

Report of:	To:	Date	Item No.
Cllr Alan Vincent, Resources Portfolio Holder and Deputy Leader	Council	19 January 2017	8(b)

**Executive Report: Resources Portfolio Holder**

**1. Purpose of report**

- 1.1** To inform Council of progress on key objectives and the current position on issues within the Resources Portfolio, as set out below.

**2. Finance**

- 2.1** An updated forecast showing our projected spending levels and the recommended council tax for 2017/18 will be presented at the Cabinet meeting on the 15 February. I can confirm that, as in previous years, Budget Briefings will be arranged for the benefit of the two political parties.
- 2.2** The Council was notified of a provisional grant settlement of £4.1m for 2017/18 as part of the draft local government finance settlement announced 15 December. This represents a loss in grant of £656,000 or 13.8% from that received in 2016/17. The reduction is £2,000 less than that assumed in the most recent Medium Term Financial Plan. Indicative figures for subsequent years were also announced following the Council's acceptance of the four-year funding settlement to 2019/20.
- 2.3** Members will also be aware that the Localism Act allows local residents to veto excessive council tax rises. The Secretary of State for Communities and Local Government (Sajid Javid MP) has confirmed that the core referendum threshold will remain at 2% or up to and including £5 on a council tax Band D equivalent property in 2017/18 with the approval of the local electorate being required for any council tax increase above this value.
- 2.4** The long awaited response to the consultation on New Homes Bonus funding was also announced with the settlement and various changes have been applied to awards in 2017/18 and proposed from 2018/19 onwards. The main changes include a confirmed reduction in legacy payments from 2018/19 from 6 to 4 years and the introduction of a new baseline for assumed growth of 0.4%, below which we will not receive any New Homes Bonus. We also received confirmation of a new award in 2017/18 of £226,123 for 4 years and a transitional year 5 payment in

relation to 2013/14 of £341,192, neither of which were in the most recent Medium Term Financial Plan. Again, the report to Cabinet in February will provide further detail around the implications of all the recent announcements on the council's financial forecast.

### **3. Human Resources**

**3.1** The first meeting of a Cross Directorate Project Group tasked to review our performance appraisal system and our current values took place on 9 January 2017. This project group is made up of third tier managers who will be reviewing the appraisal process and core values so that they fit more harmoniously with the Councils vision for the future. This first meeting scoped out the project and assigned various tasks to members of the group. We intend to run a number of such project groups working on corporate matters. Different officers will be given the opportunity to take part to encourage much more cross directorate working and this will also provide learning and development opportunities.

### **4. Procurement**

**4.1** An OJEU procurement exercise is currently underway for the provision of a replacement ferry service between Fleetwood and Knott End. Tenders are being invited from contractors on the basis that the contract will be for a period of eight years commencing on 1 April 2017. The ferry vessel is currently owned by Lancashire County Council (LCC) who intend to transfer the ferry vessel to the successful Tenderer for the purpose of delivery of the Ferry service. LCC has withdrawn their subsidy from 31 March 2017 but we are offering a level of subsidy in the hope that the ferry service can be sustained. The tender process closes on 23 January 2017. Bids will then be evaluated and options reported to Cabinet.

### **5. Comments and questions**

**5.1** In accordance with procedure rule 11.3 any member of Council will be able to ask me a question or make a comment on the contents of my report or on any issue, which falls within my area of responsibility. I will respond to any such questions or comments in accordance with Procedure Rule 11.5.