be an ongoing harsh economic climate for local government.
- 5.3 Blackpool Council is committed to protecting vital services, but to remain financially sustainable has had to respond with recurrent savings of £118.5m from its revenue expenditure up to the end of 2016/17. During the term of this Strategy a further £40m of savings is forecast to be needed.

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

5.5 The proposals outlined at Appendix 3(a) have been formulated across the Council's Senior Management Team and in consultation with the Executive. It is these proposals which the Executive is asked to agree, to form the basis on which the consultation and equality analyses will be undertaken with affected parties.

5.6 Does the information submitted include any exempt information? No

5.7 **List of Appendices:**

Appendix 3(a) – Budget Savings Proposals

6.0 **Legal considerations:**

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

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

7.0 **Human Resources considerations:**

7.1 It will not be possible to find the necessary savings without reducing staffing costs and as a result some services will reduce, cease or change.

7.2 More employees have been placed at risk than will receive a formal notice of redundancy. It is not possible to know for certain at this stage how many posts and people will be ultimately impacted, but it is anticipated that there will be 50 redundancies plus a further 20 employees in temporary contracts which will come to an end and up to 40 vacant posts will be deleted.

- 7.3 Services continue to take every opportunity to mitigate redundancies. Measures include a review of temporary contracts, holding posts vacant, use of temporary agency staff, asking employees to reapply for voluntary unpaid leave and encouraging people to put forward requests for early retirement or voluntary redundancy.
- 7.4 Over the last five years the Council has offered an enhanced voluntary redundancy to “at risk” staff, which has helped to keep the number of compulsory redundancies to a minimum. The enhanced voluntary redundancy package offered last year was an additional payment of £3,000 (pro rata for part time employees) and in order for it to be financially viable employees had to meet the following criteria:
- Minimum two years’ continuous service
  - No pension or an annual pension of £3,000 or less (pro rata for part time employees and based upon figures prior to taking an increased lump sum).
  - Agreement to a reduced notice period should this be required.

It is recommended that Executive approves the same enhanced voluntary redundancy offer for 2018/2019.

- 7.5 The Council recognises that employees in this situation need as much help and support as possible. A dedicated Employment Adviser will offer group sessions to fully explain the range of services available to employees and will coordinate referrals into the National Careers Service (NCS) for the following:
- Skills Health Check: The NCS offers a web-based tool to help staff better understand their own skills, identifying transferable skills and abilities and work objectives
  - Information on New Career Options: Help to source information on training or qualifications needed for specific career choices.
  - Entitlement Checker: Verifying eligibility for public funding to use towards training costs
  - CV Building: Advice on how to tailor a CV towards certain sectors using a bespoke web tool
  - Mock Interviews: Help to prepare staff for formal interview scenarios including formulating answers to commonly asked interview questions, and suggested questions to ask employers
  - Professional Networking: Introducing staff to the benefits of using social media to search for jobs e.g. LinkedIn.
- 7.6 In addition employees will be offered access to the following:
- Get Started (Self Employment Advice): Support from within the Council to turn business ideas into reality
  - Jobcentre Plus: Benefit entitlement advice

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

## **8.0 Equalities considerations:**

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

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

8.3 Cumulatively this process has involved:

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

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

## **9.0 Financial considerations:**

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

## **10.0 Risk management considerations:**

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

## **11.0 Ethical considerations:**

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

## **12.0 Internal/ External Consultation undertaken:**

- 12.1 The Council facilitated eight early engagement events for local people to discuss with them their priorities and areas of concern ahead of the upcoming budget setting process. These events took place during the day and in the evening across the town.
- 12.2 Attendees raised a range of issues including the need for bridge repairs at Squires Gate and Harrowside, the purpose of the Tramway extension and some other specific road concerns which have been referred to the relevant service area. In terms of the budget there was a good understanding amongst participants about the budget constraints. There was some anxiety about how commissioned services may be affected in the future and some asked if Chief Officers had any thoughts on what the national budget would bring in November, there was a concern about how that might affect them.
- 12.3 Libraries were highlighted as a very valuable community asset at each of the events and people generally were asking the Council to protect the libraries as they provide so much more than books. There was a recognition that communities need to do more for themselves and that a greater sense of civic pride among communities would benefit everyone, however they lacked any real direction in some areas about how they might go about doing this and generally attendees were directed them towards established community groups in their area to assist with engagement.

12.4 Some attendees did however try to come up with ideas for income generation for the Council including:

- An additional levy on top of their Council Tax to fund projects at a neighbourhood level
- The development of a Bank of Social Workers to reduce the financial burden of agency workers
- Hoteliers should have to contribute towards the upkeep of the Illuminations and the tourist areas.

In summary, those who engaged were broadly appreciative of the challenges the council faces.

12.5 The Council's scrutiny committees also have a key role in the budget consultation process. Each year before the budget is agreed, consultation meetings are held with Trade Unions and Non-Domestic Rate Payers. Last year saw the introduction of a Scrutiny Panel which was set up by the Tourism, Economy and Resources Scrutiny Committee, to consider proposals earlier in the process, i.e how the savings will be met and the resulting impact on services. It has been agreed that this meeting takes place again this year and has been scheduled for 12 December. A formal response from the scrutiny panel will then be considered by the Executive, along with any representations from the trade unions or Non-Domestic Rate Payers at an Executive meeting prior to Budget Council on the 28 February 2018.

### **13.0 Background papers:**

13.1 None

### **14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

18.2 **Date of Decision:**

**19.0 Reason(s) for decision:**

19.1 **Date Decision published:**

**20.0 Executive Members present:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes :**

22.1