

## LEADER OF THE COUNCIL - COUNCILLOR SIMON BLACKBURN

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All major strategic, corporate cross-cutting, financial reputational and commercially sensitive issues covers my portfolio and those of:

- Councillor Ivan Taylor (Cabinet Member for Projects and Partnerships)
- Councillor Lynn Williams (Cabinet Member for Adult Social Care and Health)

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

### Corporate Issues

#### **Financial Monitoring: Local Government Viability at the Crossroads**

The consequences of almost a decade of savage cuts to local government are now impossible to ignore, not just for Blackpool, but also for almost every area of our country. The Council is facing very significant in-year financial pressures and I explain this more fully in the paragraphs below. However, the truth, in short, is that the Council is no longer adequately funded to cover the basic cost of delivery of its core services.

The current situation facing the sector is desperately sad for the Council, its residents, Local Government as a whole and the communities it serves.

As has been reported to Executive, estimated working balances are forecast to fall by £6,956,000 against the budgeted position over the year. This fall is in the context of unaudited working balances at the start of the year of £7,057,000, an erosion of 99%. Councillor Cain's report sets out how Children's Services continue to face severe demand pressures and this is once again the primary challenge facing the Council and is by far the Council's biggest financial risk and pressure.

Excluding Children's Services, all other services are showing an aggregated net underspend of £1,107,000. The growth in demand pressures for Children's Services is not just a local problem; it is a national contagion. Indeed, as recently as 27 August an analysis by the Local Government Association (LGA) reported that English local authorities had overspent by some £770m on Children's Social Care during 2018/ 2019 with a projection that this will double to £1.4bn next year, with further LGA research revealing that 71% of the cost drivers of Children's Social Care fall outside the control of councils.

The chair of the LGA Children and Young People Board was quoted that "In order to keep children at most risk safe, councils up and down the country have been forced to find savings

from non-statutory or discretionary budgets, which includes valuable early intervention and prevention support that can stop children and families reaching crisis point. This is not sustainable". This is most definitely the experience here in Blackpool.

The forecast £7.8m overspend on Children's Social Care represents a variance of +25% on its gross budget of £31.2m. This pressure will be difficult enough to manage in-year using working balances and reserves, but if repeated (as the trajectory of demand indicates) then without significant Government investment, as recommended by the Housing, Communities and Local Government Select Committee in its report on the funding of local authorities' children's services in May 2019, the position will serve to undermine the financial viability of the Council. This is also the position of most other upper tier authorities with social care responsibilities.

Without the demand growth in Children's Services, the Council's overall forecast outturn would be a break-even position, further emphasising that this situation is caused by factors not directly within the Council's control. The Council can demonstrate that it has maintained working balances of circa £6m over the long term; that its level of earmarked reserves has remained relatively stable and at appropriate levels, indeed increasing them in 2018/ 2019 by £5m at the request of the external auditor to re-designate some provisions and it has improved its income collection for the last three years in succession.

The Council, like much of the entire sector, is now at a financial crossroads where the unavoidable costs of Children's Social Care can only be met from:

- one-off use of finite working balances and reserves;
- drastic further service cuts elsewhere; and/or
- significant additional external funding.

It is the case the Spending Round 2019 announced by the Chancellor of the Exchequer on 4 September included an additional £1bn for Adult and Children's Social Care in 2020/ 2021. If this were to be allocated on the same basis as the Social Care Grant 2019/ 2020, then Blackpool's share should be £3.7m. This represents approximately one third of the underlying pressure in Blackpool's Children's Social Care, even assuming that Adult Services continues to break even and requires no call against this. This is not a solution.

I am of course aware that the Council continues to benefit from capital funding opportunities and these are welcome. However, I want to put this firmly in context and extinguish any suggestion that it somehow makes good the situation. If the Council adds up all the capital monies it has fought for and won in recent years for the tramway, conference centre, quality corridors, other schemes and even add on the tens of millions that may be secured via the Future High Street Fund and a Town Deal, the total figure is still less than one year's worth of the cuts the Council has had to make.

The Council is now £153m a year worse off than it was in 2010. I urge the Government to place the financing of local services on a sensible footing. Tens of millions of people across the country are depending on it.

### **Spending Round 2019 (SR19)**

The Government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/ 2021 to 2022/ 2023. However, with the current political turbulence around Brexit, it was announced that a one-year Spending Round would be provided, covering the financial year 2020/ 2021 and that this would be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

The Spending Round 2019 was published on 4 September 2019 and included an additional £1bn for Adult and Children's Social Care in 2020/ 2021. A technical consultation on this years' Local Government Finance Settlement will be issued shortly, which will set out further details. This will be followed by the detailed allocation of funding on a local authority by local authority basis in the provisional Local Government finance settlement later this year.

Reforms to Business Rates retention and fairer funding (Review of Relative Needs and Resources) that are planned for the local government finance system have been delayed until 2021/ 2022.

Due to the uncertainties and challenges ahead, in particular clarity still needed over the Council's settlement and the strong possibility of a general election this calendar year, I have asked the Council's Statutory Finance Officer and Monitoring Officer to look at alternative dates for the Executive and Council meetings from January onwards. The aim being to give us as much time as possible to agree the Budget for 2020/ 2021. When these have been identified Members will be notified accordingly.

### **Council Tax/ Business Rates Collection: Continued Improvement**

So far, an additional £0.6m Council Tax income (excluding Police and Fire precepts) has been collected this year compared with last. At the end of month 3, £14.9m had been collected with a collection rate of 26.3%, which compares to £14.3m and 26.2% collected by the same point in 2018/ 2019. This extra amount is mainly due to increases in both the Council Tax rate and base.

At the end of month three, the amount collected for Business Rates was £12.7m and the collection rate was 25.7%, which compares to £12.7m and 25.4% at the same point in 2018/ 2019. The amount to be collected has been impacted by new reliefs from 1 April 2019, which are offset by S31 grants.

### **Blue Badge Changes**

With effect from 30 August 2019, the Government extended the Blue Badge disabled parking eligibility criteria to people who have less visible disabilities in order to make journeys more accessible. Applications are already being received from residents under the new criteria and

will be processed in due course although additional information may need to be requested to support applications.

## **Strategic Issues**

### **Toward a Blackpool Town Deal**

As Members are aware the Council has been working very closely with partners, in particular the Blackpool Pride of Place Partnership, in lobbying the Government for the development of a Blackpool Town Deal. Our view is that a Town Deal can be used to cement a new kind of working relationship with Government to deliver lasting and sustainable regeneration.

I am therefore very pleased to report that the Council's work in this regard is beginning to pay off – and not just for Blackpool - with the announcement by Government earlier this month that Blackpool will be one of 100 places working with them to draw up plans to improve economic growth via a Town Deal. This could be worth up to £25m of capital funding for Blackpool in real terms in the first instance, with the resultant economic benefit to the town far exceeding this.

The Council believes it is in a strong position to advance the case for a Town Deal. Crucially – and unlike many places – the Council knows what it wants to deliver and its private, public and voluntary partners are supportive. The Council has already set out its ambitions and plans with its partners in the Blackpool Town Prospectus. This puts the Council well ahead of many areas, and I am confident that this platform will ensure that the Council are at the forefront of negotiations. I will be taking further steps to ensure that the Government keeps up with the pace the Council has set around this agenda. In the meantime, the Council has been promised funding to develop capacity this year and next and have gained a commitment that the communities should be at the heart of shaping how this investment benefits the town.

### **Blackpool Central Progress**

The negotiations with Developers Nikal and Media Invest are now at an advanced stage with Heads of Terms close to being agreed for the lease of the land in relation to the £300m Blackpool Central project.

The Council is now progressing towards agreement of the legal documents with its Commercial and Legal Advisers and the Developer, with a view to having the deal completed during the autumn so that work on the submission of a planning application can commence. These discussions are slightly behind the schedule presented in December, which may cause some delay in commencement of the initial phases on site, but it remains important that the Council secure the best deal it possibly can, whilst ensuring the scheme is both deliverable and viable.

With regards to the Blackpool Magistrates and County Courts, the Council has commissioned a number of studies and reports over recent months, which are now drawing to their conclusion. These studies will form the part of future dialogue with HM Courts and Tribunals Service in the

effort to encourage their relocation to an alternative site within the town and the Council would expect to apply pressure to them on this via the coming Town Deal negotiation.

### **Brexit Preparedness**

The Council is ramping up its business continuity planning should the UK leave the European Union (EU) on 31 October under a no-deal arrangement. The Council's nominated Brexit Lead Officer is Steve Thompson, Director of Resources, who has direct communication channels with the Department for Exiting the EU, MHCLG, the Home Office, the Regional Lead Chief Executive and the Local Resilience Forum among others.

The Council's Brexit Task and Finish Group now meets on a weekly basis and has co-opted colleagues to deal with issues such as the registration of EU and European Economic Area (EEA) nationals in the Council's, its partners' and providers' workforce on the Government's EU Settlement Scheme; supply chain management including food, medicines and fuel; information and data governance; and liaison with local businesses on such matters as export health certificates and other regulatory activities.

The Audit Committee has reviewed the plans and processes in place for added Council assurance, noting that whilst the Council could not alleviate all the risks associated with Brexit, it can prepare for the potential implications of them and produce prioritised action plans as required. The Council has received specific funding from Central Government of £315,000 to address the planning and possible consequences of this event, which is being held in contingency to be used if required.

### **Transforming Services**

#### **Airport Update**

As part of the Council's agreed strategy for moving forward with the airport, the two principal roles of Air Traffic Control and Aerodrome Management are currently out to tender with a new contract expected to be in place by April 2020. Work continues to replace and upgrade the Airport's operational systems with a new Instrument Landing System (ILS) now commissioned, with work underway to replace taxiway lighting and further navigational aids in the process of delivery.

Blackpool Airport Operations Limited, the wholly owned council operating company, is continuing the process of preparing medium and longer-term business plans. Architects are also to be instructed to undertake a feasibility study on the provision of new aircraft parking, apron, aircraft hangars, a new control tower, fire station and administration facility.

### **Working with Partners**

#### **Internet Connectivity on the Enterprise Zone (EZ)**

Work continues to support the installation of the new transatlantic optic fibre telecommunications cable, part of the North Atlantic Loop, which is being developed by

Aquacomms. Fylde Council has granted planning consent for the base station at the Airport and construction is now complete. Cable ducting has been laid from the landing point and additional cable ducting has been laid across the Enterprise Zone estate, with a further expansion of the network under the local Fast Fibre programme at the planning stage. The new transatlantic cable is due to come ashore in October. Discussions are also underway with Wyre Borough Council to extend the Local Full Fibre Network (LFFN) link to Hillhouse Enterprise Zone in Thornton via the Tramway.

Presence of the new optic fibre link will provide fast communication links with timings of less than 64 milliseconds to transmit data from Blackpool Airport to New York, some 11 milliseconds faster than the best current connections to London and thus providing a competitive advantage. The new connection will open up the possibility of securing investment in the provision of data centre facilities at the EZ and securing possible investment from data driven industries. A study to confirm the potential for data centre and related development has been commissioned from Danish specialist consultants COWI with their report and recommendations due in late September. This report may well recommend the acceleration in the planned delivery of enhanced EZ utility capacity.

### **Sea Change Conference**

I am pleased to report that on 4 September, Blackpool Council welcomed 60 speakers from 13 different countries to an international conference on Climate Change and Heritage at Blackpool Winter Gardens. This conference forms part of the work the Council are jointly undertaking with the World Monuments Fund to look at how to cope with the climate change challenges faced by the three piers and how the Council can work with owners, statutory agencies and Central government to secure a more sustainable future for them.

The conference was a huge success and Blackpool has been invited to attend and participate in the launch of the Climate Heritage Network, an organisation designed to mobilise local government and the third sector to increase pressure for greater action on Climate Change and its impact on communities and heritage. The Council welcomes this, as it puts Blackpool at the heart of the debate and shows how the local authority is taking the lead regionally on this important issue. I am particularly keen that the measures taken to address climate change as part of our Climate Change Emergency declaration account for the Council unique collection of heritage buildings.

### **Pier Pressure Reports**

Related to the above, I can confirm that the Council has just received the first drafts of two significant pieces of work commissioned with funding from the Coastal Revival Fund. The first is report on the sustainable future of Blackpool's three piers. It contains new market research based on residents and visitors, which highlights the reputational and economic contribution of the piers to Blackpool and its cultural identity. It highlights which activities on the piers are most popular and what visitors and locals would like to see improved.

The second report is in effect a toolkit applicable to all piers, which looks at how to achieve improved financial sustainability. It examines the differences between ownership models and how ownership (and the impact that has on the ability to draw in funding) affects success factors. The report also examines issues like location, transport, community and visitor demographics as well as heritage values in measuring success.

The drafts are currently being reviewed before final drafting, at which point they will be presented to the Ministry of Housing, Communities and Local Government and the Coastal Communities Team and wider publication. There is already some interest from Historic England in the Toolkit and it is hoped that the project will provide a format for other seaside resorts to follow.