

Public Document Pack

Dear Councillor

EXECUTIVE - MONDAY, 6 FEBRUARY, 2017

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 6 February, 2017 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
------------------	-------------

6	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2016/17 (Pages 1 - 48)</u>
---	---

Yours sincerely

This page is intentionally left blank

BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
6 FEBRUARY 2017

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 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 9 months of 2016/17, i.e. the period to 31st December 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).

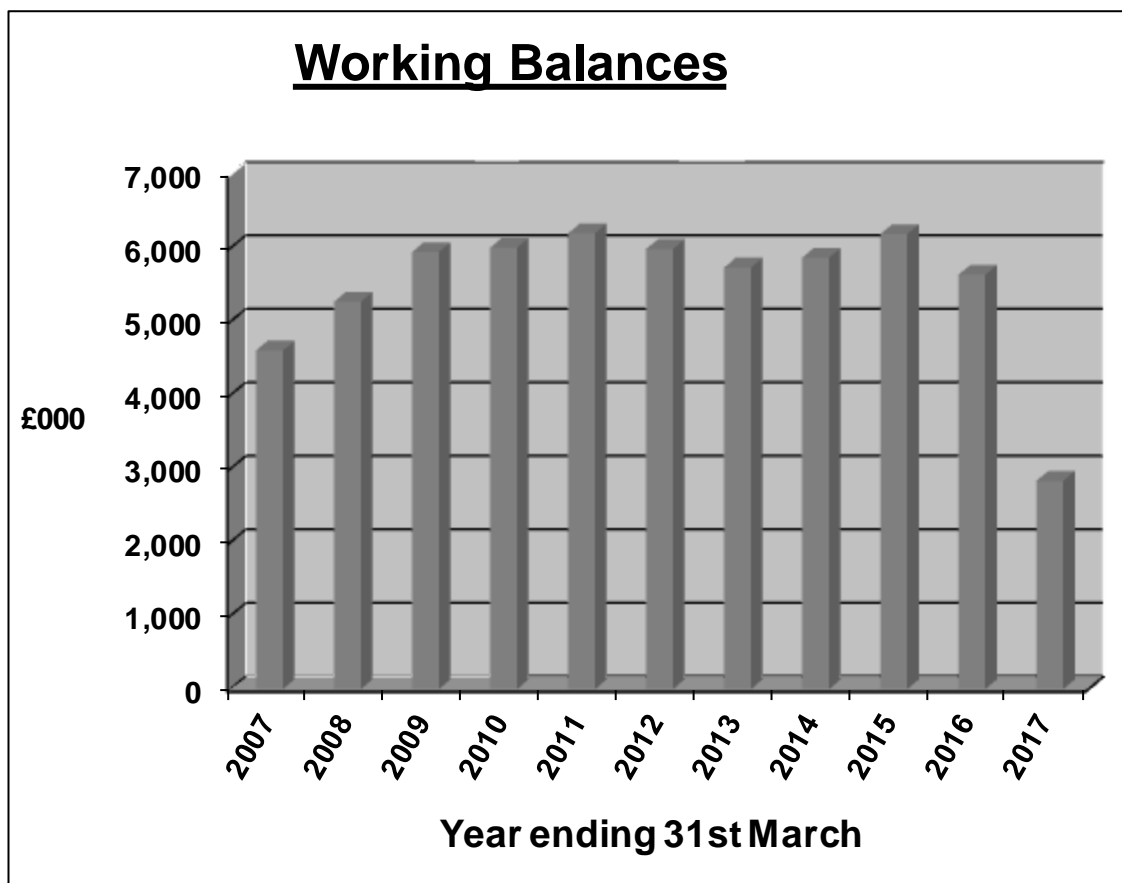
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 9 forecast overspend of £2,803k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £4,682k is forecast. Children's Social Care is forecast to overspend by £4,918k, £3,689k is due to increases in the numbers by over 10% in the last year to 499 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 £268k is due to legal and court costs and other miscellaneous overspends of £311k. There are overspends in Lifelong Learning and Schools of £75k 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 £378k in Early Help for Children and Families. A number of solutions to try and mitigate the above pressures are being implemented. Developments include the creation of the Vulnerable Adolescent Hub which will enable young people aged 10 and over to be more effectively helped, and the introduction of an 'edge of care' model through the reconfiguration of Argosy children's home based on a model established in Blackburn. The Council's Internal Audit department is currently reviewing the governance and due diligence in relation to statutory work. A financial impact assessment is also underway. A re-modelling of the Council's Early Help offer, based on a model used in Leeds, is being implemented to deliver a rapid response service to reduce the levels of need for Social Care. The scoping and financial impact of the PAUSE project which looks at reducing duplicate removals of children at birth from	4,682

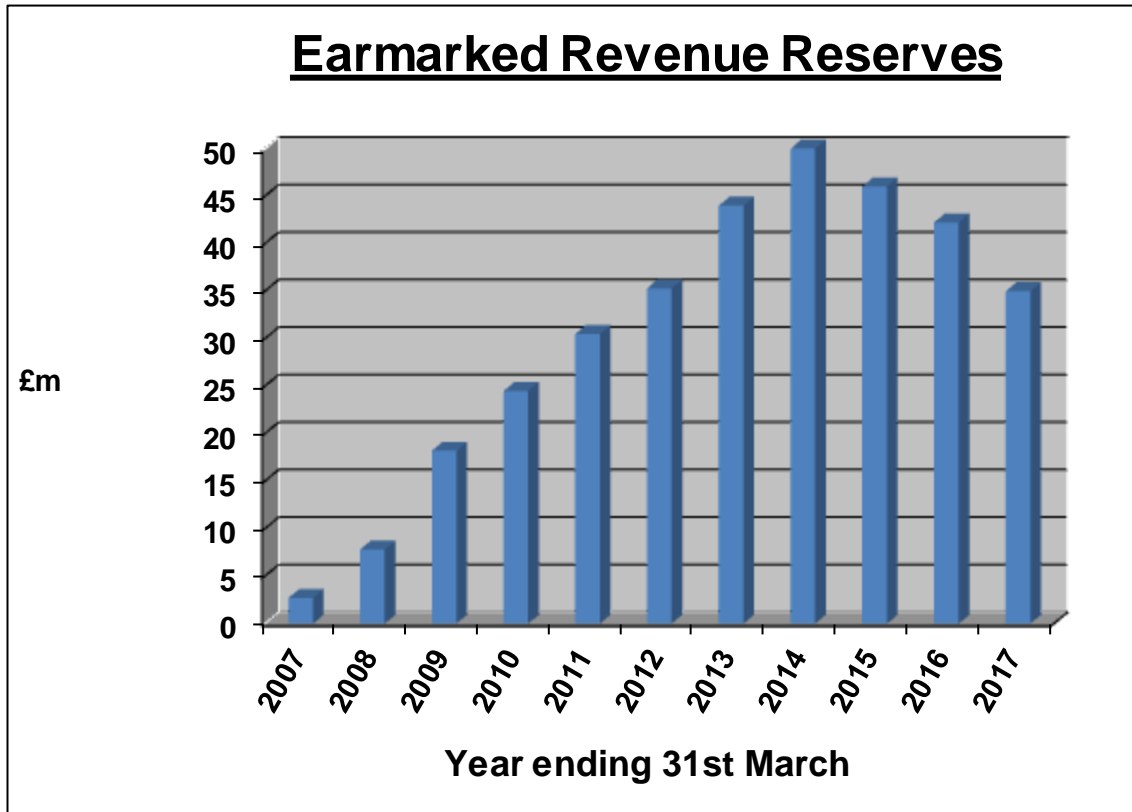
	families is due to report on 20 th January 2017. Now that the division's internal reviews are nearing completion, a refocus of the Children's Commissioning Team has commenced, in an attempt to drive down placement costs.	
Places	An overspend of £595k is forecast. The Illuminations service is forecasting an overspend of £250k due to increased costs and poorer than expected income. Print Services is forecasting an overspend of £100k due to an income pressure that is currently under review. Other pressures are mainly due to prudential borrowing and reduced income.	595
Resources	An overspend of £54k is forecast. Property Services is forecasting a £147k 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.	54
Community and Environmental Services	An underspend of £67k 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.	(67)
Governance and Partnership Services	An underspend of £98k is forecast. This is due to a combination of service demand and a forecast underspend on Wards.	(98)
Budgets Outside the Cash Limit	An underspend of £585k is forecast. Concessionary Fares are forecasting a pressure of £471k mainly due to increased bus patronage and the impact of fare increases. Parking Services is £301k down due to a stretched 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.	(585)
Adult Services	An underspend of £971k is forecast. Adult Safeguarding is forecasting an overspend of £155k 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 £100k 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 £733k on Adult Commissioning Placements due to higher residential income and one-off savings. Other net savings are due to staffing.	(971)

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		2,803

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 December 2016 86% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 89% (88% 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 93% 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 9 the amount collected for Council Tax (excluding Police and Fire precepts) was £37.4m and the collection rate was 77.4%. This compares to £35.7m and 78.3% at the same point in 2015/16. The reduction of 0.9% compared to the previous year equates to £0.4m. The amount collected has actually risen by £1.7m and the movement of £2.1m 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 9 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS, either for the first time or in addition to a proportion of their Council Tax, was £2.09m and the collection rate was 48.4%. This compares to £2.23m and 52.6% 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 9 the amount collected for Business Rates was £40.2m and the collection rate was 73.8%. This compares to £39.8m and 75.8% at the same point in 2015/16. The reduction of 2.0% compared to the previous year equates to £1.0m, though increases in both the Business Rate multiplier and base have made positive contributions of £1.4m. 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 9 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 9 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 as long-term loans have reached maturity and as capital expenditure is incurred. 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 9. 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 9-month period there has been an increase in spend on capital schemes included within Property, Plant and Equipment of £29.4m which is in line with the phasing of the capital programme. Long-term assets have increased by £6.1m due to the purchase of equity in Blackpool Housing Company and loans being issued to Blackpool Transport Services and Blackpool Housing Company.

9. Conclusion and Recommendations

- 9.1 There has been an improvement in the financial position compared to month 8 by £332k, however, the Council is still predicting a significant deterioration in the Council's financial standing in comparison with Budget. Working balances are estimated to fall by £2,803k 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 49.7%.

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 3 months of the financial year remaining there should still be sufficient time to improve the position such that Working Balances of at least £3.0m are reached. Revised service and financial plans are underway to do so, including the freezing of non-essential spend and delays to filling non-front line vacancies.

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 Places.

Steve Thompson
Director of Resources

19th January 2017

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
3(a)	CHIEF EXECUTIVE	(126)	(960)	834	(126)	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,425	1,520	7	1,527	102	(19)
3(b/c)	WARD BUDGETS	516	132	184	316	(200)	(246)
3(d)	RESOURCES	3,355	(1,219)	4,628	3,409	54	-
3(e)	PLACES	4,034	(999)	5,628	4,629	595	-
3(f)	STRATEGIC LEISURE ASSETS	1,355	2,834	(811)	2,023	668	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	43,794	27,101	16,626	43,727	(67)	(14)
3(h)	ADULT SERVICES	45,542	24,352	20,219	44,571	(971)	-
3(i)	CHILDREN'S SERVICES	37,160	25,932	15,910	41,842	4,682	-
3(j)	PUBLIC HEALTH	304	2,337	(2,033)	304	-	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	16,332	10,291	5,456	15,747	(585)	-
	CAPITAL CHARGES	(27,742)	(20,807)	(6,935)	(27,742)	-	-
	NET COST OF SERVICES:	125,949	70,514	59,713	130,227	4,278	(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	2,474	-	1,667	1,667	(807)	
	NW REGIONAL FLOOD DEFENCE LEVY	65	-	65	65	-	
	CONTRIBUTIONS, etc.	(2,950)	-	(4,425)	(4,425)	(1,475)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	122,999	70,514	55,288	125,802	2,803	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,803)	(2,803)	(2,803)	
	NET REQUIREMENT AFTER WORKING BALANCES	122,999	70,514	52,485	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							(2,803)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017							2,833

This page is intentionally left blank

	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	Scrutiny Committee Report		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
8					£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
9																
10																
11	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			1,622	2,189	2,189			2,025	3,120	3,357	3,861	3,939	4,534	4,918
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			1,473	1,503	1,503			1,113	668	668	668	668	668	668
13	PLACES	VISITOR ECONOMY			110	102	102			208	222	200	260	260	380	380
14	PLACES	GROWING PLACES								93	93	93	93	93		200
15	ADULT SERVICES	ADULT SAFEGUARDING			163	231	231			146	158	158	158	157	156	155
16	RESOURCES	PROPERTY SERVICES			553	157	157			480	495	495	481	283	272	147
17	GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES					84	84								102
18	CHILDREN'S SERVICES	EDUCATION SERVICES GRANT			1,087	1,185	1,185			86	86	83	83	83	83	83
19	CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS			97								240	213	154	75
20	ADULT SERVICES	CARE & SUPPORT			552	370	370									-
21	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE								183	194	106				-
22	PUBLIC HEALTH	CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES			479											-
23	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES					149	149		104						-
24	PUBLIC HEALTH	SEXUAL HEALTH SERVICES - MANDATED			378											-
25	PUBLIC HEALTH	SUBSTANCE MISUSE (DRUGS AND ALCOHOL)			350											-
26	PLACES	CULTURAL SERVICES										148				-
27	CHILDREN'S SERVICES	CHILDREN'S SAFEGUARDING			145											-
28	CHILDREN'S SERVICES	LOCAL SERVICES SUPPORT GRANT			104											-
64																
65		Sub Total			7,113	5,970	5,970	-	-	4,438	5,036	5,308	5,844	5,696	6,247	6,728
66																
67		Transfer to Earmarked Reserves (note 3)			(1,473)	(1,503)	(1,503)	-	-	(1,113)	(668)	(668)	(668)	(668)	(668)	(668)
68																
69		Other General Fund (under) / overspends			(2,772)	(3,915)	(3,915)	-	-	(733)	(1,135)	(1,760)	(2,000)	(2,400)	(2,444)	(3,257)
70																
71		Total			2,868	552	552	-	-	2,592	3,233	2,880	3,176	2,628	3,135	2,803
72																
73																
74	Notes:															
75																
76	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															
77	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															
78	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															
79	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
80																
81	2. The Strategic Leisure Assets overspend reflects the in-year position.															
82																
83	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.															
84																

This page is intentionally left blank

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	625	433	192	625	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(765)	(1,267)	502	(765)	-	-
CORPORATE DELIVERY UNIT	14	(126)	140	14	-	-
TOTALS	(126)	(960)	834	(126)	-	-

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 9 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

This page is intentionally left blank

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,133	1,876	257	2,133	-	(19)
CORPORATE LEGAL SERVICES	(336)	(521)	185	(336)	-	-
REGISTRATION AND BEREAVEMENT SERVICES	(372)	165	(435)	(270)	102	-
GOVERNANCE & PARTNERSHIP SERVICES	1,425	1,520	7	1,527	102	(19)
WARDS	516	132	184	316	(200)	(246)
TOTALS	1,941	1,652	191	1,843	(98)	(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 9 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

This service is now forecasting a break-even position due to increased income.

Registration and Bereavement Services

Registration and Bereavement Services is forecasting a pressure of £102k. This is due to the forecast level of demand in the Coroners and Mortuary Service and increasing repair costs in Cemeteries and the Crematorium.

Ward Budgets

Ward budgets are expected to underspend in 2016/17 based on current commitments.

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

**Blackpool Council
Ward Budgets
2016/17
Month 9**

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	6	6	0	5	£28,312.71	£10,397.00	£17,915.71
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	3	£16,697.54	£10,778.35	£5,919.19
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	3	3	0	2	£28,982.55	£2,460.00	£26,522.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	11	11	0	9	£19,394.14	£15,769.92	£3,624.22
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	12	12	0	7	£26,764.39	£16,192.50	£10,571.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	3	3	0	1	£28,018.81	-£11,600.00	£39,618.81
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	9	9	0	6	£29,800.00	£14,721.60	£15,078.40
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	7	7	0	5	£25,413.77	£7,064.02	£18,349.75
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	9	9	0	5	£36,530.09	£10,465.00	£26,065.09
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	1	1	0	0	£21,091.00	£237.50	£20,853.50
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	9	9	0	7	£34,963.08	£22,060.40	£12,902.68
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	8	8	0	5	£38,495.41	£34,403.75	£4,091.66
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	8	8	0	7	£30,493.68	£10,938.89	£19,554.79
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	6	6	0	5	£21,608.91	£13,402.50	£8,206.41
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	5	3	2	3	£30,896.00	£4,330.00	£26,566.00
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	9	9	0	4	£36,657.78	£21,053.93	£15,603.85
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	4	4	0	4	£29,171.66	£5,583.95	£23,587.71
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	4	4	0	4	£24,586.66	£8,128.35	£16,458.31
Warbreck Ward BC1020	Cllr. Scott	5	5	0	3	£21,364.07	£4,978.16	£16,385.91
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	7	7	0	5	£28,115.00	£9,435.00	£18,680.00

Ward Totals	140	138	2	96	£578,631.19	£223,853.88	£354,777.31
Unallocated Budget	-	-	-	-	-£17,631.19	£0.00	-£17,631.19
Income Budget	-	-	-	-	-£45,000.00	£0.00	-£45,000.00
Area Ward Totals	140	138	2	96	£516,000.00	£223,853.88	£292,146.12

This page is intentionally left blank

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	(11)	(180)	107	(73)	(62)	-
BENEFITS	(1,053)	(1,477)	415	(1,062)	(9)	-
REVENUES & EXCHEQUER SERVICES	1,405	1,199	259	1,458	53	-
CUSTOMER FIRST	(61)	(354)	303	(51)	10	-
ICT SERVICES	174	(1,005)	1,118	113	(61)	-
ACCOUNTANCY	(25)	(585)	551	(34)	(9)	-
RISK SERVICES	69	(231)	285	54	(15)	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,857	1,414	1,590	3,004	147	-
TOTALS	3,355	(1,219)	4,628	3,409	54	-

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 9 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 £62k 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 £147k. 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 9 months of the financial year Resources is forecasting a £54k 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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PLACES						
NET EXPENDITURE						
CULTURAL SERVICES	(4)	(415)	426	11	15	-
ECONOMIC DEVELOPMENT	79	(1,831)	1,910	79	-	-
GROWING PLACES	198	(1,670)	2,068	398	200	-
VISITOR ECONOMY	3,761	2,917	1,224	4,141	380	-
TOTALS	4,034	(999)	5,628	4,629	595	-

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 £595k overspend is based upon actual financial performance for the first 9 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 £15k overspend. The position has changed from month 8 due to the cost of entering the Lord Mayor's Show.

Growing Places

This service is expecting a £200k overspend by the year-end. This is due to prudential borrowing costs of £30k in Housing for the Foxhall Village development and £170k for Bonny Street.

Visitor Economy

This service is expecting a £380k overspend by the year-end. £100k is due to low income in Print Services - this service is now under review. The Illuminations service is now forecasting an overspend of £250k 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.

Budget Holder – Mr A Cavill, Director of Place

This page is intentionally left blank

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 -DEC £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	2,834	(811)	2,023	668	-
TOTALS	1,355	2,834	(811)	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 9 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

This page is intentionally left blank

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	970	667	294	961	(9)	(14)
LEISURE AND CATERING	4,244	3,545	621	4,166	(78)	-
PUBLIC PROTECTION	(303)	(1,271)	1,033	(238)	65	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,325	8,946	6,407	15,353	28	-
STREET CLEANSING AND WASTE	18,718	11,245	7,336	18,581	(137)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,326	2,774	1,552	4,326	-	-
INTEGRATED TRANSPORT	514	1,195	(617)	578	64	-
TOTALS	43,794	27,101	16,626	43,727	(67)	(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 9 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.

Business Services

Overall the service is £9k under budget. There is a forecast underspend of £27k due to a review of discretionary spending and a reduction in staff costs. There is a cost of £18k in relation to phase one work with consultants in relation to directorate management options.

Leisure and Catering

There is a forecast underspend of £78k due to savings on provisions.

Public Protection

Public Protection is over budget by £65k due to a forecast pressure at the end of the South Beach Selective Licensing Scheme.

Highways and Traffic Management Services

Overall the service is £28k over budget. There is a £47k pressure on Shelters due to income. This pressure is partly offset by savings on maintenance and scheme income.

Street Cleansing and Waste

Street Cleansing and Waste is under budget by £137k after a continued rigorous and determined review of forecast income and expenditure, which has reduced the financial pressure on the Household Waste Recycling Centre (HWRC) budget.

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 9 the Community and Environmental Services Directorate is forecasting an overall underspend of £67k 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. A review of discretionary expenditure has achieved £89k of savings included in the above figures.

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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	3,664	2,654	950	3,604	(60)	-
CARE & SUPPORT	4,237	2,114	1,899	4,013	(224)	-
COMMISSIONING & CONTRACTS TEAM	1,067	498	460	958	(109)	-
ADULT COMMISSIONING PLACEMENTS	36,112	19,076	16,303	35,379	(733)	-
ADULT SAFEGUARDING	462	10	607	617	155	-
TOTALS	45,542	24,352	20,219	44,571	(971)	-

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 9 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 £733k 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

- The Commissioning & Contracts Team is currently forecast to be £109k underspent on their staffing budget due to vacancies within the team and over-achieving their vacancy target.

Care & Support

- Care & Support is currently forecast to be £224k underspent on their staffing budget. This is due to vacancies within the Intermediate Care model and the Extra Support Service has recently held vacant posts due to a restructure.

Adult Social Care

- Adult Social Care is currently forecast to be £60k underspent on their staffing budget due to vacancies within the teams and over-achieving their vacancy target.

Adult Safeguarding

- The Adult Safeguarding Division is forecast to be £155k overspent, with £100k 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 December 2016 the Adult Services Directorate is forecasting an overall underspend of £971k 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 - DEC £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	16,741	4,040	20,781	79	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	447	454	7	461	14	-
LIFELONG LEARNING & SCHOOLS	21,983	14,421	7,843	22,264	281	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	136	112	248	(49)	-
CHILDREN'S SOCIAL CARE	116	87	29	116	-	-
BUSINESS SUPPORT AND RESOURCES	368	259	109	368	-	-
DEDICATED SCHOOL GRANT	(44,721)	(34,448)	(10,225)	(44,673)	48	-
CARRY FORWARD OF DSG	(192)	-	(565)	(565)	(373)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(2,350)	1,350	(1,000)	-	-
CHILDREN'S SERVICES DEPRECIATION	3,236	2,427	809	3,236	-	-
LIFELONG LEARNING & SCHOOLS	3,768	1,485	2,358	3,843	75	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,860	1,662	1,820	3,482	(378)	-
CHILDREN'S SOCIAL CARE	24,750	21,391	8,277	29,668	4,918	-
CHILDREN'S SAFEGUARDING	1,498	865	658	1,523	25	-
BUSINESS SUPPORT AND RESOURCES	1,922	1,065	835	1,900	(22)	-
LOCAL SERVICES SUPPORT GRANT	-	(14)	(5)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(599)	(192)	(791)	83	-
TOTAL COUNCIL FUNDED SERVICES	38,160	28,282	14,560	42,842	4,682	-
TOTAL CHILDREN'S SERVICES	37,160	25,932	15,910	41,842	4,682	-

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 9 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 £188k, partly offset by small underspends in other areas of the division.

Early Help for Children and Families

- The Early Help division is forecasting a £378k 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 £4.268m giving a total forecast overspend for the division of £4.918m.
- The number of Looked After Children (LAC) in Blackpool has increased by well over 10% in the last year and, exceeding 500 for the first time, the last few months have seen the highest ever levels in the town. The number of open cases, which is currently in excess of 2,000, has also reached record levels. 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 emerged in the town in the early part of the financial year, which ultimately resulted in 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)		92.0
IFA projected numbers (fte)		78.6
Increased numbers pressure	£	712,440
Increased placement rate pressure	£	21,560
Independent Fostering Agency Over Spend	£	734,000
<hr/>		
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		39.0
Resi projected numbers (fte)		34.4
Increased numbers pressure	£	2,245,125
Increased placement rate pressure	£	709,875
Residential Over Spend	£	2,955,000
<hr/>		
Total Placement Over Spend	£	3,689,000
<hr/>		

- In addition to placement pressures, there is a forecast overspend of £268k 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 implemented, and developments include the introduction of an 'edge of care' model through the reconfiguration of Argosy children's home; the model this is based upon has been used in Blackburn and has created savings of £750,000 per year for that authority. The development of the Vulnerable Adolescent Hub is also underway, which will enable us to work more effectively with young people aged 10 and over to prevent the need for higher level service interventions. A detailed project plan is in place, and the Council's Internal Audit department are currently reviewing the governance and due diligence in relation to statutory work. A financial impact assessment is also underway.
- A re-modelling of the Council's Early Help offer is being implemented. This will deliver a rapid response service using Early Help Support Officers which will reduce the levels of need for Social Care. This model has been effectively implemented in Leeds and has led to a significant reduction in numbers for that authority. This approach does require partners (and especially schools) to deliver an increased offer at Level 2 and 3, and also involves a re-modelling of the Authority's Children's Centre offer (including Better Start delivery), plus revision of the threshold document and re-development of the Early Help assessment process. Therefore, all of the above has been subject to a summit on behalf of the Safeguarding Board and a Local Government Association (LGA)-led challenge session. A project initiation document is in place for both the development of the Early Help Officers and the rapid response service as part of the handover document developed by the Deputy Director.
- The scoping and financial impact of the PAUSE project which looks at reducing duplicate removals of children at birth from families is due to report on 20th January 2017. If implemented the financial savings have been modelled and are substantial.
- Now that the division's internal reviews are nearing completion, a refocus of the Children's Commissioning team has commenced, with a dedicated officer working on proactive market management and development in an attempt to drive down placements 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 December 2016 the Children's Services Directorate is forecasting an overspend of £4.682m for the financial year to March 2017.

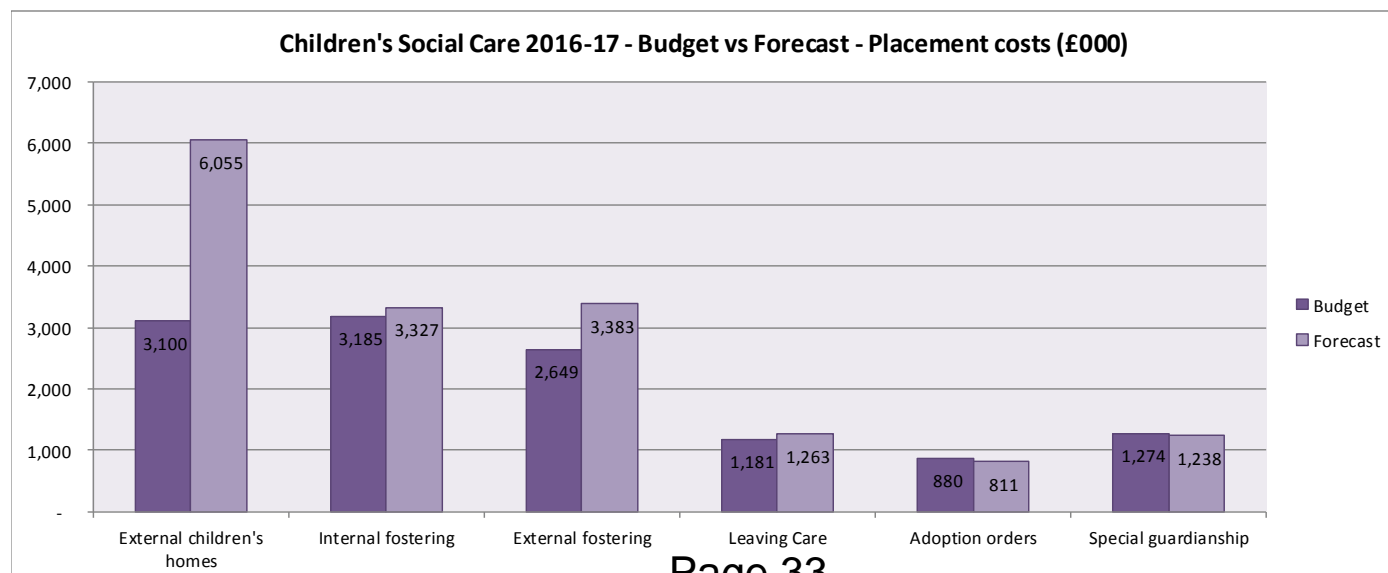
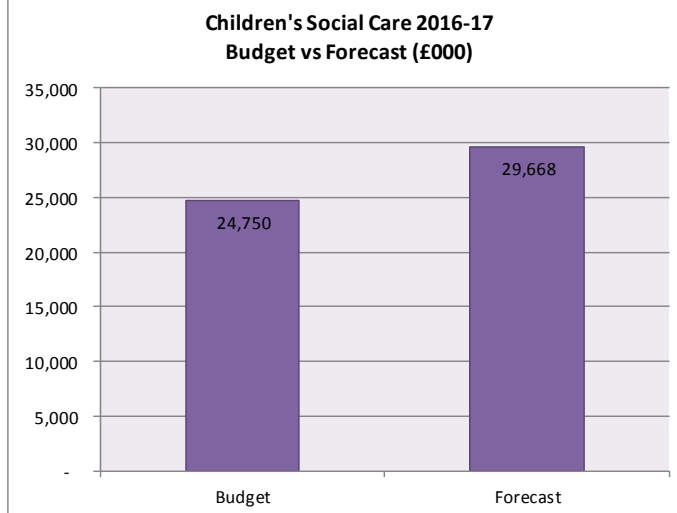
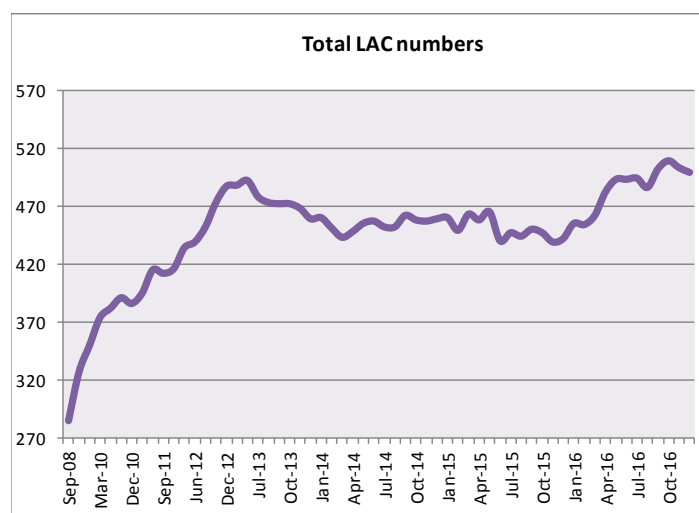
Budget Holder – Mrs D Curtis, Director of People (Statutory Director of Children's Services)

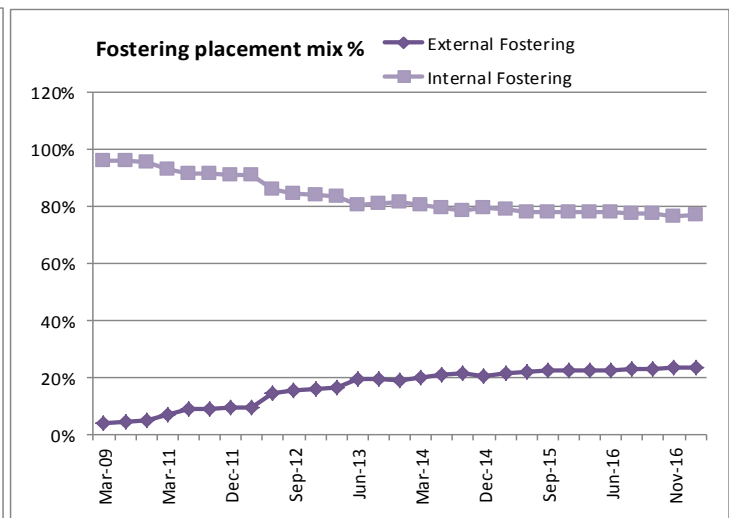
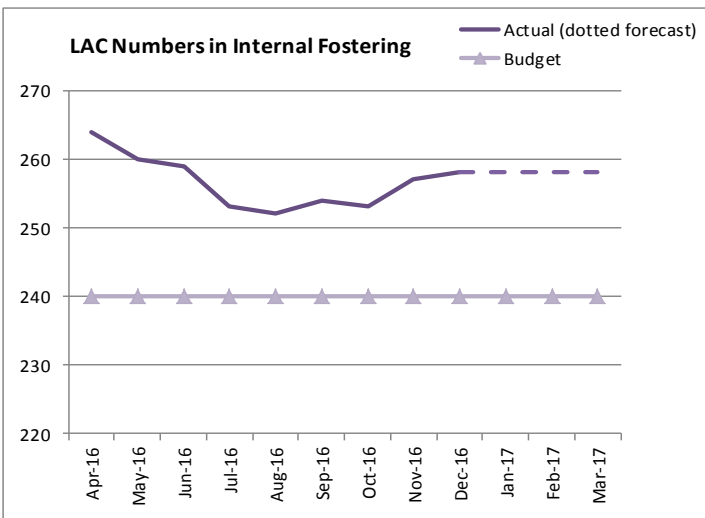
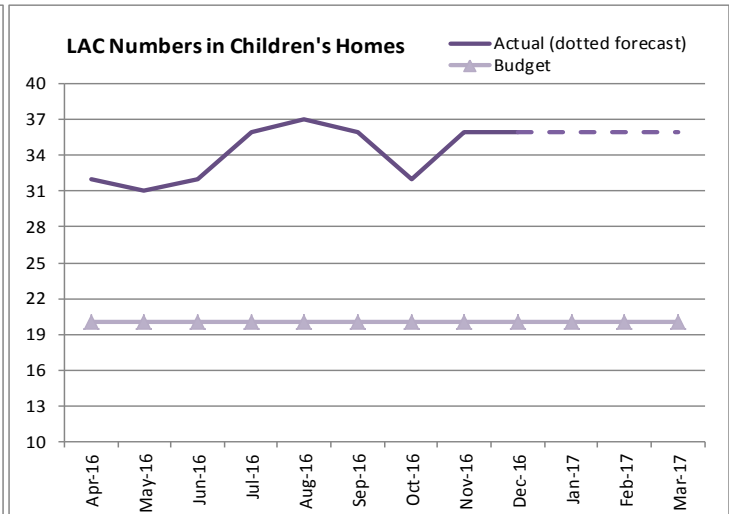
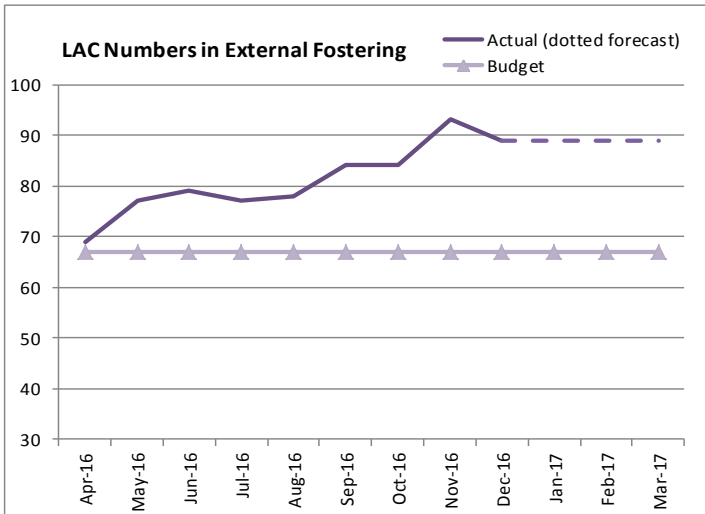
Children's Social Care Trends

Date	External Placements Projection						Total			Internal Fostering Projection			Total LAC Numbers
	Fostering			Residential									
	FTE	£000's	£ per placement	FTE	£000's	£ per placement	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
Nov-16	79.48	3,389	42,633	33.71	5,767	171,065	113.20	9,156	80,882	258.02	3,270	12,675	503
Dec-16	78.60	3,383	43,038	34.41	6,055	175,954	113.01	9,438	83,513	258.78	3,327	12,857	499

Note:

The variance between the current total number of Looked After Children (499) and the total internal fostering and external placement numbers (372) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





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
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2016/17		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,862	1,220	642	1,862	-	-
NHS HEALTH CHECKS - MANDATED	564	450	114	564	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,114	2,562	552	3,114	-	-
TOBACCO CONTROL	545	377	168	545	-	-
MENTAL HEALTH AND WELLBEING	128	13	115	128	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,345	2,291	54	2,345	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	2,713	1,033	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	178	120	58	178	-	-
OTHER PUBLIC HEALTH SERVICES	204	204	-	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	5,989	5,989	-	5,989	-	-
EQUALITY AND DIVERSITY	299	220	79	299	-	-
GRANT	(19,392)	(14,544)	(4,848)	(19,392)	-	-
TOTALS	304	2,337	(2,033)	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 9 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 December 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

This page is intentionally left blank

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 - DEC £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	8,928	2,976	11,904	(1,203)	-
PARKING SERVICES	(3,518)	(2,811)	(406)	(3,217)	301	-
CORPORATE SUBSCRIPTIONS	192	99	93	192	-	-
HOUSING BENEFITS	1,884	1,425	459	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	228	78	306	-	-
SUBSIDIARY COMPANIES	(972)	(579)	(531)	(1,110)	(138)	-
CONCESSIONARY FARES	3,834	1,807	2,498	4,305	471	-
LAND CHARGES	(48)	(94)	30	(64)	(16)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	2,658	532	3,190	-	-
NEW HOMES BONUS	(1,643)	(1,370)	(273)	(1,643)	-	-
TOTALS	16,332	10,291	5,456	15,747	(585)	-

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 9 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 £301k. As at Week 41 (w/e 8th January) parking income is at £4,619k with patronage at 1,189,181. Car park patronage is up by 1,609 and income is up by £97,433 on 2015/16. On-Street Pay and Display is down on patronage by 9,095, however income is up by £1,340.

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 £471k, which mainly relates to the ongoing pressure arising from increased bus patronage and the impact of fare increases.

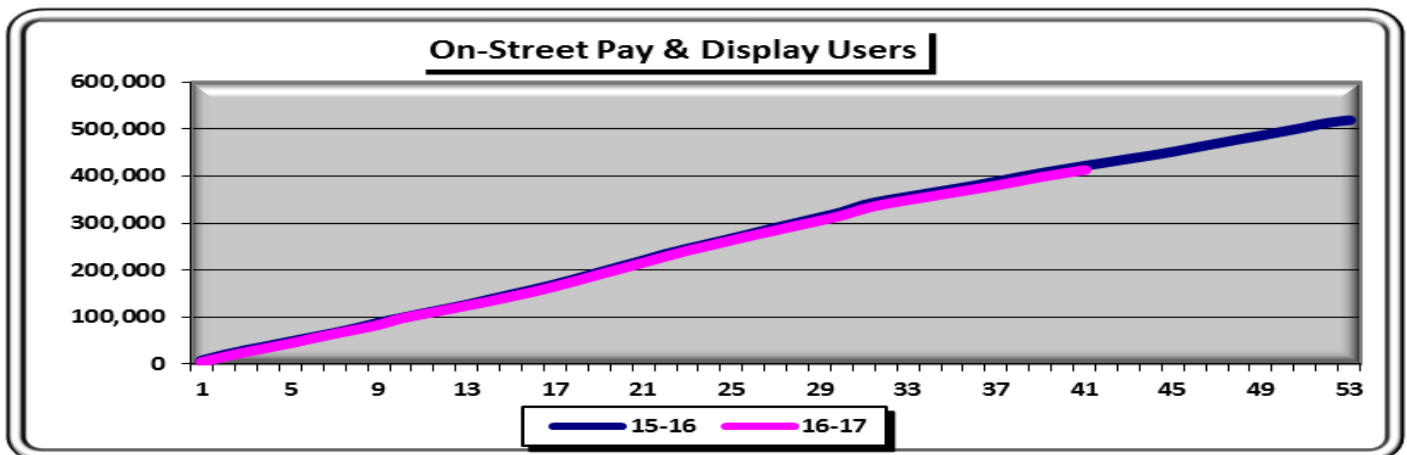
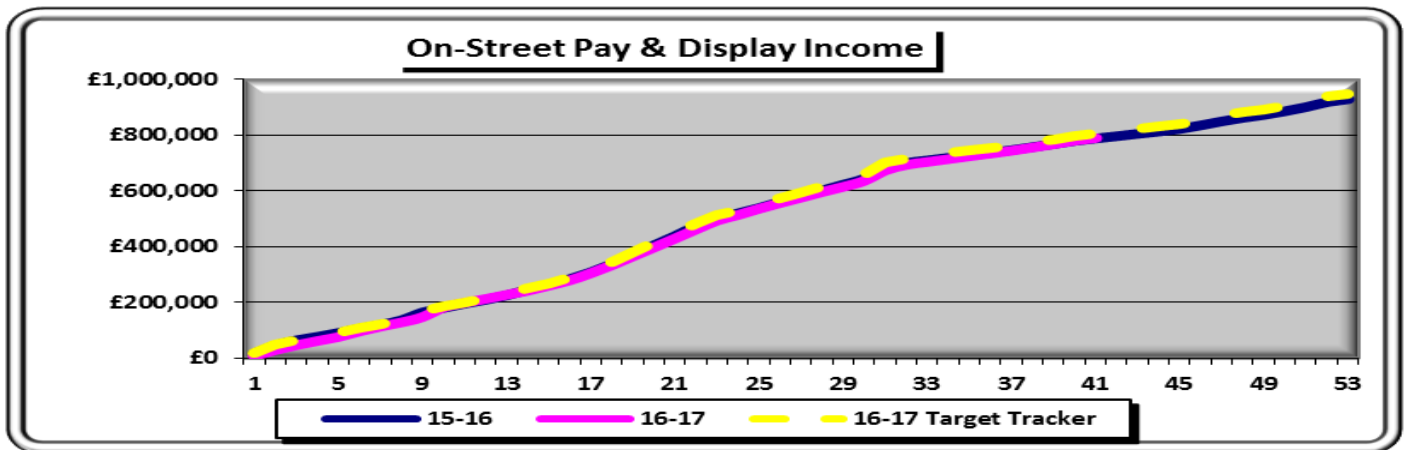
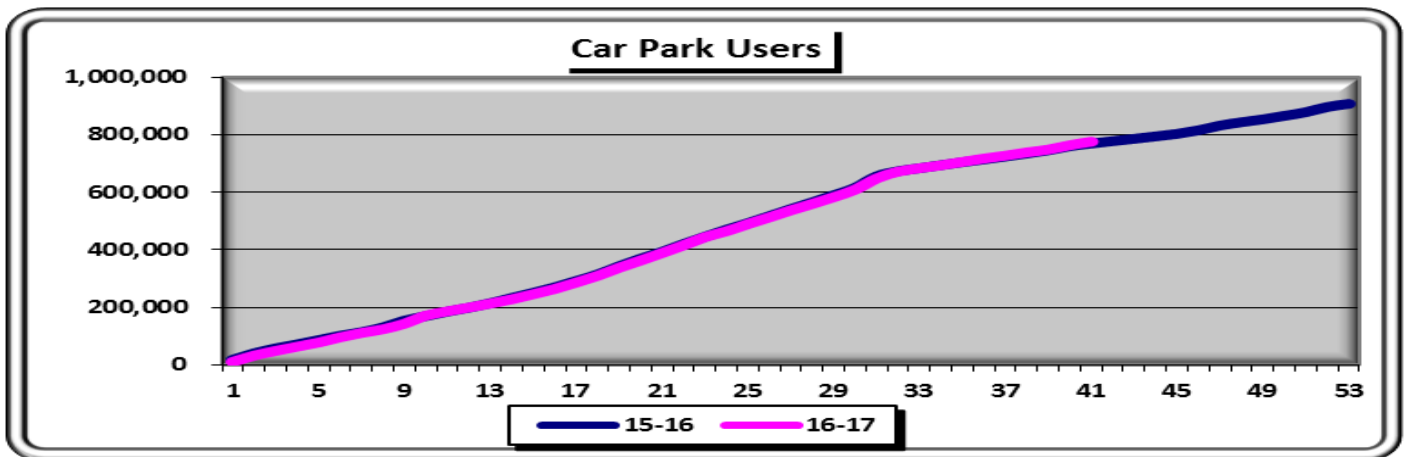
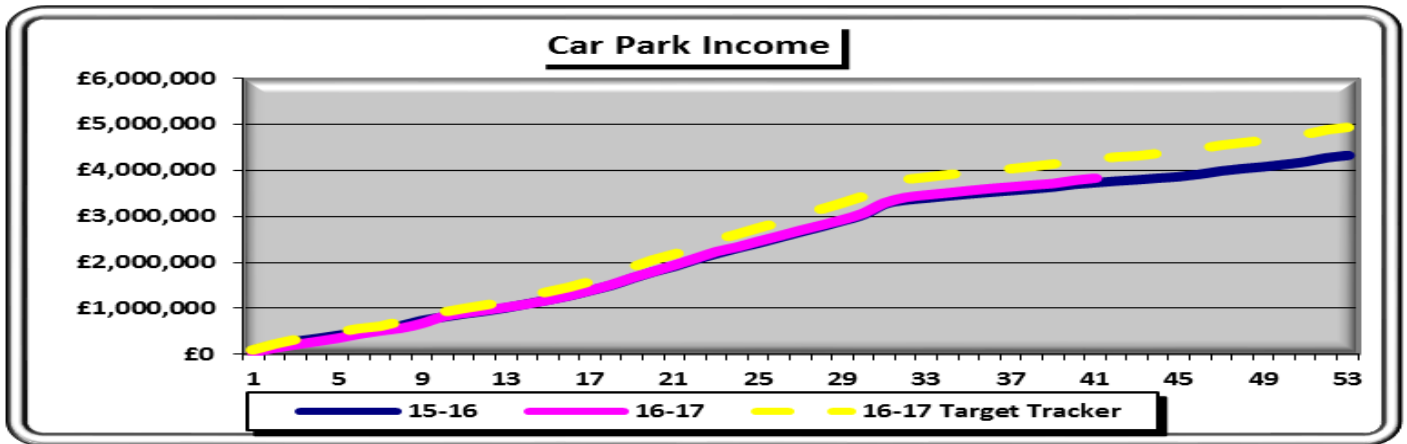
Land Charges

- This service is now forecasting a favourable variance of £16k. This is a one-off saving on a year-end provision and has increased in period 9 due to increased income.

Summary of the revenue forecasts

After 9 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £585k underspend.

Car Parking Trends



This page is intentionally left blank

**2016/17 CAPITAL MONITORING
MONTH 9**

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 - Dec	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	(34)	162	-	
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	33	341	-	
Clifton Street Redevelopment	700	-	-	700	700	718	82	-	
Municipal Building Works	695	-	-	695	695	87	608	-	
Other Resources Schemes	1,191	102	625	464	1,089	673	416	-	
Total Resources	69,538	41,272	17,507	10,759	28,266	7,845	3,064	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	2,739	1,484	109	1,146	1,255	409	846	-	
Other Adult Services Schemes	3,557	1,891	972	694	1,666	55	611	-	
Total Adult Services	6,296	3,375	1,081	1,840	2,921	464	1,457	-	

**2016/17 CAPITAL MONITORING
MONTH 9**

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 - Dec	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	2,549	1,145	-	
Coastal Protection Studies	1,541	1,221	230	90	320	123	197	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	227	133	-	133	51	82	-	
Transport									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	4,460	1,847	-	
Sintropher	1,903	2,780	(1,090)	213	(877)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	1,793	1,697	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
Other									
Vehicles	743	-	-	743	743	646	97	-	
Total Community and Environmental Services	144,422	118,936	10,037	10,438	20,475	9,872	5,108	-	
Director Responsible for Governance and Partnership Services									
Carleton Crem Building Works	1,991	1,934	57	-	57	88	(31)	-	
Total Governance and Partnership Services	1,991	1,934	57	-	57	88	(31)	-	

**2016/17 CAPITAL MONITORING
MONTH 9**

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 - Dec	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	542	2,122	-	
Work towards Decent Homes Standard	4,484	-	-	4,484	4,484	2,246	1,659	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(38)	67	-	
Queens Park Redevelopment Ph2	8,000	1,414	-	6,586	6,586	2,021	1,479	-	
Other	96	-	-	96	96	38	58	-	
Others									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	448	40	-	
LightPool	740	600	100	40	140	140	-	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	3,369	(170)	-	
Leopold Grove	557	-	-	557	557	354	203	-	
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	216	207	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	939	-	-	939	939	377	467	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	583	-	-	
Local Transport Plan Quality Corridor	850	-	-	220	220	76	144	-	
Quality Corridor	6,600	-	-	588	588	-	588	-	
Total Place	119,785	93,207	5,741	14,193	19,934	10,461	6,864	-	

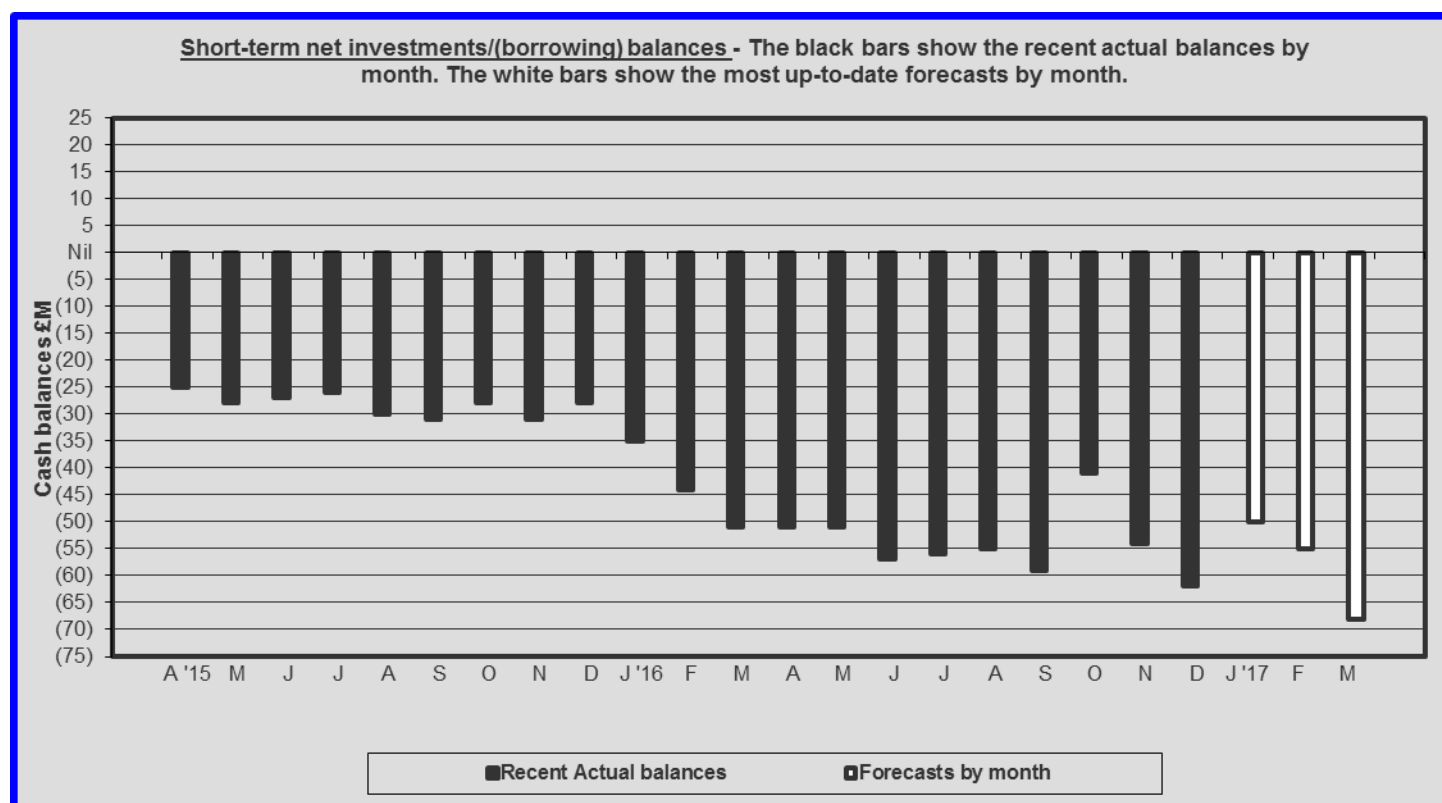
**2016/17 CAPITAL MONITORING
MONTH 9**

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 - Dec	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	50	246	-	
Christ The King	5,160	4,830	-	320	320	4	-	-	
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	5	1,495	-	
Demolition Aspire	350	-	-	350	350	-	350	-	
Basic Need	2,514	32	1,139	1,343	2,482	201	62	-	
Condition	428	-	-	428	428	195	104	-	
Other Children's Schemes	575	499	76	-	76	21	55	-	
Total Childrens Services	11,948	6,102	1,768	4,068	5,836	693	2,312	-	
CAPITAL TOTAL	353,980	264,826	36,191	41,298	77,489	29,423	18,774	-	

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-DEC CASH FLOW ORIGINAL BUDGET (*)	APR-DEC CASH FLOW ACTUAL	JAN - 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 - DEC MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	JAN - 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	60	59	20	RECEIPTS			
106	86	72	20	Housing Benefit & Subsidy	(1)	-	(1)
14	10	9	3	Council tax and NNDR	(14)	-	(14)
29	21	26	8	VAT	(1)	(1)	(2)
89	67	81	21	RSG & BRR	5	-	5
93	64	79	30	Other Grants	14	(1)	13
-	-	211	-	Other Income	15	1	16
-	-	206	42	Money Market Transactions Received	211	-	211
				Receipt of Loans	206	42	248
411	308	743	144	RECEIPTS - NORMAL ACTIVITIES	435	41	476
9	6	6	3	PAYMENTS			
225	169	202	60	Police & Fire	-	-	-
-	-	1	-	General Creditors	(33)	(4)	(37)
115	86	83	27	RSG & BRR	(1)	-	(1)
70	53	51	17	Salaries & wages	3	2	5
52	52	402	101	Housing Benefits	2	-	2
				Money Market Transactions Paid Out	(350)	(101)	(451)
471	366	745	208	PAYMENTS - NORMAL ACTIVITIES	(379)	(103)	(482)
(60)	(58)	(2)	(64)	NET CASH FLOW IN/(OUT)	56	(62)	(6)
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 9 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 as long-term loans have reached maturity and as capital expenditure is incurred. 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 Dec 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	817,459	29,423	819,927
65	Intangible Assets	65	-	35
22,614	Long-term Assets	28,677	6,063	30,200
	Current Assets			
45,579	Debtors	45,325	(254)	45,000
538	Inventories	524	(14)	500
12,594	Cash and cash equivalents	11,749	(845)	10,000
869,426	Total Assets	903,799	34,373	905,662
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(70,500)	1,626	(75,000)
(59,891)	Creditors	(57,650)	2,241	(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	(20,511)	(4,368)	(15,000)
(294,549)	Other Long Term Liabilities	(294,549)	-	(280,000)
338,688	Total Assets less Liabilities	373,102	34,414	378,162
(68,297)	Usable Reserves	(61,023)	7,274	(55,884)
(270,391)	Unusable Reserves	(312,079)	(41,688)	(322,278)
(338,688)	Total Reserves	(373,102)	(34,414)	(378,162)

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 9. 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 the accounting for Highways Network Asset until 2017/18. Therefore, these amounts have now been removed from the balance sheet.

Over the 9-month period there has been an increase in spend on capital schemes included within Property, Plant and Equipment of £29.4m which is in line with the phasing of the capital programme. Long-term assets have increased by £6.1m due to the purchase of equity in Blackpool Housing Company and loans being issued to Blackpool Transport Services and Blackpool Housing Company.