

Public Document Pack

Dear Councillor

EXECUTIVE - THURSDAY, 15TH DECEMBER, 2016

Please find attached the appendices related to the Financial Performance Monitoring Month 7 Item for the Thursday, 15th December, 2016 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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| 3 | <u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2016/2017 (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
15 DECEMBER 2016

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 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 7 months of 2016/17, i.e. the period to 31st October 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 break-even 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).

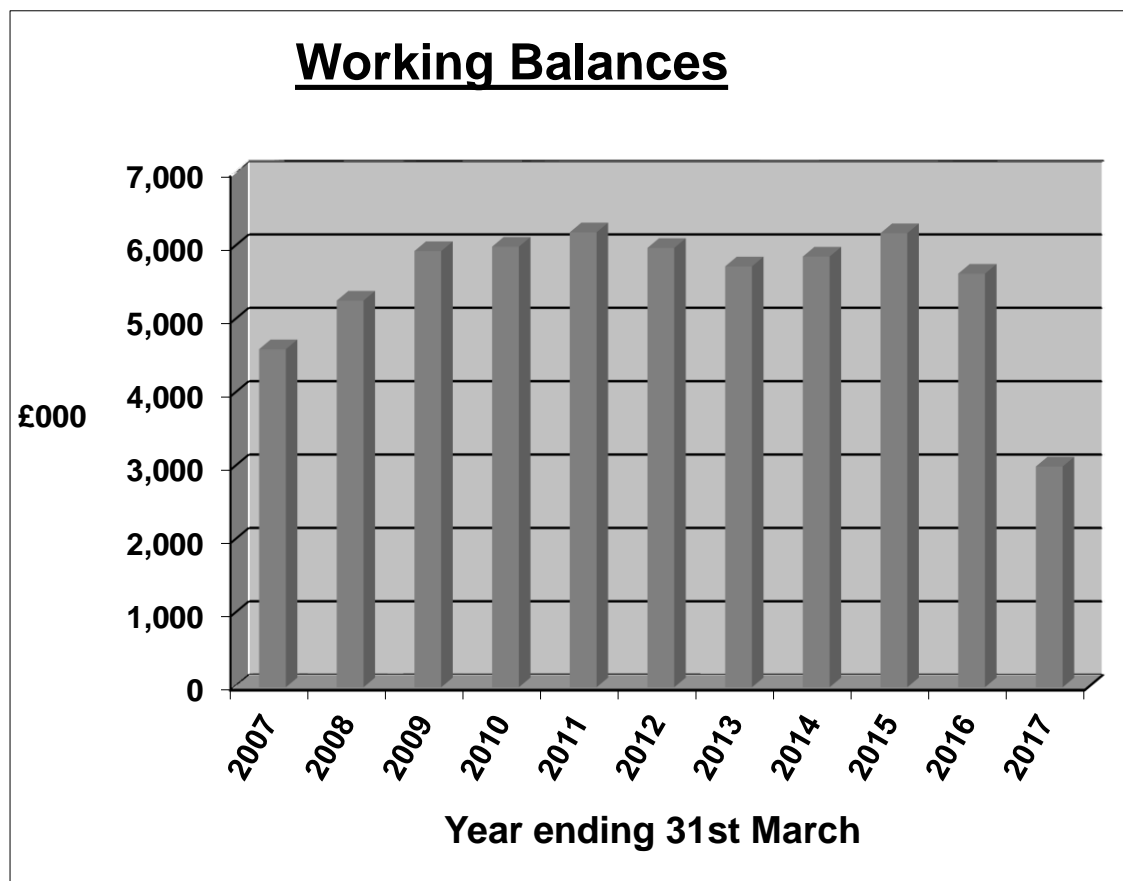
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 7 forecast overspend of £2,628k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £3,988k is forecast. Children's Social Care is forecast to overspend by £3,939k, £2,935k is due to increases in the numbers by over 10% in the last year to 509 and average placement cost of Looked After Children (LAC), £650k 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 £294k is due to legal and court costs and other miscellaneous overspends of £60k. There are overspends in Lifelong Learning and Schools of £213k due to increased demand and the Education Services Grant of £83k due to the anticipated loss of funding arising from in-year academy conversions. These are mitigated by savings of £270k in Early Help for Children and Families. 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 proposed new ways of working in partnership with neighbouring authorities as well as local providers and partners to support children with complex and therapeutic needs. At least two of the bids were unsuccessful however bids will be submitted to a further round of innovation funding. 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	3,988

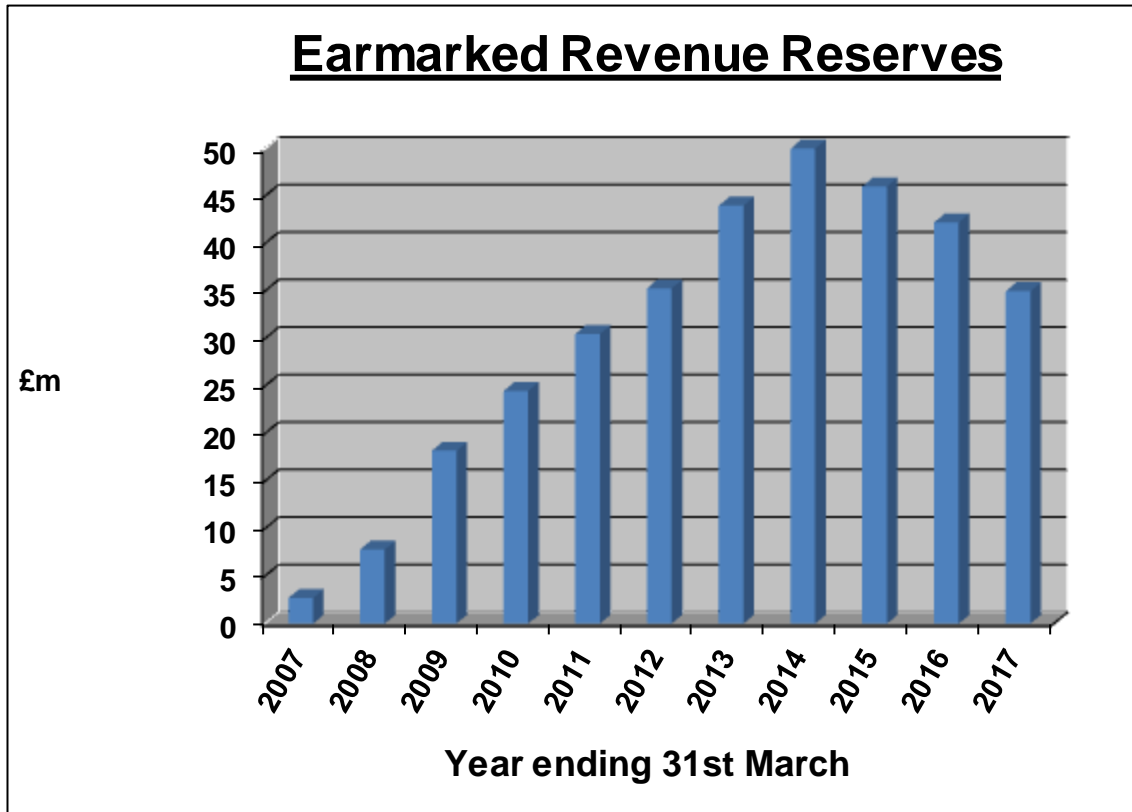
	care and provide short-term crisis care. In addition, now that the division's internal reviews are nearing completion, there will be a refocus of the children's commissioning team on the local provider market, in an attempt to drive down placement costs. The Council's internal audit department recently carried out a review of external placements (the final report with recommendations is pending), and a review of children's legal costs is planned.	
Places	The directorate has a pressure of £366k. 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 and there is still a savings pressure of £100k in Visitor Economy. Other pressures are due to funding issues, prudential borrowing, staffing costs and reduced income.	366
Resources	An overspend of £195k is forecast. Property Services is forecasting a £283k overspend based on the current pace of property rationalisation and pressure from rental income within the Central Business District. This has been mitigated by net savings in other areas of the directorate.	195
Governance and Partnership Services	An overspend of £64k is forecast. This is due to a combination of service demand, a PLB target which is expected to be met by year-end and income pressures.	64
Community and Environmental Services	An underspend of £62k is forecast. This is mainly due to cost pressures offset by income savings. 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.	(62)
Adult Services	An underspend of £524k is forecast. Adult Safeguarding is forecasting an overspend of £157k 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 £102k and a pressure of £55k relating to the timing of a staffing restructure in Adults and Children's Safeguarding. These are mitigated by an underspend of £708k on Adult Commissioning Placements due to higher residential income and one-off savings. Other net pressures are due to staffing.	(524)
Budgets Outside the Cash Limit	An underspend of £592k is forecast. 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 of £6,262k. The cost to the Council of supporting the Subsidiary Companies is an underspend of £138k due to the reducing balance payback of prudentially borrowed schemes. Treasury Management has a £1,203k favourable position due to the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.	(592)

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 break-even, in-year, during 2021/22. A review of contingencies has released £807k.	(807)
Total		2,628

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 on the following page:



4. Directorate Budget Savings Performance

- 4.1 As at 31st October 2016 83% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 90% (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 92% 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 7 the amount collected for Council Tax (excluding Police and Fire precepts) was £28.9m and the collection rate was 59.8%. This compares to £27.5m and 60.5% at the same point in 2015/16. The reduction of 0.7% compared to the previous year equates to £0.3m. The amount collected has actually risen by £1.4m and the movement of £1.7m is mainly due to increases in both the Council Tax rate and base.

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 7 the amount collected for Council Tax Reduction Scheme (excluding Police and Fire precepts) for those who have to pay CTRS, either for the first time or in addition to a proportion of their Council Tax, was £1.71m and the collection rate was 39.1%. This compares to £1.78m and 41.7% 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 7 the amount collected for Business Rates was £31.9m and the collection rate was 58.5%. This compares to £31.4m and 58.9% at the same point in 2015/16. The reduction of 0.4% compared to the previous year equates to £0.2m. The amount collected has actually risen by £0.5m and the movement of £0.7m is mainly due to increases in both the Business Rate multiplier and base. The Council's share of these is 49%.

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 7 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 7 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 decreased since 31st March 2016 due to the change in the timing of the receipt of grant income in the first seven 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 7. 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 were told that they 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 had been brought onto the balance sheet in previous months under Property, Plant and Equipment for 2016/17. However, on 14th November 2016 CIPFA took the decision to delay the implementation of the accounting for Highways Network Asset until 2017/18. Therefore these amounts have now been removed from the balance sheet.
- 8.3 Over the 7-month period there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £24.4m and a decrease in cash and cash equivalents of £11.1m, 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 There has been an improvement in the position compared to month 6 by £548k, although the Council is still predicting a significant deterioration in its financial standing in comparison with Budget. Working balances are estimated to fall by £2,628k 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 46.6%.

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 no longer contravenes either 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 5 months of the financial year remaining there should still be sufficient time to improve the position further 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 and Concessionary Fares.

Steve Thompson
Director of Resources

17th November 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
3(a)	CHIEF EXECUTIVE	(125)	1,501	(1,626)	(125)	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,425	1,141	348	1,489	64	(19)
3(b/c)	WARD BUDGETS	516	118	398	516	-	(246)
3(d)	RESOURCES	1,153	(5,519)	6,867	1,348	195	-
3(e)	PLACES	4,030	180	4,216	4,396	366	-
3(f)	STRATEGIC LEISURE ASSETS	1,355	1,988	35	2,023	668	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	45,142	17,590	27,490	45,080	(62)	(14)
3(h)	ADULT SERVICES	45,542	16,482	28,536	45,018	(524)	-
3(i)	CHILDREN'S SERVICES	37,660	20,010	21,638	41,648	3,988	-
3(j)	PUBLIC HEALTH	304	819	(515)	304	-	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	16,332	7,120	8,620	15,740	(592)	-
	CAPITAL CHARGES	(26,887)	(15,684)	(11,203)	(26,887)	-	-
	NET COST OF SERVICES:	126,447	45,746	84,804	130,550	4,103	(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	1,976	-	1,169	1,169	(807)	
	NW REGIONAL FLOOD DEFENCE LEVY	65	-	65	65	-	
	CONTRIBUTIONS, etc.	(3,448)	-	(4,923)	(4,923)	(1,475)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	122,999	45,746	79,881	125,627	2,628	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,628)	(2,628)	(2,628)	
	NET REQUIREMENT AFTER WORKING BALANCES	122,999	45,746	77,253	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							(2,628)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017							3,008

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Blackpool Council															
2																
3	Schedule of Service forecast annual overspendings over the last 12 months															
4																
5																
6																
7	Directorate	Service	Audit Committee Report		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct
8					2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
9					£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
10																
11	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			1,309	1,335	1,622	2,189	2,189			2,025	3,120	3,357	3,861	3,939
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			1,246	1,306	1,473	1,503	1,503			1,113	668	668	668	668
13	RESOURCES	PROPERTY SERVICES			668	547	553	157	157			480	495	495	481	283
14	PLACES	VISITOR ECONOMY				101	110	102	102			208	222	200	260	260
15	CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS			133	91	97								240	213
16	ADULT SERVICES	ADULT SAFEGUARDING			140	146	163	231	231			146	158	158	158	157
17	PLACES	GROWING PLACES										93	93	93	93	93
18	CHILDREN'S SERVICES	EDUCATION SERVICES GRANT			1,086	1,087	1,087	1,185	1,185			86	86	83	83	83
19	ADULT SERVICES	CARE & SUPPORT			395	401	552	370	370							
20	PUBLIC HEALTH	CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES			479	479	479									
21	PUBLIC HEALTH	SEXUAL HEALTH SERVICES - MANDATED			378	378	378									
22	PUBLIC HEALTH	SUBSTANCE MISUSE (DRUGS AND ALCOHOL)			350	350	350									
23	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE										183	194	106		
24	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES			81			149	149			104				
25	CHILDREN'S SERVICES	CHILDRENS SAFEGUARDING			117	155	145									
26	CHILDREN'S SERVICES	LOCAL SERVICES SUPPORT GRANT			104	104	104									
27	GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES						84	84							
28	PLACES	CULTURAL SERVICES												148		
29	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING			96											
30																
31		Sub Total			6,582	6,480	7,113	5,970	5,970	-	-	4,438	5,036	5,308	5,844	5,696
32																
33		Transfer to Earmarked Reserves (note 3)			(1,246)	(1,306)	(1,473)	(1,503)	(1,503)	-	-	(1,113)	(668)	(668)	(668)	(668)
34																
35		Other General Fund (under) / overspends			(1,928)	(2,511)	(2,772)	(3,915)	(3,915)	-	-	(733)	(1,135)	(1,760)	(2,000)	(2,400)
36																
37		Total			3,408	2,663	2,868	552	552	-	-	2,592	3,233	2,880	3,176	2,628
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40	Notes:															
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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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	626	(352)	978	626	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(765)	1,542	(2,307)	(765)	-	-
CORPORATE DELIVERY UNIT	14	311	(297)	14	-	-
TOTALS	(125)	1,501	(1,626)	(125)	-	-

Commentary on the key issues:

Directorate Summary - basis

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 7 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,133	1,556	577	2,133	-	(19)
CORPORATE LEGAL SERVICES	(336)	(638)	336	(302)	34	-
REGISTRATION AND BEREAVEMENT SERVICES	(372)	223	(565)	(342)	30	-
GOVERNANCE & PARTNERSHIP SERVICES	1,425	1,141	348	1,489	64	(19)
WARDS	516	118	398	516	-	(246)
TOTALS	1,941	1,259	746	2,005	64	(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 7 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) and Governor Services (from Children's Services). The Licensing Service has transferred to Community and Environmental Services and Community Engagement and Equalities (which transferred from the former Deputy Chief Executive's Directorate) has now transferred to Public Health.

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 Priority Led Budgeting (PLB) target which is expected to be met by year-end.

Registration and Bereavement Services

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 but this has reduced from earlier months due to expected additional income.

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 7**

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. A Williams	4	4	0	3	£28,312.71	£2,697.00	£25,615.71
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	8	8	0	6	£21,273.94	£13,053.06	£8,220.88
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	6	6	0	2	£16,697.54	£10,778.35	£5,919.19
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	2	2	0	1	£28,982.55	£2,080.00	£26,902.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	10	10	0	8	£19,394.14	£15,519.92	£3,874.22
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	12	12	0	4	£26,764.39	£16,192.50	£10,571.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	3	3	0	0	£28,018.81	-£10,715.00	£38,733.81
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	6	6	0	5	£25,413.77	£6,684.02	£18,729.75
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	8	8	0	4	£36,530.09	£10,085.00	£26,445.09
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	12	12	0	9	£21,091.00	£0.00	£21,091.00
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	7	7	0	4	£34,963.08	£18,201.78	£16,761.30
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	8	8	0	4	£38,495.41	£34,403.75	£4,091.66
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	6	6	0	6	£30,493.68	£7,958.89	£22,534.79
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	5	5	0	3	£21,608.91	£10,822.50	£10,786.41
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	4	4	0	1	£30,896.00	£3,085.00	£27,811.00
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	4	4	0	3	£29,171.66	£5,583.95	£23,587.71
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	3	3	0	2	£24,586.66	£5,728.35	£18,858.31
Warbreck Ward BC1020	Cllr. Scott	4	4	0	2	£21,364.07	£4,535.00	£16,829.07
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	6	6	0	2	£28,115.00	£10,935.00	£17,180.00

Ward Totals	132	132	0	77	£578,631.19	£195,960.50	£382,670.69
Unallocated Budget	-	-	-	-	-£17,631.19	£0.00	-£17,631.19
Income Budget	-	-	-	-	-£45,000.00	£0.00	-£45,000.00
Area Ward Totals	132	132	0	77	£516,000.00	£195,960.50	£320,039.50

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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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	(11)	(252)	181	(71)	(60)	-
BENEFITS	(1,060)	(1,979)	901	(1,078)	(18)	-
REVENUES & EXCHEQUER SERVICES	1,405	798	656	1,454	49	-
CUSTOMER FIRST	(61)	(476)	416	(60)	1	-
ICT SERVICES	181	(1,435)	1,579	144	(37)	-
ACCOUNTANCY	(25)	(696)	669	(27)	(2)	-
RISK SERVICES	69	(280)	328	48	(21)	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	655	(1,199)	2,137	938	283	-
TOTALS	1,153	(5,519)	6,867	1,348	195	-

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 7 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 £60k is due to an over-achievement against current and prior years' Priority Led Budgeting (PLB) targets in respect of staff savings and additional income.

Benefits

- Currently within budget, the Benefits Service is processing new claims for Housing Benefit and Council Tax Reduction in 27 days, which remains just within target, whilst the changes in circumstance processing time is 19 days.

Revenues and Exchequer Services

- The 2016/17 budget savings target has not yet fully been met however the service is currently reviewing options.

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 target.

Risk Services

- Risk Services are forecasting to achieve the PLB savings target with one-off staffing savings and additional income.

Property Services (incl. Investment Portfolio)

- Property Services is forecasting an overspend of £283k. 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 has now opened.

Summary of the revenue forecast

After 7 months of the financial year, Resources is forecasting a £195k 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PLACES						
NET EXPENDITURE						
CULTURAL SERVICES	(6)	(959)	966	7	13	-
ECONOMIC DEVELOPMENT	79	(2,079)	2,158	79	-	-
GROWING PLACES	196	1,013	(724)	289	93	-
VISITOR ECONOMY	3,761	2,205	1,816	4,021	260	-
TOTALS	4,030	180	4,216	4,396	366	-

Commentary on the key issues:

Directorate Summary - basis

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 £366k overspend is based upon actual financial performance for the first 7 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 now expecting a £13k overspend by the year-end due to a shortfall in funding of the Grundy Art Gallery. The service position has improved by £30k due to reduced maintenance costs and increased contributions to exhibitions.

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 £260k 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. The Illuminations service is now forecasting an overspend of £30k due to increasing costs and poorer than expected year-to-date income. Visit Blackpool is also forecasting an overspend of £30k due to various events coming in over budget. The remaining £100k is the balance of savings yet to be identified within the department and is still a savings pressure.

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 -OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,355	1,988	35	2,023	668	-
TOTALS	1,355	1,988	35	2,023	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 7 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 break-even, 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	969	639	330	969	-	(14)
LEISURE AND CATERING	4,088	3,169	822	3,991	(97)	-
PUBLIC PROTECTION	(330)	(1,533)	1,266	(267)	63	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	18,125	7,484	10,618	18,102	(23)	-
STREET CLEANSING AND WASTE	18,705	5,464	13,172	18,636	(69)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	3,071	1,314	1,757	3,071	-	-
INTEGRATED TRANSPORT	514	1,053	(475)	578	64	-
TOTALS	45,142	17,590	27,490	45,080	(62)	(14)

Commentary on the key issues:

Directorate Summary - basis

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 7 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 £97k due to savings on provisions.

Public Protection

Public Protection is over budget by £63k due to a forecast pressure at the end of the South Beach Selective Licensing Scheme.

Highways and Traffic Management Services

Highways are under budget by £23k, but there is still a £67k pressure on Shelters due to income, which is offset by savings on maintenance and additional scheme income.

Street Cleansing and Waste

Street Cleansing and Waste is under budget by £69k after a rigorous and determined review of forecast income and expenditure. The Household Waste Recycling Centre (HWRC) budget position has improved significantly as a result of the aforementioned review and is now showing as £77k over. Unfortunately there is still 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 pro-actively 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 £64k over budget due to a pressure on public transport contracts.

Conclusion – Community and Environmental Services financial position

As at the end of month 7 the Community and Environmental Services Directorate is forecasting an overall underspend of £62k 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	3,664	1,591	2,073	3,664	-	-
CARE & SUPPORT	4,237	1,573	2,731	4,304	67	-
COMMISSIONING & CONTRACTS TEAM	1,067	246	781	1,027	(40)	-
ADULT COMMISSIONING PLACEMENTS	36,112	13,210	22,194	35,404	(708)	-
ADULT SAFEGUARDING	462	(138)	757	619	157	-
TOTALS	45,542	16,482	28,536	45,018	(524)	-

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 7 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 Adult Commissioning Placements Budget is forecasting a £708k 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 £67k due to an additional Adults Services vacancy target which has not yet been met but is expected to be met by year-end.

Adult Safeguarding

- The Adult Safeguarding Division is forecast to be £157k overspent, with £102k 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 October 2016 the Adult Services Directorate is forecasting an overall underspend of £524k 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	20,702	12,900	7,802	20,702	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	447	447	-	447	-	-
LIFELONG LEARNING & SCHOOLS	21,983	11,158	10,981	22,139	156	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	99	149	248	(49)	-
CHILDREN'S SOCIAL CARE	116	67	49	116	-	-
BUSINESS SUPPORT AND RESOURCES	368	221	147	368	-	-
DEDICATED SCHOOL GRANT	(44,721)	(26,903)	(17,905)	(44,808)	(87)	-
CARRY FORWARD OF DSG	(192)	-	(212)	(212)	(20)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(2,011)	1,011	(1,000)	-	-
CHILDRENS SERVICES DEPRECIATION	3,236	1,604	1,632	3,236	-	-
LIFELONG LEARNING & SCHOOLS	3,768	1,133	2,848	3,981	213	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,860	1,179	2,411	3,590	(270)	-
CHILDREN'S SOCIAL CARE	25,250	16,782	12,407	29,189	3,939	-
CHILDRENS SAFEGUARDING	1,498	612	935	1,547	49	-
BUSINESS SUPPORT AND RESOURCES	1,922	1,123	792	1,915	(7)	-
LOCAL SERVICES SUPPORT GRANT	-	(11)	(8)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(401)	(390)	(791)	83	-
TOTAL COUNCIL FUNDED SERVICES	38,660	22,021	20,627	42,648	3,988	-
TOTAL CHILDREN'S SERVICES	37,660	20,010	21,638	41,648	3,988	-

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 7 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.

Lifelong Learning and Schools

- Due to increased demand, there is a forecast overspend on the Special Educational Needs Transport budget of £257k, partly offset by small underspends in other areas of the division.

Early Help for Children and Families

- The Early Help Division is forecasting a £270k 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 £650k due to the ongoing implementation of the review recommendations.
- Additional in-year service pressures, as described below, relating to placements, legal costs and other miscellaneous overspends amount to £3.289m giving a total forecast overspend for the division of £3.939m.
- The number of Looked After Children (LAC) in Blackpool has increased by well over 10% in the last year, and, at 509, is currently the highest it has ever been. The number of open cases, which is currently in excess of 2,000, has also reached record levels in recent months. While this figure is starting to reduce, the complexity of the cases being seen means that a corresponding reduction in LAC is unlikely. These pressures in the system reflect 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)		84.0
IFA projected numbers (fte)		75.8
Increased numbers pressure	£	535,155
Increased placement rate pressure	£	20,180
Independent Fostering Agency Over Spend	£	555,335
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		32.0
Resi projected numbers (fte)		30.9
Increased numbers pressure	£	1,842,090
Increased placement rate pressure	£	537,310
Residential Over Spend	£	2,379,400
Total Placement Over Spend	£	2,934,735

- In addition to placement pressures, there is a forecast overspend of £294k on the legal and court fees budget. Despite the fact that Blackpool invests more in advocacy services, and has 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 140 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 proposed new ways of working in partnership with neighbouring authorities as well as local providers and partners to support children with complex and therapeutic needs. While we now know that at least two of these bids were not successful, a further round of innovation funding has recently been announced by the government for which Blackpool will certainly be bidding. 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. The Council's internal audit department recently carried out a review of external placements (the final report with recommendations is pending), and a review of children's legal costs is planned.

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

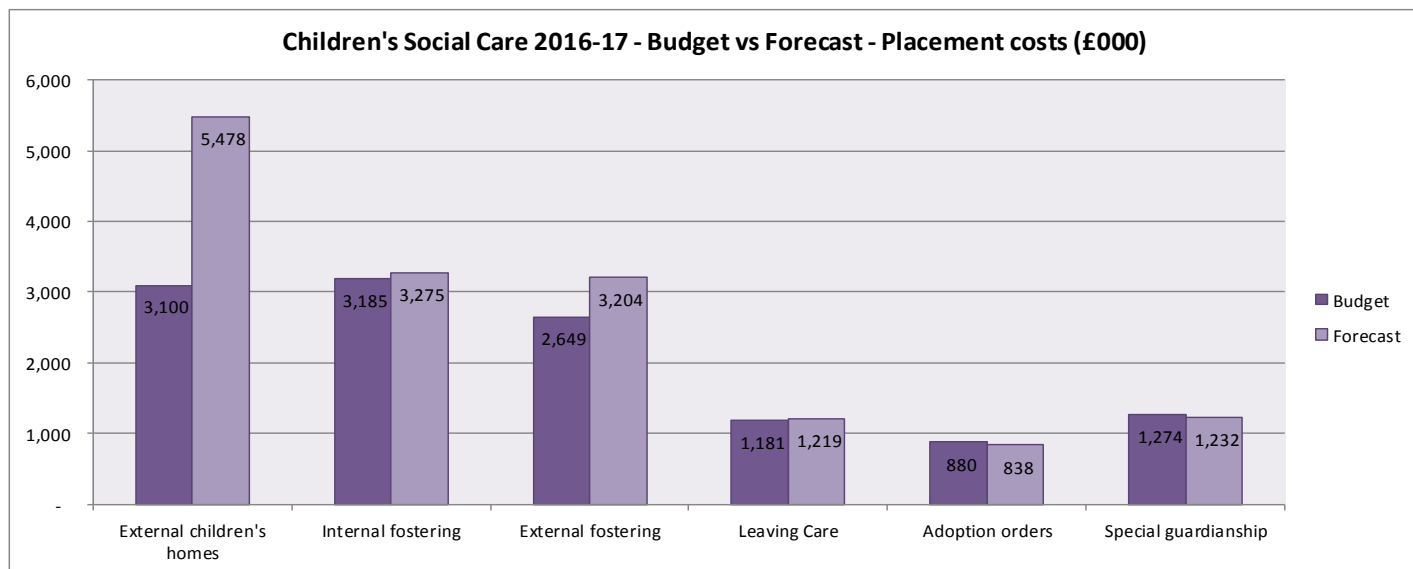
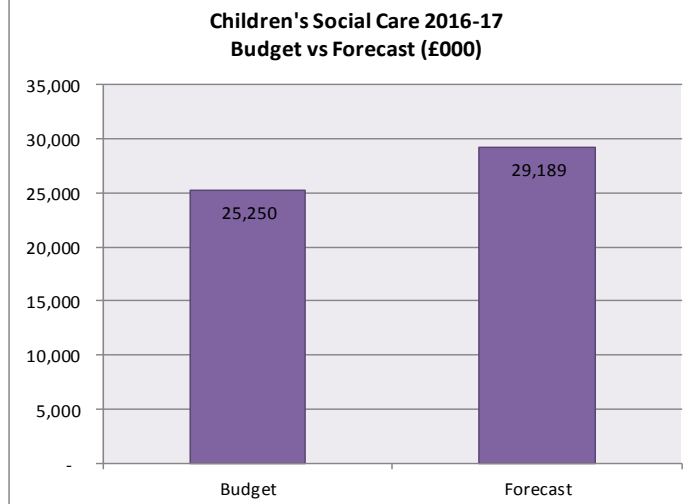
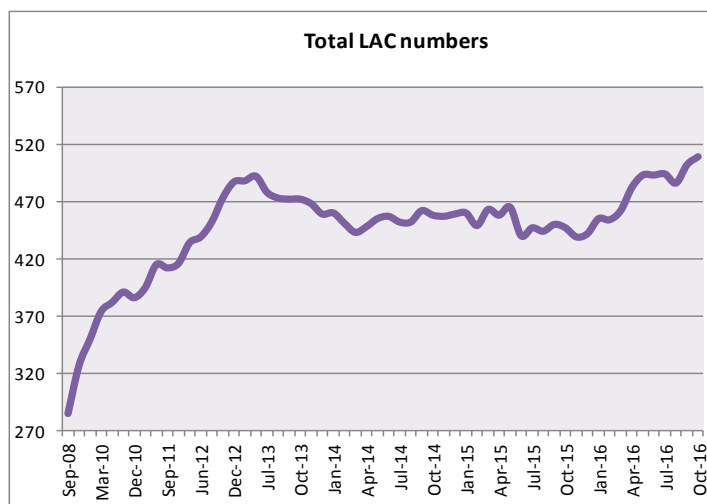
As at the end of October 2016 the Children's Services Directorate is forecasting an overspend of £3.988m for the financial year to March 2017.

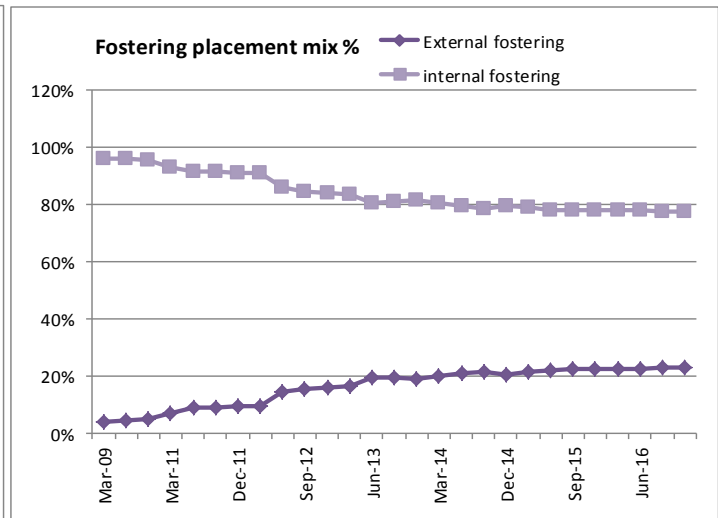
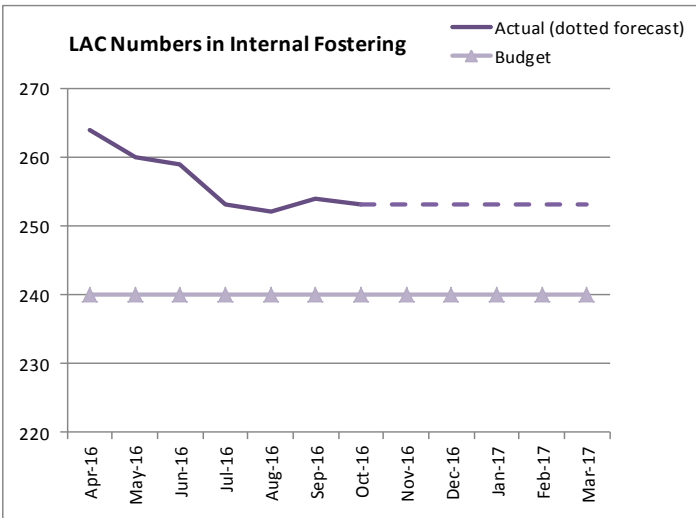
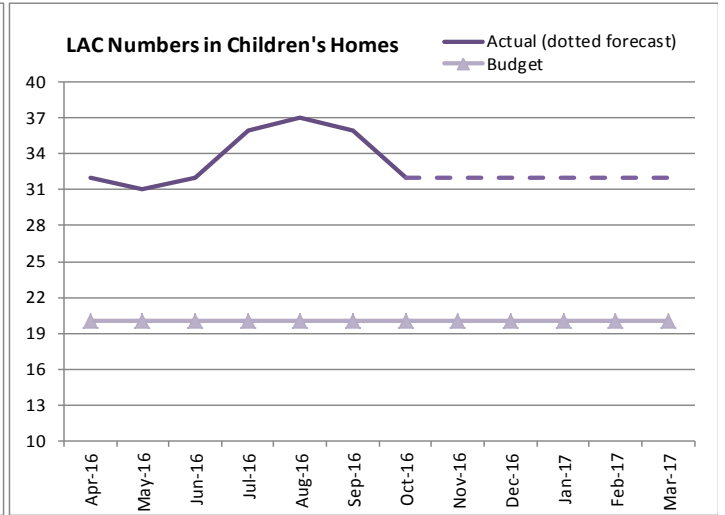
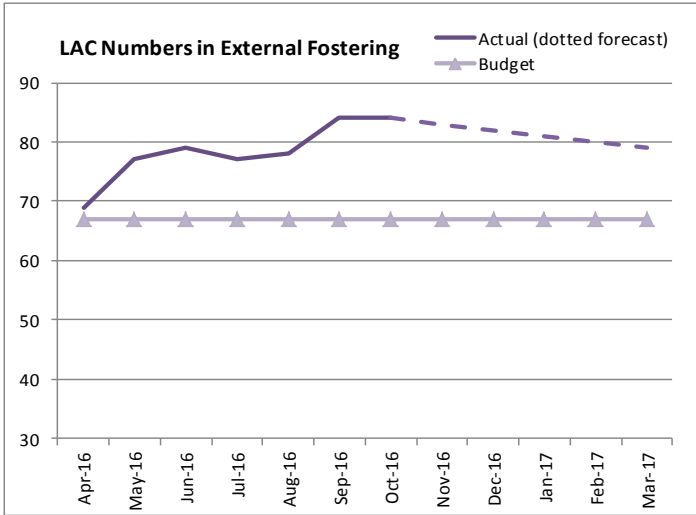
Budget Holder – Mrs D Curtis, Director of People (Statutory Director of Children's Services)

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
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
Sep-16	75.24	3,216	42,750	31.40	5,337	169,996	106.64	8,554	80,216	255.78	3,245	12,688	502
Oct-16	76.29	3,204	41,998	32.09	5,480	170,757	108.38	8,684	80,121	257.70	3,275	12,709	509

Note:
The variance between the current total number of Looked After Children (509) and the total internal fostering and external placement numbers (366) 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,862	655	1,207	1,862	-	-
NHS HEALTH CHECKS - MANDATED	564	351	213	564	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,114	2,537	577	3,114	-	-
TOBACCO CONTROL	545	318	227	545	-	-
MENTAL HEALTH AND WELLBEING	128	10	118	128	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,345	2,225	120	2,345	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	2,099	1,647	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	178	73	105	178	-	-
OTHER PUBLIC HEALTH SERVICES	204	204	-	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	5,989	5,989	-	5,989	-	-
EQUALITY AND DIVERSITY	299	180	119	299	-	-
GRANT	(19,392)	(14,544)	(4,848)	(19,392)	-	-
TOTALS	304	819	(515)	304	-	-

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 7 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. Equality and Diversity has now transferred from Governance and Partnership Services.

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 October 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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	13,107	6,944	4,960	11,904	(1,203)	-
PARKING SERVICES	(3,518)	(2,404)	(864)	(3,268)	250	-
CORPORATE SUBSCRIPTIONS	192	93	99	192	-	-
HOUSING BENEFITS	1,884	1,143	741	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	173	133	306	-	-
SUBSIDIARY COMPANIES	(972)	(720)	(390)	(1,110)	(138)	-
CONCESSIONARY FARES	3,834	1,456	2,877	4,333	499	-
LAND CHARGES	(48)	(62)	14	(48)	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	1,867	1,323	3,190	-	-
NEW HOMES BONUS	(1,643)	(1,370)	(273)	(1,643)	-	-
TOTALS	16,332	7,120	8,620	15,740	(592)	-

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 7 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 £1,203k 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 of £6,262K. As at Week 31 (w/e 30th October) parking income is at £3,967k with patronage at 978,884. Car park patronage is down by 11,838, however income is up by £25,064 on 2015/16. On-Street Pay and Display is down on patronage by 8,617 with income down by £12,051.

Subsidiary Companies

- This service is now forecasting a favourable variance of £138k. This change is due to the reducing balance payback of prudentially borrowed schemes.

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.

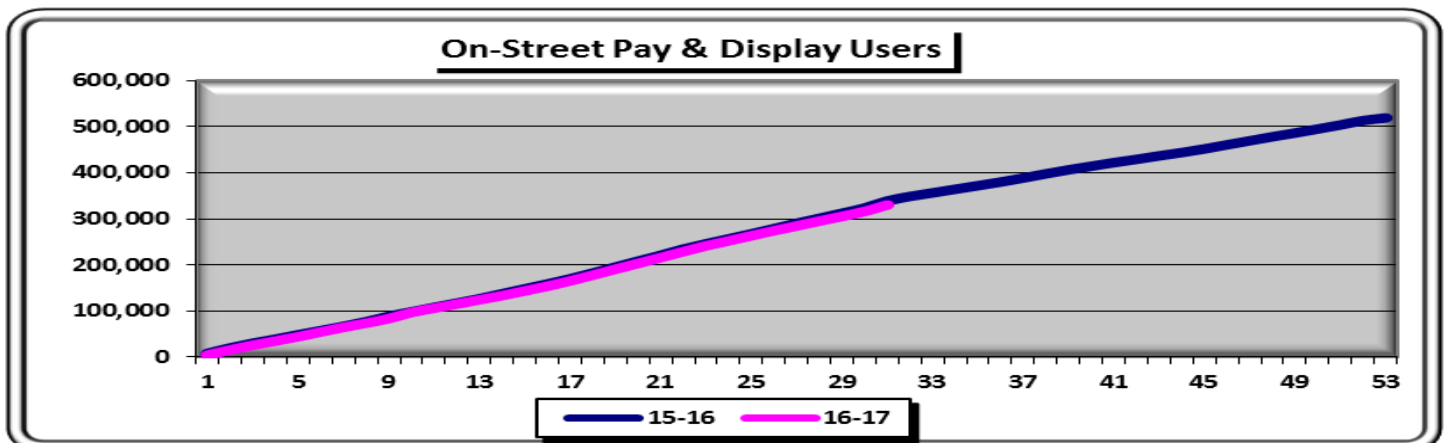
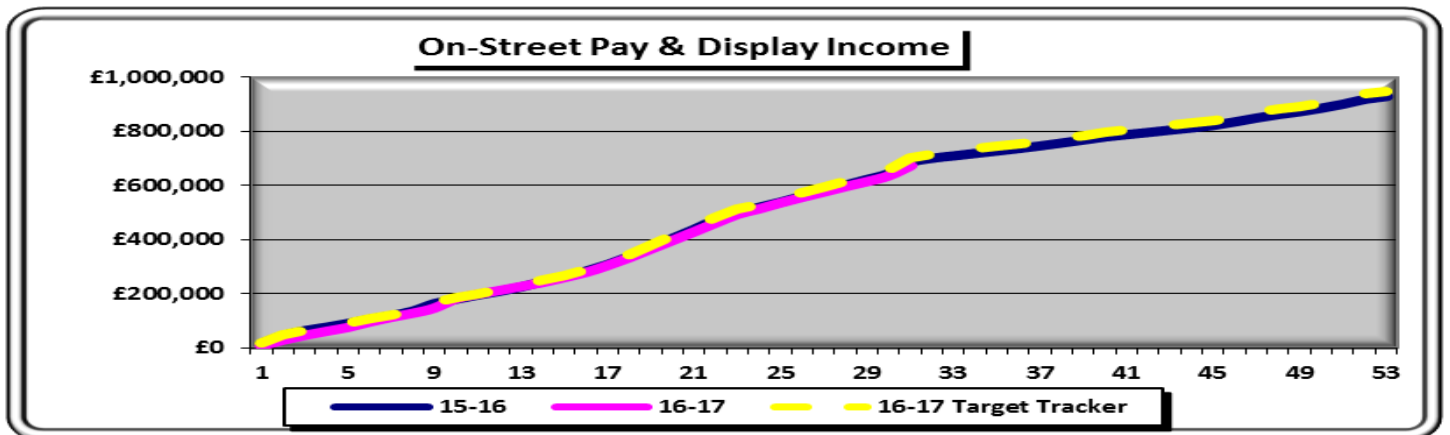
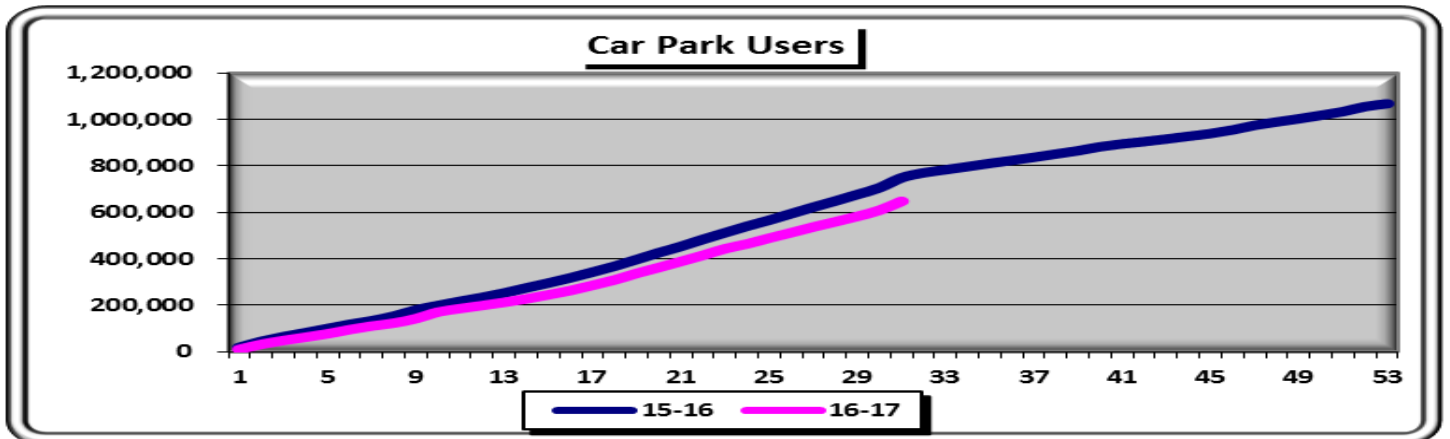
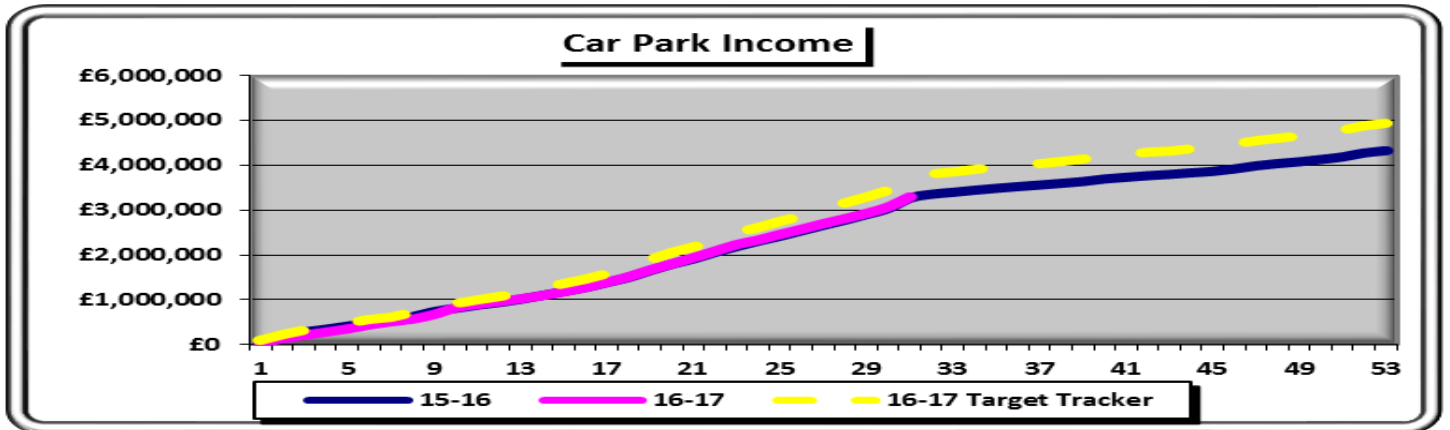
Land Charges

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

Summary of the revenue forecasts

After 7 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £592k underspend.

Car Parking Trends



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**2016/17 CAPITAL MONITORING
MONTH 7**

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 - Oct	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	(87)	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	91	(68)	-	
ICT Refresh	1,312	381	131	800	931	8	923	-	
Clifton Street Redevelopment	700	-	-	700	700	482	218	-	
Municipal Building Works	695	-	-	695	695	11	684	-	
Other Resources Schemes	1,191	102	625	464	1,089	575	514	-	
Total Resources	69,538	41,272	17,507	10,759	28,266	7,357	4,009	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	2,930	1,484	109	1,337	1,446	311	1,135	-	
Other Adult Services Schemes	2,863	1,891	972	-	972	28	944	-	
Total Adult Services	5,793	3,375	1,081	1,337	2,418	339	2,079	-	

**2016/17 CAPITAL MONITORING
MONTH 7**

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 - Oct	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	2,525	3,169	-	
Coastal Protection Studies	1,541	1,221	230	90	320	86	234	-	
Marlon Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marlon Mere HLF	360	227	133	-	133	39	94	-	
Transport									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	4,307	2,000	-	
Sintropher	1,903	2,780	(1,090)	213	(877)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	1,043	2,447	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
Total Community and Environmental Services	143,679	118,936	10,037	9,695	19,732	8,250	7,987	-	
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 7**

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 - Oct	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	370	2,294	-	
Work towards Decent Homes Standard	4,484	-	-	4,484	4,484	1,620	2,864	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(45)	45	-	
Queens Park Redevelopment Ph2	6,586	-	-	6,586	6,586	1,378	5,208	-	
Other	96	-	-	96	96	37	59	-	
Others									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	446	42	-	
LightPool	700	600	100	-	100	95	5	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	3,369	(170)	-	
Transport									
Local Transport Plan 2014/15	1,984	1,896	86	-	86	86	-	-	
Local Transport Plan Project 30 2014/15	1,050	1,050	-	-	-	-	-	-	
Local Transport Plan 2015/16	1,730	1,307	423	-	423	137	286	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	939	-	-	939	939	243	483	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	-	583	-	
Local Transport Plan Quality Corridor	850	-	-	220	220	72	148	-	
Quality Corridor	6,600	-	-	588	588	-	588	-	
Total Place	117,774	91,793	5,741	13,596	19,337	7,811	12,435	-	

**2016/17 CAPITAL MONITORING
MONTH 7**

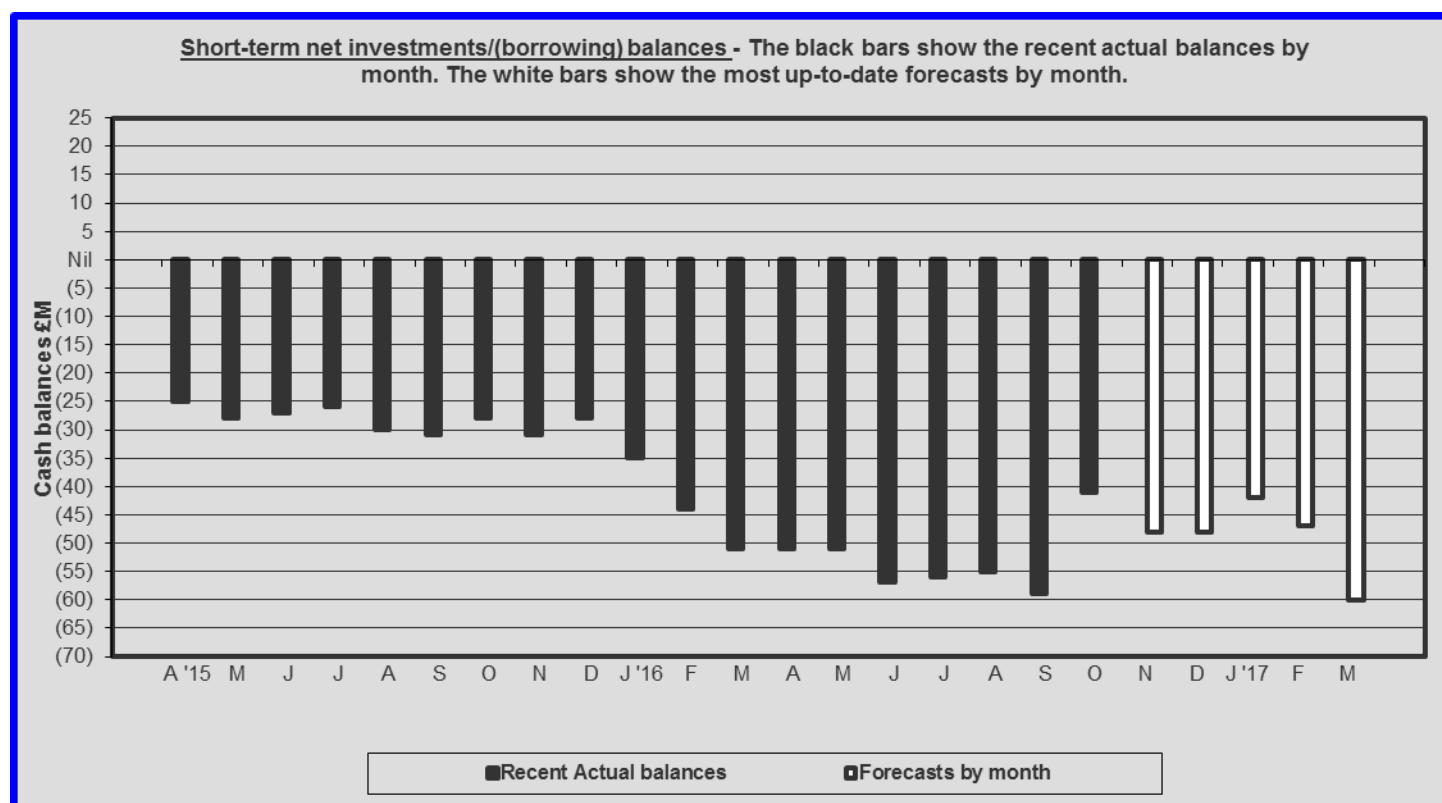
Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Childrens Services									
Devolved Capital to Schools	616	167	358	91	449	46	250	-	
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	141	122	-	
Condition	428	-	-	428	428	162	137	-	
Other Children's Schemes	575	499	76	-	76	20	66	-	
Total Childrens Services	11,948	6,102	1,768	4,068	5,836	592	2,074	-	
CAPITAL TOTAL	350,723	263,412	36,191	39,455	75,646	24,399	28,591	-	

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-OCT CASH FLOW ORIGINAL BUDGET (*)	APR-OCT CASH FLOW ACTUAL	NOV - 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 - OCT MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	NOV - 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	47	45	33	RECEIPTS			
106	67	57	38	Housing Benefit & Subsidy	(2)	-	(2)
14	8	7	6	Council tax and NNDR	(10)	(1)	(11)
29	16	21	12	VAT	(1)	-	(1)
89	56	67	33	RSG & BRR	5	(1)	4
93	54	68	40	Other Grants	11	-	11
-	-	166	-	Other Income	14	1	15
-	-	142	43	Money Market Transactions Received	166	-	166
				Receipt of Loans	142	43	185
411	248	573	205	RECEIPTS - NORMAL ACTIVITIES	325	42	367
9	5	5	4	PAYMENTS			
225	127	159	103	Police & Fire	-	-	-
-	-	1	-	General Creditors	(32)	(5)	(37)
115	67	61	48	RSG & BRR	(1)	-	(1)
70	41	39	30	Salaries & wages	6	-	6
52	52	309	89	Housing Benefits	2	(1)	1
				Money Market Transactions Paid Out	(257)	(89)	(346)
471	292	574	274	PAYMENTS - NORMAL ACTIVITIES	(282)	(95)	(377)
(60)	(44)	(1)	(69)	NET CASH FLOW IN/(OUT)	43	(53)	(10)
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 7 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 decreased since 31st March 2016 due to the change in the timing of the receipt of grant income in the first seven 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
31 Mar 16		31 Oct 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	812,435	24,399	819,927
65	Intangible Assets	65	-	35
22,614	Long-term Assets	25,724	3,110	30,200
	Current Assets			
45,579	Debtors	39,650	(5,929)	45,000
538	Inventories	603	65	250
12,594	Cash and cash equivalents	1,453	(11,141)	10,000
869,426	Total Assets	879,930	10,504	905,412
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(53,000)	19,126	(80,000)
(59,891)	Creditors	(56,740)	3,151	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(79,602)	542	(90,000)
(7,885)	Capital Grants in Advance	(7,885)	-	(7,500)
(16,143)	Provisions	(19,777)	(3,634)	(15,000)
(294,549)	Other Long Term Liabilities	(294,549)	-	(280,000)
338,688	Total Assets less Liabilities	368,377	29,689	372,912
(68,297)	Usable Reserves	(63,434)	4,863	(55,708)
(270,391)	Unusable Reserves	(304,943)	(34,552)	(317,204)
(338,688)	Total Reserves	(368,377)	(29,689)	(372,912)

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 7. 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 were told that they 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 had been brought onto the balance sheet in previous months under Property, Plant and Equipment for 2016/17. However, on 14th November 2016, CIPFA took the decision to delay the implementation of accounting for Highways Network Asset until 2017/18. Therefore these amounts have now been removed from the balance sheet.

Over the 7-month period there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £24.4m and a decrease in cash and cash equivalents of £11.1m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.