

LEADER OF THE COUNCIL - COUNCILLOR SIMON BLACKBURN

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)

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: Balancing the Budget in Unprecedented Times

As I alluded to in my last report to Council, local government is being progressively reduced to little more than a deliverer of statutory services of last resort. A staggering 86% of our budget is now spent on services that we are legally obliged to deliver, leaving limited scope for investment in key things that will drive positive change in our town. We are now a very long way from the days of the last Labour government, where Local Authorities were rightly expected - and funded - to shape the place we live in, with the financial capacity to impact positively across every aspect of local life, supporting residents and businesses to make the best of their circumstances. This really was "levelling up".

In the depressing context we are now in, it is unsurprising that the Council continues to experience unprecedented financial pressure. Despite other services showing an aggregated net underspend of £2.5m for this financial year, the pressure in Children's Services in particular means that our estimated working balances are now forecast to fall by £7.6m against the budgeted position over the year - an amount higher than the audited working balances at the start of the year. There are also some additional specific service pressures within our Strategic Leisure Assets, Concessionary Fares and Parking Services.

I feel the need to say again that this is not just a local problem. Councils across the country are finding that they have no option, but to cut early intervention and prevention support specifically designed to stop children and families falling into a crisis. In Blackpool, 27% of all our spend is on Children's Social Care, so naturally overspends in this area have a significant impact on our other services. According to recent LGA research, 71% of the cost drivers of children's social care fall outside the control of Councils. Surely, in this context, it falls on the government to address urgently this need at a national level.

The forecast **£10.1m** overspend on Children's Social Care will be a difficult enough pressure to manage in-year using working balances and reserves, but if the growth in demand is repeated

and the trajectory of demand indicates that this would not be unexpected, then it will be impossible to balance our financial position without an injection of additional funding. If this forecast position became the actual outturn, it would contravene the two specific conditions in the Council's Financial Procedure Rules that excess spending does not exceed 1% (£4.5m) of the authority's total gross revenue expenditure; or have the effect of reducing the authority's Working Balances below 50% of their normal target level (£3.0m).

Officers are working tirelessly to improve the position so that a positive level of working balances can be reached. Revised service and financial plans are underway, including the review of technical accounting treatments, non-essential spend and earmarked reserves plus delays to filling non-front line vacancies. The Executive continues to monitor this closely and on 20 January received the latest month 7 financial performance report for 2019/ 2020.

It is galling that the government continues to make headline-grabbing announcements about extra funding when they know full well that it goes nowhere near meeting the real cost increases that are decimating our finances. Indeed, the additional £1bn for adult and children's social care announced before Christmas is likely to amount to around £4.4m for Blackpool in 2020/ 2021. This represents approximately 30% of the underlying in-year pressure in Blackpool's Children's Social Care, even assuming that Adult Services continues to break even and requires no call against this.

The situation facing much of local government could get even worse. Like many others, I am shocked at the LGA's analysis of the potential implications of the Government's ironically named 'Fair Funding Review'. This review could mean that Blackpool Council would lose a further £6.3m of funding for adult social care, as part of another deliberate shift of resource from deprived areas to leafy Conservative shire counties. New Conservative MPs, including Blackpool South, now represent many of the communities that would be hit by this latest assault. I have therefore written to the new Member of Parliament for Blackpool South, Scott Benton MP, explaining the severity of the situation, asking that he work with us in resisting this further attack on the residents he now represents. I await his response with interest.

Council Tax and Business Rates: increased collections

By the end of month 7, £34.4m of Council Tax (excluding precepts) had been collected, a collection rate of 60.6%. This compares to £33.2m and 60.7% at the same point in 2018/ 2019, with the extra revenue due to increases in both the Council Tax rate and base. £29.1m of Business Rates were collected over the same period, a 59.2% collection rate, which compares to £29.4m and 58.6% 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. 629 Business Rate summonses have been issued as we continue to push collection rates.

Benefits Performance

The average number of days to process Housing Benefit and Council Tax Reduction Scheme new claims in December was 12 days whilst the average days for processing changes in circumstances was seven days.

Strategic Issues and Working with Partners

Continued Progress at Blackpool Airport Enterprise Zone

Since its creation in April 2016, the Enterprise Zone has attracted 73 new companies and enabled over 1,520 jobs for the local area and enquiry levels in existing commercial stock and available development plots remain high. Two industrial units and car parking are under construction on land at Amy Johnson Way, a total of 1,396 m² to house a local events and exhibition company. The Council has also granted planning consent for the development of a speculative 4,000m² B1/B2 unit on a site at Amy Johnson Way. Negotiations are in the final stages with a prospective occupier and subject to final agreement, we expect that a construction contract can be entered into in the spring.

A revised hybrid planning application for Phase One is on target to be submitted in Quarter 1 of 2020. Further growth on the site is limited by further infrastructure, which is being addressed through the new application, which will reflect a revised location for the eastern gateway road and changed aspirations in respect of replacement sports provision, which will satisfy recommendations from Sports England. The application will be subject to Secretary of State consideration and we would anticipate a decision before summer 2020.

Work has started on a new airport boundary fence, which precedes the start of work in the first quarter of 2020 to provide a new airport perimeter track and crash gates and to create new playing pitches and drainage. Work will begin on the grass pitches in May 2020, ready for use by the August/ September 2021 season.

In a separate project, we have recently completed a study to confirm the feasibility of delivering a specialist data centre on the Enterprise Zone. This initiative was prompted by the arrival of Aquacomms' new generation transatlantic fibre optic telecommunications cable, which provides fast, resilient internet connections with speeds less than 64 milliseconds from Blackpool to New York. With the report now complete, we are now looking at how to best maximize the potential investment opportunities arising from the arrival of the cable.

Fibre Blackpool: A Full Fibre Revolution!

I am pleased to report that a £3.1m investment to bring gigabit capable full fibre connectivity to our area means that slow, unreliable internet connections will be consigned to the past! A campaign was launched recently to support and promote Fibre Blackpool, a project run by a co-operative group from the private and public sectors rolling out a local full fibre network to residents and businesses on the Fylde Coast. The fibre network is being extended so that homes and businesses can enjoy a fast, reliable broadband and connectivity service from a range of internet service providers with services and packages to suit all budgets. Positively, over 60 enquirers have registered their interest through the dedicated website www.fibreblackpool.com, with the rollout of services set to take place over the next two years. A government-led voucher scheme is available to residents and businesses to help towards the cost of connection.

Investing in Blackpool Airport

I would like to dispel some confusion that emerged during the recent election campaign - Blackpool Airport is most definitely not closed. To be sure, over the last 18 months the Council has invested close to £1m in new staff, a new Instrument landing System (ILS), new taxiway lighting and continues to invest in the airport's operational capabilities. The Council has now commissioned architects to carry out a series of studies and design work for the redevelopment of Blackpool Airport, building on the master-planning work undertaken in 2018. They will undertake a short feasibility study to examine options for the provision of new and replacement hangars, to determine the best locations for new parking aprons and to explore the proposed relocation of the airport's operational facilities such as the air traffic control tower, fire station and administration facility. The aim is to facilitate future development and secure further investment for the long-term future of the airport.

Our Museum has a name: Showtown!

I was delighted to help welcome over three hundred people to Blackpool Tower Circus on 9 January for the launch of Showtown: The Museum of Fun and Entertainment, which will open in the Sands Building in 2021. The event also saw the launch of the new Showtown brand - fun, colourful and versatile, it reflects the new museum perfectly.

Guests enjoyed a fun-packed show hosted by magician Paul Zenon and created by local company Candy House Productions. Six mini performances introduced the six themes of the museum: the seaside, magic and the Golden Mile, circus, dance, the Illuminations and showtime. Trust Chair, Laurence Llewelyn-Bowen, the Operating Board Chair (designate) Spencer Phillips and I led the event, which was also a perfect opportunity to say thank you to the many people and organisations who have supported the museum thus far. I would like to add my congratulations to our marvelous museum team, who also announced their first major foundation grant with the Wolfson Foundation committing £75,000 to the project.

Contracts Exchanged at Blackpool Central

I am very pleased to inform Members that the Council has now agreed and exchanged on the contractual terms for the Blackpool Central project. Themed on Eric Von Däniken's novel 'Chariots of the Gods', the scheme will include a Flying Theatre, Adventure Land, a Thrill and Gaming Zone, a Virtual Reality Experience, Multi-Media Exhibition and an Alien Diner. It is currently estimated to be bringing £300m of investment and 1,000 jobs into the town and attracting up to 600,000 additional visitors and £75m of spend a year.

The exchange of contracts marks a major milestone, with the developers now able to concentrate on submitting a hybrid planning application towards the end of this year. This will be followed by the delivery of the enabling phase of the project, a 1,300-space multi-story car park, followed by Phase One, which will consist of the main attractions. Phase One is planned to open to the public during 2024/ 2025, with the subsequent two phases being constructed up to 2029.

The basis of the agreement with the Council will see the sale of the land of the former Central Station site, with the land being drawn down by the Developer on long leases on a phased basis. Proposals for the development also include the area of the site currently occupied by Blackpool Magistrates and County Courts. Constructive discussions are taking place with a view to reaching agreement on a practical and deliverable way forward and the phasing of the development has been planned to ensure that this site does not hold up the delivery of the scheme.

Houndshill Shopping Centre Acquisition and Extension

After several months of negotiation, due diligence and extensive advice from leading national retail experts, the Council acquired the Houndshill Shopping Centre in November for £47.6m, less than half of the price paid by the previous owner in 2015. The purchase secures the future of the centre, enabling the Council to invest in it and catalyse the regeneration of the town, whilst generating a significant financial return. With the importance of a strong management team being paramount, the Council has quickly put interim management arrangements in place, with CBRE undertaking the asset management and Eddisons continuing to undertake the property management. On the whole retailers suggested that sales were good pre-Christmas, whilst in December Starbucks relocated to larger premises on Victoria Street formerly occupied by Prezzo.

Part of our vision for the future of the town centre includes proposals to build an extension to Houndshill. Plans for this extension were submitted for a Future High Street Fund (FHSF) fast-track scheme in November 2019. FHSF is a competitive £675 million capital and revenue grant fund, which aims to provide infrastructure investment to help renew and reshape town centres and high streets, supporting enhancements to visitor experience with a view to driving growth and ensuring its future sustainability. It covers investment in physical infrastructure, land assembly, improvements to transport access and flow and adaptation of the high street to changing technology.

The extension would be a three-level mixed use development and includes a nine screen Imax-Style Cinema, two new restaurants and a new Wilko Store to replace the Talbot Road site closing on 31 March. The scheme is expected to cost £19.5m and is subject to the approval of our initial £5m FHSF bid. A decision is expected in the next couple of months, allowing work to commence with the aim of completing the project by the end of 2021. Several contractors have already expressed an interest to bid for the construction work and CBRE are drafting tender documents with a view to these being issued early this year.

Diversifying the Houndshill experience will add to the sustainability of the shopping centre by significantly increasing footfall, boosting the town centre evening offer and subsequent wider economy, while extending the amount of time people spend there. It is an important precursor to further potential investment in our town centre via the FHSF.

As required by government, a shadow Board has been created to assist in shaping and approving the content of a further FHSF bid, including supporting public consultation activity.

This will be based around some interventions proposed in the original Expression of Interest, including building on our successful Quality Corridors programme and acquiring key properties to introduce new building uses amongst others. The Board has an independent expert Chair - Peter Cole, former Chief Investment Officer of Hammerson Plc who worked with us on the bid and has over 30 years' experience in retail and regeneration and comprises public, private and community members. The Board sat for the first time in December and will oversee the final FHSF submission.

Toward a Blackpool Town Deal

Blackpool was recently named as one of the 100 towns set to benefit from up to £25m of capital funding under the Towns Fund. The objective of the Fund is to strike a number of Town Deals designed to drive economic regeneration and deliver long term economic and productivity growth. To benefit from the Towns Fund we need to create a Town Deal Board, drawing on a broad membership, which includes both local MPs. The Board will be responsible for the creation of a Town Investment Plan by Summer 2020, which should be based on evidence and consist of a clear programme of interventions identifying local priorities and opportunities for investment.

In our case, the work of the Pride of Place (PoP) Board and the establishment of the original October 2018 Town Prospectus had been instrumental in putting Blackpool in a very strong position for securing a Town Deal. To move forward within the guidelines, the PoP Board has agreed to incorporate the Town Board as a sub-group, which will act in an advisory capacity. An engagement day covering the FHSF, High Street Heritage Action Zone bid and the Towns Fund will take place on 27 February at the Winter Gardens, linking in to their planned open day.

Policy Issues

The Shocking Extent of Benefits Cuts in Blackpool: Hitting the Poorest Hardest

As Members are aware I frequently talk about the scale of the systematic removal of financial resource from the Council and I make no apology for this. However, the cuts the Council has experienced are only one part of the cruel story of the Conservative austerity. The Council recently welcomed Professor Christina Beatty from Sheffield Hallam University to talk about the impact being felt directly by residents in terms of benefit reductions. The figures are truly staggering. Across the country, £25 billion less per year is now paid to benefits claimants compared with 2010, with most of these claimants in (low paid) work. In Blackpool, we are now £1,220 per year worse off for every single working age adult in the town, the biggest loss in the country and almost twice the average for England. Worse still, the loss felt by some of the most vulnerable claimants will be far higher than this figure.

In total, and compared with 2010, £104 million less is going into the pockets of local people every single year. This, put alongside the £153m million per year less that the Council has to spend on local services, will have had a dramatic impact on our local economy over the last decade. It is therefore no exaggeration to say that the last ten years will have comprised an economic shock without precedent in Blackpool. Many other deprived towns have suffered

similarly and it is little wonder our local economies are struggling. In this context, the government's recent announcements about increasing funding for the North look like little more than spare change.

Transforming Services

Learning Disability and Autism Short Breaks Service

I am pleased to inform Members that NHS England has approved capital funding of £1.6m to support the development of a new six-bed short break and respite facility for adults with a learning disability and/ or autism and complex needs, building on the strength of the services delivered at Coopers Way. Supporting families and carers in their caring role can reduce the likelihood of a crisis, which would require costly intervention by social care services and/ or the NHS and possibly result in a hospital admission or a high cost residential placement. The new service will operate alongside the Coopers Way facility, which is the only one in Blackpool capable of meeting the needs of the local complex Learning Disability population.

The proposed service will offer additional planned respite care through regular and planned breaks for families and carers, helping to maintain stability, structure and routine in the home environment. It will also offer crisis support in the event of an unexpected breakdown in caring arrangements, help prevent a placement in an inappropriate and costly out-of-area secure/ long stay hospital or other setting away from the local community and offer step-down support to help avoid delays in transfers of care from acute hospital settings.

The proposed development will be located on the site of the former Colton House, 2-4 Ambleside Road, which is surplus to the Council's requirements, has good transport links and is within reach of local shops and amenities. The site is valued at £150,000 and it is proposed that the Council contributes the land to facilitate the development.

Better Support for those with Autism

The availability of dedicated services for people with a primary diagnosis of Autistic Spectrum Disorder (ASD) is recognised as both a national and local gap. The historical approach in Blackpool's adult social care services has been to offer people with a dual diagnosis (for example a learning disability (LD) or mental health problems) a service from the relevant dedicated team, or from a generic team. This could be described as a "best fit" approach, rather than a "right fit" approach.

In 2019 we used a small amount of extra funding available in the Adult Social Care Grant to develop a small dedicated service which could specialise in working with people whose primary difficulties arose in relation to their ASD. We successfully recruited a Qualified Social Worker and two community support workers. As part of their development they would link with the NHS staff also working in this area, effectively providing a post diagnostic offer for people with this diagnosis and, where appropriate and necessary, their family/ carers. The approach has

proved popular with service users, their carers and families and also with other adult social care teams who would have in the past picked up this work.

The service is now fully utilised, supporting over 20 people in the community and there is scope to enhance the reach of this improved offer so that more individuals, families and carers can benefit. We are therefore pursuing the creation of a specialist multi-disciplinary team through the mental health group of the Integrated Care Partnership across the Fylde Coast.