



REPORT OF: LEADER OF THE COUNCIL
TO: POLICY COUNCIL
ON: THURSDAY 5TH DECEMBER 2013

CHALLENGES AND OPPORTUNITIES FOR CHANGE

1. PURPOSE OF THE REPORT

To outline key national and local policy challenges and proposals regarding the Council's positioning on future policy areas for the benefit of residents in Blackburn with Darwen.

2. RECOMMENDATIONS

Policy Council is invited to: -

1. Reaffirm the Council's Corporate Plan 2013-15 priorities and subsequent performance framework as agreed at Policy Council in 2012 and Finance Council in 2013, to ensure that this continues to form the mandate for the Council's budget strategy and transformation programme for the same period.
2. Consider and endorse proposals from the Leader regarding the Council's positioning for the future, including priority policy initiatives that will assist the Council to respond to current and future policy challenges
3. Re-enforce the commitment made – at Policy Council 2012 - to explore the feasibility of a 'Living Wage' for Blackburn with Darwen residents, and agree to implement a localised approach to a Living Wage for Council employees, in 2014/15, pending consultation with trades unions and affected parties.

3. BACKGROUND

Policy Council on 30th August 2012 agreed the Corporate Plan for 2012-2015 and with it six key priorities that were to drive the Council's business for three years and ensure that improved outcomes were achieved for residents. Alongside this a number of policy discussions and commitments were adopted that aimed to support the implementation of the Corporate Plan and the achievement of the priorities.

In line with the Council's policy and decision making framework, this report now offers the Policy Council the opportunity to debate the current national policy context and offer an opinion on future policy directions for the Council.

4. RATIONALE

Corporate priorities – The Corporate Plan 2013-2015

Despite the financial challenges facing Blackburn with Darwen, Policy Council in August 2012, committed to continue to deliver high quality services and achieve key outcomes for local people. These commitments were articulated within the Corporate Plan for 2012-2015 and they have ensured that all Council services have maintained a clear focus on the most important outcomes. The detail of the plan was refreshed and reaffirmed at Finance Council in March 2013, to ensure its continued relevance, however no fundamental changes were made and the priorities remain as follows:

The Council's priority objectives for residents are: -

1. Creating more **jobs** and supporting business growth
2. Improving **housing** quality and building more houses
3. Improving **health and well-being**;
4. Improving outcomes for our **young people**
5. Safeguarding the most **vulnerable people**
6. **Making your money go further**

We will achieve these priority objectives by: -

1. Managing the impact of national reforms on residents and the Council – particularly around the welfare system, health services and educational provision
2. Working with you – working together with residents; businesses and our partners - developing local solutions via local problem solving
3. Delivering high quality services – a well-managed authority which is fit for the future; efficient and effective; and continuing to use the best possible business models to deliver excellent services

The Corporate Plan for 2013-2015, as refreshed at Finance Council, is attached at Appendix A and Policy Council are asked to reaffirm the Corporate Plan, to ensure that this continues to form the mandate for the Council's budget strategy and transformation programme for the same period.

Financial context

The 2013 Medium Term Financial Strategy, outlined projections for the 2015/16 budget based on information available at the time of reporting to Finance Council in March.

The Blackburn with Darwen 2015/16 budget savings forecast (from MTFs) were outlined as follows:

	£000's
Best case scenario – grant funding remains the same	6,651
Likely scenario – a reduction in grant funding of 5%	11,051
Worst case scenario – a reduction in grant funding of 10%	15,451

Whilst some further information has been made available, following the Chancellor's budget statement in March and including the technical consultation on the Local Government Finance Settlement 2014-15 and 2015-16 further to the Spending Review being published in the summer, the national picture is still not complete. The indicative figures in the Spending Review show bigger cuts in funding than we had

anticipated. Our latest estimates suggest that there could be an additional figure of around £4million to be found on top of our worst case scenario in the 2013 MTFS.

The future financial picture also continues to be influenced by Government policy announcements which are being belatedly brought forward prior to the end of the parliamentary term, the cumulative effect of which is almost impossible to gauge at this moment in time. We would expect some further clarity to come in the Autumn Statement (currently planned for 5th December) and the 2014-15 local government finance settlement which will follow (date still to be confirmed).

The 2015/16 position will also be impacted by our ability to meet the required savings for 2014/15. The impact of welfare reform; delays in Universal Credit implementation and increasing demographic and economic pressures all have potential to derail our savings plans and have an impact on our future budget planning.

In addition there are further changes in Public Health responsibilities and a number of implications for the health and social care framework as a result of the Care Bill and a national drive for integrated service provision, which will also impact in 2015/16.

5. KEY ISSUES

The financial context outlined above, will require the Council to very quickly, in 2014, bring forward proposals for how it will achieve the required savings for 2015 and beyond, whilst continuing to deliver on our key priorities. Tough decisions will, again, have to be made and it is important that all options for making savings and changing the way we deliver services are explored. These changes will be fundamental, and they must be right and fit for purpose to see us into the next medium term budget cycle.

Future policy direction and initiatives for the Council

With the above in mind, and given where we are in the current Parliamentary timetable, it will be important for the Council to look further ahead than just the next twelve to eighteen months, to consider any major policy changes that may come about and what opportunities or challenges these may present to the Council.

The attached Appendix B aims to offer Policy Council an overview of current commentary on key national policy areas, linked to the Council's corporate plan priorities. This aims to show those areas of policy that appear to have general cross party backing and are unlikely to change radically even in the event of a change of national administration at the 2015 General Election. Alongside this, it also aims to highlight those areas of policy which are currently subject to much national political debate, with the future direction of such policy areas (and subsequent scale of challenge / opportunity for the Council) to be determined by the outcome of the 2015 General Election.

Considering the national policy directions, alongside local issues and concerns, it is important that the Council maintains a clear and focused programme of policy initiatives over the next twelve to eighteen months, to ensure that the corporate priorities continue to be addressed. A summary of the proposed programme of policy initiatives for 2013-2015 are also included within Appendix B.

In implementing these policy commitments, I am committed to ensuring that the Council continues to ensure that every opportunity is taken to:

- Forge a new relationship with residents under the banner of Your Call

- Address issues of inequality for residents
- Foster cohesion within and between communities

Recommendation

Policy Council are recommended to consider and endorse proposals from the Leader regarding the Council's positioning for the future, including priority policy initiatives that will assist the Council to respond to current and future policy challenges.

One Council; working with residents through Your Call

The Council's new relationship with citizens is going from strength to strength and the breadth of activities delivered under Your Call, continue to harness the pride of our residents and their enthusiasm and commitment for their local areas.

The innovation that is coming from residents, and being embraced by Council staff, is kick starting so many new ways of working, simple ideas that mean more effective and efficient services; happier residents and happier staff. From winter squads to bowling greens; from school governors to "Good morning Shadsworth"; from home library services to foster carers, the dedication of Blackburn with Darwen residents to helping each other, is to be commended.

As a Council we are committed to continuing to grow this community spirit and over the coming months will explore more ways in which we can support residents; voluntary, community and faith groups and other providers to respond to the Your Call challenge and help us deliver continuous service improvements and value for money.

Living wage

The modern UK Living Wage Campaign was launched by members of London Citizens in 2001; it is an example of communities, business, campaigners and faith groups coming together to find practical, non-statutory means to address working poverty and strengthen families.

In 2005 the Greater London Authority established the Living Wage Unit to calculate the London Living Wage. The term "living wage" refers to an hourly rate set independently and updated annually, this rate is calculated according to the basic cost of living in the UK. Currently Employers choose to pay the Living Wage on a voluntary basis, there is no statutory mandate to do this, however, the campaign is now growing into a national movement and is supported in principle, by each of the main political parties.

Current living wage rates:

- London living wage – £8.80 (increased from £8.55 on 1st November 2013)
- Living wage outside London – £7.65 (increased from £7.45 on 1st November 2013)

Following the progressive and far-sighted motion at Policy Council 2012, to explore the feasibility of moving towards a Living Wage for Blackburn with Darwen, extensive analysis has been undertaken to understand more around the possibilities; implications and benefits of this for the Council and the borough.

Impact for staff

For the Council it is estimated that the introduction of a Living Wage, would apply to approximately 474 posts (permanent; fixed term; casual and those currently vacant, both full and part time) who are currently on grades A and B of the green book pay

scale. At the current time the Campaign exempts apprenticeships. These calculations used a full establishment report as at 1 October 2013.

Introducing a Living Wage of £7.45 for Blackburn with Darwen would equate to a full time equivalent annual salary (37 hours per week) of £14,333, compared to £12,267 (bottom of A grade) and £14,013 (top of B grade).

Impact for the Council

It is estimated that the cost to the Council of implementing a Blackburn with Darwen Living Wage, across the 474 posts referred to above, would be around £242,000.

Alongside the Trade Unions and staff, consultation on the proposed implementation would need to be undertaken with the schools currently maintained by the authority. This is due to their non-teaching staff being employed under the National Joint Council for Local Government Services (Green Book) with each employer party to the national agreement being required to determine a pay structure for its employees, as such any change to the Council's framework would impact. The numbers above currently exclude schools based staff.

Recommendation

Policy Council are recommended to re-enforce the commitment made – at Policy Council 2012 - to explore the feasibility of a 'Living Wage' for Blackburn with Darwen residents, and agree to implement a localised approach to a Living Wage for Council employees, in 2014/15, pending consultation with trades unions and affected parties.

6. POLICY IMPLICATIONS

The Corporate Plan sets out the priorities of the Council for 2013-2015, and in order to provide clear strategic direction, such priorities should be reflected across the organisation, throughout departmental business plans, service plans and individuals' performance plans.

Potential changes to national policy direction have been highlighted for Policy Council, the full implications of which will only be known as and when specific legislative announcements are made. These implications will be communicated to executive members; chief officers and their staff for consideration in implementation of their current services and their planning for new initiatives.

7. FINANCIAL IMPLICATIONS

The policy context and Corporate Plan will inform Elected Members' decisions during the budget setting process for 2014-15 and beyond, alongside the Medium Term Financial Strategy. Similarly, the transformation programme is, in part, designed and structured according to these priorities and analysis.

In concert with the budget setting process, financial implications of business plans will need to be developed for each individual department which will require approval though the relevant Executive Member(s).

There will be a financial impact of implementing a Living Wage for the Council, however the full details of this impact will not be known until the final scope of the approach is identified and agreed.

Any additional financial requirements that may be required by the services, following the agreement of the recommendations outlined within this report, are a matter for consideration between the service Director and the relevant Executive Member.

8. LEGAL IMPLICATIONS

There are no direct legal implications of this report. Any legal matters arising during the delivery of these priorities, are a matter for consideration through the usual constitutional processes.

9. RESOURCE IMPLICATIONS

Living Wage – Development of the local approach will be required and would be considered by a future meeting of the Council’s Executive Board. The Council will engage and consult proactively with trades unions, staff and key partners (namely schools) prior to final implementation and develop a communication strategy to promote the issues arising from this initiative during the development stage.

Any additional resource requirements that may be required by the services, following the agreement of the recommendations outlined within this report are a matter for consideration by either Executive Board or the relevant Executive Member according to delegated powers.

10. EQUALITY IMPLICATIONS

A full Equality Impact Assessment has been completed for the Corporate Plan, which was refreshed in 2013.

Future implications of policy decisions and recommendations will be assessed individually through consultation with relevant Executive Members.

11. CONSULTATIONS

Consultation and engagement with the public and staff has been undertaken year on year and feedback through the Budget Consultation and through Ward solution meetings was used to develop the Corporate Plan priorities in the lead up to Policy Council in 2012.

Extensive consultation on priorities for each portfolio was also undertaken with the Leader; Executive Members, Chief Officers, political groups and cross party members via the Council’s Overview and Scrutiny Committees. As there are no proposed changes to the Corporate Plan, no specific consultation has been undertaken. However the opinions of residents, gauged through Ward Solutions meetings and the Council’s annual resident’s survey, continue to act as a barometer to the continued relevance of the corporate priorities. An overview of key priorities raised by residents is outlined in the table below, all of these key issues continue to be reflected and prioritised within the refreshed Corporate Plan for 2013-2015

Darwen	East	West
ASB	ASB	Highways
Highways	Fly-tipping	ASB
Maintenance private property	Housing	Parking
Fly-tipping	Litter	Fly-tipping
Maintenance public spaces	Highways	Litter

The extensive programme of staff engagement activities conducted by the Leader of the Council and Chief Executive throughout November have offered the opportunity to test staff opinion on the priorities and explore opportunities for future service developments.

Chief Officer

Contact Officer: Denise Park, Executive Director Resources and Transformation
Date: 21st November 2013

BACKGROUND PAPERS:

Corporate Plan 2013-2015 (copies available on deposit in Group Rooms)

Policy Council 2012 item 5 – The Corporate Plan 2012-2015

Policy Council 2011 item 5 – Challenges and opportunities for change