

# Public Document Pack

Dear Councillor

## **EXECUTIVE - MONDAY, 11TH DECEMBER, 2017**

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 11th December, 2017 meeting of the Executive, forwarded to Members under separate cover.

<b>Agenda No</b>	<b>Item</b>
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5	<b><u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2017/18</u></b> (Pages 1 - 48)
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Yours sincerely

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**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**11<sup>TH</sup> DECEMBER 2017**

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**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2017/18**

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**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 2017/18, i.e. the period to 31<sup>st</sup> October 2017, 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 2017/18. 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. 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 19<sup>th</sup> June 2017 to write-off all service overspends and carry forward the 2016/17 underspend of £287k on Ward Budgets.
- 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 £3,965k for 2017/18 are summarised below:-

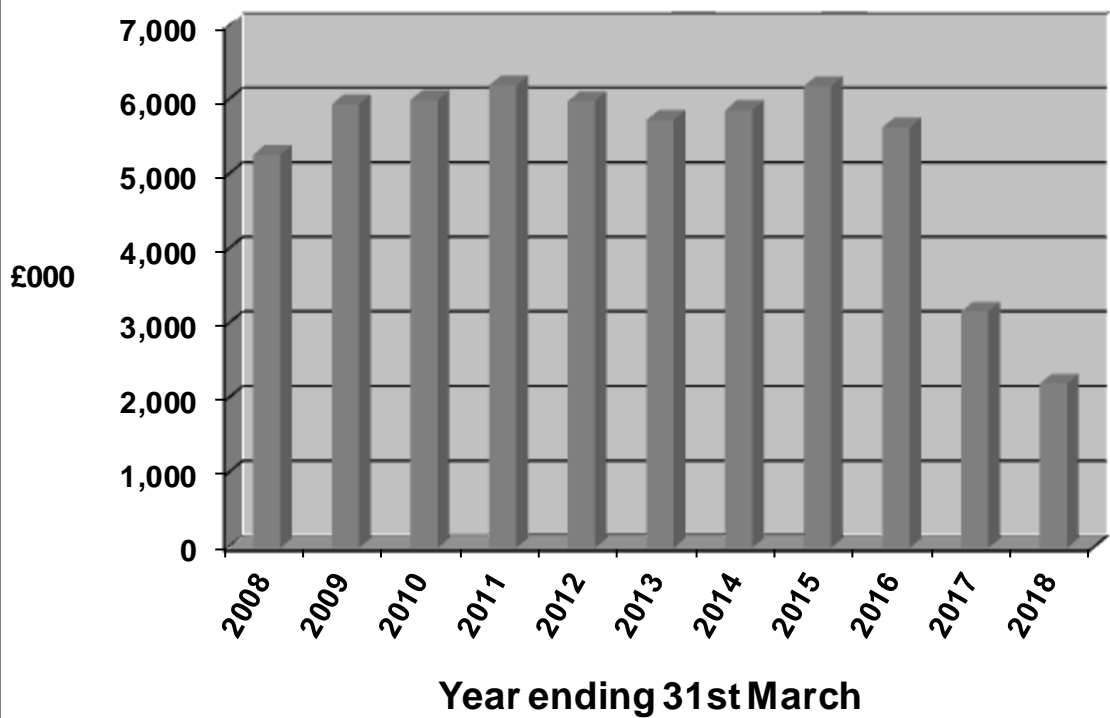
Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £4,647k is forecast. Children's Social Care is forecast to overspend by £4,620k, mainly due to a significant increase in the numbers since budgets were set with an all-time high of 549 by the end of May 2017. Since then numbers had been reducing, however demand and complexity of cases have increased in October worsening the position by £441k. Early November data indicated that this was set to continue resulting in reduced LAC savings of £139k. There are overspends in the Education Services Grant of £185k due to the loss of funding arising from the grant ceasing from September 2017 although this is partly offset by a transitional grant and the charging of retained education functions to the Dedicated Schools Grant (DSG) and Education of £113k predominately relating to the Special Educational Needs (SEN) Transport Service and is partly due to demand pressures and the savings target which is forecast not to be achieved. A number of solutions to try and mitigate the cost pressures around LAC are being implemented. A procedure has been introduced whereby all new admissions into care must be approved by the Senior Service Manager and, in those cases where the child is 12 years or over, by the Director of Children's Services. A new Commissioning role has been created, the purpose of which will be to scrutinise and challenge the cost of the most expensive external placements and review the options for stepping children down into more affordable provision. The Independent Placement Overview panel now meets on a weekly basis and an additional Panel has been introduced for the short-term to review placements for LAC who are 16 years or over. It is anticipated that a	4,647

	<p>number of children will successfully step down from residential settings to supported accommodation placements resulting in savings which are assumed in the forecast. Other developments include the recent introduction of an 'edge of care' model through the reconfiguration of Argosy children's home and the Blackpool Young People's Service which will enable young people to be more effectively helped to prevent the need for higher level service interventions. The PAUSE project, which seeks to reduce multiple removals of children at birth from families, is in the implementation stage and should ultimately help to reduce the number of new-born admissions into the care system.</p>	
Budgets Outside the Cash Limit	<p>An overspend of £996k is forecast. Parking Services is £544k down mainly due to the delay in implementing 'on-street parking' schemes, loss of parking spaces and prudential borrowing costs. Treasury Management is forecasting an overspend of £516k. The Council is currently using temporary borrowing to finance Prudentially-funded capital expenditure and the resultant saving partially offsets the Business Loans Fund which has a savings target of £1,800k. Concessionary Fares are forecasting a pressure of £70k relating to a forecast increase in bus and tram patronage. The cost to the Council of supporting the Subsidiary Companies is an underspend of £134k due to the reducing balance payback of prudentially-borrowed schemes and savings on the cost of historic pension payments.</p>	996
Places	<p>An overspend of £352k is forecast. Visitor Economy is expecting a £159k overspend. This is mainly due to reduced income particularly in Print Services. A review of Print Services is underway. Cultural Services is expecting an overspend of £103k due to income pressures in the Grundy Art Gallery. Growing Places has a pressure of £90k mainly due to staffing pressures in Planning and the delay in Central Government agreeing the annual increase in fees.</p>	352
Resources	<p>An overspend of £158k is forecast. Property Services is forecasting a £95k overspend based on the current pace of property rationalisation, demolition delays to redundant properties and pressure from rental income within the Central Business District. Revenues and Exchequer Services is forecasting a £82k overspend due to a service restructure and income pressure.</p>	158

Community and Environmental Services	An overspend of £37k is forecast. Leisure and Catering is forecasting a £87k overspend due to income pressures and Street Cleansing and Waste is forecasting a £44k overspend due to disposal costs and income at the Household Waste Recycling Centre (HWRC). These are mainly offset by funding from Reserves and additional income. 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 2017/18.	37
Strategic Leisure Assets	Strategic Leisure Assets is forecasting a £878k pressure. In accordance with the original decision for this programme by the Executive on 7 <sup>th</sup> February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31 <sup>st</sup> March 2018 is £6,307k. This 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. The Leisure Assets portfolio is currently forecast to break-even, in-year, during 2021/22.	Net nil
Governance and Partnership Services	An underspend of £210k is forecast. This is due to a combination of service demand and a forecast underspend on Wards.	(210)
Adult Services	An underspend of £515k is forecast. Adult Commissioning Placements are forecasting an underspend of £248k as a result of releasing one-off income and unallocated accruals, offset by in-year planned slippage of the Housing Related Support savings target. The remaining underspends are mainly due to staffing.	(515)
Contingencies /Reserves	Review of Contingencies and Reserves and calculated release in part to General Fund. The Contingency line includes corporate savings that are managed centrally e.g. £1.5m Procurement saving. Corporate Leadership Team are reviewing all services and savings targets which includes a review of all vacant posts, discretionary spend and how some services are delivered to drive out this forecast underspend.	(1,500)
<b>Total</b>		<b>3,965</b>

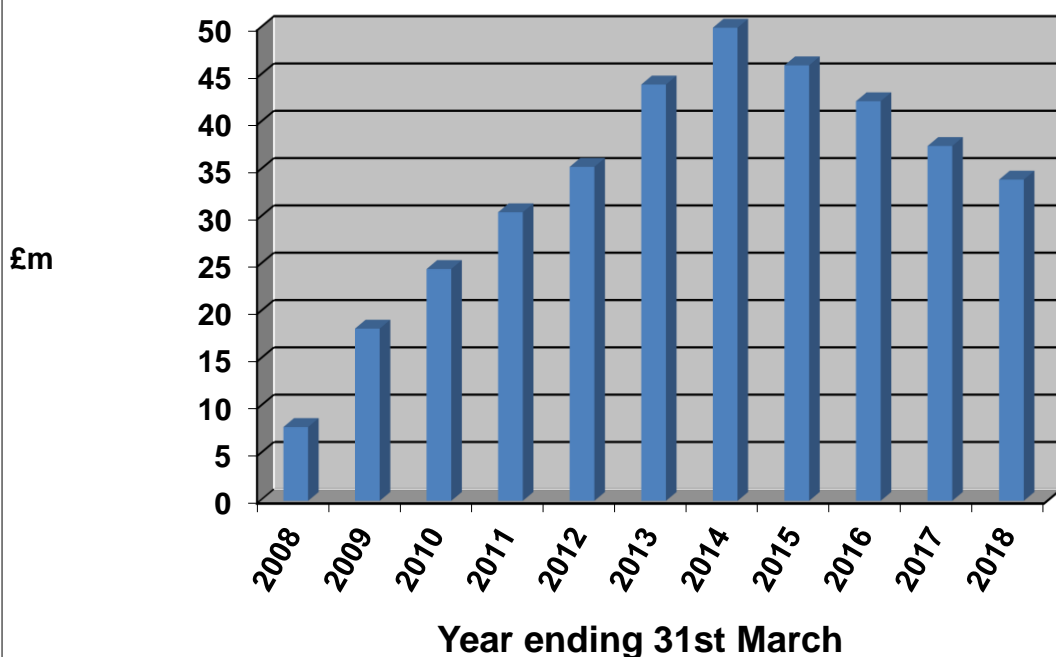
3.3 The graph on the following page shows the impact on the level of Council working balances in-year together with the last 10 years' year-end balances for comparison:

## Working Balances



- 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 financial standing an equivalent graph to that of working balances is shown below:

## Earmarked Revenue Reserves



#### **4. Directorate Budget Savings Performance**

- 4.1 As at 31<sup>st</sup> October 2017 46% of the 2017/18 savings target has been delivered. The full-year forecast predicts that 79% (82% 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 2017/18 savings in 2018/19 amounts to 73% of the 2017/18 target which reflects the non-recurrent savings and recurrent 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 £30.4m and the collection rate was 59.9%. This compares to £28.9m and 59.8% at the same point in 2016/17. The amount collected has actually risen by £1.5m which 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 still 97.5% over a 4-year collection period as approved on 27<sup>th</sup> January 2017 as part of the setting of the Council Tax Base for 2017/18.

##### **5.2 Council Tax Reduction Scheme (CTRS)**

The Council Tax Reduction Scheme was introduced on 1<sup>st</sup> 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. From 1<sup>st</sup> April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. This has the effect of reducing the amount to be collected.

At the end of month 7 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 £1.51m and the collection rate was 39.8%. This compares to £1.71m and 39.1% at the same point in 2016/17.

The likely impact for 2017/18 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2016/17 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

##### **5.3 Business Rates**

Prior to 1<sup>st</sup> 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 1<sup>st</sup> 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 £30.3m and the collection rate was 59.5%. This compares to £31.9m and 58.5% at the same point in 2016/17. The increase of 1.0% compared to the previous year equates to £0.7m, though changes in both the Business Rate multiplier and base (due to the Revaluation in April 2017 and other movements) have made negative contributions of £2.3m, offset by a compensating increase to the NDR Top-up amount. The Council's share of business rate yield continues at 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. However, over 560 business rate summonses were issued by the end of September.

The audited Business Rate cumulative surplus as at 31<sup>st</sup> March 2017 is £785k. The Council's share of this is £385k (49%).

## **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 The report includes the capital programme at month 7. The figures have changed significantly from month 3 as this represented the programme approved by the Executive in February 2017. Since that date a number of additional schemes have been approved and are now included.
- 6.3 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 2017/18.
- 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 increased since 31<sup>st</sup> March 2017 mainly due to a £36.7m up-front payment to the Lancashire County Pension Fund. 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. As a result the delay in taking new long-term borrowing means that interest charges are lower than expected. In contrast, the take-up of loans from the recently expanded Business Loans Fund is slightly slower than anticipated and this means that an adverse variance is currently forecast for 2017/18.

## **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 Over the 7-month period, there has been an increase in short-term borrowing of £15.3m and an increase in long-term borrowing of £7.8m, which in the main reflects borrowing in advance at low interest rates to fund the capital programme (£20m) and to fund the increase in long-term assets (£15m). The increase in long-term assets is due to the purchase of shares in Blackpool Airport and an increase in business loans granted. The movement in debtors and creditors reflects seasonal activity.

## **9. Conclusions and Recommendations**

- 9.1 Over the period 2011/12 – 2017/18, the cumulative Budget savings amount to £137m which is now greater than the Council's annual Net Requirement Budget and even more starkly the compound effect over the 7-year period exceeds £1/2 billion of resource that has been removed from the Blackpool economy. This reflects one of the highest cuts per head of population across local authorities in England and in an environment of growing demands upon services as commensurate of an authority with such recognised pockets of significant deprivation.
- 9.2 The Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 always identified 2017/18 as the critical financial year to navigate, being the last of the very high Budget gap years to bridge and following 6 years of significant erosion of Government funding. This is now proving to be the case.
- 9.3 There is a worsening on the position compared to month 6 of £621k. Working balances are estimated to fall by £3,965k against the budgeted position over the year. This fall is in the context of the audited, adjusted working balances at the start of the year of £6,166k.
- 9.4 By far the Council's biggest financial risk and pressure is the demand growth in Children's Social Care. This is not unique to Blackpool – Local Government Association (LGA) research as recent as 9<sup>th</sup> August 2017 concluded that "Children's services are at breaking point (nationally) with 75% of councils overspending to keep vital protections in place". The review found that in 2015/16 councils surpassed their children's social care budgets by £605m in order to protect children at immediate risk of harm. 172,290 children in England and Wales were subject to child protection inquiries in 2015/16, compared to 71,800 in 2005/06 – a 140% increase in just 10 years. The equivalent figure for Blackpool is more than double this increase at 328%.

9.5 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 2017/18 within this report contravenes the second of the two specific conditions that excess spending does not:

1. exceed 1% (= £4.2m) 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 (= £3.0m).

In the context of £34m of Earmarked Revenue Reserves and with 5 months of the financial year remaining there should still be sufficient opportunity to improve the position such that Working Balances of at least £3.0m are reached, but action is being taken immediately. Revised service and financial plans are underway, including the review of non-essential spend and delays to filling non-front line vacancies.

9.6 The Executive is asked:

- i) to note the report;
- ii) to continue to lobby Government along with other local authorities facing similar pressures, the Local Government Association and the Association of Directors of Children's Services for more funding to cope with the mounting demand and new burdens presenting in Children's Services; and
- iii) to require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services, Strategic Leisure Assets, Parking Services and Treasury Management/Business Loans Fund.

Steve Thompson  
Director of Resources

23<sup>rd</sup> November 2017

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## Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2018							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2016/17 (UNDER)/OVER SPEND B/FWD  £000
		2017/18					
		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	748	(597)	1,345	748	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,727	1,493	274	1,767	40	-
3(b/c)	WARD BUDGETS	557	86	221	307	(250)	(287)
3(d)	RESOURCES	6,444	(842)	7,444	6,602	158	-
3(e)	PLACES	3,662	2,133	1,881	4,014	352	-
3(f)	STRATEGIC LEISURE ASSETS	(190)	(2,549)	3,237	688	878	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	42,583	21,140	21,480	42,620	37	-
3(h)	ADULT SERVICES	48,250	24,045	23,690	47,735	(515)	-
3(i)	CHILDREN'S SERVICES	37,509	19,649	22,507	42,156	4,647	-
3(j)	PUBLIC HEALTH	23	195	(172)	23	-	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	14,112	7,569	7,539	15,108	996	-
	CAPITAL CHARGES	(30,477)	(17,778)	(12,699)	(30,477)	-	-
	NET COST OF SERVICES:	124,948	54,544	76,747	131,291	6,343	(287)
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(4,186)	-	(5,172)	(5,172)	(986)	
	- 2016/17 SERVICE UNDERSPENDS	(287)	-	(287)	(287)	-	
	- REVENUE CONSEQUENCES OF CAPITAL	185	-	185	185	-	
	CONTINGENCIES	(479)	-	(1,871)	(1,871)	(1,392)	
	NW REGIONAL FLOOD DEFENCE LEVY	67	-	67	67	-	
	CONTRIBUTIONS, etc.	(4,700)	-	(7,078)	(7,078)	(2,378)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	120,248	54,544	69,669	124,213	3,965	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(3,965)	(3,965)	(3,965)	
	NET REQUIREMENT AFTER WORKING BALANCES	120,248	54,544	65,704	120,248	-	
GENERAL BALANCES AS AT 1st APRIL 2017							6,166
In-year (reduction in) / addition to General Fund Working Balances							(3,965)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2018							2,201

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	<b>Blackpool Council</b>															
2																
3	<b>Schedule of Service forecast annual overspendings over the last 12 months</b>															
4																
5																
6																
7	<b>Directorate</b>	<b>Service</b>	<b>Scrutiny Committee</b>		<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>July</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>
8			<b>Report</b>		<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
9					<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
10																
11	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			4,534	4,918	5,432	5,916	5,916			3,926	3,956	3,995	4,032	4,620
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			668	668	668	618	618			878	878	878	878	878
13	CHILDREN'S SERVICES	EDUCATION SERVICES GRANT			83	83	83					175	175	184	185	185
14	PLACES	VISITOR ECONOMY			380	380	380	212	212			80	80	80	80	159
15	CHILDREN'S SERVICES	EDUCATION			154	75						153	161	150	120	113
16	PLACES	CULTURAL SERVICES										103	103	103	103	103
17	RESOURCES	PROPERTY SERVICES			272	147	158	180	180			155	195			95
18	PLACES	GROWING PLACES				200	200	195	195			92	92	92	90	90
19	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING														87
20	RESOURCES	REVENUES & EXCHEQUER SERVICES										95	88	92	77	82
21	ADULT SERVICES	ADULT SAFEGUARDING			156	155	137	143	143							-
22	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE				102	102	219	219							-
23	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES						88	88							-
24	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT					101									-
63																
64		<b>Sub Total</b>			<b>6,247</b>	<b>6,728</b>	<b>7,261</b>	<b>7,571</b>	<b>7,571</b>	-	-	<b>5,657</b>	<b>5,728</b>	<b>5,574</b>	<b>5,565</b>	<b>6,412</b>
65																
66		Transfer to Earmarked Reserves (note 3)			(668)	(668)	(668)	(618)	(618)	-	-	(878)	(878)	(878)	(878)	(878)
67																
68		Other General Fund (under) / overspends			(2,444)	(3,257)	(3,805)	(4,483)	(4,483)	-	-	(1,304)	(1,312)	(1,263)	(1,343)	(1,569)
69																
70		<b>Total</b>			<b>3,135</b>	<b>2,803</b>	<b>2,788</b>	<b>2,470</b>	<b>2,470</b>	-	-	<b>3,475</b>	<b>3,538</b>	<b>3,433</b>	<b>3,344</b>	<b>3,965</b>
71																
72																
73	Notes:															
74																
75	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															
76	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															
77	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															
78	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
79																
80	2. The Strategic Leisure Assets overspend reflects the in-year position.															
81																
82	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.															
83																

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## Blackpool Council - Chief Executive

### Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	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	596	333	263	596	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	62	(737)	799	62	-	-
CORPORATE DELIVERY UNIT	90	(193)	283	90	-	-
TOTALS	748	(597)	1,345	748	-	-

### 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 2017/18 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

This Directorate now includes the School Improvement Data Team transferred from Children's Services to the Corporate Delivery Unit.

The Directorate is forecasting a break-even position for 2017/18.

**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	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	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	2,071	1,714	357	2,071	-	-
CORPORATE LEGAL SERVICES	86	(278)	364	86	-	-
LIFE EVENTS & CUSTOMER CARE	(430)	57	(447)	(390)	40	-
GOVERNANCE & PARTNERSHIP SERVICES	1,727	1,493	274	1,767	40	-
WARDS	557	86	221	307	(250)	(287)
TOTALS	2,284	1,579	495	2,074	(210)	(287)

### 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 2017/18 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.

#### Democratic Governance Service

The Democratic Governance Service is forecasting a break-even position for 2017/18.

#### Corporate Legal Services

This service is currently forecasting a break-even position.

#### Life Events & Customer Care

This service, which used to be called Registration and Bereavement Services, is now forecasting a pressure of £40k. This is due to the current forecast level of income and staffing pressures within the Registrars and Cremation services and, has increased this month due to the forecast level of demand and increasing repair costs in Cemeteries and the Crematorium.

#### Ward Budgets

Ward budgets are expected to underspend in 2017/18.

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

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**Blackpool Council  
Ward Budgets  
2017/18  
Month 7**

## Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2017-18 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2017-18 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	8	8	0	0	£33,860.71	£17,389.63	£16,471.08
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	6	6	0	0	£18,970.88	£8,728.85	£10,242.03
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	6	6	0	1	£21,607.99	£5,915.28	£15,692.71
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	3	3	0	0	£43,502.55	£2,299.80	£41,202.75
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	7	7	0	0	£17,686.86	£6,892.57	£10,794.29
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	15	15	0	0	£26,909.39	£16,966.14	£9,943.25
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	10	10	0	7	£44,818.81	£7,694.59	£37,124.22
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	7	7	0	0	£34,145.90	£14,099.64	£20,046.26
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	5	5	0	0	£32,074.75	£4,734.10	£27,340.65
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	3	3	0	0	£38,621.69	£12,731.06	£25,890.63
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	4	4	0	0	£15,822.52	£7,535.00	£8,287.52
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	5	5	0	0	£27,902.68	£8,202.73	£19,699.95
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	6	6	0	0	£15,220.91	£12,522.15	£2,698.76
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	5	5	0	0	£35,494.79	£8,562.44	£26,932.35
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	4	4	0	0	£19,861.41	£9,079.15	£10,782.26
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	2	2	0	0	£41,566.00	£496.94	£41,069.06
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	2	2	0	0	£32,503.85	£388.00	£32,115.85
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	4	4	0	0	£37,587.71	£3,106.72	£34,480.99
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	7	7	0	0	£31,458.31	£13,955.31	£17,503.00
Warbreck Ward BC1020	Cllr. Scott Cllr. Mrs Scott	4	4	0	0	£31,785.91	£5,003.00	£26,782.91
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	5	5	0	0	£30,680.00	£15,060.00	£15,620.00

<b>Ward Totals</b>	<b>118</b>	<b>118</b>	<b>0</b>	<b>8</b>	<b>£632,083.62</b>	<b>£181,363.10</b>	<b>£450,720.52</b>
<b>Unallocated Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£-30,000.00</b>	<b>£0.00</b>	<b>£-30,000.00</b>
<b>Income Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£-45,000.00</b>	<b>£0.00</b>	<b>£-45,000.00</b>
<b>Area Ward Totals</b>	<b>118</b>	<b>118</b>	<b>0</b>	<b>8</b>	<b>£557,083.62</b>	<b>£181,363.10</b>	<b>£375,720.52</b>

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## Blackpool Council - Resources

### Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - OCT	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	
	£000	£000	£000	£000	£000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	144	(160)	267	107	(37)	-
BENEFITS	(949)	(2,012)	1,063	(949)	-	-
REVENUES & EXCHEQUER SERVICES	1,231	595	718	1,313	82	-
CUSTOMER FIRST	19	(307)	328	21	2	-
ICT SERVICES	322	(922)	1,241	319	(3)	-
ACCOUNTANCY	51	(479)	526	47	(4)	-
RISK SERVICES	73	(339)	435	96	23	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	5,553	2,782	2,866	5,648	95	-
TOTALS	6,444	(842)	7,444	6,602	158	-

### 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 2017/18 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 £37k is due to an over-achievement against current and prior years' savings targets in respect of staff savings and additional income.

#### Benefits

The Benefits Service is forecasting a break-even position on a gross budget of £3.8m. Whilst new claims processing times have recently increased due to staff vacancies, the overall processing time for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications is 19 days; this is within the current target of 21 days.

#### Revenues and Exchequer Services

Revenues and Exchequer Services are forecasting an overspend of £82k. This is in part due to a service re-structure in 2017/18 within the Revenues Service and a long-standing income pressure in Payroll. It is anticipated that a review of supplies and services and unbudgeted income receivable will reduce the overspend further.

#### Customer First

Customer First is forecasting an overspend of £2k on a gross budget of £1.1m.

**ICT Services**

ICT is forecasting an underspend of £3k on a gross budget of £4.4m.

**Accountancy**

Accountancy is forecasting an underspend of £4k on a gross budget of £1.8m.

**Risk Services**

Risk Services are forecasting a £23k budget pressure but additional income opportunities are continuously being pursued.

**Property Services (incl. Investment Portfolio)**

Property Services are forecasting an overspend of £95k. This projection is based on the current pace of property rationalisation and demolition delays to redundant properties. 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.

**Summary of the revenue forecast**

After 7 months of the financial year Resources are forecasting a £158k 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	2016/17 (UNDER)/OVER SPEND £000
	2017/18					
	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	62	33	132	165	103	-
ECONOMIC DEVELOPMENT	236	138	98	236	-	-
GROWING PLACES	442	258	274	532	90	-
VISITOR ECONOMY	2,922	1,704	1,377	3,081	159	-
TOTALS	3.662	2.133	1.881	4.014	352	-

### 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 £352k overspend is based upon actual financial performance for the first 7 months of 2017/18 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

#### Cultural Services

This service is expecting a £103k overspend. This is due to income pressures in the Grundy Art Gallery.

#### Growing Places

This service is expecting a £90k overspend by the year-end. This is due to pressures in Planning. £20k of this pressure relates to the delay in Central Government agreeing the annual increase in planning fees, the rest is historic staffing pressure.

#### Visitor Economy

This service is expecting a £159k overspend by the year-end. The Illuminations service is forecasting an overspend of £30k due to the saving put forward regarding additional income from digital advertising which will not now happen in 2017/18. It is hoped that increased scheme and collection income may bring this overspend down by the year end. Visit Blackpool is also forecasting an overspend of £50k due to events expecting to come in over budget. Print Services are now not expecting to bring in as much income as forecast causing an overspend of £100k – a review is underway and it is hoped that this overspend can be brought down with cost savings. A saving of £21k is forecast in visitor services due to vacant posts.

**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	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	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	(190)	(2,549)	3,237	688	878	-
TOTALS	(190)	(2,549)	3,237	688	878	-

### 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 2017/18 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 2017/18 is currently £878k, taking the forecast cumulative deficit as at 2017/18 year-end to £6,307k. 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.

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 7<sup>th</sup> 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	2016/17 (UNDER)/OVER SPEND B/FWD
	2017/18					
	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	446	482	(59)	423	(23)	-
LEISURE AND CATERING	3,134	2,652	569	3,221	87	-
PUBLIC PROTECTION	(23)	(1,186)	1,165	(21)	2	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,361	8,363	6,960	15,323	(38)	-
STREET CLEANSING AND WASTE	18,632	6,577	12,099	18,676	44	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,363	2,864	1,499	4,363	-	-
INTEGRATED TRANSPORT	670	1,388	(753)	635	(35)	-
TOTALS	42,583	21,140	21,480	42,620	37	-

### 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 2017/18 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

There is a £23k surplus due to additional funding taken from reserve to assist in funding pressures across the Directorate.

#### Leisure and Catering

There is a forecast pressure of £87k on income across the service. Catering Services faced a £135k pressure due to 5 schools leaving the service, which has had to be carefully managed through the budget management process. The service will be reconfigured to address the ongoing pressure from the loss of business.

#### Public Protection

There is a £2k pressure on Public Protection due to income.

#### Highways and Traffic Management Services

There is a £38k surplus due to additional scheme income.

**Street Cleansing and Waste**

Street Cleansing and Waste is £44k over budget due to pressures on disposal costs and income at the Household Waste Recycling Centre (HWRC).

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 2017/18.

**Integrated Transport**

Vehicle Maintenance continues to make a small surplus following the RPI uplift.

**Conclusion – Community and Environmental Services financial position**

As at the end of month 7 the Community and Environmental Services Directorate is forecasting an overall overspend of £37k for the financial year to March 2018 as detailed above. The pressure due to the loss of the Waste PFI grant has been offset against reserves in 2017/18.

**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	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18						
	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							
BETTER CARE FUND POOLED BUDGET							
BLACKPOOL COUNCIL	17,774	9,444	8,169	17,613	(161)	-	
BLACKPOOL CCG	6,974	4,068	2,906	6,974	-	-	
TOTAL GROSS EXPENDITURE	24,748	13,512	11,075	24,587	(161)	-	
BLACKPOOL COUNCIL - BCF GRANT	(7,385)	(4,308)	(3,077)	(7,385)	-	-	
BLACKPOOL COUNCIL - CORE BUDGET	(1,353)	(789)	(564)	(1,353)	-	-	
BLACKPOOL CCG	(16,010)	(9,339)	(6,671)	(16,010)	-	-	
TOTAL CONTRIBUTIONS	(24,748)	(14,436)	(10,312)	(24,748)	-	-	
CARRY FORWARD OF BETTER CARE FUND	-	-	161	161	161	-	
BETTER CARE FUND POOLED BUDGET NET EXPENDITURE	-	(924)	924	-	-	-	
NET EXPENDITURE							
BETTER CARE FUND	1,353	766	587	1,353	-	-	
ADULT SOCIAL CARE	4,176	3,042	1,056	4,098	(78)	-	
CARE & SUPPORT	3,726	2,595	1,136	3,731	5	-	
COMMISSIONING & CONTRACTS TEAM	846	257	450	707	(139)	-	
ADULT COMMISSIONING PLACEMENTS	37,492	18,360	18,884	37,244	(248)	-	
ADULT SAFEGUARDING	657	(51)	653	602	(55)	-	
TOTAL COUNCIL FUNDED SERVICES	48,250	24,969	22,766	47,735	(515)	-	
TOTALS	48,250	24,045	23,690	47,735	(515)	-	

### 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 2017/18 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.

#### Better Care Fund

The Better Care Fund (BCF) is a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing, and live independently in their communities for as long as possible. A requirement of the programme is that Blackpool Council and Blackpool Clinical Commissioning Group (CCG) pool budgets via a section 75 agreement for these shared services. The value of the pooled budget has increased from £17.4m in 2016/17 to £24.7m in 2017/18 mainly as a result of the Improved Better Care Fund (iBCF) grant announced in the Spring 2017 budget.

**Adult Commissioning Placements (Social Care Packages)**

The Adult Commissioning Placements Budget is forecasting a £248k underspend as a result of releasing one-off income and unallocated accruals, offset by in-year planned slippage of the Housing Related Support savings target.

**Commissioning & Contracts Team**

Commissioning & Contracts is currently forecast to be £139k underspent on their staffing budget as a result of integrating the commissioning team with Blackpool CCG.

**Care & Support**

Care & Support is currently forecast to be overspent by £5k on a gross budget of £9m.

**Adult Social Care**

Adult Social Care is currently forecast to be £78k underspent due to vacant posts within the service.

**Adult Safeguarding**

The Adult Safeguarding Division is forecasting an underspend of £55k on their staffing budget due to the vacant Principal Social Worker Post.

**Summary of the Adult Services financial position**

As at the end of October 2017 the Adult Services Directorate is forecasting an overall underspend of £515k for the financial year to March 2018 on a gross budget of £73m.

**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	2016/17 (UNDER)/OVER SPEND B/FWD
	2017/18					
	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	19,372	12,623	6,749	19,372	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	370	262	108	370	-	-
EDUCATION	22,658	11,321	12,329	23,650	992	-
EARLY HELP FOR CHILDREN AND FAMILIES	50	59	(17)	42	(8)	-
BUSINESS SUPPORT AND RESOURCES	675	346	312	658	(17)	-
DEDICATED SCHOOL GRANT	(43,951)	(26,653)	(17,667)	(44,320)	(369)	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(174)	-	(772)	(772)	(598)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(2,042)	1,042	(1,000)	-	-
CHILDREN'S SERVICES DEPRECIATION	2,011	1,173	838	2,011	-	-
EDUCATION	2,748	750	2,111	2,861	113	-
EARLY HELP FOR CHILDREN AND FAMILIES	4,758	849	3,698	4,547	(211)	-
CHILDREN'S SOCIAL CARE	28,016	18,451	14,185	32,636	4,620	-
BUSINESS SUPPORT AND RESOURCES	1,485	803	640	1,443	(42)	-
LOCAL SERVICES SUPPORT GRANT	-	(11)	(7)	(18)	(18)	-
EDUCATION SERVICES GRANT	(509)	(324)	-	(324)	185	-
TOTAL COUNCIL FUNDED SERVICES	38,509	21,691	21,465	43,156	4,647	-
TOTALS	37,509	19,649	22,507	42,156	4,647	-

### 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 2017/18 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.

#### Children’s Social Care

Children’s Social Care is forecasting an overspend of £4.62m, primarily due to a significant increase in the numbers of Looked After Children (LAC) since budgets were set. At this point, numbers were around 500, which still represented the highest LAC per 10,000 population nationally. However, numbers continued to rise and had reached 529 by 31st March 2017, increasing to an all-time high of 549 by the end of May 2017. Since then numbers had been reducing month on month with this trend included in financial forecasts to March 2018. However, demand and complexity of cases have increased in October which worsened the position by £441k. Furthermore, early November data indicated this was set to continue, therefore savings in reducing LAC of £139k have also been removed.

A number of solutions to try and mitigate the cost pressures around LAC are being implemented. A procedure has been introduced whereby all new admissions into care must be approved by the Senior Service Manager and, in those cases where the child is 12 years or over, by the Director of Children’s Services.

In addition, a new Commissioning role has been created, the purpose of which will be to scrutinise and challenge the cost of the most expensive external placements, and review the options for stepping children down into more affordable provision. This post was appointed to during August 2017.

The Independent Placement Overview Panel now meets on a weekly basis, and an additional Panel has been introduced for the short-term to review placements for LAC who are 16 years or over. As a result of this, it is anticipated that a number of children will successfully step down from residential settings to supported accommodation placements, which will create net savings for the current year across placement budgets in excess of £600k. These savings are assumed within the current forecast.

Other developments in the service include the recent introduction of an 'edge of care' model through the reconfiguration of Argosy children's home. Blackpool Young People's Service (previously known as the Vulnerable Adolescent Hub) will enable services to work more effectively with young people to prevent the need for higher level service interventions. The PAUSE project, which seeks to reduce multiple removals of children at birth from families, is in the implementation stage, and should ultimately help to reduce the number of new-born admissions into the care system.

### **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 2018/19 and, in the case of overspends, become the first call on the grant in that year.

### **Education**

The overspend in the Education division predominantly relates to the Special Educational Needs (SEN) Transport service, and is partly due to demand pressures and also due to the savings target that has been applied in the current year but is not forecast to be achieved.

### **Early Help for Children and Families**

The underspend in the Early Help division is primarily due to vacancy savings across various teams.

### **Education Services Grant**

The Education Services Grant (ESG), which historically has supported a number of services within the directorate, will cease with effect from September 2017. The gap in 2017/18 is partly covered by a transitional grant and the charging of retained education functions to the Dedicated Schools Grant (DSG), however, there is a remaining pressure of £185k in the current year, rising to £283k in 2018/19.

### **Summary of the Children's Services financial position**

As at the end of October 2017 the Children's Services Directorate is forecasting an overspend of £4.647m for the financial year to March 2018.

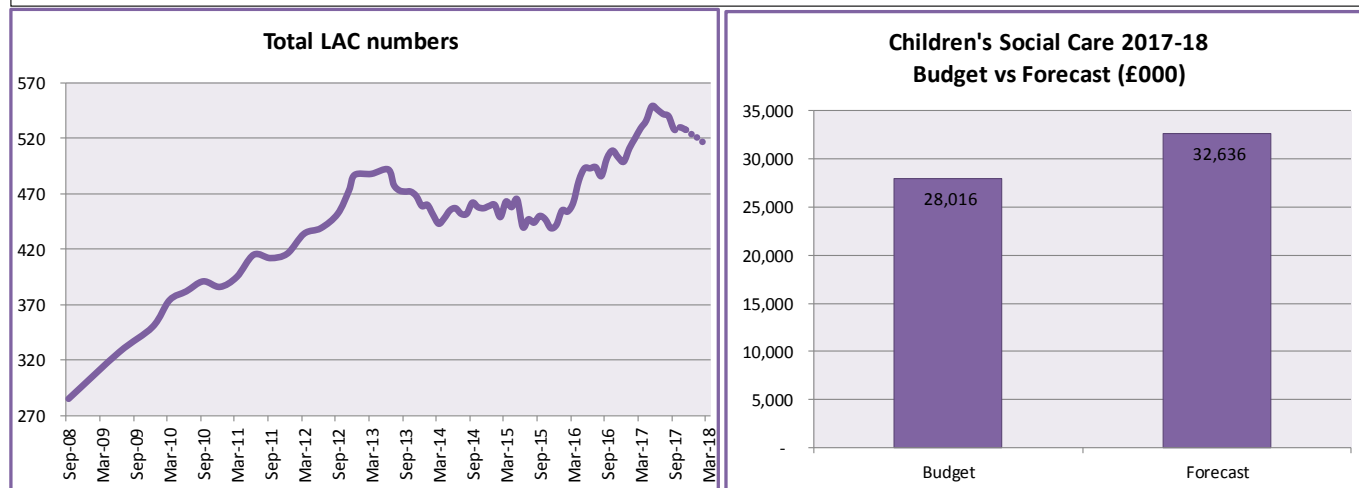
### **Budget Holder – Mrs D Booth, Director of Children's Services**

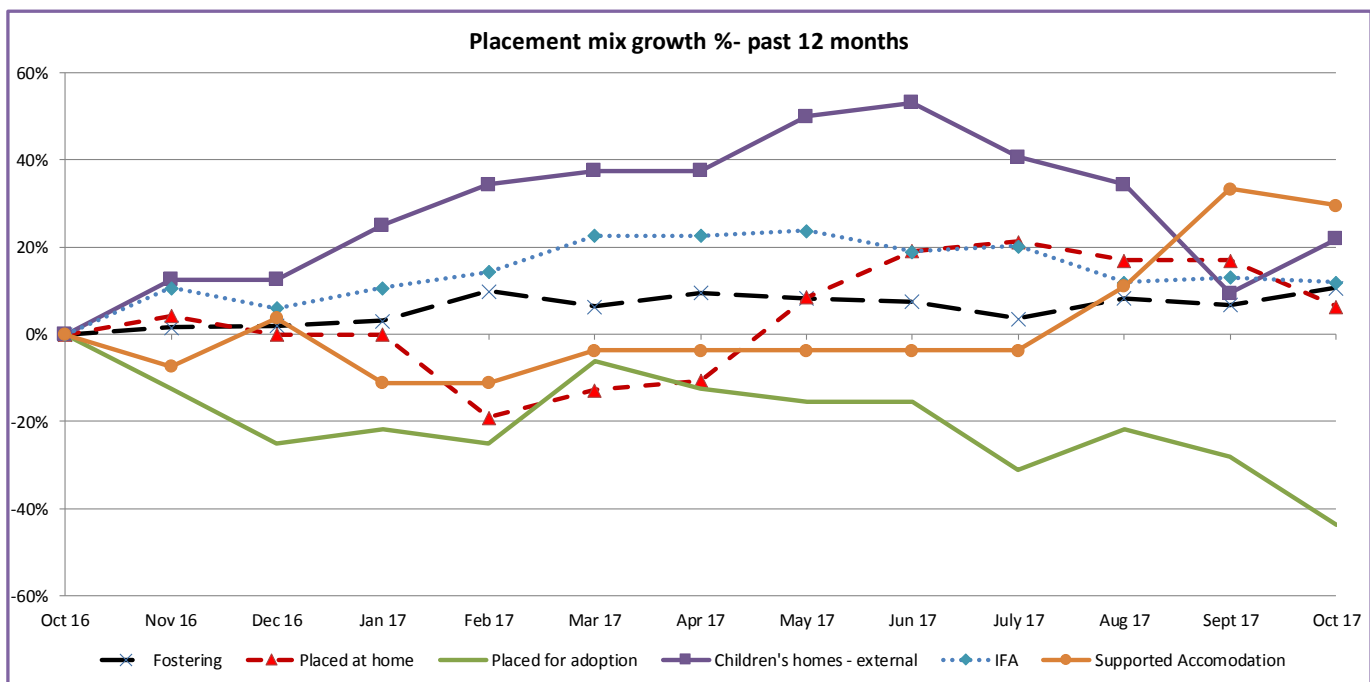
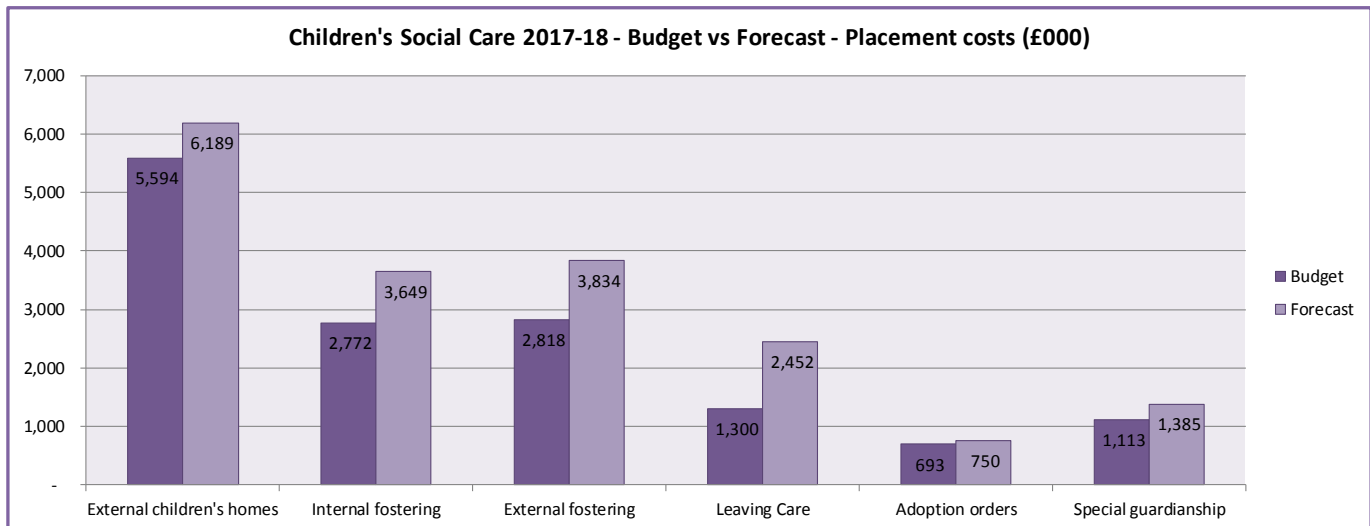
## Children's Social Care Trends

Date	External Placements Projection						Supported Accomodation projection			Internal Fostering Projection			Total LAC Numbers
	Fostering			Residential									No.
	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	
Dec-08	8.67	411	47,453	27.50	2,624	95,423	no data	no data	no data	no data	no data	no data	285
Mar-09	8.77	403	45,979	28.07	2,772	98,747	no data	no data	no data	208.91	2,510	12,015	323
Jul-09	12.10	466	38,549	40.85	4,290	105,007	no data	no data	no data	no data	no data	no data	334
Mar-10	13.35	513	38,445	39.02	4,295	110,083	no data	no data	no data	263.88	2,889	10,946	374
Jun-10	20.43	765	37,428	34.20	3,473	101,534	no data	no data	no data	304.83	3,357	11,012	382
Mar-11	22.69	860	37,912	36.73	3,536	96,272	no data	no data	no data	303.23	3,329	10,977	395
Jun-11	29.54	1,108	37,508	33.62	3,430	102,023	no data	no data	no data	303.23	3,329	10,977	395
Sep-11	30.35	1,129	37,191	33.90	3,457	101,982	no data	no data	no data	316.95	3,527	11,128	412
Dec-11	31.91	1,184	37,118	35.16	3,580	101,808	no data	no data	no data	312.85	3,496	11,175	416
Mar-12	32.68	1,223	37,424	34.27	3,488	101,780	no data	no data	no data	315.07	3,507	11,131	434
Jun-12	49.27	1,816	36,858	36.47	3,710	101,727	no data	no data	no data	296.18	3,480	11,750	439
Sep-12	53.37	1,903	35,657	36.70	4,264	116,185	no data	no data	no data	290.42	3,345	11,518	452
Dec-12	55.80	1,987	35,611	38.08	4,498	118,121	no data	no data	no data	290.55	3,372	11,606	487
Mar-13	57.36	2,028	35,355	38.89	4,645	119,447	no data	no data	no data	291.27	3,377	11,594	488
Jun-13	71.93	2,604	36,202	30.01	3,349	111,596	no data	no data	no data	298.00	3,542	11,887	492
Sep-13	70.51	2,515	35,667	29.05	3,240	111,523	no data	no data	no data	293.58	3,496	11,908	472
Dec-13	68.22	2,494	36,560	29.02	3,398	117,073	no data	no data	no data	292.11	3,455	11,828	459
Mar-14	72.82	2,480	34,058	29.76	3,525	118,473	no data	no data	no data	295.49	3,474	11,757	443
Jun-14	70.35	2,527	35,928	24.74	2,537	102,561	no data	no data	no data	266.65	3,422	12,833	457
Sep-14	69.41	2,614	37,655	23.09	2,799	121,210	no data	no data	no data	258.39	3,248	12,570	462
Dec-14	68.73	2,664	38,760	23.09	2,870	124,281	no data	no data	no data	265.56	3,313	12,474	459
Mar-15	71.13	2,856	40,155	23.23	2,993	128,868	no data	no data	no data	262.93	3,253	12,374	463
Jun-15	71.30	2,896	40,625	22.02	3,254	147,777	no data	no data	no data	250.74	3,144	12,541	440
Sep-15	71.48	2,862	40,040	26.39	3,772	142,934	no data	no data	no data	251.13	3,151	12,549	450
Dec-15	71.41	2,945	41,243	26.60	3,862	145,196	no data	no data	no data	250.66	3,115	12,428	442
Mar-16	72.39	3,056	42,215	27.09	3,958	146,120	no data	no data	no data	250.97	3,125	12,453	462
Jun-16	73.79	3,110	42,145	25.62	4,025	157,136	18.39	710	38,608	256.45	3,239	12,630	493
Sep-16	75.24	3,216	42,750	31.40	5,337	169,996	22.67	938	41,376	255.78	3,245	12,688	502
Dec-16	78.60	3,383	43,038	34.41	6,055	175,954	27.39	1,124	41,037	258.78	3,327	12,857	499
Mar-17	80.88	3,519	43,502	35.35	6,352	179,669	30.13	1,278	42,416	263.33	3,390	12,872	529
Apr-17	96.25	3,806	39,544	42.68	7,111	166,601	22.62	1,267	56,027	274.84	3,520	12,806	536
May-17	94.73	3,805	40,164	45.38	7,010	154,472	24.21	1,342	55,436	276.52	3,589	12,979	549
Jun-17	95.87	3,924	40,933	42.55	6,445	151,450	23.99	1,462	60,946	272.43	3,603	13,227	546
Jul-17	98.28	3,998	40,678	38.87	6,165	158,604	28.62	1,781	62,229	272.89	3,613	13,241	542
Aug-17	93.01	3,819	41,062	37.47	5,904	157,588	30.81	1,779	57,741	275.33	3,642	13,229	540
Sep-17	92.89	3,808	40,991	36.90	5,959	161,487	33.48	1,939	57,928	272.60	3,602	13,213	528
Oct-17	93.32	3,834	41,089	38.17	6,189	162,156	32.52	1,917	58,950	276.98	3,649	13,174	530

Note:

The variance between the current total number of Looked After Children (530) and the total internal fostering and external placement numbers (441 FTE) 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	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - OCT	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	
	£000	£000	£000	£000	£000	
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,386	1,057	329	1,386	-	-
NHS HEALTH CHECKS - MANDATED	145	30	115	145	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	600	600	-	600	-	-
CHILDREN'S 0-5 SERVICES	2,500	2,355	145	2,500	-	-
TOBACCO CONTROL	694	177	517	694	-	-
MENTAL HEALTH AND WELLBEING	91	5	86	91	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,216	1,777	439	2,216	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,124	1,869	1,255	3,124	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	2,628	1,444	1,184	2,628	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	5,553	5,067	486	5,553	-	-
GRANT	(18,914)	(14,186)	(4,728)	(18,914)	-	-
TOTALS	23	195	(172)	23	-	-

### 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 2017/18 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the service leads.

#### Public Health Grant

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

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

#### Payment by Results (PbR)/ Activity-based Commissioning

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

#### Summary of the Public Health Directorate financial position

As at the end of October 2017, the Public Health Directorate is forecasting an overall spend of the full grant, £18,914,000, for the financial year to March 2018.

**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	2016/17 (UNDER)/OVER SPEND B/FWD  £000
	2017/18					
	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	10,371	6,351	4,536	10,887	516	-
PARKING SERVICES	(4,095)	(2,137)	(1,414)	(3,551)	544	-
CORPORATE SUBSCRIPTIONS	191	111	80	191	-	-
HOUSING BENEFITS	2,027	1,185	842	2,027	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	304	173	131	304	-	-
SUBSIDIARY COMPANIES	(997)	67	(1,198)	(1,131)	(134)	-
LAND CHARGES	(52)	(49)	(3)	(52)	-	-
CONCESSIONARY FARES	4,263	919	3,414	4,333	70	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	2,890	1,685	1,205	2,890	-	-
NEW HOMES BONUS	(790)	(736)	(54)	(790)	-	-
TOTALS	14,112	7,569	7,539	15,108	996	-

### 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 2017/18 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

Treasury Management is forecasting an overspend of £516k. 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 resultant saving of £1,200k currently partially offsets the Business Loans Fund which has a savings target of £1,800k.

#### Parking Services

This service is forecasting a pressure of £544k, this pressure is mainly due to the delay in implementing 'on-street parking' schemes, loss of parking spaces and prudential borrowing costs. As at Week 33 (w/e 12th November) parking income is at £4.388m with patronage at 986,414. Car park patronage is down by 20,903, however income is up by £214,491 on 2016/17. On-Street Pay and Display is down on patronage by 15,545, however income is up by £3,070.

**Subsidiary Companies**

This service is now forecasting a favourable variance of £134k. This is due to the reducing balance payback of prudentially-borrowed schemes and savings on the cost of historic pension payments.

**Concessionary Fares**

This service is forecasting a pressure of £70k which relates to a forecast increase in bus and tram patronage.

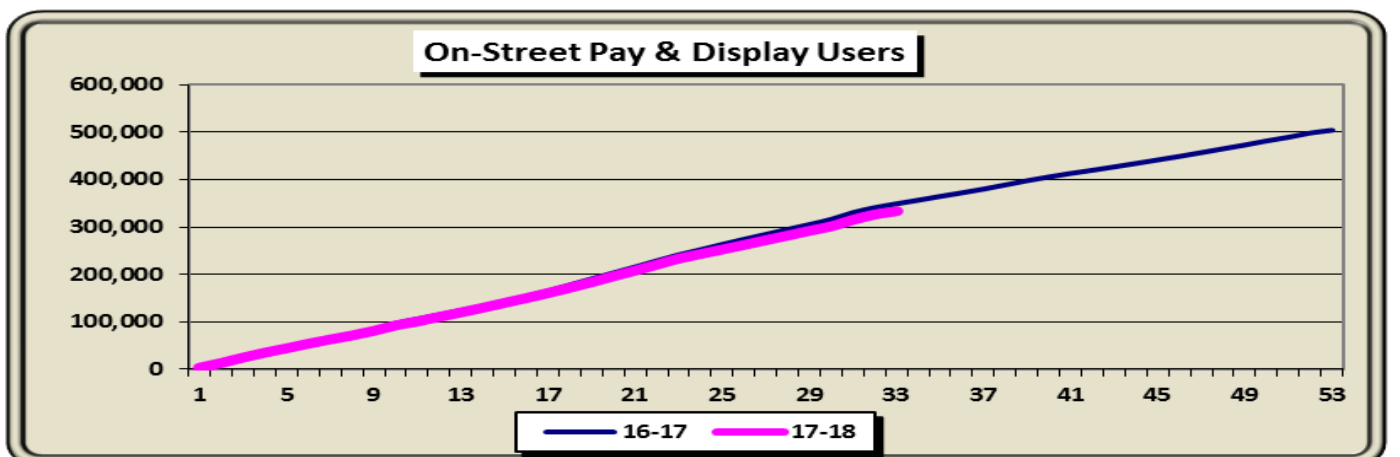
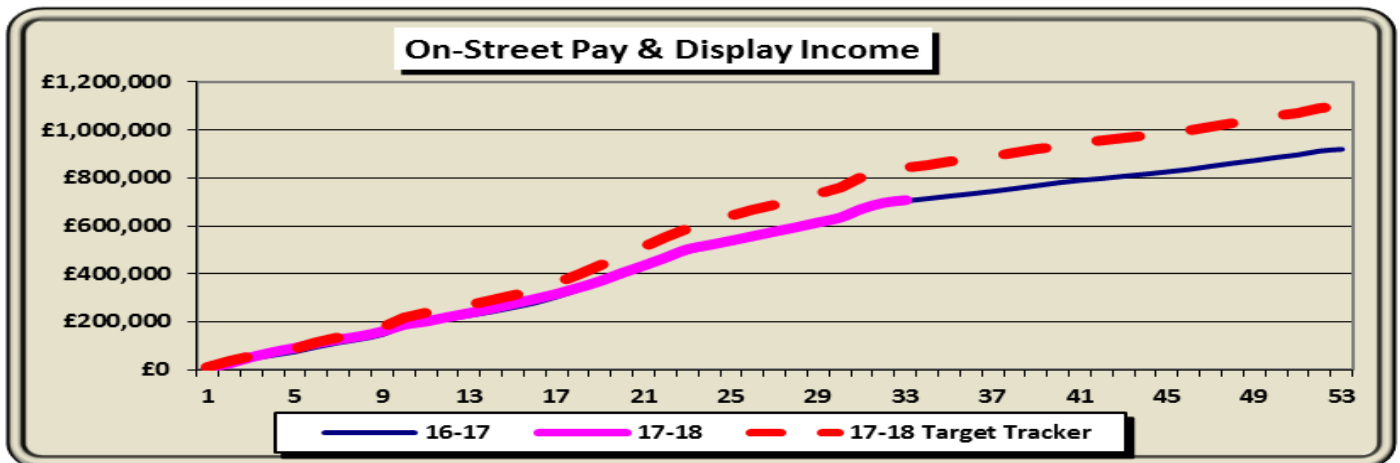
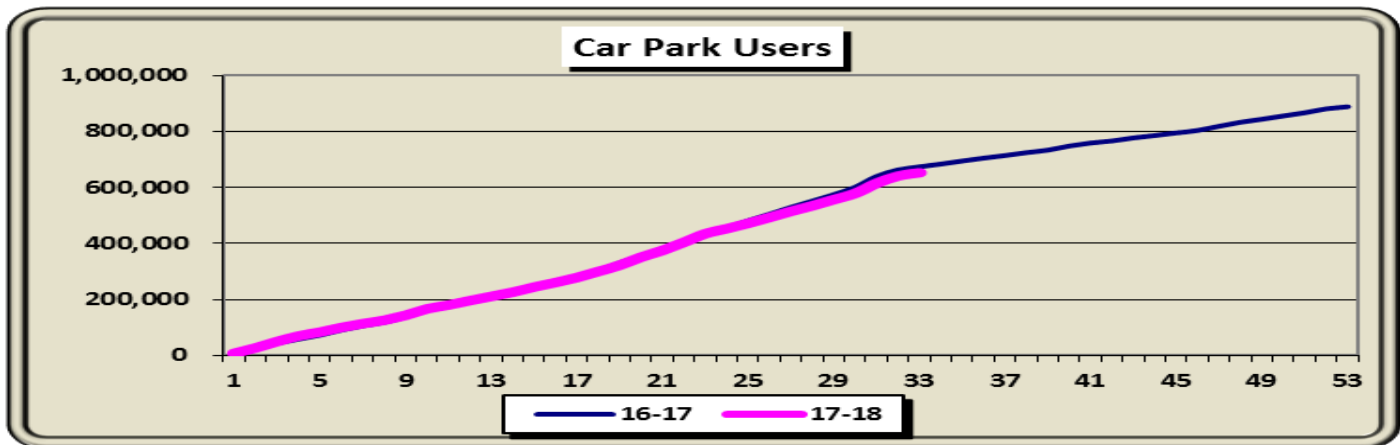
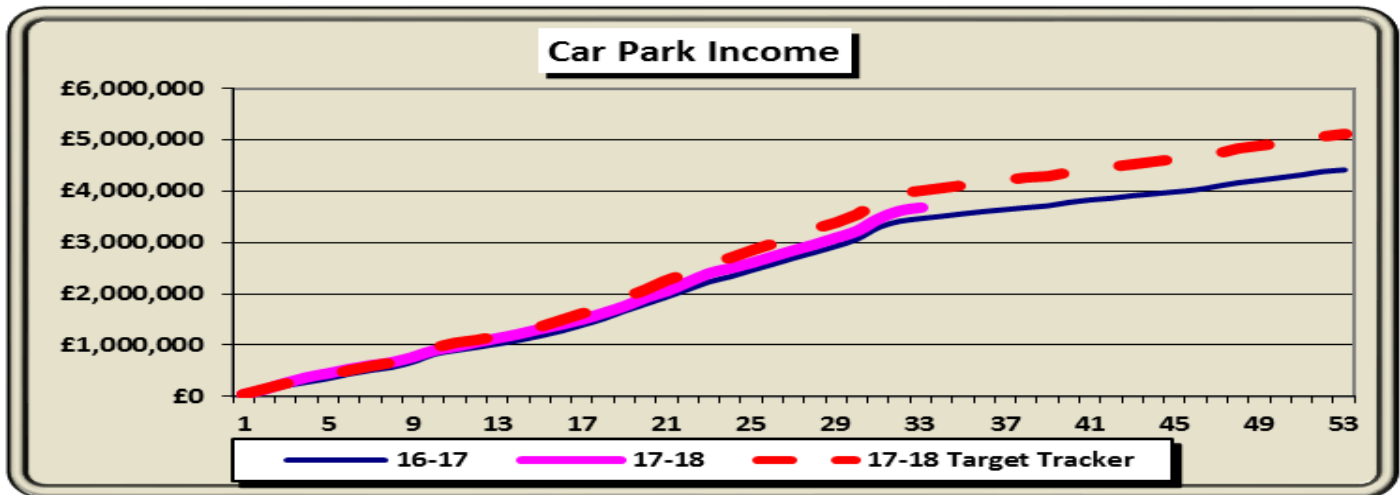
**Land Charges**

This service is forecasting a break-even position for 2017/18.

**Summary of the revenue forecasts**

After 7 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £996k overspend.



Car Parking Trends

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**2017/18 CAPITAL MONITORING  
MONTH 7**

	Total Scheme Budget	Spend as at 31/3/17	Budget Brought Forward 2016/17	Capital Programme 2017/18 as approved by Exec.	Total Available Budget 2017/18	Spend to Date April -Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Resources</b>									
<b>Property and Asset Management</b>									
Central Business District Phase 1	40,432	37,810	2,622	-	2,622	310	-	-	
Office Accommodation Strategy	1,408	1,408	-	-	-	-	-	-	
CBD Phase 2 - Hotel	24,500	133	1,488	3,500	4,988	842	410	-	
- Wilkinson's	6,300	6,279	21	-	21	-	-	-	
BHS Acquisition	6,500	-	-	6,500	6,500	19	6,481	-	
Syndicate	1,600	1,716	(116)	-	(116)	(7)	-	-	
ICT Refresh	1,650	850	-	800	800	144	656	-	
Clifton Street Redevelopment	776	776	-	-	-	(18)	-	-	
CLC Remodeling scheme	859	21	838	-	838	182	656	-	
Municipal Building Works	1,095	870	225	-	225	1,071	-	-	
Other Resources Schemes	1,192	697	13	486	499	48	451	-	
<b>Total Resources</b>	<b>86,312</b>	<b>50,560</b>	<b>5,091</b>	<b>11,286</b>	<b>16,377</b>	<b>2,591</b>	<b>8,654</b>	<b>-</b>	
<b>Director Responsible for Adult Services</b>									
Support to Vulnerable Adults - Grants	4,188	2,637	66	1,485	1,551	562	989	-	
Other Adult Services Schemes	4,203	2,453	1,310	440	1,750	74	1,676	-	
<b>Total Adult Services</b>	<b>8,391</b>	<b>5,090</b>	<b>1,376</b>	<b>1,925</b>	<b>3,301</b>	<b>636</b>	<b>2,665</b>	<b>-</b>	

**2017/18 CAPITAL MONITORING  
MONTH 7**

	Total Scheme Budget	Spend as at 31/3/17	Budget Brought Forward 2016/17	Capital Programme 2017/18 as approved by Exec.	Total Available Budget 2017/18	Spend to Date April -Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Community and Environmental Services</b>									
Anchorsholme Seawall	27,515	24,761	2,753	-	2,753	-	1,000	-	
Coastal Protection Studies	1,463	1,289	174	-	174	81	93	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	296	63	-	63	29	34	-	
<b>Transport</b>									
Blackpool/Fleetwood Tramway	99,990	95,638	4,353	-	4,353	2,077	2,276	-	
Sintropher	1,903	2,780	(876)	-	(876)	-	-	-	
Bridges	11,365	6,021	635	3,511	4,146	600	3,546	-	
<b>Total Community and Environmental Services</b>	<b>143,101</b>	<b>131,247</b>	<b>7,145</b>	<b>3,511</b>	<b>10,656</b>	<b>2,787</b>	<b>6,992</b>	<b>-</b>	

**2017/18 CAPITAL MONITORING  
MONTH 7**

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	Total Scheme Budget	Spend as at 31/3/17	Budget Brought Forward 2016/17	Capital Programme 2017/18 as approved by Exec.	Total Available Budget 2017/18	Spend to Date April -Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Place</b>									
<b>Housing</b>									
Foxhall Village	12,500	10,892	1,608	-	1,608	687	921	-	
Work towards Decent Homes Standard	4,263	-	-	4,263	4,263	1,620	2,643	-	
Queens Park Redevelopment Ph2	12,202	5,365	-	5,251	5,251	2,750	2,501	-	
Other	96	68	27	-	27	-	27	-	
<b>Others</b>									
College Relocation/Illumination Depot	12,905	13,924	(1,119)	100	(1,019)	-	-	-	
Leisure Assets	62,099	61,409	40	650	690	-	690	-	
Conference Centre	26,600	-	-	8,000	8,000	-	8,000	-	
Leopold Grove	557	357	200	-	200	136	64	-	
Spanish Hall roof & façade	1,995	20	100	1,875	1,975	89	1,886	-	
Airport Acquisition	4,500	-	-	4,500	4,500	4,291	209	-	
Airport Marr Land	595	-	-	595	595	595	-	-	
Other	875	-	12	863	875	68	-	-	
<b>Transport</b>									
Local Transport Plan 2015/16	1,730	1,545	185	-	185	185	-	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	860	643	217	-	217	217	-	-	
Local Transport Plan Project 30 2016/17	583	583	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2016/17	82	82	-	-	-	-	-	-	
Local Transport Plan ITM 2016/17	165	-	165	-	165	165	-	-	
Local Transport Plan 2017/18	1,066	-	-	1,066	1,066	309	757	-	
Local Transport Plan Project 30 2017/18	523	-	-	523	523	-	523	-	
Local Transport Plan Quality Corridor 2017/18	200	-	-	200	200	-	200	-	
Quality Corridor	6,600	603	-	1,779	1,779	425	1,354	-	
Intelligent Traffic Management	1,510	-	-	1,510	1,510	798	712	-	
<b>Total Place</b>	<b>153,332</b>	<b>96,317</b>	<b>1,435</b>	<b>31,175</b>	<b>32,610</b>	<b>12,335</b>	<b>20,487</b>	<b>-</b>	

**2017/18 CAPITAL MONITORING  
MONTH 7**

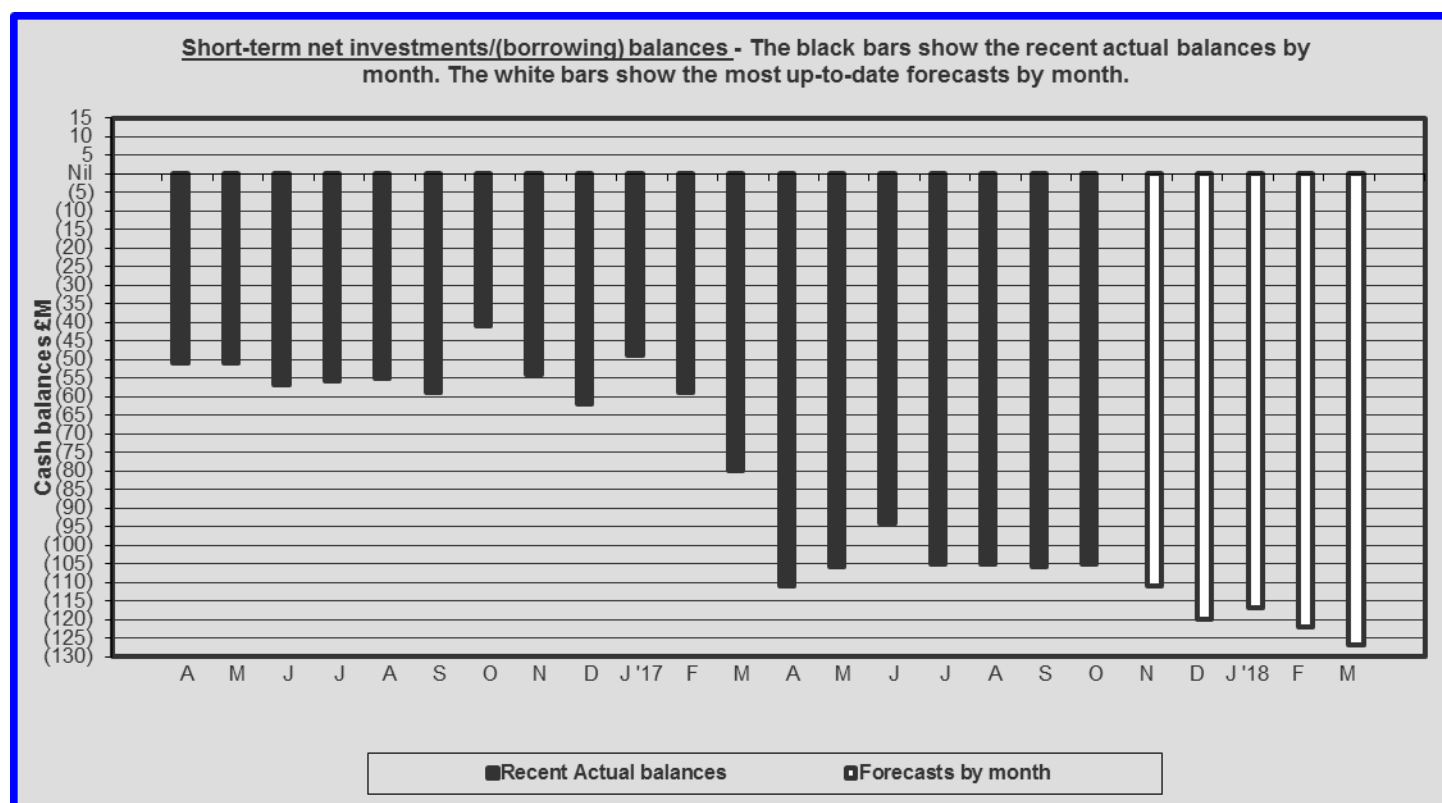
	Total Scheme Budget	Spend as at 31/3/17	Budget Brought Forward 2016/17	Capital Programme 2017/18 as approved by Exec.	Total Available Budget 2017/18	Spend to Date April -Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Children's Services</b>									
Devolved Capital to Schools	360	141	129	90	219	3	216	-	
Christ The King	5,160	5,117	(917)	960	43	-	-	-	
Westbury Feasibility Plan	555	541	14	-	14	-	-	-	
Woodlands Development Scheme	1,500	86	1,414	-	1,414	1,045	369	-	
Demolition Aspire	390	228	162	-	162	163	-	-	
Basic Need	3,238	260	2,177	801	2,978	14	-	-	
Condition	696	72	196	428	624	77	447	-	
Early Years	362	49	313	-	313	313	-	-	
Other Children's Schemes	643	528	79	35	114	12	102	-	
<b>Total Children's Services</b>	<b>12,904</b>	<b>7,022</b>	<b>3,567</b>	<b>2,314</b>	<b>5,881</b>	<b>1,627</b>	<b>1,134</b>	<b>-</b>	
<b>CAPITAL TOTAL</b>	<b>404,040</b>	<b>290,236</b>	<b>18,614</b>	<b>50,211</b>	<b>68,825</b>	<b>19,976</b>	<b>39,932</b>	<b>-</b>	

# Blackpool Council

## Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 17/18							
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
75	44	43	31	<b>RECEIPTS</b>	(1)	-	(1)
105	67	56	35	Housing Benefit & Subsidy	(11)	(3)	(14)
12	7	8	5	Council tax and NNDR	1	-	1
27	16	20	10	VAT	4	(1)	3
87	54	66	31	RSG & BRR	12	(2)	10
98	57	71	40	Other Grants	14	(1)	13
3	3	277	14	Other Income	274	14	288
9	9	327	25	Money Market Transactions Received	318	25	343
				Receipt of Loans			
416	257	868	191	<b>RECEIPTS - NORMAL ACTIVITIES</b>	611	32	643
9	5	5	4	<b>PAYMENTS</b>	-	-	-
225	132	162	95	Police & Fire	(30)	(2)	(32)
-	-	-	-	General Creditors	-	-	-
104	61	92	39	RSG & BRR	(31)	4	(27)
68	40	37	29	Salaries & wages	3	(1)	2
90	90	570	113	Housing Benefits	(480)	(113)	(593)
				Money Market Transactions Paid Out			
496	328	866	280	<b>PAYMENTS - NORMAL ACTIVITIES</b>	(538)	(112)	(650)
(80)	(71)	2	(89)	<b>NET CASH FLOW IN/(OUT)</b>	73	(80)	(7)
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 increased since 31<sup>st</sup> March 2017 mainly due to a £36.7m up-front payment to the Lancashire County Pension Fund. 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. As a result the delay in taking new long-term borrowing means that interest charges are lower than expected. In contrast, the take-up of loans from the recently expanded Business Loans Fund is slower than anticipated and this means that an adverse variance is currently forecast for 2017/18.

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 31<sup>st</sup> March 2018.



# Blackpool Council

## Balance Sheet / Working capital:

BALANCE SHEET 2017/2018				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
31 Mar 17		31 Oct 17	Movement since	31 Mar 18
Actual		Actual	31 Mar 17	Forecast
£000s		£000s	£000s	£000s
777,280	Property, Plant and Equipment	797,256	19,976	800,358
32	Intangible Assets	32	-	-
36,436	Long-term Assets	51,470	15,034	65,534
	Current Assets			
41,583	Debtors	42,756	1,173	66,000
479	Inventories	432	(47)	475
9,878	Cash and cash equivalents	10,506	628	9,500
<b>865,688</b>	<b>Total Assets</b>	<b>902,452</b>	<b>36,764</b>	<b>941,867</b>
	Current Liabilities			
(91,697)	Borrowing Repayable within 12 months	(107,000)	(15,303)	(100,000)
(55,720)	Creditors	(54,980)	740	(52,000)
	Long-term Liabilities			
(84,701)	Borrowing Repayable in excess of 12 months	(92,469)	(7,768)	(94,700)
(16,073)	Capital Grants in Advance	(16,073)	-	(14,000)
(12,718)	Provisions	(13,831)	(1,113)	(14,000)
(365,166)	Other Long Term Liabilities	(365,166)	-	(364,300)
<b>239,613</b>	<b>Total Assets less Liabilities</b>	<b>252,933</b>	<b>13,320</b>	<b>302,867</b>
	Usable Reserves			
(58,846)	Usable Reserves	(56,984)	1,862	(52,640)
(180,767)	Unusable Reserves	(195,949)	(15,182)	(250,227)
<b>(239,613)</b>	<b>Total Reserves</b>	<b>(252,933)</b>	<b>(13,320)</b>	<b>(302,867)</b>

### 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 Payment 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 were sold.

Over the 7-month period, there has been an increase in short-term borrowing of £15.3m and an increase in long-term borrowing of £7.8m, which in the main reflects borrowing in advance at low interest rates to fund the capital programme (£20m) and to fund the increase in long-term assets (£15m). The increase in long-term assets is due to the purchase of shares in Blackpool Airport and an increase in business loans granted. The movement in debtors and creditors reflects seasonal activity.