

CORPORATE PORTFOLIOS

The 'Corporate' portfolio consists of:

- Councillor Lynn Williams – Leader of the Council
- Councillor Ivan Taylor – Deputy Leader of the Council and Cabinet Member for Partnerships and Performance

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>

Strategic Issues

The anticipated impact of the Cost of Living Crisis in Blackpool

Nearly a quarter of our population live in income deprived households and over 30% of our children live in income-deprived families. Even before the most recent cost pressures, a fifth of the adult population in Blackpool found meeting monthly bills/commitments a heavy burden or found themselves regularly in arrears with bills.

As we know here in Blackpool, a high proportion of our population do not have access to a savings cushion to help them cope with a real term reduction in disposable income (should they even have disposable income) and rising costs for the most basic essentials – with bread rising by 7.9%, milk a staggering 25.6% and energy costs continuing to climb.

Our communities and businesses were badly impacted by the pandemic and are entering this period of uncertainty with far less financial resilience and greater exposure to risk than may be seen in other less deprived areas.

A high percentage of Blackpool's population has a limiting illness or disability. Many groups representing people with disabilities feel that the help announced thus far is insufficient to support people with disabilities and are pressing for more targeted support. Having a disability or poor health makes life more expensive. You might be more reliant on heating in the home to stay well – and if you cannot avoid the cold because you cannot afford to heat your home putting a jumper on is not necessarily going to be the right solution.

A high proportion of our population are on card meters for gas and electric. The additional costs and hidden disconnections that this brings to already challenged households is well documented.

Being digitally connected gives people access to information about help and support available to them. It can help tackle feelings of isolation and help people access better value goods and services. In 2020, 12.4% of the Blackpool population was considered 'internet non users' and just do not have access to this support. Face to face services are stretched and outreach services simply cannot get to everyone to make sure they are OK.

16.8% of households report experiencing struggles with food insecurity and 8.4% of households report experiencing hunger. 16.3% of the population are fuel poor – before the price cap increase (and lest we forget, it is still an increase). We are not facing a winter where people have to choose to “heat or eat” – some households – perhaps more than people can yet comprehend - will not even be able to afford that choice.

On 7 September a wide range of stakeholders from the third sector, community representatives and public services came together to start to explore how we ensure, as a town, that people know and have access to support with rising costs and income pressures. It was incredibly well attended and some really innovative ideas were shared by a range of people who are really passionate working together on a “Blackpool Offer”.

The Household Support Fund provisional guidance has been shared with local authorities but with only a fortnight to go before the current scheme ends local authorities do not know how much will be available to them for the next six months which are promising to be incredibly challenging for communities or the requirements that will come with the funding – making it very difficult to plan effectively to make sure all the money gets to the people who need it most.

For context the £1.7m of funding that we received for the period April – Sept this year represents 47p per week per head of our population. If we targeted funding at the 25% of our population in income deprived households that rises to £1.89 p/w of additional support. It is some distance from meeting the rise in basic living costs in any household.

Without the concerted efforts of a wide range of partners across the public, private and third sector and perhaps even with these efforts, we will see vulnerable people suffering incredibly in Blackpool this winter. People will lose their lives because they cannot afford the basic necessities. People will experience incredible financial pressure and this will have an impact on their mental health. We will see a strain on family life that we have not experienced for a generation and our children and young people will carry the impact of this strain well in to adulthood.

Financial Year 2021/22 – balancing the books

Despite a challenging and uncertain year, spending on services during 2021/22 was close to breakeven with a £218,000 overspend on a gross expenditure budget of c. £507m. Children's Service pressures were offset by underspends in other directorates and savings in Treasury Management due to low temporary borrowing rates. COVID-19 financial losses added up to just

over £2.6m for the financial year to 31 March 2022, which was helped by receiving £17.4m of COVID-19 government grants. Working balances ended the year at £6.075m, just above the £6m target, while available earmarked reserves increased by £4.7m to £65.6m. Added to this was the delivery of a successful and significant capital programme totalling £72.8m, principally around the areas of regeneration, transport and housing including schemes such as the Central Business District phases two and three, the Conference and Exhibition Centre, the Museum and the Troutbeck housing development. Given the context, from a financial management perspective 2021/22 was a remarkably successful year for the Council.

Severe financial challenges and uncertainty ahead in 2022/23

Over the 12-year period 2011/12 – 2022/23 cumulative Revenue Budget savings amounting to £194.6m have been required to be made by Blackpool Council, a sum which is now greater than the Council's current annual Net Requirement Budget of £160m. To put it into even starker terms, if you add up the cuts from each year since 2011/12, you get a staggering total of nearly £1.4bn of resource lost to the Blackpool economy. This reflects one of the highest cuts per head of population across local authorities in England and in an environment of growing demands upon services with such recognised pockets of significant deprivation.

The last 12 years has seen unprecedented volatility within local government finance: nine years of successive central government funding cuts between 2011/12 – 2019/20 were followed by the United Kingdom's exit from the European Union, two years of a global pandemic with ongoing consequences and now a war within the European continent. This has all conspired to produce a perfect storm of labour and supply shortages, pay demands and spiralling inflation including rising energy costs and rising interest rates in an attempt to stem the pressure.

During this period the Council has continued to deliver its annual budget in line with statutory requirements, maintain its reserves and balances at stable and appropriate levels that reflect the risk environment and consistently fund and deliver the ambitions of successive administrations. However, here in the present, sector experts and economic commentators cannot agree the likely overall effect and extent of these economic challenges, which makes medium-term financial planning and financial management extremely difficult.

For the current financial year these pressures will have a significant impact on working balances. The pay award negotiations are still ongoing, but on 25 July the National Employers for local government services made an offer to unions representing the main local government NJC workforce which would cost Blackpool Council £5.5m compared with our previous expectations of around £1.9m, resulting in a pressure of £3.6m. Another significant cost pressure relates to non-pay inflation. The 2022/23 budget was set assuming CPI at the time of 3.7%, however, last month CPI inflation struck a new 40-year-high of 10.1%, with experts forecasting that it will reach 18.6% in January 2023. Early modelling of the Council's non-pay budgets indicates that this increase will result in a pressure of c.£1.5m, predominantly relating to energy costs. Interest rates are also on the rise which will have a detrimental effect on both revenue and capital budgets. The Council is currently using a mix of temporary and long-term

borrowing to finance prudentially-funded capital expenditure. With increasing borrowing rates the Treasury Management Panel decided to fix £125m of temporary borrowing in order to mitigate the impacts of further interest rate rises, resulting in a broadly 50:50 weighting of temporary: long-term borrowing. The overall impact on the Council in 2022/23 due to these interest rate rises is currently forecast at £3.1m.

Nationally there is also soaring demand for child protection services and adult social care provision and the rising costs of providing such care are creating a burden that current levels of local taxation and Government funding struggle to meet. In addition, the net financial consequences of COVID-19 have been significant (£3.16m in 2020/21 and £2.59m in 2021/22) with little prospect now of any further Government financial support.

We are not alone in incurring significant unexpected cost pressures as a result of the current economic climate. Inevitably this will require some central intervention to resolve, the only question surely being how supportive the measures are in addressing the situation. Research instigated at our suggestion by the Society of Unitary Treasurers has demonstrated that these externally-imposed pressures are mirrored without exception by the experiences of peer unitary authorities. This has been further highlighted in the press and media in recent weeks by the Institute for Fiscal Studies, The Municipal Journal and Public Finance.

The Council's Revenue Budget for 2022/23 set a target level of General Fund working balances of around £6m. Despite the circumstances it is still deemed appropriate to retain this target level of £6m for working balances for the medium term and every endeavour is being made to maintain this. Earmarked revenue reserves at the start of the financial year stood at £65.6m, though with known in-year commitments against this the balance will fall to an estimated £52.2m by the end of the year. This should still be sufficient to underwrite the current year's financial risks with a separate financial plan in place for the Council's wholly-owned companies.

These are yet again unprecedented times for the whole of the local government sector. In the context of relatively healthy levels of Earmarked Revenue Reserves per CIPFA's Financial Resilience Index, and with 9 months of the financial year still remaining, officers are working continuously to improve the position. Measures include the development of revised service and financial plans, including the review of technical accounting treatments, freezing of non-essential spend, delays to filling non-front line vacancies and the prospective re-designation of earmarked reserves should they need to be used.

It is imperative that we continue to lobby central government and in particular the Departments for Levelling Up, Housing and Communities, Health and Social Care and Education, along with local authority peers and networks and the Local Government Association for the funding necessary to cope with the burdens and demands presented as a result of exceptional inflationary pressures and demographic demands upon statutory services.

A new era for the Sandcastle Waterpark

Blackpool Council has awarded a contract to manage the Sandcastle Waterpark to one of the world's biggest entertainment companies. Merlin Entertainments, a global leader in location-based entertainment, has been successful in a tender application to become managing agent for the Council-owned waterpark at South Beach. It is anticipated Merlin Entertainments will commence provision of the management services contracted from week commencing 5 September 2022 for an initial term of up to two years. With Merlin's other fabulous attractions all continuing to pull in the crowds, this further underlines their commitment to constantly developing and improving Blackpool's visitor offer.

The bids are in for Levelling Up Fund (LUF) Round 2

As reported to Executive, the council has submitted three separate bids into the Government's Levelling Up Fund:

1. Multiversity

This transformational investment will improve skills and opportunities via a high quality, purpose-built educational facility which provides an unrivalled learning environment with a tailored curriculum and which will encourage more learners to choose to continue with their education in Blackpool. The new carbon-neutral building will support town centre regeneration via a physical new build and also providing year-round footfall into the town centre, helping to smooth out the effects of our seasonal economy. We are seeking £40m towards the scheme, which will also be funded via £9m already received from the Town Deal, a Council loan of £16m to be prudentially borrowed (subject to Executive approval) and repaid by Blackpool and The Fylde College via a lease, and a £5m cash contribution to the project by the College.

2. Hotel Indigo - Former Post Office Redevelopment

This scheme will directly address demand for further high quality accommodation provision in Blackpool via a new boutique-styled 4-star 144 room hotel in the derelict listed former post office building. 48 family suites will be included to ensure the site appeals to both the business and family leisure markets.

The project will be led by Ashall Projects acting as developer and owner who will put in equity combined with a loan to be sourced from the Council and potentially with a private loan facility.

3. Town Centre Access Scheme (TCAS)

The scheme will transform Blackpool town centre's transport network, providing more attractive public environments to encourage walking and cycling in line with our Climate Emergency ambitions of reducing emissions, as well as improving traffic circulation, incorporating additional bus priority measures, and helping people change onto other forms

of transport more easily. The scheme will cost £17.1m, of which we hope £15.4m will come from the fund, with £1.7m Council funding coming via the Local Transport Plan.

With more than 525 bids submitted to the Fund, the total demand for funding could be around £10 billion, with only a further £3.1 billion available for a further two funding rounds. This demonstrates the huge need and appetite for Levelling Up, at the very moment it seems to be slipping down the government's political agenda.

Shared Prosperity Fund bid submitted, and “Multiply” funding confirmed

The Council has also submitted a bid for Shared Prosperity Funding (SPF). The development and submission of the SPF Investment Plan outlined 13 capital and revenue projects under the themes of Communities and Place, Local Business and People and Skills. Combined, the schemes will provide a wide range of support from physical town centre regeneration, through to direct business support encouraging existing and new business development, community skills and improved learning projects for residents. I am also particularly pleased that our low carbon and climate adaptation ambitions, for so long underfunded by this government, are also set to benefit from three specific initiatives, two of which will specifically help people deal with the appalling effects of the cost of living crisis.

The proposals will be led by a mix of Council departments and other organisations such as Blackpool and The Fylde College, Business in the Community (BITC) and Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations subject to procurement rules. A decision on the SPF investment plan is due in the autumn.

The SPF also included funding pre-identified by government for the “Multiply” numeracy programme, and I am pleased to report that we have already had approval of our Investment Plan, unlocking £770,711 for this important work. Particular thanks must go to our Adult Community and Family Learning team for their efforts.

Corporate Issues

The biggest of “the Big Screen” coming to Houndshill Phase 2

In July the Council announced that a deal had been signed with IMAX to deliver one of the largest purpose-built IMAX cinema screens in the UK, alongside news that the restaurant space within the phase 2 extension has been fully let. Once open in around 12 months, it will put Blackpool in the front row for all cinema buffs, making us one of the very few places in the UK to have this world leading cinema technology.

With a fixed-price contract, the Council is in a good position regarding the challenges of rising inflation in the construction industry but there is severe pressure on the supply chain as they try to keep costs low. We will continue to monitor the situation closely.

Debenhams update

Officers continue to work on the letting of the former Debenhams store, with a number of options open to us. With the store being such a keystone of the Houndshill Centre, there is a healthy level of interest in occupying the unit but we are keen to take this “once in a generation” opportunity to secure a leading anchor tenant which befits the town and drives footfall to the town centre.

Blackpool Central

Construction of the new multi-storey car park on the Blackpool Central site is now well underway, with the erection of the steel frame commencing during September. Developers Nikal Ltd are now firmly focusing their efforts on the future phases of the project, with a view to the appointment of their full technical teams later this year to develop the leisure proposals. As reported previously, the application for the Compulsory Purchase Order (CPO) which would see the acquisition of outstanding interests on the site has been made to the Secretary of State and the Council awaits the outcome of the decision in due course.

Talbot Gateway Phase 2 - Hotel and Infrastructure

The external structure of the hotel is mostly complete, with work now underway on fitting out the internal rooms. Separately, work continues on the construction of the new underpass between the train station and the new tram terminus under High Street. The tramway extension itself is now complete and the area is being handed back to the hotel contractor (Robertson) to enable them to complete the external works to the new hotel.

Talbot Gateway Phase 3 - New Office Accommodation

The visual transformation of the area housing the new DWP accommodation is well underway, with the demolition of the existing buildings (5-29) on King Street now being complete. The tendering process is in its final stages and will hopefully be completed by the end of the month, with the enabling works due to start in the next few months prior to the main construction contract. Work on the office block will complete in summer 2024. In the meantime the refurbishment of the former Hop Inn is approaching completion, into which the King Street dentist will relocate this autumn.

Council Tax and Business Rate collection

Council Tax income is vital to ensure we can continue to provide the services that residents receive. The Council Tax collection rate at the end of July 2022 was 33.33%, which is the same position as it was at this time last year. We acknowledge that 2022/23 will be another difficult year for our residents with the emerging cost of living crisis, yet despite this, the vast majority of residents continue to pay.

As ever, we must balance the real issues faced by people with the obligation to pay their bills. We are piloting a new initiative to target households who choose not to pay their Council Tax by securing debts against properties through charging orders. We hope this sends a strong message that “won’t pay” is not an option. However I would also urge those people who are unable to do so to contact us as early as possible to see what options are available, as we do have support arrangements in place which can help.

The Council has now paid out the majority of main scheme energy grants for properties within Council Tax bands A to D. Direct Debit customers received their payment at the beginning of May 2022 whilst non-direct debit payers were sent a voucher to cash at the Post Office. Where vouchers were not cashed, they have been cancelled and the £150 allocated directly to Council Tax accounts. A total of £9.1m has been paid to over 60,000 households.

Retail, hospitality and leisure businesses within Blackpool continue to benefit from a reduction in Business Rates of 50% in response to the impact of COVID-19.

The Return Of Strictly!

The BBC has confirmed that Strictly Come Dancing will return to Blackpool after a two-year break. The dance competition has missed its traditional trip to the resort's Tower Ballroom in 2020 and 2021 due to the COVID-19 pandemic, but will be back on Saturday 19th November 2022. Executive producer Sarah James said the return to the "iconic" venue was the "icing on the cake" of the 20th series. The show, which starts on 17th September 2022, will also see themed weeks, including one about [the BBC's 100th anniversary](#).

Switch-on success

TV celebrity and designer Laurence Llewelyn-Bowen switched on the resort’s famous Illuminations to kick-start four months of illuminations. The star of Channel 4’s Changing Rooms pulled the switch at the end of a 90-minute concert in front of a live audience in the Blackpool Tower Ballroom, produced in association with MTV and featuring Blue, Tom Grennan, Nina Nesbitt, Fuse ODG and Mae Muller. Thousands of people who had gathered on the Promenade to watch the show on a giant screen were treated to a burst of fireworks and a spectacular light show on The Blackpool Tower. The show and switch-on moment were also live-streamed to a worldwide audience via MTV’s YouTube channel, attracting around 25,000 viewers.

Visitor Season – events show their pulling power

The return of the annual Air Show in August saw record crowds over the weekend. The show, which featured the Red Arrows on both days for the first time since 2018, attracted more than 130,000 people to the Promenade on the Saturday and more than 93,000 on the Sunday. Council-owned car parks were at capacity over both days and a temporary overspill car park set up at the Airport attracted almost 800 users over the weekend.

In general, the school summer holidays have benefited from a strong events programme and good spells of weather. Visitor numbers have fallen slightly compared to last year when people were restricted to domestic travel, with indicators such as car park usage suggesting the resort is performing at a similar level to the pre-pandemic year of 2019.

Plans are now in place for World Fireworks, Lightpool Festival and a return of last year's successful Christmas By The Sea event on the Tower Festival Headland, ensuring that we have a strong events programme to complement the extension to the Illuminations season. The Illuminations were switched on by TV star and designer Laurence Llewelyn-Bowen at the end of a live concert staged in The Tower Ballroom in association with MTV and streamed to crowds on the nearby headland and to a global audience via the VisitBlackpool and MTV YouTube channels.

Transforming Services

Winter Gardens Investment

In an encouraging new approach, the Council has issued a loan to Blackpool Entertainment Company Ltd, which is the company that operates the Winter Gardens. The loan will pay for essential repairs and some significant enhancements that will protect existing income and develop new income streams with, for example, the creation of a new cocktail/wine bar within the complex. The loan will be repaid as a result of the increase in revenue resulting from the improvements.

Working with Partners

Libraries

Libraries have been busy during this summer period, collaborating with a range of partners to deliver a range of family-focussed activities, attended by 298 children over the summer. The libraries and Adult, Community and Family Learning teams have collaborated with the National Literacy Trust on a number of storytelling and activity sessions at local parks this summer with 71 parents and children being supported to work, learn and play together, then joined with Blackpool Better Start to deliver an Early Years Festival at Palatine Library attended by 48 families. Other events included 3D scanning at Layton Library, visits from author and storyteller Dan Worsley, Percy the Park Keeper stories at Moor Park Library, and Drag Queen Story Hour and STEM activities at Central Library.

Blackpool Libraries have also collaborated with Blackpool Coastal Housing and LeftCoast on a new community build library and launderette in Mereside. Residents and community volunteers have been working closely with architects from the University of Central Lancashire (UCLan) to build a dedicated new space on Langdale Parade. Wash Your Words: Langdale Library and Laundry Room is now open to residents, a modern and spacious home for the

library and a range of community events. The formal opening of the library will take place in late September.