

Report of:	To:	Date	Item No.
Cllr. Alan Vincent, Resources Portfolio Holder	Council	18 October 2012	9(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 in paragraph 2 below.

2. Current and Future Issues

- 2.1 Summary information is attached in Appendix 1 on the following key issues:

(a) **Finance**

2.1 I am pleased to report that the authority's 2011/12 Statement of Accounts received an unqualified audit opinion. The External Auditors Report to those charged with governance, which was considered by the Audit Committee at their meeting in September, also commented that "the Authority's Medium Term Financial Plan has duly taken in to consideration the potential funding reductions and that it is sufficiently robust to ensure that the Authority can continue to provide services effectively". The report went on to say that the quality of the accounts and the supporting working papers was high and that officers dealt efficiently with audit queries. I would like to add my thanks to those of the Audit Committee to all staff who were involved in the production of the Accounts.

2.2 The latest update of the Council's Medium Term Financial Plan, which was considered by Cabinet in September, reflects a gap between forecast expenditure and income of £1m in 2015/16. Information received since the MTFP was prepared, however, showing an exemplification of the 2013/14 start-up funding allocation, which was provided for illustrative purposes only and to give authorities a rough guide, shows formula funding of £5.574m, a reduction of £450,000 when compared to the projected funding in the MTFP.

2.3 I am extremely concerned about the potential volatility involved in budgeting and planning especially as a result of the introduction of localisation of council tax support and the impact of business rates retention. It has also been suggested that decisions on funding for 2013/14 will be relatively late (after 5 December which is the date of the Autumn Statement) and there could be significant movement in individual allocations depending on decisions taken following the consultation.

2.4 We have also recently been asked to consider a change to the waste management cost sharing funding agreement whereby we currently receive in excess of £1m from Lancashire County Council. The County Council is offering to extend its support through to March 2018 but this would involve a reduction in the level of support over the five year period of £785,000. There are a couple of options which the Council has been asked to consider but essentially both involve significant reductions in funding when compared to the MTFP ranging from £50,000 in 2013/14 to in excess of £200,000 in 2017/18.

(b) **Human Resources**

2.5 The Senior Leadership team met to discuss the results of the 360 degree appraisal exercise and to formulate a development plan enhancing the team's leadership role across the organisation. The day was facilitated by North West Employers and included the use of the Myers Briggs Type Indicator to help create a sense of the different strengths that each member of the team brings to the whole group.

(c) **Procurement**

2.6 Recent contract awards have included Phase 2 of the Mythic Coastline Artworks (a golden shell, sea swallow, stone ogre with paddle, and a petrified forest) which was awarded to Chris Bramalls who also produced the sculptures for Phase 1. The Council has now appointed a consultant (Landscape Projects) for phase 1 of the Restoration of Fleetwood Memorial Park who will support the Council in putting together a bid to the Heritage Lottery fund for the restoration of the park. Both procurement exercises have achieved savings when compared to the anticipated cost. Finally, the contract for the Employment and Commercial Leisure Study has been awarded to Nathaniel Lichfield & Partners and came in at the budgeted figure of £30,000.

2.7 The Council's printing contract has been awarded to its current provider Preston City Council. The new contract will be for two years with an option to extend for a further two years. The Council invited 15 suppliers to express an interest in this contract with 6 responding. All of the submissions were of good quality, with quality representing 60% of the potential score, but Preston submitted the lowest bid.

(d) **Asset Management**

2.8 Following the recent Cabinet report, work is progressing with the disposal of Ashdell Nursery and Thornton Depot. An outline planning application allowing residential use at Ashdell is being developed and it is hoped that the site will be offered for sale by auction following its vacation in March 2013. There are a couple of land interests that have come to light at Thornton Depot with Electricity Northwest and United Utilities concerning a substation and pumping station not previously registered on the Council's title. These obviously need to be resolved prior to us proceeding with the demolition of buildings and the ultimate disposal of the depot via auction.

2.9 A programme of rent reviews is also underway and discussions are ongoing in relation to a number of concessionary leases in an attempt to reach a mutual agreement.

3. Comments and Questions

3.1 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.