

Public Document Pack

Dear Councillor

EXECUTIVE - MONDAY, 7TH NOVEMBER, 2016

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 7th November, 2016 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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7	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2016/17 (Pages 1 - 48)</u>
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
7TH NOVEMBER 2016

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2016/17

1. Introduction

- 1.1 This report is the standard monthly financial performance monitoring report, which sets out the summary revenue budget position for the Council and its individual directorates for the first 5 months of 2016/17, i.e. the period to 31st August 2016, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

2. Report Format

- 2.1 Separate reports have been prepared for each of the Council's core areas of responsibility:
- Appendix 3a - Chief Executive
 - Appendix 3b - Governance and Partnership Services
 - Appendix 3b/c - Ward Budgets
 - Appendix 3d - Resources
 - Appendix 3e - Places
 - Appendix 3f - Strategic Leisure Assets
 - Appendix 3g - Community and Environmental Services
 - Appendix 3h - Adult Services
 - Appendix 3i - Children's Services
 - Appendix 3j - Public Health
 - Appendix 3k - Budgets Outside the Cash Limit.

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2016/17. There is an accompanying narrative to explain any areas of significant variance from budget and to highlight any areas of potential pressure along with action plans agreed with service managers to address them.

2.2 The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council's Revenue Budget Book and reflects the disestablishment of the Deputy Chief Executive's Directorate with teams moving to other directorates. This summary allows proactive month-on-month monitoring of the Council's forecast working balances to be undertaken to ensure appropriate and prudent levels are maintained. Appendix 2 highlights on a 12-month rolling basis those services which trip the designated overspending reporting threshold.

3. Directorates' Budget Performance

3.1 As a supportive measure to give services every chance to deliver a breakeven budget, the Executive agreed at its meeting on 23rd May 2016 to write-off all service overspends and carry forward the 2015/16 underspends of £279k on Ward Budgets (£246k), Governance and Partnership Services (£19k) and Community & Environmental Services (£14k).

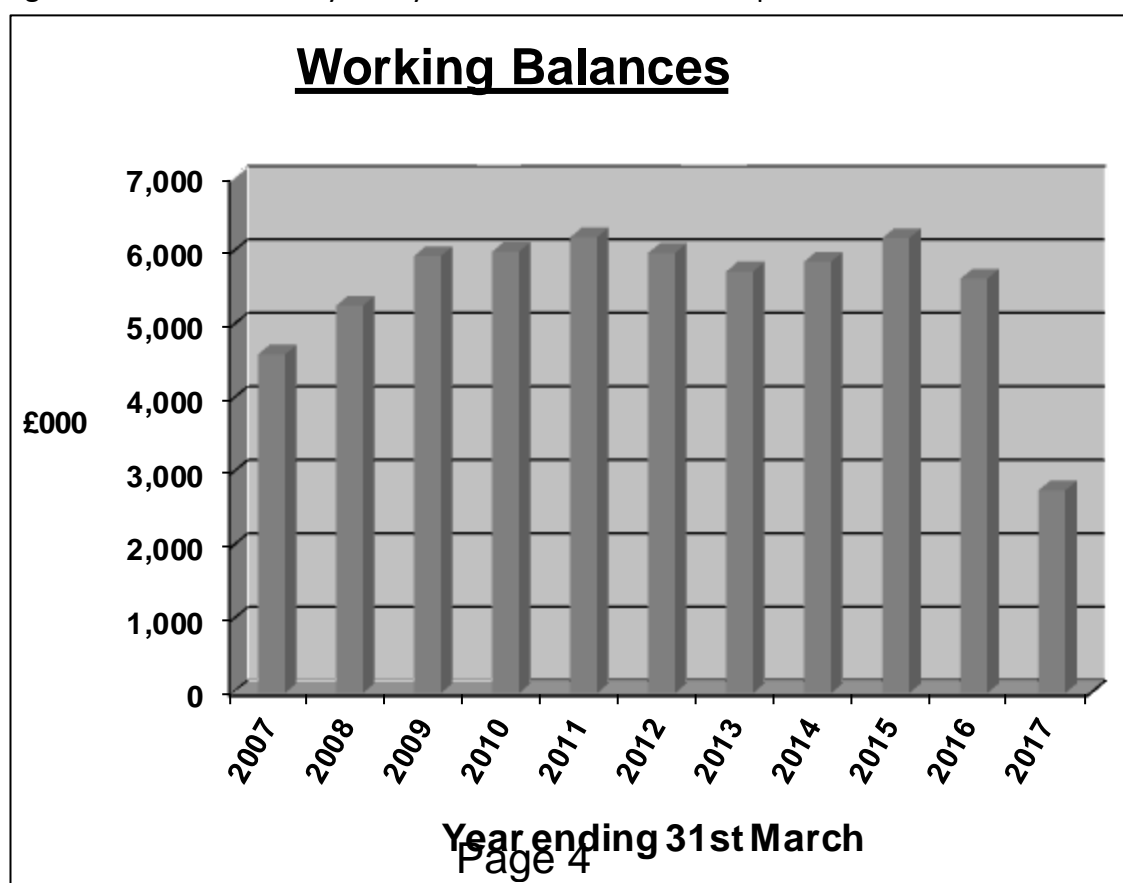
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 5 forecast overspend of £2,880k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £3,305k is forecast. Children's Social Care is forecast to overspend by £3,357k, £2,395k is due to increases in the numbers and average placement cost of Looked After Children (LAC), £675k is due to a shortfall in meeting the challenging 2016/17 Priority Led Budgeting (PLB) savings target of £1,222k arising from the ongoing implementation of the review recommendations and £256k is due to legal and court costs and a minor overspend of £31k. There are overspends in the Education Services Grant of £83k due to the anticipated loss of funding arising from in-year academy conversions and Childrens Safeguarding of £49k and Lifelong Learning and Schools of £19k. These are mitigated by savings of £184k in Early Help for Children and Families and the Local Services Support Grant of £19k.	3,305
Resources	Property Services is forecasting a £495k overspend based on the current pace of property rationalisation and pressure from rental income within the Central Business District. The Health and Safety Service is forecasting a £39k pressure due to an inherited income target and prior year PLB target not yet met. Other pressures of £39k within the directorate are mainly due to staffing costs and income pressures, but these have been mitigated by savings of £56k in Procurement and Projects and £18k in other areas of the directorate.	499

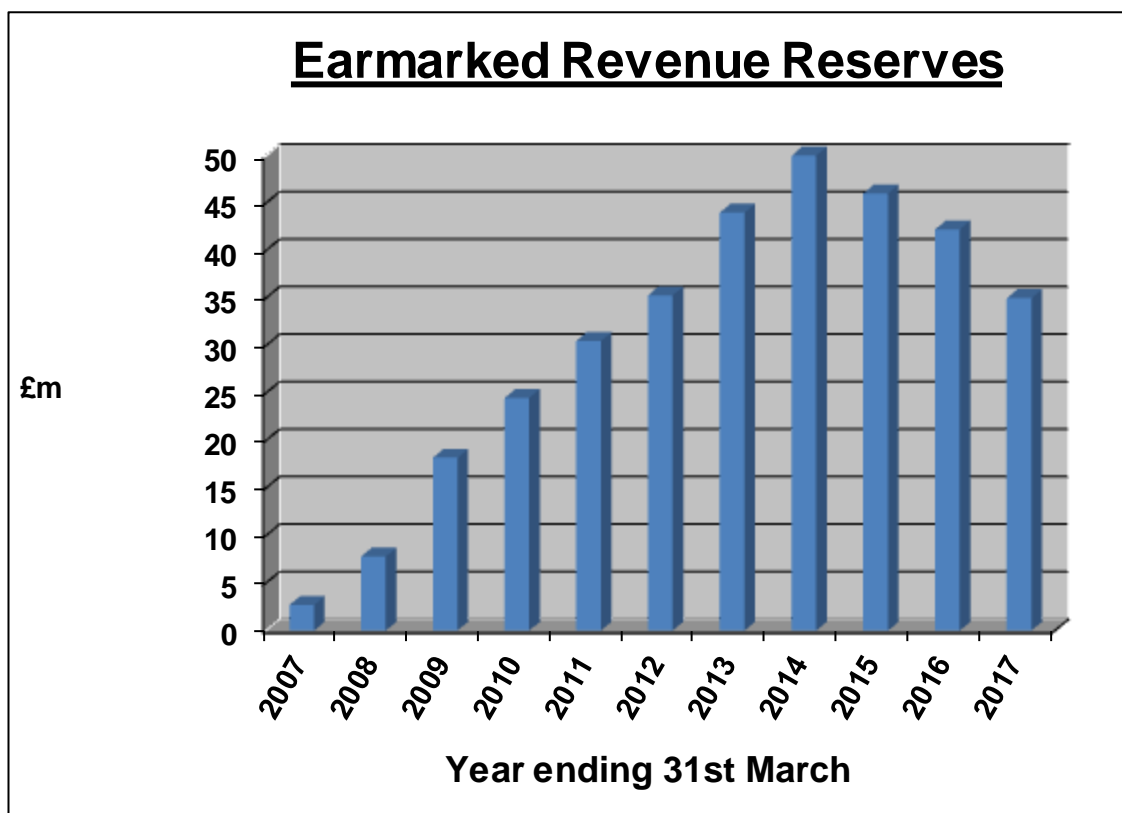
Places	The Directorate has a pressure of £441k. Print Services is forecasting an overspend of £100k due to an income target that needs to be reviewed as part of a wider service review. Cultural Services is expecting a £148k overspend due to a £63k shortfall in funding the Grundy Art Gallery and £85k shortfall due to delayed progress in relation to the Museum Project. Other pressures include staffing pressures of £63k in the Planning Department, prudential borrowing costs relating to the Foxhall Village development of £30k and unidentified savings of £100k in Visitor Economy.	441
Community and Environmental Services	Street Cleansing and Waste has a pressure of £106k due mainly to a decrease in income from recycling waste arising from a downturn in the recycle market and higher costs of recycling materials. The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants with the risk being covered against the specific Waste PFI reserve. Public Protection has a forecast pressure of £64k due to the South Beach Selective Licensing Scheme. Integrated Transport is forecasting an overspend of £58k due to pressures on the public transport contracts. Highways and Traffic Management Services are over budget by £24k due to pressures of £68k on Shelter income partly offset by savings of £44k on maintenance. These are mitigated by an underspend of £106k in Leisure and Catering due to savings on provisions.	146
Governance and Partnership Services	An overspend of £107k is forecast. The Community Engagement and Equalities division is forecasting a pressure of £43k due to unallocated savings and staffing costs. Corporate Legal Services is forecasting a pressure of £34k mainly due to an unachieved PLB target and an income shortfall. A pressure of £30k in Registration and Bereavement Services is due to the forecast level of demand in the Coroners and Mortuary Service.	107
Budgets Outside the Cash Limit	Concessionary Fares are forecasting a pressure of £499k mainly due to increased bus patronage and the impact of fare increases. Parking Services is £250k down due to a challenging income target. The position has improved on earlier months due to increased optimism on patronage and reduced costs. The cost to the Council of supporting the Subsidiary Companies is an underspend of £8k. Treasury Management has a £1,056k favourable position due to the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.	(315)

Adult Services	Adult Safeguarding is forecasting an overspend of £158k as a result of additional legal and staffing costs, relating to Deprivation of Liberty (DoLs) case law, which is not covered by New Burdens funding of £103k and a pressure of £55k relating to the timing of a staffing restructure in Adults and Children's Safeguarding. Care and Support is forecasting an overspend of £65k due to an additional vacancy target which has not yet been met. These are mitigated by an underspend of £679k on Adult Commissioning Placements due to higher residential income and one-off savings and the Commissioning and Contracts Team who are forecasting an underspend of £40k due to staffing.	(496)
Strategic Leisure Assets, Contingencies / Reserves	Strategic Leisure Assets is forecasting a £668k pressure. In accordance with the original decision for this programme by the Executive on 7 th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast accumulative deficit as at 31 st March 2017 is £5,479k. This incorporates the increased debt financing costs associated with the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile and the application of a composite rate to prudential borrowing. The Leisure Assets portfolio is currently forecast to breakeven, in-year, during 2021/22. A review of contingencies has released £807k.	(807)
Total		2,880

3.3 The graph below shows the impact on the level of Council working balances in-year together with the last 10 years' year-end balances for comparison:



3.4 Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves for such longer-term commitments as future Private Finance Initiative payments and uncertainties within the new Localised Business Rate system. In order to present a complete picture of the Council's strong financial standing an equivalent graph to the above is shown below:



4. Directorate Budget Savings Performance

4.1 As at 31st August 2016 81% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 89% (87% last month) will be achieved by the year-end, which takes into account anticipated pressures and savings.

4.2 The full-year effect of the 2016/17 savings in 2017/18 amounts to 91% of the 2016/17 target which reflects any non-recurrent savings. This excludes any in-year pressures/savings.

5. Collection Rates

5.1 Council Tax

At the end of month 5 the amount collected for Council Tax (excluding Police and Fire precepts) was £21.2m and the collection rate was 43.8%. This compares to £19.7m and 43.3% at the same point in 2015/16.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme, the target collection rate is 97.5% over a 4-year collection period as approved on 25th January 2016 as part of the setting of the Council Tax Base for 2016/17.

5.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1st April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided.

At the end of month 5 the collection rate for those who have to pay Council Tax Reduction Scheme, either for the first time or in addition to a proportion of their Council Tax, is 28.4%. This compares to 30.2% at the same point in 2015/16 and is the principal cause of the overall collection rate deteriorating.

The likely impact for 2016/17 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2015/16 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

5.3 Business Rates

Prior to 1st April 2013 Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1st April 2013 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.

At the end of month 5 the amount collected for Business Rates was £22.7m and the collection rate was 41.6%. This compares to £22.9m and 43.0% at the same point in 2015/16.

From April 2014 Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay.

The audited Business Rate cumulative deficit as at 31st March 2016 is £4.58m. The Council's share of this is £2.24m (49%) and provision has been made for this.

6. Capital Monitoring Performance

- 6.1 All active capital schemes have been included within Appendix 4. The purpose is to present the overall position of capital spend. The schemes are shown individually where total scheme budget is greater than £500k and grouped as "other schemes" otherwise. As in previous financial years the emphasis regarding capital monitoring will be on scheme variance rather than in-year progress since many schemes cross financial years such as the major housing developments. Therefore, some degree of flexibility for the management of slippage is necessary in order to balance the overall capital programme each year to the funding allocations available.
- 6.2 As at month 5 an overall nil variance on capital schemes is anticipated.

7. Summary Cash Flow Statement

- 7.1 As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 5. This provides a comparison of the actual cash receipts and payments compared to forecast for 2016/17.
- 7.2 During the first 5 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31st March 2016 due to the change in the timing of the receipt of grant income in the first five months. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying taking any new long-term borrowing to fund planned capital expenditure. The interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result, the delay in taking new long-term borrowing and the lower interest charge from Lancashire County Council mean that a favourable credit variance is once again forecast for 2016/17.

8. Summary Balance Sheet

- 8.1 In order to provide a complete picture of the Council's financial performance, Appendix 6 provides a snapshot of the General Fund balance sheet as at the end of month 5. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors, as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.
- 8.2 From 1st April 2016 local authorities must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,565m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.
- 8.3 Over the 5-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £17.6m and a decrease in cash and cash equivalents of £5.2m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.

9. Conclusion and Recommendations

- 9.1 Although this is an improvement on the position compared to month 4 by £353k, this results in a significant deterioration in its financial standing in comparison with Budget. Working balances are estimated to fall by £2,880k against the budgeted position over the year. This fall is in the context of the audited working balances at the start of the year of £5,636k, a reduction of 51.1%.

9.2 If this forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution, the forecast revenue outturn 2016/17 within this report contravenes the second of the two specific conditions that excess spending does not:

1. exceed 1% (i.e. £4.3m) of the authority's total gross revenue expenditure;
or
2. have the effect of reducing the authority's Working Balances below 50% of their normal target level (i.e. £3.0m).

In the context of £35.0m of Earmarked Revenue Reserves and with 7 months of the financial year remaining there should still be sufficient time to redress the position and revised service and financial plans are underway to do so.

9.3 In response to the financial position the Director of Resources is holding regular meetings with individual Directors to discuss the robustness and integrity of current year budget forecasts and the plans in place to deliver an in-year breakeven position.

9.4 The Executive is asked:

- i) to note the report; and
- ii) to require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children's Services, Strategic Leisure Assets, Concessionary Fares and Property Rationalisation.

Steve Thompson
Director of Resources

22nd September 2016

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							2015/16 (UNDER)/OVER SPEND B/FWD £000
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2017							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE		VARIANCE		
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
3(a)	CHIEF EXECUTIVE	(72)	439	(511)	(72)	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,669	1,064	712	1,776	107	(19)
3(b/c)	WARD BUDGETS	516	77	439	516	-	(246)
3(d)	RESOURCES	2,996	2,853	642	3,495	499	-
3(e)	PLACES	3,882	(4,595)	8,918	4,323	441	-
3(f)	STRATEGIC LEISURE ASSETS	1,289	(1,100)	3,057	1,957	668	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	43,505	(417)	44,068	43,651	146	(14)
3(h)	ADULT SERVICES	45,619	15,267	29,856	45,123	(496)	-
3(i)	CHILDREN'S SERVICES	37,761	9,334	31,732	41,066	3,305	-
3(j)	PUBLIC HEALTH	3	4,659	(4,656)	3	-	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	16,176	3,985	11,876	15,861	(315)	-
	CAPITAL CHARGES	(26,945)	(11,227)	(15,718)	(26,945)	-	-
	NET COST OF SERVICES:	126,399	20,339	110,415	130,754	4,355	(279)
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(5,295)	-	(5,963)	(5,963)	(668)	
	- 2015/16 SERVICE UNDERSPENDS	(279)	-	(279)	(279)	-	
	- REVENUE CONSEQUENCES OF CAPITAL	85	-	85	85	-	
	CONTINGENCIES	2,024	-	1,217	1,217	(807)	
	NW REGIONAL FLOOD DEFENCE LEVY	65	-	65	65	-	
	CONTRIBUTIONS, etc.	(3,400)	-	(4,875)	(4,875)	(1,475)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	122,999	20,339	105,540	125,879	2,880	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,880)	(2,880)	(2,880)	
	NET REQUIREMENT AFTER WORKING BALANCES	122,999	20,339	102,660	122,999	-	
GENERAL BALANCES AS AT 1st APRIL 2016 PER AUDITED STATEMENT OF ACCOUNTS 2015/16							5,636
In-year (reduction in) / addition to General Fund Working Balances							(2,880)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017							2,756

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Blackpool Council

Schedule of Service forecast annual overspendings over the last 12 months

Directorate	Service	Audit Committee Report	Sept 2015 £000	Oct 2015 £000	Nov 2015 £000	Dec 2015 £000	Jan 2016 £000	Feb 2016 £000	Mar 2016 £000	Apr 2016 £000	May 2016 £000	Jun 2016 £000	July 2016 £000	Aug 2016 £000
CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE		1,078	1,130	1,309	1,335	1,622	2,189	2,189			2,025	3,120	3,357
STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		1,078	1,246	1,246	1,306	1,473	1,503	1,503			1,113	668	668
RESOURCES	PROPERTY SERVICES		717	682	668	547	553	157	157			480	495	495
PLACES	VISITOR ECONOMY					101	110	102	102			208	222	200
ADULT SERVICES	ADULT SAFEGUARDING		119	119	140	146	163	231	231			146	158	158
PLACES	CULTURAL SERVICES													148
COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE											183	194	106
PLACES	GROWING PLACES											93	93	93
CHILDREN'S SERVICES	EDUCATION SERVICES GRANT		1,085	1,085	1,086	1,087	1,087	1,185	1,185			86	86	83
ADULT SERVICES	CARE & SUPPORT		435	410	395	401	552	370	370					-
PUBLIC HEALTH	CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES			451	479	479	479							-
PUBLIC HEALTH	SEXUAL HEALTH SERVICES - MANDATED			378	378	378	378							-
PUBLIC HEALTH	SUBSTANCE MISUSE (DRUGS AND ALCOHOL)			350	350	350	350							-
CHILDREN'S SERVICES	CHILDRENS SAFEGUARDING		110	116	117	155	145							-
CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS		75	128	133	91	97							-
CHILDREN'S SERVICES	LOCAL SERVICES SUPPORT GRANT		104	104	104	104	104							-
COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES				81			149	149			104		-
COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING		148	148	96									-
COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT		161	167										-
ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS		209											-
GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES							84	84					-
	Sub Total		5,319	6,514	6,582	6,480	7,113	5,970	5,970	-	-	4,438	5,036	5,308
	Transfer to Earmarked Reserves (note 3)		(1,078)	(1,246)	(1,246)	(1,306)	(1,473)	(1,503)	(1,503)	-	-	(1,113)	(668)	(668)
	Other General Fund (under) / overspends		(679)	(2,012)	(1,928)	(2,511)	(2,772)	(3,915)	(3,915)	-	-	(733)	(1,135)	(1,760)
	Total		3,562	3,256	3,408	2,663	2,868	552	552	-	-	2,592	3,233	2,880

Notes:

1. The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where the controllable budget exceeds £5m are required to be highlighted within this monthly budgetary control report. They are required to develop and submit a recovery plan over a period not exceeding 3 years which is to be approved by the respective Portfolio Holder. The services tripping this threshold are listed above together with their respective financial performance over a 12-month rolling basis for comparison of progress being made.

2. The Strategic Leisure Assets overspend reflects the in-year position.

3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	625	178	447	625	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(772)	91	(863)	(772)	-	-
CORPORATE DELIVERY UNIT	75	170	(95)	75	-	-
TOTALS	(72)	439	(511)	(72)	-	-

Commentary on the key issues:

Directorate Summary

The Revenue summary (above) lists the outturn projection for each individual service within the Chief Executive's Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Following the recent Council restructure this directorate now includes Human Resources, Organisation and Workforce Development and the Corporate Delivery Unit (both transferred from the former Deputy Chief Executive's Directorate).

The Directorate is forecasting a break-even position for 2016/17.

Budget Holder – Mr N Jack, Chief Executive

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Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,133	837	1,296	2,133	-	(19)
CORPORATE LEGAL SERVICES	(336)	203	(505)	(302)	34	-
REGISTRATION AND BEREAVEMENT SERVICES	(382)	(101)	(251)	(352)	30	-
COMMUNITY ENGAGEMENT & EQUALITIES	254	125	172	297	43	-
GOVERNANCE & PARTNERSHIP SERVICES	1,669	1,064	712	1,776	107	(19)
WARDS	516	77	439	516	-	(246)
TOTALS	2,185	1,141	1,151	2,292	107	(265)

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Governance and Partnership Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Following the recent Council restructure this Directorate has been renamed and now includes Corporate Legal Services (transferred from Resources), Governor Services (from Children's Services) and Community Engagement and Equalities (transferred from the former Deputy Chief Executive's Directorate). The Licensing Service has transferred to Community and Environmental Services.

Democratic Governance Service

The Democratic Governance Service is forecasting a break-even position for 2016/17. This service now includes Governor Services.

Corporate Legal Services

There is a pressure of £34k mainly due to a £32k unachieved Priority Led Budgeting (PLB) target and an income shortfall.

Registration and Bereavement Services

The Registration and Bereavement Services is forecasting a pressure of £30k. This is due to the forecast level of demand in the Coroners and Mortuary Service and has reduced from earlier months due to additional income expected.

Community Engagement & Equalities

The Community Engagement and Equalities Service is forecasting a pressure of £43k for the year due to unallocated savings and staffing costs.

Ward Budgets

Ward budgets are expected to break-even in 2016/17.

Budget Holder - Mr M Towers, Director of Governance and Partnership Services.

Blackpool Council
Ward Budgets
2016/17
Month 5

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2016-17 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2016-17 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. T Williams	3	3	0	2	£28,312.71	£697.00	£27,615.71
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	8	8	0	5	£21,273.94	£13,053.06	£8,220.88
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	5	5	0	2	£16,697.54	£10,250.00	£6,447.54
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	0	0	0	0	£28,982.55	£0.00	£28,982.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	7	7	0	7	£19,394.14	£11,445.73	£7,948.41
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	6	6	0	4	£26,764.39	£7,522.50	£19,241.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	1	1	0	1	£28,018.81	-£12,500.00	£40,518.81
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	6	6	0	4	£29,800.00	£9,677.50	£20,122.50
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	5	5	0	2	£25,413.77	£5,099.02	£20,314.75
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	7	7	0	1	£36,530.09	£2,444.40	£34,085.69
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	9	9	0	7	£21,091.00	£8,963.08	£12,127.92
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	5	5	0	4	£34,963.08	£10,616.78	£24,346.30
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	5	5	0	2	£38,495.41	£25,860.00	£12,635.41
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	4	4	0	4	£30,493.68	£4,938.89	£25,554.79
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	3	3	0	2	£21,608.91	£4,810.50	£16,798.41
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	2	2	0	1	£30,896.00	£4,660.00	£26,236.00
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	8	8	0	4	£36,657.78	£18,653.93	£18,003.85
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	3	3	0	3	£29,171.66	£5,055.60	£24,116.06
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	2	2	0	2	£24,586.66	£5,200.00	£19,386.66
Warbreck Ward BC1020	Cllr. Scott	3	3	0	1	£21,364.07	£2,950.00	£18,414.07
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	4	4	0	2	£28,115.00	£6,180.00	£21,935.00

Ward Totals	96	96	0	60	£578,631.19	£145,577.99	£433,053.20
Unallocated Budget	-	-	-	-	-£17,631.19	£0.00	-£17,631.19
Income Budget	-	-	-	-	-£45,000.00	£0.00	-£45,000.00
Area Ward Totals	96	96	0	60	£516,000.00	£145,577.99	£370,422.01

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	(11)	122	(189)	(67)	(56)	-
REVENUES, BENEFITS & EXCHEQUER SERVICES	343	(2,399)	2,756	357	14	-
CUSTOMER FIRST	(61)	282	(338)	(56)	5	-
ICT SERVICES	200	645	(461)	184	(16)	-
ACCOUNTANCY	(85)	371	(458)	(87)	(2)	-
RISK SERVICES	76	90	45	135	59	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,534	3,742	(713)	3,029	495	-
TOTALS	2,996	2,853	642	3,495	499	-

Commentary on the key issues:

Directorate Summary - basis

- The Revenue summary (above) lists the outturn projection for each individual service within Resources against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Procurement and Projects

- The favourable variance of £56k is due to an over-achievement against current and prior years' Priority Led Budgeting (PLB) targets in respect of staff savings and additional income.

Revenues, Benefits and Exchequer Services

- The 2016/17 budget savings target has not yet fully been met.

Customer First

- As a way of streamlining processes and encouraging customers to embrace digital services and 'self-serve', thereby relieving pressure on face-to-face and telephone-based customer contact points, a 'Channel Shift' project is underway.

ICT Services

- Following the disaggregation of the Deputy Chief Executive's Directorate, ICT Services has transferred into the Resources Directorate. This service is forecasting a small underspend as a result of staffing vacancies.

Accountancy

- Accountancy is forecasting to achieve the PLB savings targets and end the financial year with a small underspend.

Risk Services

- Following the disaggregation of the Deputy Chief Executive's Directorate, the Health and Safety Service has transferred into Risk Services. This service is forecasting a £39k overspend due to a pressure on the inherited income target and a previous years' Priority Led Budgeting (PLB) target that has not yet been met. Other sections are forecasting a pressure of £20k, however, income estimates are currently at prudent levels and the service is aiming to increase these levels.

Property Services (incl. Investment Portfolio)

- Property Services is forecasting an overspend of £495k. This projection is based on the current pace of property rationalisation. There is also a forecast pressure from rental income within the Central Business District until all units are filled and any rent-free periods lapse. The Gym in Talbot Road Multi-story Car Park is anticipated to open in October 2016.

Summary of the revenue forecast

After 5 months of the financial year, Resources is forecasting a £499k overspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

Budget Holder - Mr S Thompson, Director of Resources.

Blackpool Council – Places

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PLACES						
NET EXPENDITURE						
CULTURAL SERVICES	(59)	(1,870)	1,959	89	148	-
ECONOMIC DEVELOPMENT	79	(2,255)	2,334	79	-	-
GROWING PLACES	118	(865)	1,076	211	93	-
VISITOR ECONOMY	3,744	395	3,549	3,944	200	-
TOTALS	3,882	(4,595)	8,918	4,323	441	-

Commentary on the key issues:

Directorate Summary

The Revenue summary (above) lists the outturn projection for each individual service within the Places Directorate against their respective, currently approved, revenue budget. The forecast outturn of £441k overspend is based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Cultural Services

This service is expecting a £148k overspend by the year-end due to a shortfall in funding of the Grundy Art Gallery of £63k. The service position has changed by £85k due to delayed progress in relation to the Museum Project.

Growing Places

This service is expecting a £93k overspend by the year-end. This is due to a combination of staffing pressures of £63k in the Planning Department and prudential borrowing costs of £30k in Housing for the Foxhall Village development.

Visitor Economy

This service is expecting a £200k overspend by the year-end. £100k is due to low income in Print Services that needs to be reviewed as part of a wider review of how the service is used corporately. £22k of savings has now been identified in month 5 bringing the previously reported £122k of savings yet to be identified within the department down to £100k.

Budget Holder – Mr A Cavill, Director of Place

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR -AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,289	(1,100)	3,057	1,957	668	-
TOTALS	1,289	(1,100)	3,057	1,957	668	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Key Issues

The Leisure Asset portfolio projected outturn for 2016/17 is currently £668k, taking the forecast cumulative deficit as at 2016/17 year-end to £5,479k. This position incorporates the increased debt financing costs associated with both the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile, as well as the application of a composite rate to prudential borrowing.

The Leisure Asset portfolio is currently forecast to breakeven, in-year, during 2021/22.

In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.

Budget Holder – Mr A Cavill, Director of Place

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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	971	100	871	971	-	(14)
LEISURE AND CATERING	4,291	167	4,018	4,185	(106)	-
PUBLIC PROTECTION	(303)	(2,185)	1,946	(239)	64	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,114	(884)	16,022	15,138	24	-
STREET CLEANSING AND WASTE	18,653	1,358	17,401	18,759	106	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,334	849	3,485	4,334	-	-
INTEGRATED TRANSPORT	445	178	325	503	58	-
TOTALS	43,505	(417)	44,068	43,651	146	(14)

Commentary on the key issues:

Directorate Summary

The Revenue summary (above) lists the outturn projection for each individual service within Community and Environmental Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Leisure and Catering

There is a forecast underspend of £106k due to savings on provisions. The additional Building Cleaning income has been revised down in the period.

Public Protection

Public Protection is over budget by £64k due to a forecast pressure at the end of the South Beach Selective Licensing Scheme.

Highways and Traffic Management Services

There is a £68k pressure on Shelters due to income and an underspend on maintenance of £44k.

Street Cleansing and Waste

Street Cleansing and Waste is over budget by £106k. The Household Waste Recycling Centre (HWRC) is over budget by £104k. This is because of a decrease in the level of income forecast from recycling waste which is due to a downturn in the recycle markets and higher costs of recycling materials. The service is proactively managing the pressure.

The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants, with the risk being covered against the specific Waste PFI reserve in 2016/17.

Integrated Transport

Integrated Transport is £58k over budget due to a pressure on public transport contracts.

Conclusion – Community and Environmental Services financial position

As at the end of month 5 the Community and Environmental Services Directorate is forecasting an overall overspend of £146k for the financial year to March 2017 as detailed above. The pressure due to the loss of the Waste PFI grant has been offset against reserves in 2016/17.

Budget Holder - Mr J Blackledge, Director of Community and Environmental Services

Blackpool Council - Adult Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	3,664	2,479	1,185	3,664	-	-
CARE & SUPPORT	4,237	3,391	911	4,302	65	-
COMMISSIONING & CONTRACTS TEAM	1,067	128	899	1,027	(40)	-
ADULT COMMISSIONING PLACEMENTS	36,189	9,402	26,108	35,510	(679)	-
ADULT SAFEGUARDING	462	(133)	753	620	158	-
TOTALS	45,619	15,267	29,856	45,123	(496)	-

Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary (above) lists the latest outturn projection for each individual service within the Adult Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Adult Commissioning Placements (Social Care Packages)

- The Adults Commissioning Placements Budget is forecasting a £679k underspend as a result of higher than anticipated residential income and one-off savings following a review of prudent year-end accruals. It is possible the financial position may improve further following scrutiny of the income forecast, however, the current view has been taken in the light of potential pressures from unpredictable winter demand.

Commissioning & Contracts Team and Care & Support

- The Commissioning & Contracts Team is currently forecast to be £40k underspent on their staffing budget. Care and Support is forecasting an overspend of £65k due to an additional Adults Services vacancy target which has not yet been met.

Adult Safeguarding

- The Adults Safeguarding Division is forecast to be £158k overspent, with £103k relating to additional legal and staffing costs to fund Deprivation of Liberty (DoLs) case law. Several Councils are currently challenging the Government in relation to New Burdens funding. There is also a £55k in-year pressure relating to the timing of a staffing restructure within Adults and Children's Safeguarding.

Summary of the Adult Services financial position

As at the end of August 2016 the Adult Services Directorate is forecasting an overall underspend of £496k for the financial year to March 2017 on a gross budget of £67.3m.

Budget Holder – K Smith, Director of Adult Services

Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	20,792	9,193	11,599	20,792	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	447	79	381	460	13	-
LIFELONG LEARNING & SCHOOLS	21,983	8,749	13,166	21,915	(68)	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	58	190	248	(49)	-
CHILDREN'S SOCIAL CARE	116	48	68	116	-	-
BUSINESS SUPPORT AND RESOURCES	368	165	203	368	-	-
DEDICATED SCHOOL GRANT	(44,811)	(19,590)	(25,128)	(44,718)	93	-
CARRY FORWARD OF DSG	(192)	-	(181)	(181)	11	-
TOTAL DSG FUNDED SERVICES	(1,000)	(1,298)	298	(1,000)	-	-
CHILDRENS SERVICES DEPRECIATION	3,399	-	3,399	3,399	-	-
LIFELONG LEARNING & SCHOOLS	3,768	(111)	3,898	3,787	19	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,780	(36)	3,632	3,596	(184)	-
CHILDREN'S SOCIAL CARE	25,413	10,047	18,723	28,770	3,357	-
CHILDRENS SAFEGUARDING	1,414	327	1,136	1,463	49	-
BUSINESS SUPPORT AND RESOURCES	1,861	611	1,250	1,861	-	-
LOCAL SERVICES SUPPORT GRANT	-	(8)	(11)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(198)	(593)	(791)	83	-
TOTAL COUNCIL FUNDED SERVICES	38,761	10,632	31,434	42,066	3,305	-
TOTAL CHILDREN'S SERVICES	37,761	9,334	31,732	41,066	3,305	-

Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary (above) lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Dedicated Schools Grant Funded Services

- The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2017/18 and, in the case of overspends, become the first call on the grant in that year.

Early Help for Children and Families

- The Early Help division is forecasting a £184k underspend due to staff vacancies and a saving on the Domestic Abuse contract.

Children's Social Care

- Several commissioning reviews have taken place during the first half of the financial year and progress has been made against the challenging £1.222m 2016/17 PLB savings target that was applied to the Children's Social Care division. There is a forecast shortfall of £675k due to the ongoing implementation of the review recommendations.
- Additional in-year service pressures, as described below, relating to placements, legal costs and other minor overspends amount to £2.682m giving a total forecast overspend for the division of £3.357m.
- The number of Looked After Children (LAC) in Blackpool has increased by around 10% in the last year. This reflects national trends, with the Children and Family Court Advisory and Support Service (Cafcass) reporting a 16% increase in care applications between July 2015 and July 2016. At a local level, significant and unusual anti-social behaviour patterns have emerged in the town in recent months which has ultimately led to the commencement of several new residential placements with extensive therapeutic support being required in many cases.
- The Deputy Director of Children's Services carried out an audit of all new admissions into care between April and June 2016 which confirmed that all the children were brought into the system appropriately. Only one of these new placements was due to a family moving into the Blackpool area.
- Average placement costs have continued to increase, and this is partly due to a shortage of quality providers which is being seen nationally as highlighted in Martin Narey's recent government-commissioned report, Residential Care in England. This creates significant commissioning challenges in terms of negotiating weekly placement rates that offer value for money.
- A breakdown of the budgeted, current and projected placements is shown in the table below:

IFA budgeted numbers (fte)		65.0
IFA current (headcount)		78.0
IFA projected numbers (fte)		73.6
Increased numbers pressure	£	452,165
Increased placement rate pressure	£	27,365
Independent Fostering Agency Over Spend	£	479,530
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		34.0
Resi projected numbers (fte)		29.2
Increased numbers pressure	£	1,554,945
Increased placement rate pressure	£	360,250
Residential Over Spend	£	1,915,195
Total Placement Over Spend	£	<u>2,394,725</u>

- In addition to placement pressures, there is a forecast overspend of £256k on the legal and court fees budget. Despite the fact that Blackpool invests more in advocacy services, and have consequently seen less of a spike in care proceedings than our neighbouring authorities, such cases are continuing to rise, increasing from 107 in 2015/16 to a projected figure of 137 for 2016/17.
- A number of solutions to try and mitigate the above pressures are being explored and implemented. Expressions of interest for three innovation bids were submitted to the Department for Education (DfE) in July, which propose new ways of working in partnership with neighbouring authorities as well as local providers and partners to support children with complex and therapeutic needs. Work is also taking place in-house to redesign and strengthen services, including the creation of the Vulnerable Adolescent Hub which will offer a single point of contact for young people, and the conversion of one of our children's homes into an adolescent support unit, or 'crash-pad', which will both support young people on the edge of care and provide short-term crisis care. In addition, now that the division's internal reviews are nearing completion, there will be a refocus of the children's commissioning team on the local provider market, in an attempt to drive down placement costs.

Education Services Grant

- From April 2013, the education functions provided by local authorities have been funded from the Education Services Grant (ESG). The Council receives £77 per pupil in relation to the pupils in schools maintained by the authority plus £15 for each pupil in all schools and academies in respect of responsibilities retained for every pupil within our boundary. A shortfall in grant of £83k is included in the forecast overspend, relating to the anticipated loss of funding due to in-year academy conversions.

Summary of the Children's Services financial position

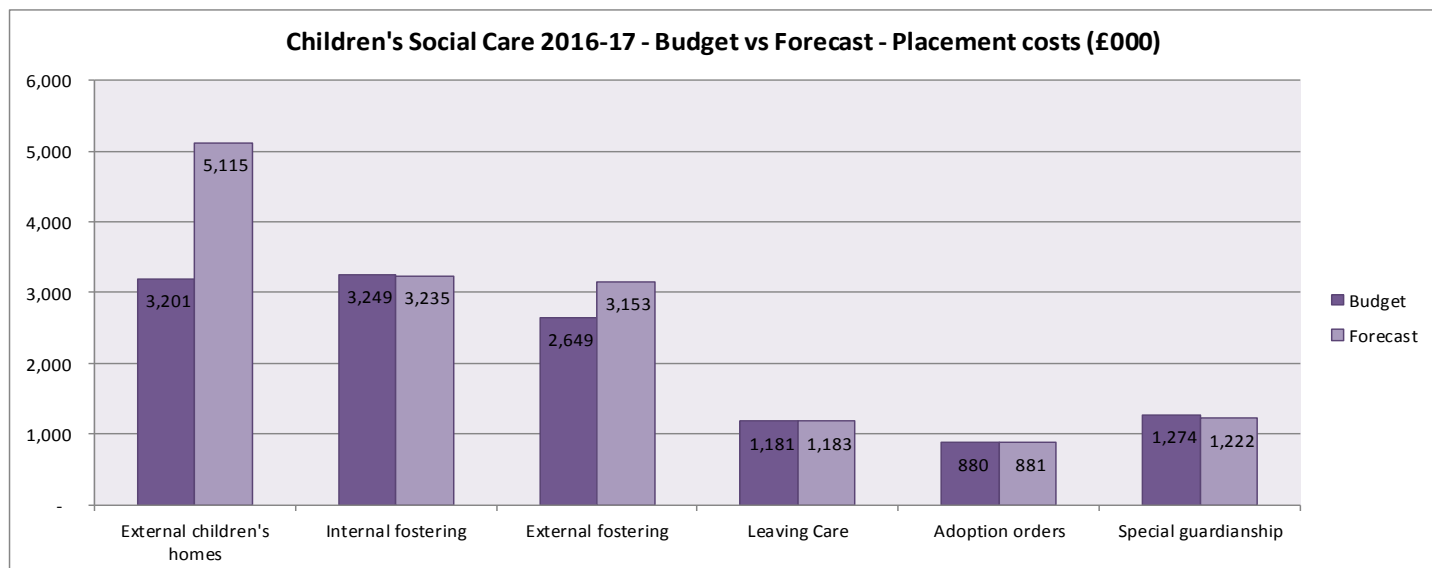
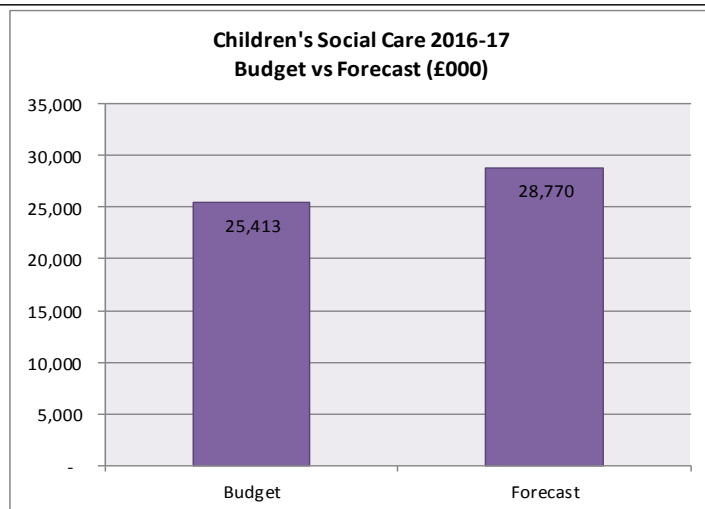
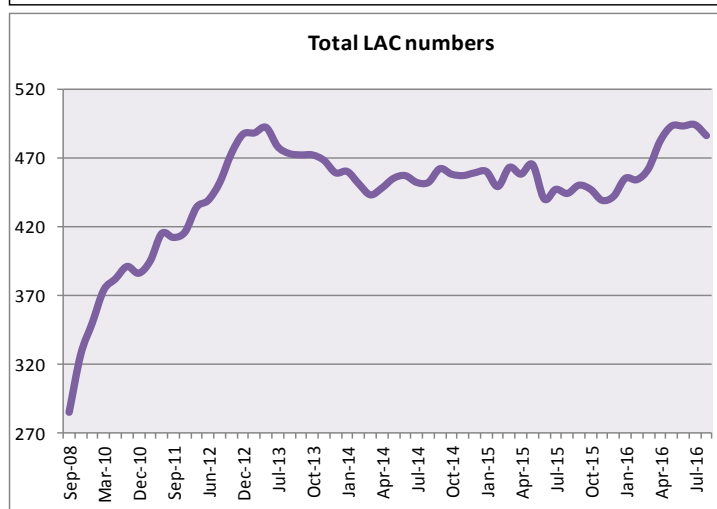
As at the end of August 2016 the Children's Services Directorate is forecasting an overspend of £3.305m for the financial year to March 2017.

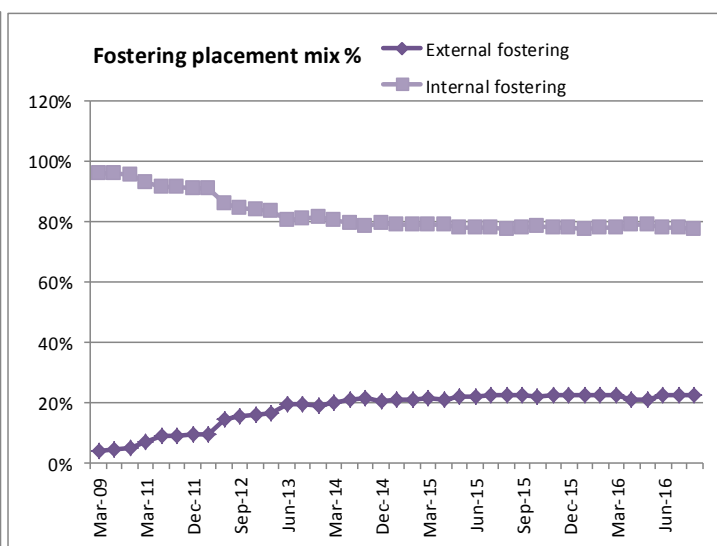
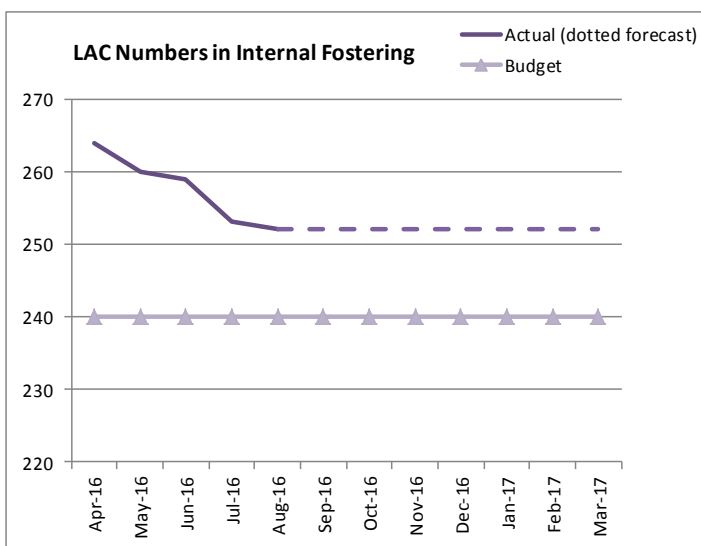
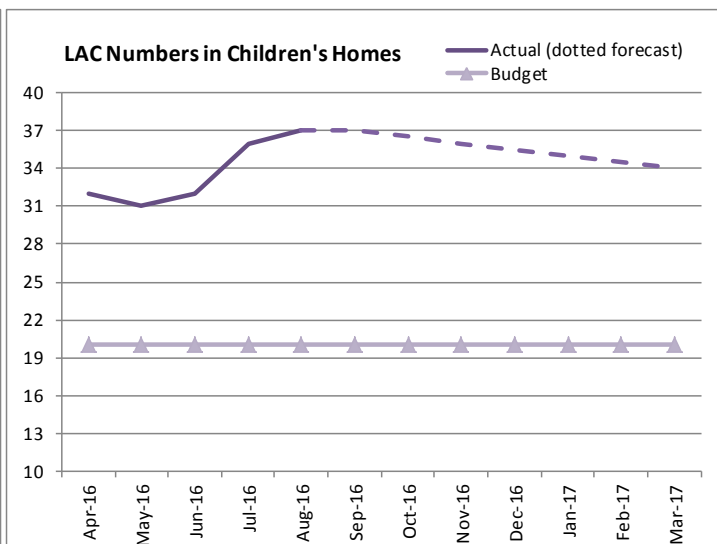
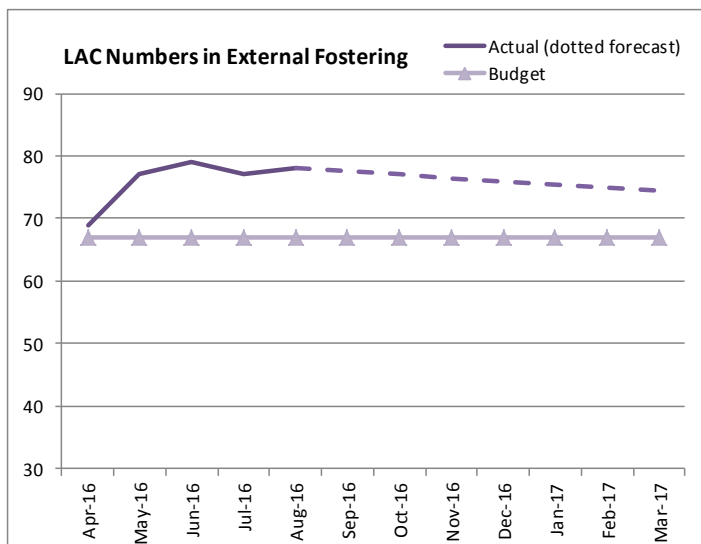
Budget Holder – Mrs D Curtis, Director of People (Statutory Director of Children's Services)

Children's Social Care Trends

Date	External Placements						Total			Internal Fostering			Total LAC Numbers
	Fostering			Residential			FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.
	FTE	£000's	£ per placement	FTE	£000's	£ per placement							
Mar-11	22.69	860	37,912	36.73	3,536	96,272	59.42	4,396	73,983	303.23	3,329	10,977	395
Jun-11	29.54	1,108	37,508	33.62	3,430	102,023	63.16	4,538	71,849	303.23	3,329	10,977	395
Sep-11	30.35	1,129	37,191	33.90	3,457	101,982	64.25	4,586	71,376	316.95	3,527	11,128	412
Dec-11	31.91	1,184	37,118	35.16	3,580	101,808	67.07	4,764	71,031	312.85	3,496	11,175	416
Mar-12	32.68	1,223	37,424	34.27	3,488	101,780	66.95	4,711	70,366	315.07	3,507	11,131	434
Jun-12	49.27	1,816	36,858	36.47	3,710	101,727	85.07	5,526	64,958	296.18	3,480	11,750	439
Sep-12	53.37	1,903	35,657	36.70	4,264	116,185	90.07	6,167	68,469	290.42	3,345	11,518	452
Dec-12	55.80	1,987	35,611	38.08	4,498	118,121	93.88	6,485	69,080	290.55	3,372	11,606	487
Mar-13	57.36	2,028	35,355	38.89	4,645	119,447	96.25	6,673	69,330	291.27	3,377	11,594	488
Jun-13	71.93	2,604	36,202	30.01	3,349	111,596	101.94	5,953	58,400	298.00	3,542	11,887	492
Sep-13	70.51	2,515	35,667	29.05	3,240	111,523	99.56	5,754	57,801	293.58	3,496	11,908	472
Dec-13	68.22	2,494	36,560	29.02	3,398	117,073	97.24	5,892	60,592	292.11	3,455	11,828	459
Mar-14	72.82	2,480	34,058	29.76	3,525	118,473	102.57	6,005	58,547	295.49	3,474	11,757	443
Jun-14	70.35	2,527	35,928	24.74	2,537	102,561	95.09	5,065	53,265	266.65	3,422	12,833	457
Sep-14	69.41	2,614	37,655	23.09	2,799	121,210	92.50	5,412	58,513	258.39	3,248	12,570	462
Dec-14	68.73	2,664	38,760	23.09	2,870	124,281	91.83	5,534	60,268	265.56	3,313	12,474	459
Mar-15	71.13	2,856	40,155	23.23	2,993	128,868	94.36	5,850	61,992	262.93	3,253	12,374	463
Jun-15	71.30	2,896	40,625	22.02	3,254	147,777	93.32	6,150	65,909	250.74	3,144	12,541	440
Sep-15	71.48	2,862	40,040	26.39	3,772	142,934	97.87	6,634	67,785	251.13	3,151	12,549	450
Dec-15	71.41	2,945	41,243	26.60	3,862	145,196	98.00	6,807	69,455	250.66	3,115	12,428	442
Mar-16	72.39	3,056	42,215	27.09	3,958	146,120	99.48	7,014	70,512	250.97	3,125	12,453	462
Apr-16	66.32	2,755	41,538	23.65	3,385	143,162	89.96	6,140	68,250	250.28	3,173	12,678	482
May-16	68.95	2,824	40,952	24.73	3,779	152,852	93.67	6,603	70,489	258.99	3,251	12,553	493
Jun-16	73.79	3,110	42,145	25.62	4,025	157,136	99.41	7,135	71,778	256.45	3,239	12,630	493
Jul-16	74.25	3,161	42,566	30.56	4,993	163,368	104.82	8,154	77,788	257.41	3,240	12,587	494
Aug-16	73.58	3,153	42,845	31.42	5,115	162,773	105.01	8,268	78,734	253.53	3,235	12,760	486

Note:
The variance between the current total number of Looked After Children (486) and the total internal fostering and external placement numbers (359) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





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Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,860	600	1,260	1,860	-	-
NHS HEALTH CHECKS - MANDATED	564	344	220	564	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,114	2,512	602	3,114	-	-
TOBACCO CONTROL	545	237	308	545	-	-
MENTAL HEALTH AND WELLBEING	128	4	124	128	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,345	2,156	189	2,345	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	1,539	2,207	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	178	48	130	178	-	-
OTHER PUBLIC HEALTH SERVICES	204	204	-	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	5,989	5,989	-	5,989	-	-
GRANT	(19,392)	(9,696)	(9,696)	(19,392)	-	-
TOTALS	3	4,659	(4,656)	3	-	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual scheme against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the services leads.

Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced until March 2018.

The grant conditions require quarterly financial reporting of spend against a prescribed set of headings and spend of the grant must link explicitly to the Health and Wellbeing Strategy, Public Health Outcomes Framework and Joint Strategic Needs Assessment.

Payment by Results (PbR)/ Activity-based Commissioning

A number of Public Health schemes' payments are linked to activity. The aim of Payment by Results (PbR) is to provide a transparent, rules-based system for payment. It rewards outputs, outcomes and supports patient choice and diversity. Payment will be linked to activity. This does, however, raise a number of challenges when determining accurate budgetary spend/forecast spend.

Summary of the Public Health Directorate financial position

As at the end of August 2016, the Public Health Directorate is forecasting an overall spend of the full grant, £19,392,000, for the financial year to March 2017.

Budget Holder – Dr Arif Rajpura, Director of Public Health

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Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	13,109	5,022	7,031	12,053	(1,056)	-
PARKING SERVICES	(3,738)	(1,675)	(1,813)	(3,488)	250	-
CORPORATE SUBSCRIPTIONS	192	87	105	192	-	-
HOUSING BENEFITS	1,884	766	1,118	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	127	179	306	-	-
SUBSIDIARY COMPANIES	(910)	(704)	(214)	(918)	(8)	-
CONCESSIONARY FARES	3,834	26	4,307	4,333	499	-
LAND CHARGES	(48)	(46)	(2)	(48)	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	1,329	1,861	3,190	-	-
NEW HOMES BONUS	(1,643)	(947)	(696)	(1,643)	-	-
TOTALS	16,176	3,985	11,876	15,861	(315)	-

Commentary on the key issues:

Directorate Summary - basis

- The Revenue summary (above) lists the latest outturn projection for each individual service categorised as falling 'outside the cash limit' and thereby exempt from the cash limited budget regime. Forecast outturns are based upon actual financial performance for the first 5 months of 2016/17 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

Treasury Management

- This revenue account is forecast to achieve a favourable variance of £1,056k for the year. This reflects the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.

Parking Services

- This service is forecasting a pressure of £250k. This figure reflects the ongoing challenging income target. As at Week 23 (w/e 4th September) parking income is at £2,726k with patronage at 684,706. Car park patronage is down by 6,381, however income is up by £42,102 on 2015/16. On-Street Pay and Display is down on patronage by 5,715 with income down by £7,626.

Subsidiary Companies

- This service is now forecasting a favourable variance of £8k.

Concessionary Fares

- This service is forecasting a pressure of £499k, which mainly relates to the ongoing pressure arising from increased bus patronage and the impact of fare increases. The forecast has decreased in the period due to confirmation that no further costs from 2015/16 would be invoiced.

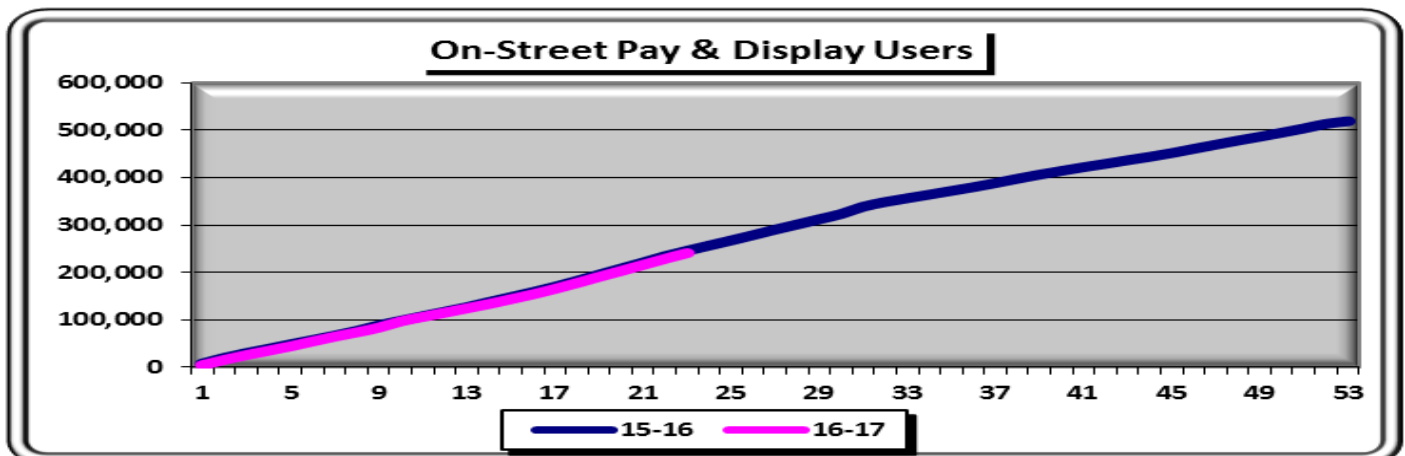
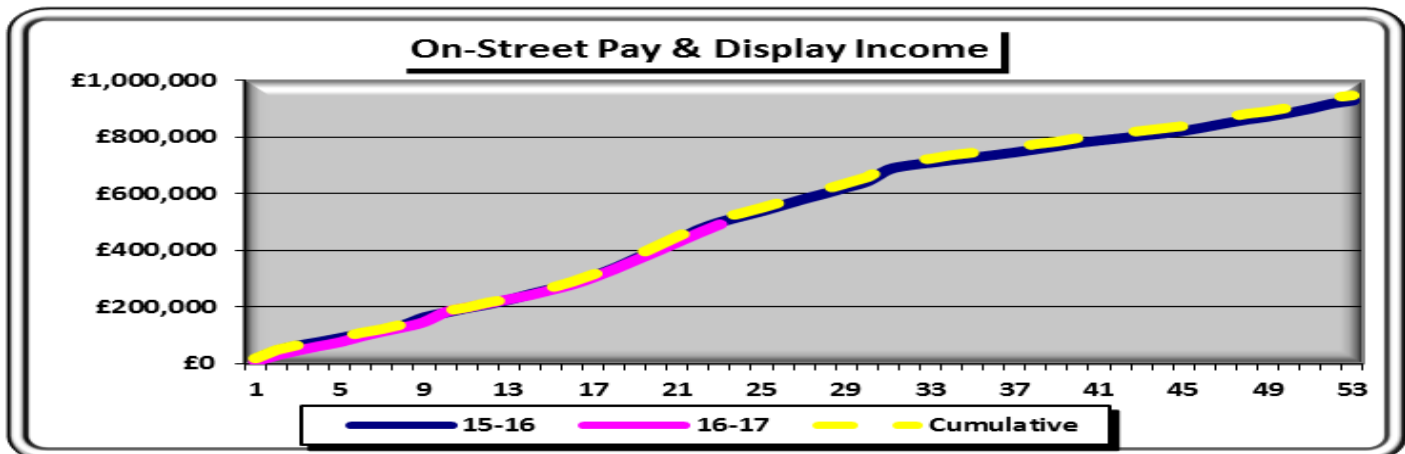
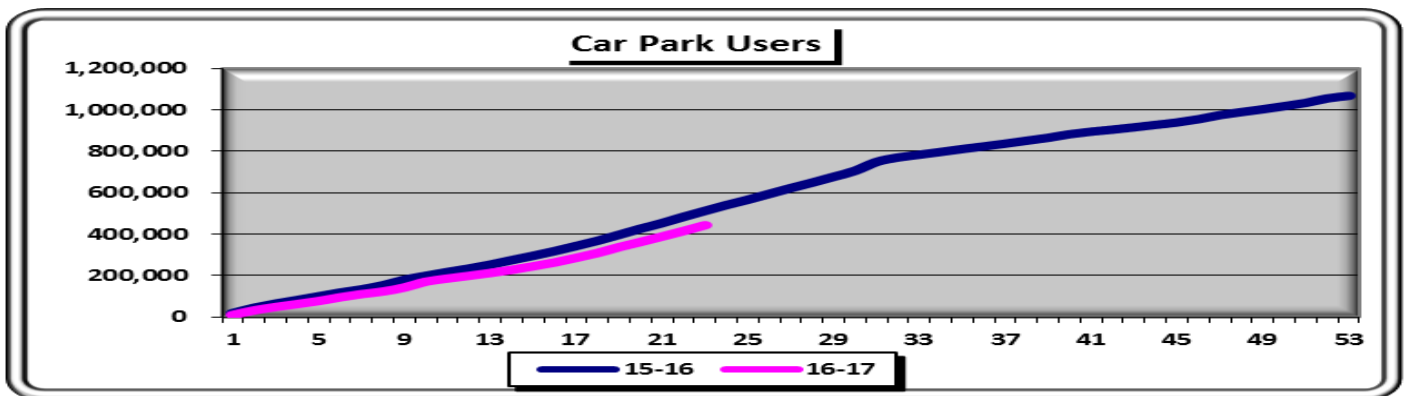
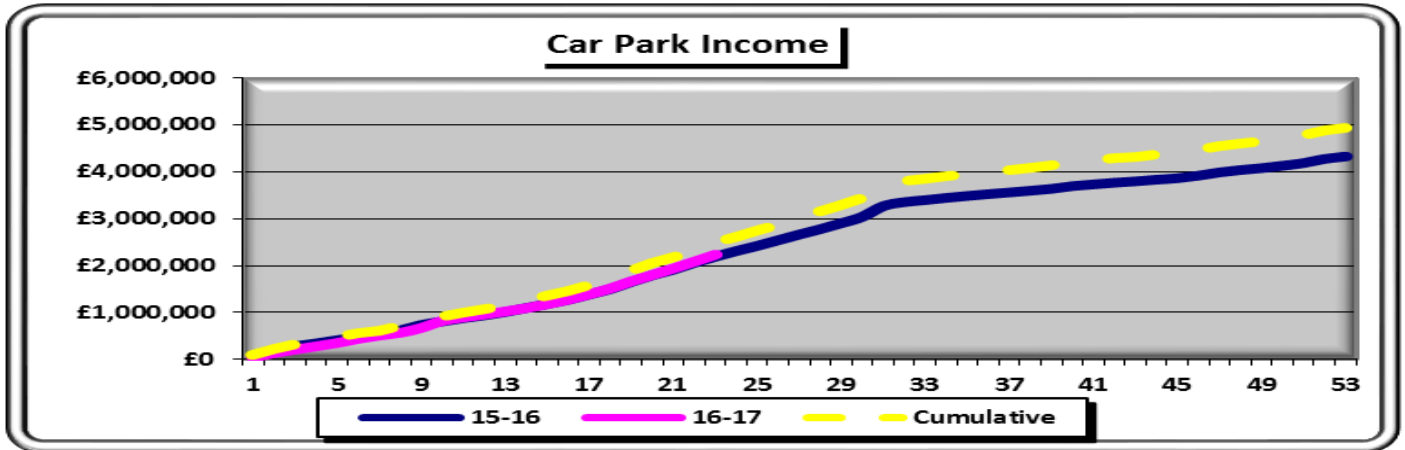
Land Charges

- This service is forecasting to break-even during 2016/17.

Summary of the revenue forecasts

After 5 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £315k underspend.

Car Parking Trends



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**2016/17 CAPITAL MONITORING
MONTH 5**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - August	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Resources									
Property and Asset Management									
Central Business District Phase 1	40,832	37,730	3,102	-	3,102	(95)	215	-	
Office Accommodation Strategy	1,408	1,408	-	-	-	-	-	-	
CBD Phase 2 - Hotel	14,000	74	13,926	-	13,926	-	-	-	
- Wilkinson's	7,800	-	-	7,800	7,800	6,277	1,523	-	
Syndicate	1,600	1,577	(277)	300	23	6	17	-	
ICT Refresh	1,312	381	131	800	931	(1)	932	-	
Clifton Street Redevelopment	700	-	-	700	700	158	542	-	
Municipal Building Works	695	-	-	695	695	-	695	-	
Other Resources Schemes	1,377	288	625	464	1,089	283	806	-	
Total Resources	69,724	41,458	17,507	10,759	28,266	6,628	4,730	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	2,751	1,484	67	1,200	1,267	97	1,170	-	
Other Adult Services Schemes	2,863	1,891	972	-	972	22	950	-	
Total Adult Services	5,614	3,375	1,039	1,200	2,239	119	2,120	-	

**2016/17 CAPITAL MONITORING
MONTH 5**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - August	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	27,515	20,821	1,542	5,152	6,694	2,075	4,619	-	
Coastal Protection Studies	1,541	1,221	230	90	320	37	283	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	227	133	-	133	30	103	-	
Transport									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	4,125	2,000	-	
Sintropher	1,690	2,780	(1,090)	-	(1,090)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	813	2,677	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
Total Community and Environmental Services	143,466	118,936	10,037	9,482	19,519	7,330	9,725	-	
Director Responsible for Governance and Partnership Services									
Carleton Crem Building Works	1,991	1,934	57	-	57	50	7	-	
Total Governance and Partnership Services	1,991	1,934	57	-	57	50	7	-	

**2016/17 CAPITAL MONITORING
MONTH 5**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - August	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Place									
Housing									
Cluster of Empty Homes	1,392	1,392	-	-	-	3	-	-	
Foxhall Village	12,500	9,836	2,664	-	2,664	280	2,384	-	
Work towards Decent Homes Standard	4,484	-	-	4,484	4,484	996	3,488	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(114)	114	-	
Queens Park Redevelopment Ph2	6,586	-	-	6,586	6,586	1,123	5,463	-	
Other	96	-	-	96	96	-	96	-	
Others									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	445	43	-	
LightPool	700	600	100	-	100	61	39	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	-	3,199	-	
Transport									
Local Transport Plan 2014/15	1,984	1,896	86	-	86	88	(2)	-	
Local Transport Plan Project 30 2014/15	1,050	1,050	-	-	-	-	-	-	
Local Transport Plan 2015/16	1,730	1,307	423	-	423	158	265	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	1,159	-	-	1,159	1,159	97	593	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	-	583	-	
Total Place	110,544	91,793	5,741	13,008	18,749	3,137	16,265	-	

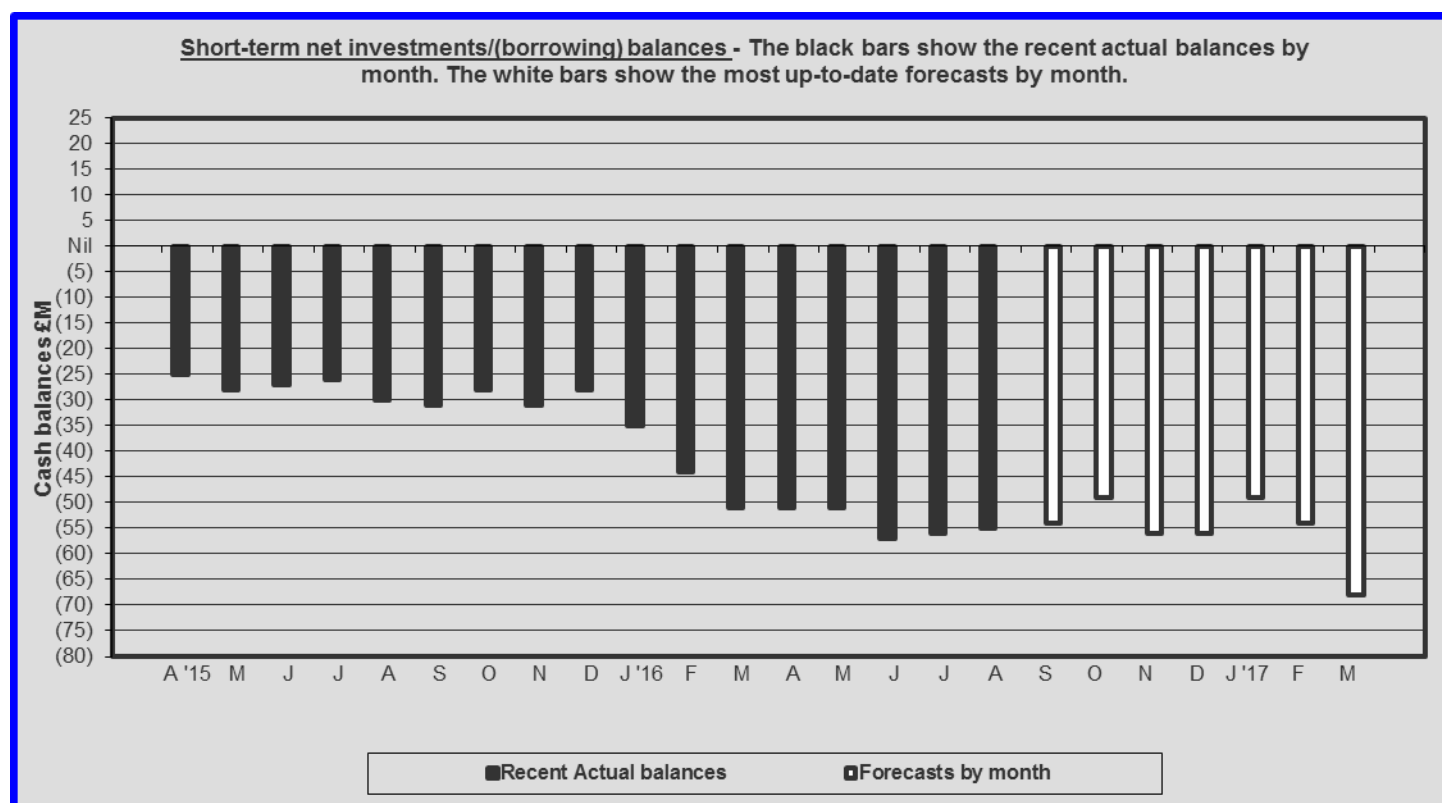
**2016/17 CAPITAL MONITORING
MONTH 5**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - August	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Childrens Services									
Devolved Capital to Schools	650	167	392	91	483	12	300	-	
Christ The King	5,160	4,830	-	320	320	5	-	-	
Christ the King PRU Refurbishment	250	251	(1)	-	(1)	-	-	-	
Westbury Feasibility Plan	555	323	196	36	232	217	-	-	
Woodlands Development Scheme	1,500	-	-	1,500	1,500	1	1,499	-	
Basic Need	2,864	32	1,139	1,693	2,832	138	124	-	
Condition	523	-	-	523	523	-	235	-	
Other Children's Schemes	575	499	76	-	76	4	72	-	
Total Childrens Services	12,077	6,102	1,802	4,163	5,965	377	2,230	-	
CAPITAL TOTAL	343,416	263,598	36,183	38,612	74,795	17,641	35,077	-	

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-AUG CASH FLOW ORIGINAL BUDGET (*)	APR-AUG CASH FLOW ACTUAL	SEP - MAR CASH FLOW FORECAST	(*) THE CASH FLOW BUDGET IS CONSISTENT WITH THE REVENUE BUDGET AND THE CAPITAL PROGRAMME IN TOTAL. THE BUDGETED CASH FLOW PHASING IS BASED ON DETAILED EXPECTATIONS AND PAST EXPERIENCE	APR - AUG MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	SEP - MAR MORE / (LESS) CASH FORECAST vs ORIGINAL BUDGET	FULL YEAR MORE / (LESS) AS NOW FORECAST vs ORIGINAL BUDGET
£M	£M	£M	£M		£M	£M	£M
80	33	32	47	RECEIPTS			
106	48	40	57	Housing Benefit & Subsidy	(1)	-	(1)
14	6	7	7	Council tax and NNDR	(8)	(1)	(9)
29	12	16	17	VAT	1	(1)	-
89	39	48	52	RSG & BRR	4	-	4
93	38	49	53	Other Grants	9	2	11
-	-	117	-	Other Income	11	(2)	9
-	-	119	33	Money Market Transactions Received	117	-	117
				Receipt of Loans	119	33	152
411	176	428	266	RECEIPTS - NORMAL ACTIVITIES	252	31	283
9	4	4	5	PAYMENTS			
225	89	116	142	Police & Fire	-	-	-
-	-	1	-	General Creditors	(27)	(6)	(33)
115	49	46	66	RSG & BRR	(1)	-	(1)
70	29	28	41	Salaries & wages	3	-	3
52	52	235	83	Housing Benefits	1	-	1
				Money Market Transactions Paid Out	(183)	(83)	(266)
471	223	430	337	PAYMENTS - NORMAL ACTIVITIES	(207)	(89)	(296)
(60)	(47)	(2)	(71)	NET CASH FLOW IN/(OUT)	45	(58)	(13)
A	B	C	D		= C less B	= D less (A-B)	

Cash - short-term net investments/(borrowing) balances:

Commentary on Cash Movements during the year:

The summary on the previous page provides a comparison of the actual cash receipts and payments compared to the forecasted cash receipts and payments.

During the first 5 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31st March 2016 due to the change in the timing of the receipt of grant income in the first five months. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying taking any new long-term borrowing to fund planned capital expenditure. The interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result, the delay in taking new long-term borrowing and the lower interest charge from Lancashire County Council mean that a favourable credit variance is once again forecast for 2016/17.

The chart of actual and forecast month-end balances shows temporary investment and borrowing levels throughout the year. The forecast shows the level of borrowing that may be required to cover planned capital expenditure up to 31st March 2017.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2016/2017				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
DRAFT				
31 Mar 16		31 Aug 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	2,370,817	1,582,781	2,284,927
65	Intangible Assets	65	-	35
22,614	Long-term Assets	25,886	3,272	30,200
	Current Assets			
45,579	Debtors	44,890	(689)	45,000
538	Inventories	578	40	250
12,594	Cash and cash equivalents	7,396	(5,198)	10,000
869,426	Total Assets	2,449,632	1,580,206	2,370,412
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(70,942)	1,184	(80,000)
(59,891)	Creditors	(55,630)	4,261	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(80,144)	-	(90,000)
(7,885)	Capital Grants in Advance	(7,885)	-	(7,500)
(16,143)	Provisions	(15,832)	311	(15,000)
(294,549)	Other Long Term Liabilities	(294,549)	-	(280,000)
338,688	Total Assets less Liabilities	1,924,650	1,585,962	1,837,912
(68,297)	Usable Reserves	(63,888)	4,409	(55,832)
(270,391)	Unusable Reserves	(1,860,762)	(1,590,371)	(1,782,080)
(338,688)	Total Reserves	(1,924,650)	(1,585,962)	(1,837,912)

Commentary on the key issues:

In order to provide a complete picture of the Council's financial performance, the above table provides a snapshot of the General Fund balance sheet as at the end of month 5. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payments Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRSs). Temporary investments are included within cash and cash equivalents along with bank balance and cash in hand. Usable reserves include unallocated General Fund reserves and earmarked revenue reserves. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

From 1st April 2016 local authorities must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,565m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

Over the 5-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £17.6m and a decrease in cash and cash equivalents of £5.2m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.