Dear Councillor

EXECUTIVE - MONDAY, 10TH DECEMBER, 2018

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 10 December, 2018 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
4	**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 6 2018/19 (Pages 1 - 48)**

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BLACKPOOL COUNCIL

REPORT

of the

DIRECTOR OF RESOURCES

to the

EXECUTIVE

10TH DECEMBER 2018

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 6 2018/19

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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 6 months of 2018/19, i.e. the period to 30th September 2018, 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 - Communications and Regeneration
- 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 2018/19. 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 with Places now re-designated as Communications and Regeneration. 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 18th June 2018 to write-off all 2017/18 service variances but carry forward the 2017/18 underspend of £312k on Ward Budgets.

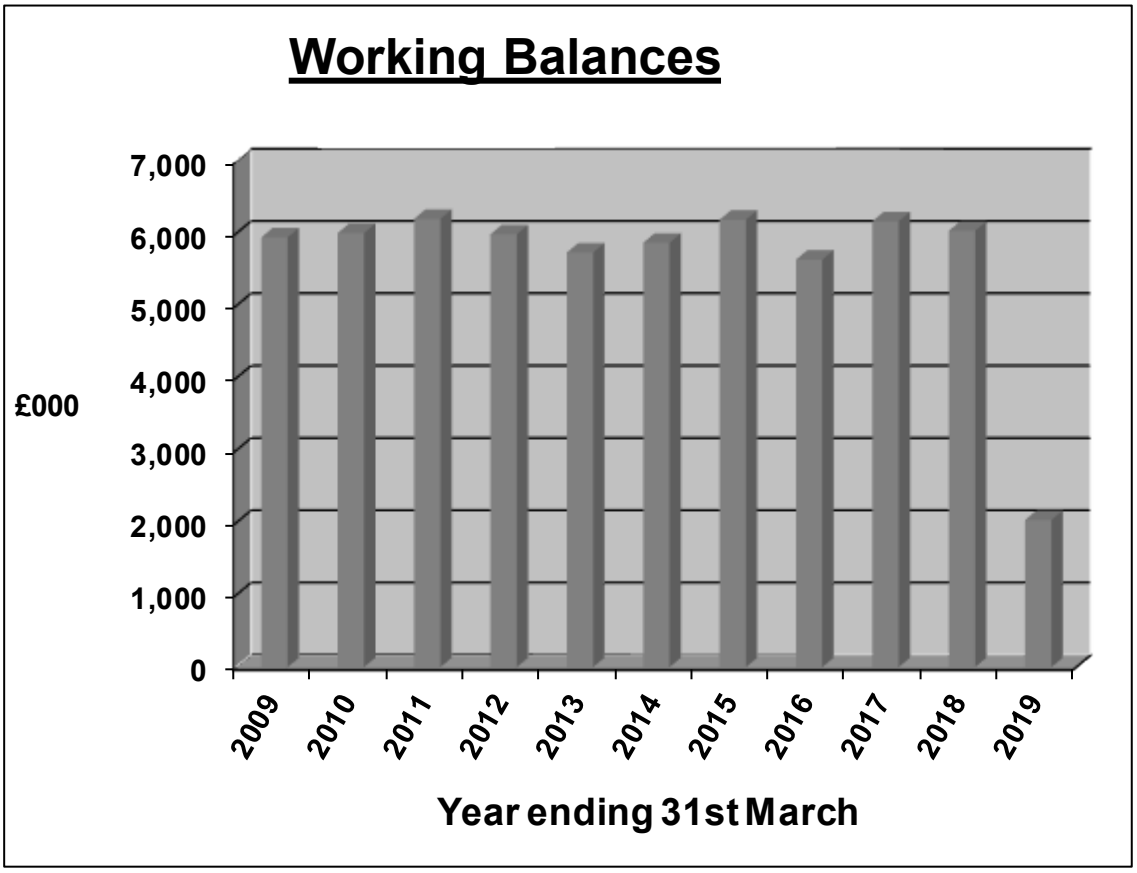
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 6 forecast overspend of £3,998k for 2018/19 are summarised below:-

Directorate	**Service**	**Forecast Variance £000**
Children's Services	An overspend of £4,296k is forecast. Children's Social Care is forecast to overspend by £3,566k, due to ongoing demand pressures relating to Looked After Children (LAC). When budgets were set, LAC numbers were around 530. By September 2018 they have reached **557 which is a slight further reduction on July figures.** Early in the financial year a review of each individual LAC placement was carried out and a plan put in place for every child, which included stepping young people down into lower cost placements, and discharging them from care to be resettled at home with their families, wherever this was appropriate and safe. These plans were reflected in detailed budget forecasts which resulted in an anticipated overspend at the beginning of the financial year of £2.2m. This overall increase has undoubtedly placed the budget under further pressure, but the breakdown of a number of existing placements has also contributed significantly to the higher forecast overspend. Additional costs for the financial year attributable to children with complex needs being moved into more expensive placement categories, requiring additional support or being unable to step down as early as planned, amount to more than £1,400k. Work is ongoing to reduce both LAC numbers and placement costs. All new admissions into care require Senior Service Manager approval. There is now a Commissioning role in place, the purpose of which is to scrutinise and challenge the cost of the most expensive external placements, and work is underway to review the sufficiency of placement provision across the town, which is monitored through a monthly meeting chaired by the Director of Children's	4,296

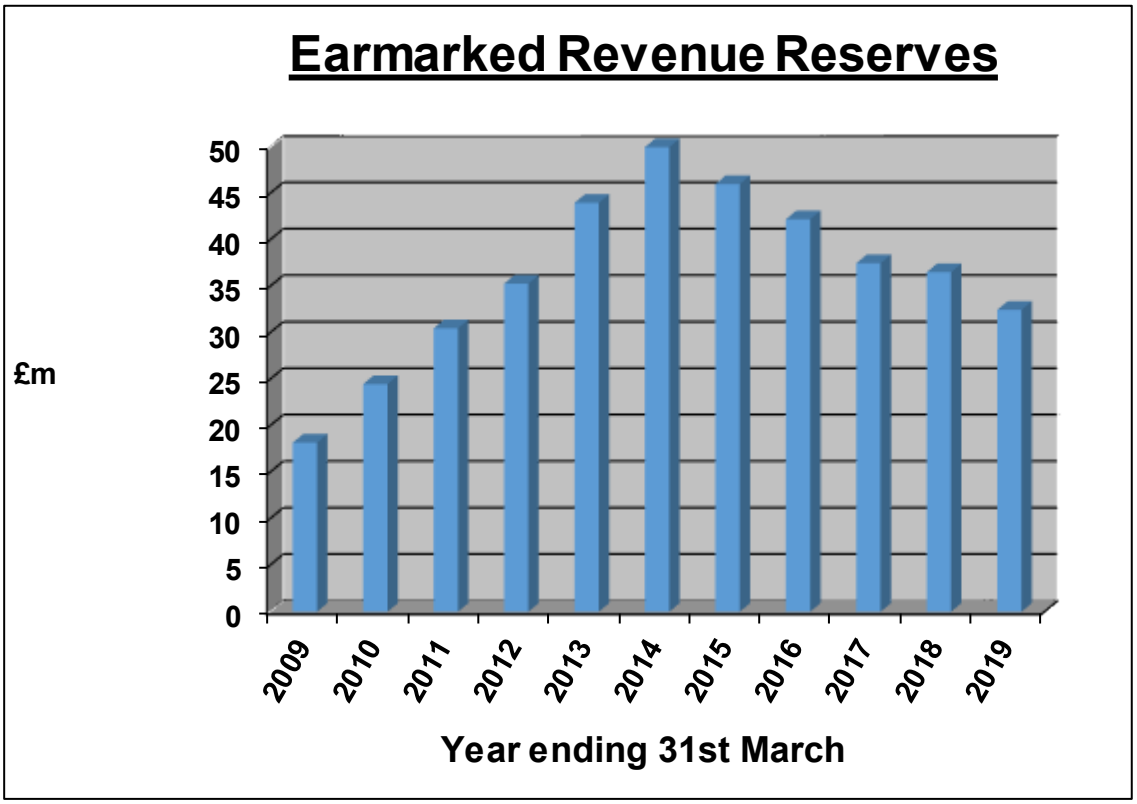
	Services. Since the start of the financial year, savings of almost £1,300k have been achieved as a result of children being successfully discharged from care, or stepped down into a less costly placement. **The current overspend forecast does not anticipate any further increase in LAC numbers.** Although some new admissions into care are inevitable, the assumption is that the management measures being put in place will enable the service to maintain numbers at or below current levels for the remainder of the financial year. There are overspends in Education of £779k primarily relating to the Special Educational Needs (SEN) Transport Service which is partly due to demand pressures and partly due to the savings target of £320k that was applied in 2017/18 but not achieved.	
Budgets Outside the Cash Limit	An overspend of £265k is forecast. Parking Services is £587k down mainly due to 'on-street parking' schemes not being feasible, loss of parking spaces, prudential borrowing costs, increased business rates and reduced income from staff parking. Treasury Management is forecasting an underspend of £143k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure and the resultant saving offsets the Business Loans Fund which now has a savings target of £2,250k. The cost to the Council of supporting the Subsidiary Companies is an underspend of £179k due to the reducing balance payback of Prudentially-borrowed schemes.	265
Communications and Regeneration	An overspend of £109k is forecast. Visitor Economy is expecting a £109k overspend due to increased event costs in Visit Blackpool and delayed income and a reduced energy rebate in Illuminations.	109
Public Health	An overspend of £28k is forecast. This is mainly due to an overspend in CCTV of £36k arising from the increased costs of monitoring and reduced income levels.	28
Community and Environmental Services	The service is forecast to overspend by £23k. Leisure and Catering is forecasting a £225k overspend due to income pressures and the cost of Breakfast provisions. These are offset by additional savings and income across the Directorate. 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 2018/19.	23

Strategic Leisure Assets	Strategic Leisure Assets is forecasting a £1,394k pressure. 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. The forecast cumulative deficit as at 31st March 2019 is £8,138k. 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 and insurance costs and revised income profile. The Leisure Assets portfolio is currently forecast to break-even, in-year, during 2021/22.	Net nil
Adult Services	An underspend of £38k is forecast. Adult Commissioning Placements are forecasting an overspend of £46k. Care and Support is forecast to overspend by £29k and Commissioning & Contracts Team is forecast to overspend by £22k. Underspends totalling £135k are due to vacant posts in the Directorate.	(38)
Governance and Partnership Services	An underspend of £57k is forecast. This is due to continuing pressure on income relating to the cremators within Life Events and Customer Care of £100k offset by a forecast underspend on Ward budgets of £157k.	(57)
Resources	An underspend of £128k is forecast. Property Services is forecasting a £55k overspend and Risk Services are forecasting an overspend of £10k. These are offset by savings of £199k across the Directorate relating to vacancies and income generation.	(128)
Contingencies and Reserves	Review of Contingencies and Reserves and calculated release in part to General Fund.	(500)
Total		**3,998**

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:



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:



4. Children's Services

4.1 It is apparent even at this early stage of the financial year that the demand pressures being met by Children's Services are once again the primary challenge facing the Council in its attempt to balance its Budget in-year, all other services showing an aggregated net underspend of £298k.

4.2 This is not a local problem. *Children and Young People Now* identified in June that based upon RA data for 2018/19, i.e. local authorities' submitted annual budgets rather than forecast outturns, local authority spending on children's services is rising at a faster rate than any other council service area with expenditure expected to rise by £542m (6.8%) of which expenditure on looked after children is rising by £350m (9.1%). However, whilst spend on children's social care nationally represents 18% of total local authority spend (excluding Education and Police), in Blackpool this proportion is much greater than 25%.

4.3 A Newton Europe Report *Making Sense Understanding the Drivers of Variation in Spend on Children's Services* of June 2018 and commissioned by the Local Government Association appraised the drivers of variation in spend on children's services and concluded that approximately half of the variation in spend seen nationally was due to factors largely outside the control of councils, namely deprivation, 0 – 25 population, amount of disposable household income, levels of unemployment and crime.

4.4 The All Party Parliamentary Group for Children published a report in July 2018 entitled *Storing Up Trouble A postcode lottery of children's social care*, in which several recommendations were made that sought both interim and sustainable funding arrangements based upon level of need "to stabilise the crisis in early intervention services" and "to invest in early help and preventative services". This follows months of Government lobbying by the Local Government Association, Barnardo's, Action for Children, National Children's Bureau, The Children's Society, NSPCC and our own North West Portfolio Holders for Children's Services Network.

5. Directorate Budget Savings Performance

5.1 As at 30th September 2018 48% of the 2018/19 savings target has been delivered. The full-year forecast predicts that 27% (27% last month) will be achieved by the year-end, which takes into account anticipated pressures and savings.

5.2 The full-year effect of the non-recurrent savings and recurrent in-year pressures/savings in 2018/19 means that an additional 15% saving will be required in 2019/20 on top of 2018/19's target, the largest cause being the overspending in Children's Social Care mainly due to a significant increase in the numbers and complexity of looked after children since budgets were set.

6. Collection Rates

6.1 Council Tax

At the end of month 6 the amount collected for Council Tax (excluding Police and Fire precepts) was £28.4m and the collection rate was 51.9%. This compares to £26.0m and 51.0% at the same point in 2017/18. The amount collected has actually risen by £2.4m 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 28th January 2018 as part of the setting of the Council Tax Base for 2018/19.

6.2 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. From 1st April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. The scheme was further amended from 1st April 2018 to provide additional support for low income groups of claimants (in receipt of Income Support, Income-Based Jobseekers Allowance or Income Related Employment Support Allowance) by amending the percentage reduction applied to their award from 27.11% to 13.56%. These have the effect of reducing the amount to be collected.

At the end of month 6 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 £1.28m and the collection rate was 36.7%. This compares to £1.27m and 33.5% at the same point in 2017/18.

The likely impact for 2018/19 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2017/18 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

6.3 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 6 the amount collected for Business Rates was £24.6m and the collection rate was 49.0%. This compares to £26.0m and 50.8% at the same point in 2017/18. Changes in both the Business Rate multiplier and base (due to the Revaluation in April 2017 and other movements) have made negative contributions of £1.4m, offset by a compensating increase to the Non-Domestic Rate (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. 425 business rate summonses were issued in the 6 months to the end of September 2018.

The Business Rate cumulative deficit as at 31st March 2018 is £4,157k. The Council's share of this is £2,037k (49%) and reflects the level of successful appeals arising towards the end of the financial year and the provisions required following the revaluation in April 2017.

7. Capital Monitoring Performance

7.1 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.

7.2 The report includes the capital programme at month 6. The figures have changed from month 3 as this represented the programme approved by the Executive in February 2018. Since that date additional expenditure has been approved and is now included.

7.3 As at month 6 an overall nil variance on capital schemes is anticipated.

8. Summary Cash Flow Statement

8.1 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 2018/19.

8.2 During the first 6 months of the year the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has decreased since 31st March 2018 due to the receipt of grant income from central government in advance of expenditure. The Council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so (including £8m on 9th August 2018). The take-up of loans from the Business Loans Fund is expected to continue steadily during 2018/19.

9. Summary Balance Sheet

9.1 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 6. 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.

9.2 Over the 6-month period there has been a decrease in short-term borrowing of £23.3m and an increase in cash and cash equivalents of £3.6m which mainly reflects the phasing of capital grants received in advance to fund the capital expenditure on Property, Plant and Equipment (£16.4m) and Long-term Assets (£9.1m).

10. Conclusions and Recommendations

10.1 Over the 8-year period 2011/12 – 2018/19 cumulative Revenue Budget savings amounting to £143m have been required to be made by Blackpool Council. This is greater than the Council's annual Net Requirement Budget and even more starkly the compound effect over the same period amounts to £678m 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 befalling an authority with such recognised pockets of significant deprivation.

10.2 The Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 always identified last year, 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. Nonetheless, although the 2018/19 budget savings target is the lowest in 8 years, delivery of a balanced budget is proving difficult whilst demand pressures elsewhere continue to rise.

10.3 From the information currently available the Council is predicting a serious deterioration in its financial standing in comparison with Budget even after taking account of the virement of £2,000k from the Treasury Management Prudential Borrowing Reserve (£1,400k) and the Council Tax & NNDR Collection Fund Deficit Reserve (£600k) to Working Balances as approved by the Executive on 18th June 2018. Working balances are currently estimated to fall by £3,998k against the budgeted position over the year. This fall is in the context of the adjusted working balances at the start of the year of £6,034k.

10.4 As described in section 4 by far the Council's biggest financial risk and pressure is the demand growth in Children's Services without which the overall forecast outturn would be a break-even position. The Council can demonstrate that it has maintained working balances of circa £6m for the last 10 years (para 3.3); that its level of earmarked reserves has remained relatively stable for the last 3 years (para 3.4); and that its income collection is actually improving (section 6).

10.5 However, 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 2018/19 within this report contravenes the second of the two specific conditions that excess spending does not:

1. exceed 1% (= £4.1m) 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 £32m of Earmarked Revenue Reserves and with 6 months of the financial year remaining officers are working diligently and expeditiously to improve the position such that Working Balances of at least £3.0m are reached. Revised service and financial plans are underway, including the review of non-essential spend and earmarked reserves and delays to filling non-front line vacancies.

10.6 The Executive is asked:

i) to note the report;

ii) to continue to lobby Government (HM Treasury, Ministry of Housing, Communities and Local Government and the Department for Education in particular) along with local authority peers, 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 and Parking Services.

Steve Thompson
Director of Resources

1st November 2018

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL

FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2019

SUMMARY

APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE 2018/19			VARIANCE	2017/18 (UNDER)/OVER SPEND B/FWD
		ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - SEP	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	
		£000	£000	£000	£000	£000	£000
3(a)	CHIEF EXECUTIVE	601	2,094	(1,493)	601	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,712	1,104	708	1,812	100	-
3(b/c)	WARD BUDGETS	627	189	281	470	(157)	(312)
3(d)	RESOURCES	6,243	4,537	1,578	6,115	(128)	-
3(e)	COMMUNICATIONS AND REGENERATION	4,515	(755)	5,379	4,624	109	-
3(f)	STRATEGIC LEISURE ASSETS	766	(1,880)	4,040	2,160	1,394	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	43,705	4,884	38,844	43,728	23	-
3(h)	ADULT SERVICES	52,601	18,938	33,625	52,563	(38)	-
3(i)	CHILDREN'S SERVICES	38,265	11,344	31,217	42,561	4,296	-
3(j)	PUBLIC HEALTH	107	(2,756)	2,891	135	28	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	13,296	5,400	8,161	13,561	265	-
	CAPITAL CHARGES	(30,994)	(15,497)	(15,497)	(30,994)	-	-
	NET COST OF SERVICES:	**131,444**	**27,602**	**109,734**	**137,336**	**5,892**	**(312)**
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(3,686)	-	(5,080)	(5,080)	(1,394)	
	- 2017/18 SERVICE UNDERSPENDS	(312)	-	(312)	(312)	-	
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	285	-	285	285	-	
	CONTINGENCIES	(3,819)	-	(4,319)	(4,319)	(500)	
	LEVIES	453	-	453	453	-	
	CONTRIBUTIONS, etc.	**(7,079)**	**-**	**(8,973)**	**(8,973)**	**(1,894)**	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	**124,365**	**27,602**	**100,761**	**128,363**	**3,998**	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(3,998)	(3,998)	(3,998)	
	NET REQUIREMENT AFTER WORKING BALANCES	**124,365**	**27,602**	**96,763**	**124,365**	**-**	

GENERAL BALANCES AS AT 1st APRIL 2018 PER AUDITED STATEMENT OF ACCOUNTS 2017/18	**4,034**
In-year addition to General Fund Working Balances approved by the Executive on 18th June 2018	**2,000**
	6,034
In-year (reduction in) / addition to General Fund Working Balances	(3,998)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2019	**2,036**

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Blackpool Council

Schedule of Service forecast annual overspendings over the last 12 months

Directorate	Service	Scrutiny Committee Report	Oct 2017 £000	Nov 2017 £000	Dec 2017 £000	Jan 2018 £000	Feb 2018 £000	Mar 2018 £000	Apr 2018 £000	May 2018 £000	Jun 2018 £000	Jul 2018 £000	Aug 2018 £000	Sep 2018 £000
CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE		4,620	4,926	5,298	3,042	3,358	3,358			3,425	3,610	3,479	3,566
STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		878	1,174	1,174	1,174	1,315	1,315			1,394	1,394	1,394	1,394
CHILDREN'S SERVICES	EDUCATION		113	89	304	414					844	884	813	779
COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING		87	109	109	171	89	89			134	136	186	225
COMMUNICATIONS & REGENERATION	VISITOR ECONOMY		159	159	129	114	141	141						109
GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE				80	100	171	171			100	100	100	100
CHILDREN'S SERVICES	EDUCATION SERVICES GRANT		185	185	185	185	168	168						-
COMMUNICATIONS & REGENERATION	GROWING PLACES		90	232	164	164								-
RESOURCES	PROPERTY SERVICES		95	87	86	112	88	88						-
COMMUNITY & ENVIRONMENTAL SERVICES	BUSINESS SERVICES						143	143						-
RESOURCES	REVENUES & EXCHEQUER SERVICES		82	88	85									-
COMMUNICATIONS & REGENERATION	ECONOMIC DEVELOPMENT & CULTURAL SERVICES		103	103										-
ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS											77		-
	Sub Total		**6,412**	**7,152**	**7,614**	**5,476**	**5,473**	**5,473**	**-**	**-**	**5,897**	**6,201**	**5,972**	**6,173**
	Transfer to Earmarked Reserves (note 3)		(878)	(1,174)	(1,174)	(1,174)	(1,315)	(1,315)	-	-	(1,394)	(1,394)	(1,394)	(1,394)
	Other General Fund (under) / overspends		(1,569)	(1,920)	(2,102)	(2,269)	(124)	(124)	-	-	(452)	(638)	(548)	(781)
	Total		**3,965**	**4,058**	**4,338**	**2,033**	**4,034**	**4,034**	**-**	**-**	**4,051**	**4,169**	**4,030**	**3,998**

Notes:

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

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

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

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	
	2018/19					2017/18
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEP £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND B/FWD £000
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	702	271	431	702	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	14	68	(54)	14	-	-
CHIEF EXECUTIVE TOTAL	**716**	**339**	**377**	**716**	**-**	-
CORPORATE DELIVERY UNIT	11	420	(409)	11	-	-
HOUSING	(126)	1,335	(1,461)	(126)	-	-
ASSISTANT CHIEF EXECUTIVE	**(115)**	**1,755**	**(1,870)**	**(115)**	**-**	-
TOTALS	**601**	**2,094**	**(1,493)**	**601**	**-**	**-**

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 6 months of 2018/19 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

The Directorate is forecasting a break-even position for 2018/19.

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		2017/18 (UNDER)/OVER SPEND B/FWD
	2018/19						
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - SEP	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER		
	£000	£000	£000	£000	£000		£000
GOVERNANCE & PARTNERSHIP SERVICES							
NET EXPENDITURE							
DEMOCRATIC GOVERNANCE	2,083	914	1,169	2,083	-		-
CORPORATE LEGAL SERVICES	(101)	326	(427)	(101)	-		-
INFORMATION GOVERNANCE	102	(86)	188	102	-		-
LIFE EVENTS & CUSTOMER CARE	(372)	(50)	(222)	(272)	100		-
GOVERNANCE & PARTNERSHIP SERVICES	**1,712**	**1,104**	**708**	**1,812**	**100**		**-**
WARDS	627	189	281	470	(157)		(312)
TOTALS	**2,339**	**1,293**	**989**	**2,282**	**(57)**		**(312)**

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 6 months of 2018/19 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. Information Governance is a new service created to ensure the compliance with the new general data protection regulations. The Directorate is currently forecasting an underspend of £57k as detailed below.

Democratic Governance Service

The Democratic Governance Service is currently forecasting a break-even position.

Corporate Legal Services

This service is currently forecasting a break-even position.

Information Governance

This service is currently forecasting a break-even position.

Life Events & Customer Care

This service is forecasting a pressure of £100k. This is due to continuing pressure on income from the cremators.

Ward Budgets

Ward budgets are expected to underspend in 2018/19.

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

Appendix 3 (c)

Blackpool Council
Ward Budgets
2018/19
Month 6

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2018-19 Budget	2018-19 Budget Committed to *Approved* Schemes	Remaining 2018-19 Budget
Anchorsholme Ward	Cllr. Galley							
BC1001	Cllr. A Williams	1	1	0	1	£24,610.24	£3,552.00	£21,058.24
Bispham Ward	Cllr. Clapham							
BC1002	Cllr. Maycock	7	7	0	6	£18,602.61	£5,763.00	£12,839.61
Bloomfield Ward	Cllr. Cain							
BC1003	Cllr. Hobson	6	6	0	5	£26,720.71	£13,891.67	£12,829.04
Brunswick Ward	Cllr. Blackburn							
BC1004	Cllr. G Coleman	9	9	0	6	£49,002.75	£36,153.15	£12,849.60
Claremont Ward	Cllr. I Taylor							
BC1005	Cllr. L Williams	14	14	0	10	£15,886.22	£8,435.14	£7,451.08
Clifton Ward	Cllr. Hutton							
BC1006	Cllr. L Taylor	7	7	0	4	£21,959.25	£5,842.50	£16,116.75
Greenlands Ward	Cllr. Ryan							
BC1007	Cllr. Mrs Wright	6	6	0	4	£42,571.30	£3,553.69	£39,017.61
Hawes Side Ward	Cllr. D Coleman							
BC1008	Cllr. Critchley	6	6	0	4	£33,933.93	£10,866.67	£23,067.26
Highfield Ward	Cllr. Mrs Henderson MBE							
BC1009	Cllr. Hunter	8	8	0	6	£32,282.97	£3,417.50	£28,865.47
Ingthorpe Ward	Cllr. Cross							
BC1010	Cllr. Rowson	7	7	0	7	£15,263.43	£3,676.33	£11,587.10
Layton Ward	Cllr. Mrs Benson							
BC1011	Cllr. Mitchell	9	9	0	6	£20,271.36	£9,475.37	£10,795.99
Marton Ward	Cllr. Singleton							
BC1012	Cllr. Elmes	11	11	0	7	£29,027.62	£18,927.31	£10,100.31
Norbreck Ward	Cllr. Callow							
BC1013	Cllr. Mrs Callow	7	7	0	4	£15,400.51	£7,973.75	£7,426.76
Park Ward	Cllr. Campbell							
BC1014	Cllr. Kirkland	11	11	0	8	£37,143.35	£17,904.76	£19,238.59
Squires Gate Ward	Cllr. Cox							
BC1015	Cllr. Humphreys	8	8	0	5	£18,805.06	£10,519.17	£8,285.89
Stanley Ward	Cllr. Roberts							
BC1016	Cllr. Stansfield	5	5	0	5	£53,888.62	£15,473.87	£38,414.75
Talbot Ward	Cllr. I Coleman							
BC1017	Cllr. Smith	9	9	0	6	£42,284.85	£25,533.00	£16,751.85
Tyldesley Ward	Cllr. Collett							
BC1018	Cllr. Matthews	13	13	0	7	£45,302.66	£21,294.67	£24,007.99
Victoria Ward	Cllr. Jackson							
BC1019	Cllr. Owen	8	8	0	7	£32,419.00	£28,157.17	£4,261.83
Warbreck Ward	Cllr. Scott							
BC1020	Cllr. Mrs Scott	7	7	0	6	£21,412.45	£13,347.50	£8,064.95
Waterloo Ward	Cllr. O'Hara							
BC1021	Cllr. Robertson BEM	7	7	0	4	£29,536.00	£13,553.23	£15,982.77
	Ward Totals	**166**	**166**	**0**	**118**	**£626,324.89**	**£277,311.45**	**£349,013.44**
	Unallocated Budget	**-**	**-**	**-**	**-**	**£0.00**	**£0.00**	**£0.00**
	Income Budget	**-**	**-**	**-**	**-**	**£0.00**	**£0.00**	**£0.00**
	Area Ward Totals	**166**	**166**	**0**	**118**	**£626,324.89**	**£277,311.45**	**£349,013.44**

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE 2018/19			VARIANCE	2017/18
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEPT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND B/FWD £000
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	131	42	9	51	(80)	-
BENEFITS	(834)	(2,519)	1,650	(869)	(35)	-
REVENUES & EXCHEQUER SERVICES	1,163	716	406	1,122	(41)	-
CUSTOMER FIRST	15	343	(352)	(9)	(24)	-
ICT SERVICES	436	836	(394)	442	6	-
ACCOUNTANCY	14	728	(733)	(5)	(19)	-
RISK SERVICES	10	294	(274)	20	10	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	5,308	4,097	1,266	5,363	55	-
TOTALS	**6,243**	**4,537**	**1,578**	**6,115**	**(128)**	**-**

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 6 months of 2018/19 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 £80k is due to an over-achievement against the current year's income prediction and a staffing vacancy within the Energy area.

Benefits

The Benefits Service is forecasting an underspend of £35k on a gross budget of £4.1m. Monthly new claims processing figures continue to be good with the average days to process a Housing Benefit claim for September being 20 days. The overall processing time for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications for September was 14 days; this is still well within the current target of 19 days.

Revenues and Exchequer Services

Revenues and Exchequer Services are forecasting an underspend of £41k, although 2 vacant posts are yet to be filled. The legacy pressure in payroll services has been fully offset by efficiencies in Revenues and additional forecast income expected into the Payroll service is contributing to the underspending position.

Customer First

Customer First is forecasting an underspend of £24k on a gross budget of £1.1m.

ICT Services

ICT is forecasting an overspend of £6k on a gross budget of £4.3m.

Accountancy

Accountancy is forecasting an underspend of £19k on a gross budget of £2m.

Risk Services

Risk Services are forecasting a £10k budget pressure but additional income opportunities are continuously being pursued.

Property Services (incl. Investment Portfolio)

Property Services are forecasting an overspend of £55k on a gross expenditure budget of £17m. The £800k Property Rationalisation target set in 2015/16 has now been achieved.

Summary of the revenue forecast

After 6 months of the financial year Resources are forecasting a £128k underspend. 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 – Communications & Regeneration

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2017/18
	2018/19					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEP £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND £000
COMMUNICATIONS & REGENERATION						
NET EXPENDITURE						
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	503	(2,750)	3,253	503	-	-
GROWING PLACES	882	522	360	882	-	-
VISITOR ECONOMY	3,130	1,473	1,766	3,239	109	-
TOTALS	**4,515**	**(755)**	**5,379**	**4,624**	**109**	**-**

Commentary on the key issues:

Directorate Summary – basis

This Directorate was formerly known as Places. A number of services have moved to other Directorates and Adult Learning has come into the Directorate and is sitting under the Economic Development and Cultural Services area. In period 4, the CCTV service transferred to Public Health Directorate. The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn of £109k overspend is based upon actual financial performance for the first 6 months of 2018/19 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.

Economic Development and Cultural Services

This service is expecting a break-even position.

Growing Places

This service is expecting a break-even position.

Visitor Economy

This service is expecting a £109k overspend by the year-end. The Illuminations service is forecasting an overspend of £52k. The service was already forecasting a £21k pressure due to the saving put forward regarding additional income from digital advertising which will not now happen in 2018/19. This pressure has increased in period 6 due to an energy rebate not being as high as expected. It is hoped that additional income from schemes and sponsorship as well as a staff saving will bring this service to break-even. The remaining balance of £57k relates to Visit Blackpool which has increased slightly due to increasing event costs.

Budget Holder – Mr A Cavill, Director of Communications & Regeneration

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2017/18
	2018/19					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEP £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND B/FWD £000
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	766	(1,880)	4,040	2,160	1,394	-
TOTALS	**766**	**(1,880)**	**4,040**	**2,160**	**1,394**	**-**

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 6 months of 2018/19 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 2018/19 is currently £1,394k, taking the forecast cumulative deficit as at 2018/19 year-end to £8,138k. 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 and insurance 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 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 Communications & Regeneration

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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2017/18
	2018/19					
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - SEP	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	(UNDER)/OVER SPEND B/FWD
	£000	£000	£000	£000	£000	£000
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	471	96	282	378	(93)	-
LEISURE AND CATERING	2,927	1,991	1,161	3,152	225	-
PUBLIC PROTECTION	557	51	476	527	(30)	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,844	(140)	15,984	15,844	-	-
STREET CLEANSING AND WASTE	18,677	1,924	16,722	18,646	(31)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,589	577	4,002	4,579	(10)	-
INTEGRATED TRANSPORT	640	385	217	602	(38)	-
TOTALS	**43,705**	**4,884**	**38,844**	**43,728**	**23**	**-**

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 6 months of 2018/19 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 £93k surplus due to savings made to assist in funding pressures across the Directorate.

Leisure and Catering

There is a forecast pressure of £225k. £32k of this pressure relates to Breakfast provisions. The balance is income pressures. This figure has increased by £39k in period 6 due to additional costs within Illuminations.

Public Protection

There is a forecast surplus of £30k due to an improvement in income and continuing vacancies.

Highways and Traffic Management Services

This service is now forecasting a break-even position.

Street Cleansing and Waste

Street Cleansing and Waste has a surplus of £31k due to continuing savings on service contracts 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 2018/19.

Coastal and Environmental Partnerships

There is a surplus of £10k due to savings made to assist in funding pressures across the Directorate.

Integrated Transport

There is a net surplus of £38k due to income.

Conclusion – Community and Environmental Services financial position

As at the end of month 6 the Community and Environmental Services Directorate is forecasting a £23k position for the financial year to March 2019 as detailed above. The pressure due to the loss of the Waste PFI grant has been offset against reserves in 2018/19.

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 2018/19			VARIANCE	2017/18
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEP £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND B/FWD £000
ADULT SERVICES						
ADULT SOCIAL CARE	5,924	2,975	2,844	5,819	(105)	-
CARE & SUPPORT	4,758	1,435	3,352	4,787	29	-
COMMISSIONING & CONTRACTS TEAM	437	4	455	459	22	-
ADULT COMMISSIONING PLACEMENTS	40,780	14,436	26,390	40,826	46	-
ADULT SAFEGUARDING	702	88	584	672	(30)	-
TOTALS	**52,601**	**18,938**	**33,625**	**52,563**	**(38)**	**-**

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 6 months of 2018/19 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 Schedule of Schemes for 2018/19 has now been finalised and the plan is to produce a budget monitoring report for the next Health & Wellbeing Board in November.

Adult Commissioning Placements (Social Care Packages)

The Adult Commissioning Placements Budget is forecasting an £46k overspend on £55m gross expenditure budget.

Commissioning & Contracts Team

Commissioning & Contracts is currently forecast to overspend by £22k.

Care & Support

Care & Support is currently forecast to overspend by £29k on a gross budget of £12m.

Adult Social Care

Adult Social Care is currently forecast to be £105k underspent due to vacant posts within the service.

Adult Safeguarding

The Adult Safeguarding Division is forecast to underspend by £30k on their staffing budget due to the vacant Principal Social Worker post.

Summary of the Adult Services financial position

As at the end of September 2018 the Adult Services Directorate is forecasting an overall underspend of £38k for the financial year to March 2019 on a gross budget of £77m.

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	
	2018/19					2017/18
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEPT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	(UNDER)/OVER SPEND B/FWD £000
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	18,415	8,781	9,634	18,415	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	438	97	341	438	-	-
EDUCATION	16,820	7,068	10,116	17,184	364	-
EARLY HELP FOR CHILDREN AND FAMILIES	142	71	71	142	-	-
BUSINESS SUPPORT AND RESOURCES	9,055	4,390	4,647	9,037	(18)	-
DEDICATED SCHOOL GRANT	(45,470)	(23,991)	(21,507)	(45,498)	(28)	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(400)	-	(718)	(718)	(318)	-
TOTAL DSG FUNDED SERVICES	**(1,000)**	**(3,584)**	**2,584**	**(1,000)**	**-**	**-**
CHILDREN'S SERVICES DEPRECIATION	2,011	-	2,011	2,011	-	-
EDUCATION	3,041	1,189	2,631	3,820	779	-
EARLY HELP FOR CHILDREN AND FAMILIES	5,150	(1,045)	6,161	5,116	(34)	-
CHILDREN'S SOCIAL CARE	28,271	14,719	17,118	31,837	3,566	-
BUSINESS SUPPORT AND RESOURCES	842	74	773	847	5	-
LOCAL SERVICES SUPPORT GRANT	-	(9)	(11)	(20)	(20)	-
SCHOOL IMPROVEMENT GRANT	(50)	-	(50)	(50)	-	-
TOTAL COUNCIL FUNDED SERVICES	**39,265**	**14,928**	**28,633**	**43,561**	**4,296**	**-**
TOTALS	**38,265**	**11,344**	**31,217**	**42,561**	**4,296**	**-**

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 6 months of 2018/19 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 £3.566m due to ongoing demand pressures relating to Looked After Children (LAC) numbers.

When budgets were set, LAC numbers were around 530. Early in the financial year a review of each individual LAC placement was carried out and a plan put in place for every child, which included stepping young people down into lower cost placements, and discharging them from care to be resettled at home with their families, wherever this was appropriate and safe. These plans were reflected in detailed budget forecasts which resulted in an anticipated overspend at the beginning of the financial year of £2.2m.

During the first four months of the financial year, LAC numbers increased. Although there has been a downward trend in August and September, numbers remain high at 557. This overall increase has undoubtedly placed the budget under further pressure, but the breakdown of a number of existing placements has also contributed significantly to the higher forecast overspend. Additional costs for the financial year attributable to children with complex needs being moved into more expensive placement categories, requiring additional support or being unable to step down as early as planned, amount to more than £1.4m.

Work is ongoing to reduce both LAC numbers and placement costs. All new admissions into care require Senior Service Manager approval. There is now a Commissioning role in place, the purpose of which is to scrutinise and challenge the cost of the most expensive external placements, and work is underway to review the sufficiency of placement provision across the town, which is monitored through a monthly meeting chaired by the Director of Children's Services.

The positive impact that these initiatives are already having is illustrated by the fact that the current year forecast overspend position for the division is £2.3m less than the overspend of £5.9m that was seen at the end of financial year 2017/18. Since the start of 2018/19, savings of almost £1.3m have been achieved as a result of children being successfully discharged from care, or stepped down into a less costly placement.

The current overspend forecast does not anticipate any further increase in LAC numbers. Although some new admissions into care are inevitable, the assumption is that the management measures being put in place will enable the service to maintain numbers at or below current levels for the remainder of the financial year.

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 2019/20 and, in the case of overspends, become the first call on the grant in that year.

Education

The overspend in the Education division relates primarily to the Special Educational Needs (SEN) Transport service and is partly due to demand pressures and partly due to the savings target of £320k that was applied in 2017/18 but not achieved.

Summary of the Children's Services financial position

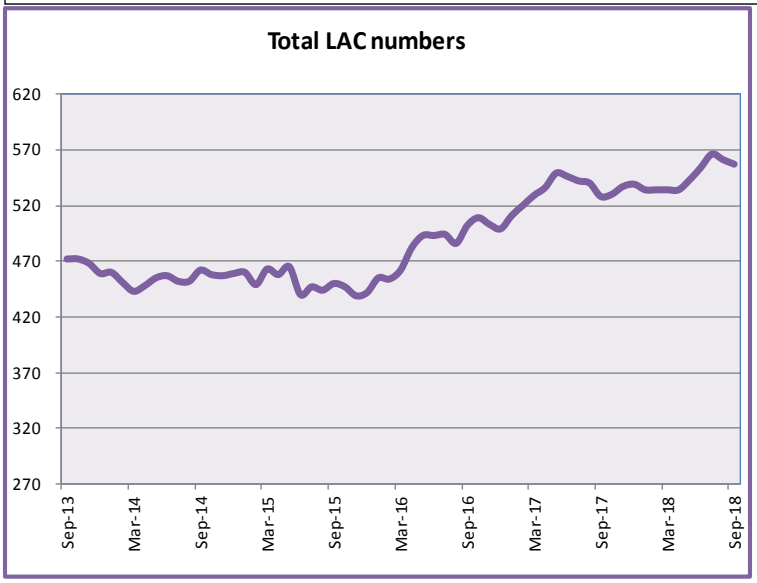
As at the end of September 2018 the Children's Services Directorate is forecasting an overspend of £4.296m for the financial year to March 2019.

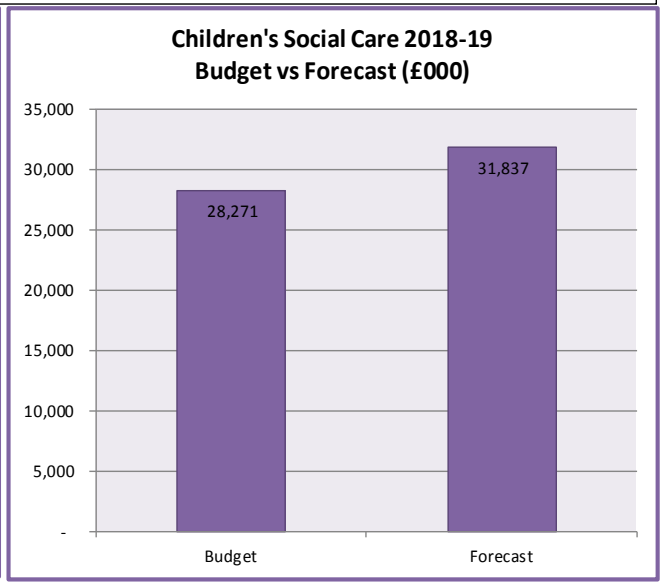
Budget Holder – Mrs D Booth, Director of Children's Services

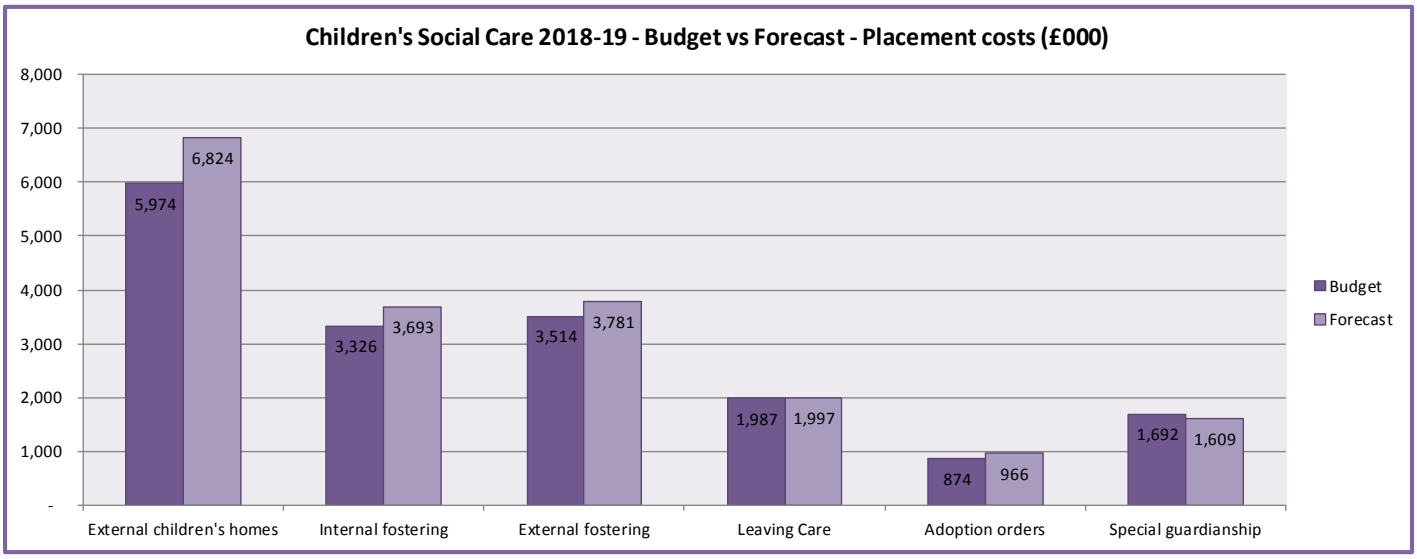
Children's Social Care Trends

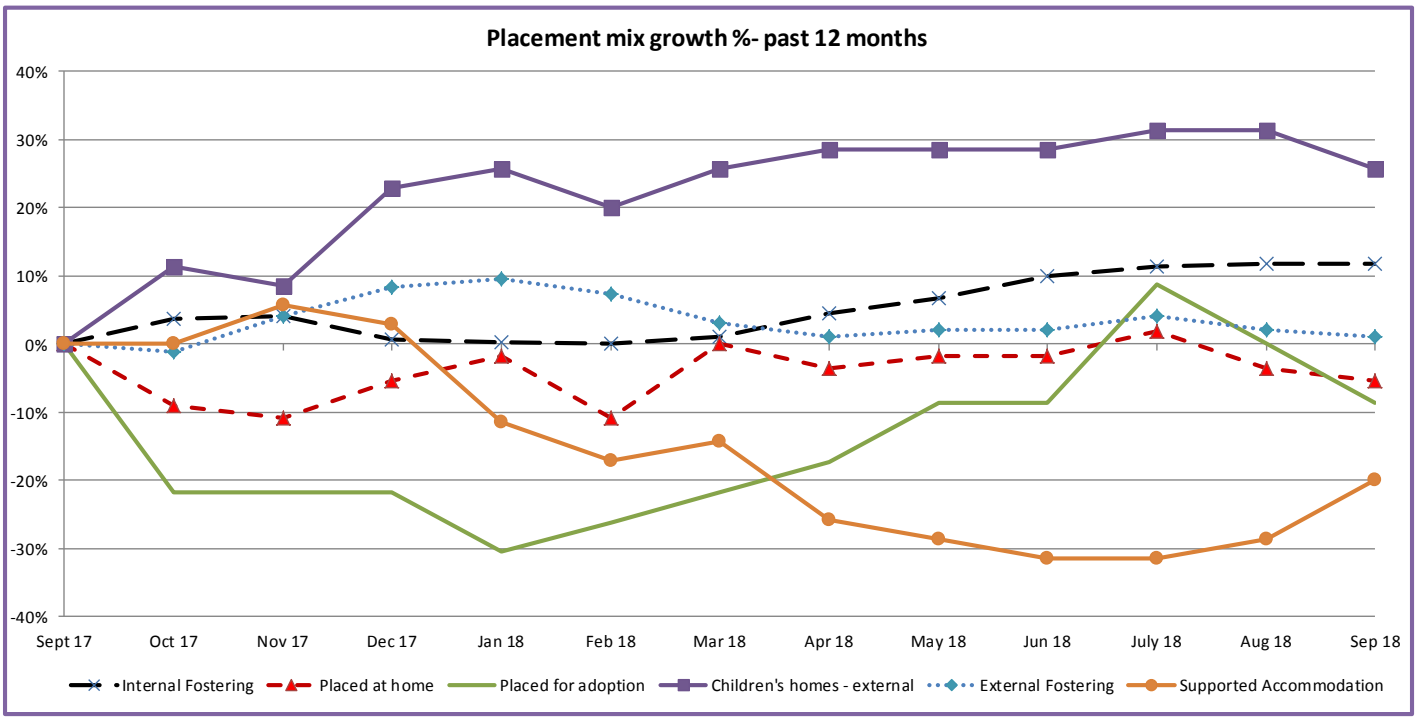
Date	External Placements Projection						Supported Accommodation			Internal Fostering			LAC numbers
	Fostering			Residential									
	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	No.
Jun-13	72	15%	**36,202**	41	8%	**111,596**	16	3%	**no data**	263	53%	**11,887**	**492**
Sep-13	66	14%	**35,667**	33	7%	**111,523**	17	4%	**no data**	272	58%	**11,908**	**472**
Dec-13	69	15%	**36,560**	30	7%	**117,073**	17	4%	**no data**	260	57%	**11,828**	**459**
Mar-14	64	14%	**34,058**	27	6%	**118,473**	15	3%	**no data**	248	56%	**11,757**	**443**
Jun-14	74	16%	**35,928**	25	5%	**102,561**	18	4%	**no data**	250	55%	**12,833**	**457**
Sep-14	75	16%	**37,655**	21	5%	**121,210**	27	6%	**no data**	237	51%	**12,570**	**462**
Dec-14	70	15%	**38,760**	18	4%	**124,281**	23	5%	**no data**	243	53%	**12,474**	**459**
Mar-15	73	16%	**40,155**	23	5%	**128,868**	19	4%	**no data**	244	53%	**12,374**	**463**
Jun-15	74	17%	**40,625**	25	6%	**147,777**	20	5%	**no data**	219	50%	**12,541**	**440**
Sep-15	73	16%	**40,040**	25	6%	**142,934**	16	4%	**no data**	225	50%	**12,549**	**450**
Dec-15	70	16%	**41,243**	27	6%	**145,196**	17	4%	**no data**	217	49%	**12,428**	**442**
Mar-16	69	15%	**42,215**	29	6%	**146,120**	22	5%	**no data**	257	56%	**12,453**	**462**
Jun-16	77	16%	**42,145**	34	7%	**157,136**	28	6%	**38,608**	259	53%	**12,630**	**493**
Sep-16	84	17%	**42,750**	32	6%	**169,996**	27	5%	**41,376**	254	51%	**12,688**	**502**
Dec-16	89	18%	**43,038**	36	7%	**175,954**	28	6%	**41,037**	258	52%	**12,857**	**499**
Mar-17	103	19%	**43,502**	44	8%	**179,669**	26	5%	**42,416**	269	51%	**12,872**	**529**
Jun-17	100	18%	**40,933**	49	9%	**151,450**	26	5%	**60,946**	272	50%	**13,227**	**546**
Sep-17	95	18%	**40,991**	35	7%	**161,487**	36	7%	**57,928**	270	51%	**13,213**	**528**
Dec-17	103	19%	**41,277**	43	8%	**162,623**	36	7%	**58,358**	272	50%	**13,169**	**539**
Mar-18	98	18%	**41,099**	44	8%	**165,935**	30	6%	**55,728**	273	51%	**13,116**	**534**
May-18	97	18%	**41,186**	45	8%	**162,220**	25	5%	**42,496**	288	53%	**13,767**	**543**
Jun-18	97	18%	**40,083**	45	8%	**164,794**	24	4%	**48,006**	297	54%	**13,403**	**554**
Jul-18	99	17%	**40,094**	46	8%	**162,932**	24	4%	**46,392**	301	53%	**13,485**	**566**
Aug-18	97	17%	**40,257**	46	8%	**161,757**	26	5%	**46,026**	302	54%	**13,455**	**561**
Sep-18	97	17%	**40,425**	45	8%	**159,388**	28	5%	**46,073**	302	54%	**13,441**	**557**

Note:
The variance between the current total number of Looked After Children (557) and the total internal fostering and external placement numbers (472) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.






Children's Social Care 2018-19 - Budget vs Forecast - Placement costs (£000)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
5,974
6,824
3,326
3,693
3,514
3,781
1,987
1,997
874
966
1,692
1,609
External children's homes
Internal fostering
External fostering
Leaving Care
Adoption orders
Special guardianship
Budget
Forecast


Placement mix growth %- past 12 months
40%
30%
20%
10%
0%
-10%
-20%
-30%
-40%
Sept 17
Oct 17
Nov 17
Dec 17
Jan 18
Feb 18
Mar 18
Apr 18
May 18
Jun 18
July 18
Aug 18
Sep 18
Internal Fostering
Placed at home
Placed for adoption
Children's homes - external
External Fostering
Supported Accommodation

Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE 2018/19			VARIANCE	2017/18 (UNDER)/OVER SPEND B/FWD
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - SEPT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	£000
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,034	766	268	1,034	-	-
HEALTHCARE AND HEALTH IMPROVEMENT	145	14	131	145	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	600	600	-	600	-	-
CHILDREN'S 0-5 SERVICES	2,454	2,437	17	2,454	-	-
HEALTH PROTECTION-MANDATED AND LICENCES	21	7	14	21	-	-
TOBACCO CONTROL	383	27	356	383	-	-
MENTAL HEALTH AND WELLBEING	-	(1)	1	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,165	1,663	502	2,165	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,675	1,288	1,387	2,675	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	860	587	273	860	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	78	-	78	78	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,036	(897)	8,933	8,036	-	-
GRANT	(18,428)	(9,214)	(9,214)	(18,428)	-	-
COMMUNITY SAFETY	99	(114)	205	91	(8)	-
CCTV	(15)	81	(60)	21	36	-
TOTALS	**107**	**(2,756)**	**2,891**	**135**	**28**	**-**

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 6 months of 2018/19 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. The ring-fencing has now been extended from March 2018 to March 2020.

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.

The Public Health Directorate are forecasting an overall spend of the full grant, £18,428,000, for the financial year to March 2019.

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.

Community Safety

This service is expecting an underspend of £8k relating to staff vacancies.

CCTV

The service has transferred from Communications & Regeneration and is expecting an overspend of £36k by year-end. This is due to the increasing costs of monitoring and reducing income levels. A business case is underway regarding the relocation of the CCTV service to Bickerstaffe house, which will also look to address the pressure against the CCTV revenue budget.

Summary of the Public Health Directorate financial position

As at the end of September 2018, the Public Health Directorate is forecasting an overspend of £28k for the financial year to March 2019.

Budget Holder – Dr Arif Rajpura, Director of Public Health

Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	
		2018/19				2017/18
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - SEP	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	(UNDER)/OVER SPEND B/FWD
	£000	£000	£000	£000	£000	£000
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	9,829	4,828	4,858	9,686	(143)	-
PARKING SERVICES	(4,799)	(2,641)	(1,571)	(4,212)	587	-
CORPORATE SUBSCRIPTIONS	152	81	71	152	-	-
HOUSING BENEFITS	1,384	675	709	1,384	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,103	550	553	1,103	-	-
SUBSIDIARY COMPANIES	(1,013)	(180)	(1,012)	(1,192)	(179)	-
LAND CHARGES	(51)	(83)	32	(51)	-	-
CONCESSIONARY FARES	4,266	957	3,309	4,266	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	2,890	1,445	1,445	2,890	-	-
NEW HOMES BONUS	(465)	(232)	(233)	(465)	-	-
TOTALS	**13,296**	**5,400**	**8,161**	**13,561**	**265**	**-**

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 6 months of 2018/19 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 underspend of £143k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. This offsets the Business Loans Fund which now has a savings target of £2,250k.

Parking Services

This service is forecasting a pressure of £587k; this pressure is mainly due to 'on-street parking' schemes not being feasible, loss of parking spaces, prudential borrowing costs, increased business rates and reduced income from staff parking.. As at Week 28 (w/e 7th October) parking income is at £3.7m with patronage at 783,655. Car park patronage is up by 6,758 and income is up by £165,552 on 2017/18. On-Street Pay and Display is down on patronage by 36,778 and income is down by £39,219.

Subsidiary Companies

This service is now forecasting a favourable variance of £179k. This is due to the reducing balance payback of Prudentially-borrowed schemes.

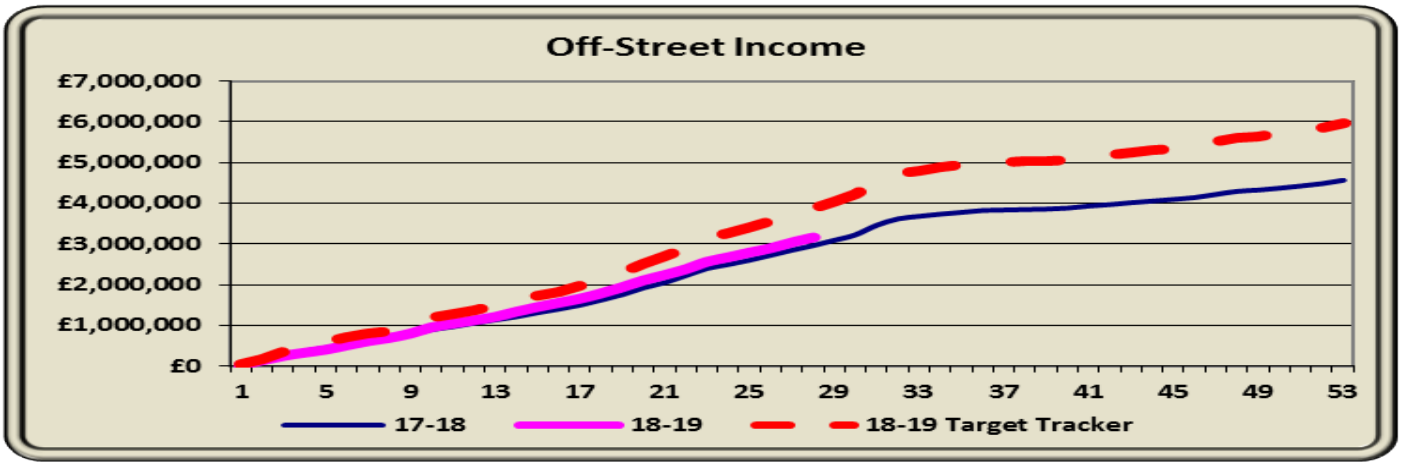
Land Charges

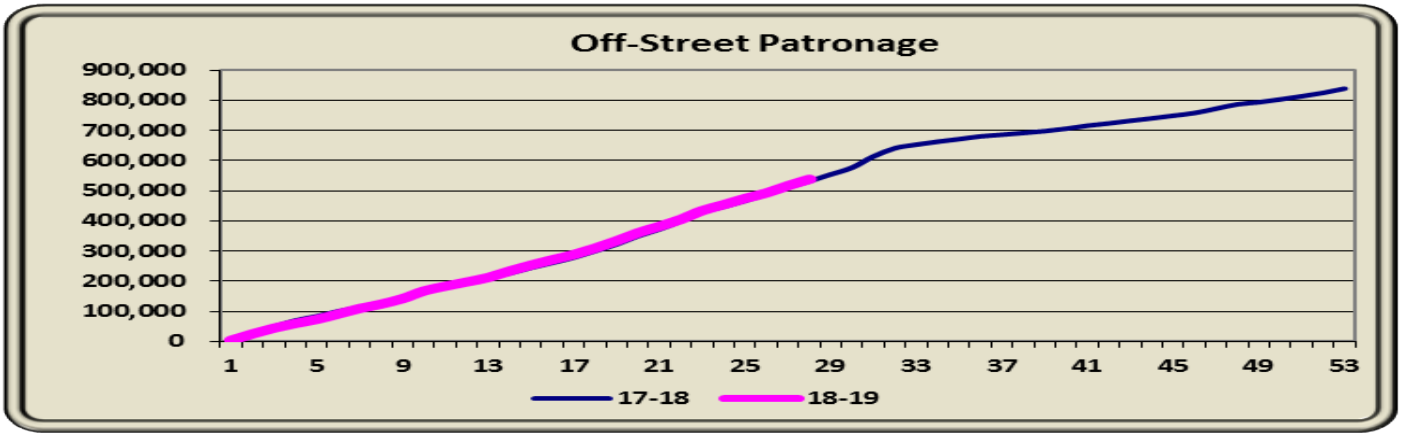
This service is forecasting a break-even position for 2018/19.

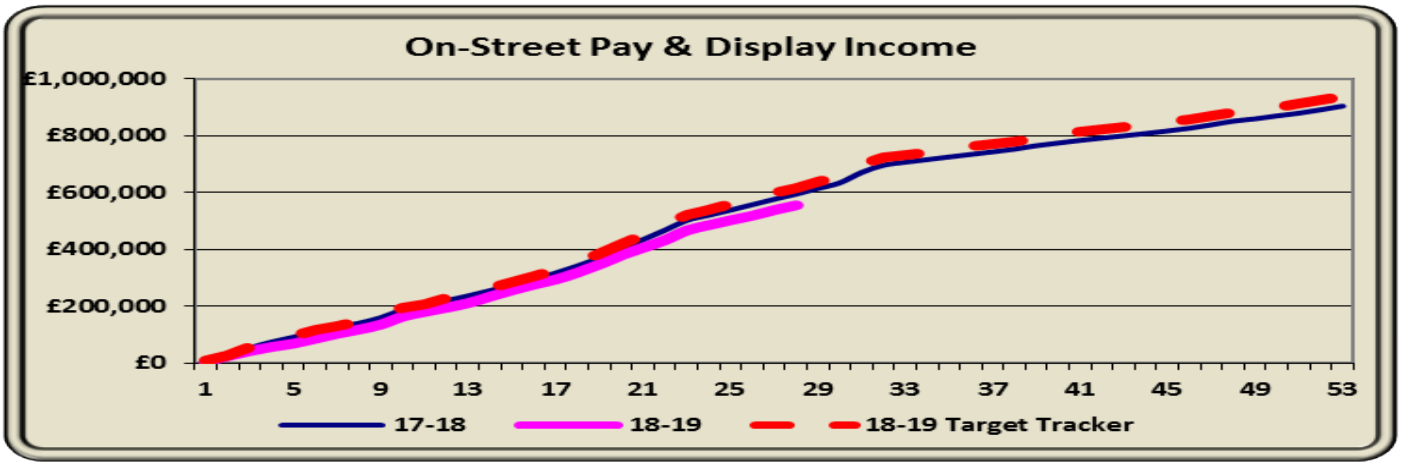
Summary of the revenue forecasts

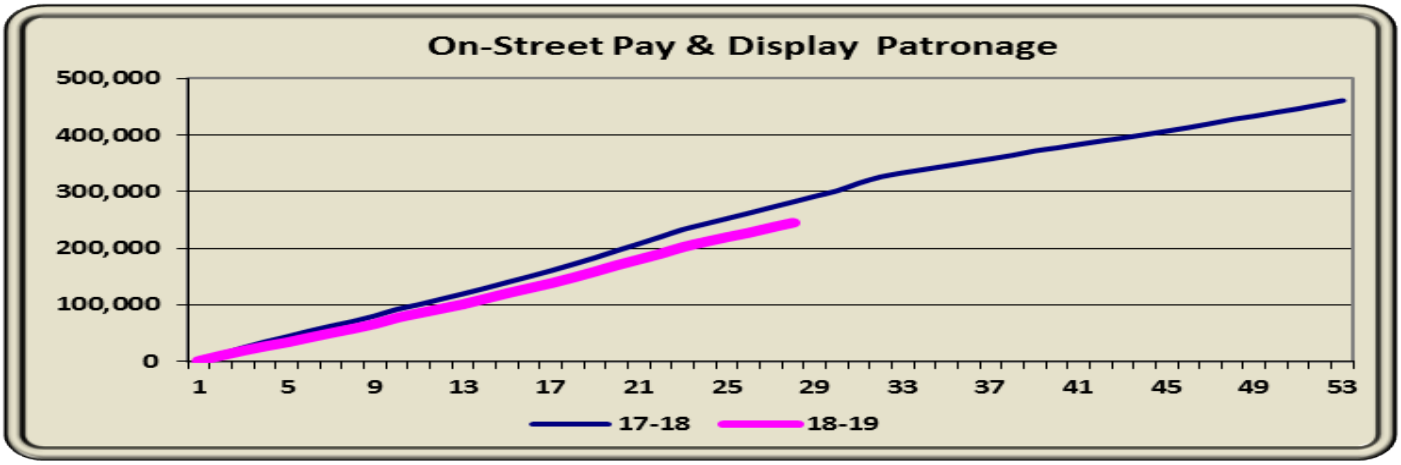
After 6 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £265k overspend.

Car Parking Trends









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2018/19 CAPITAL MONITORING
MONTH 6

	Total Scheme Budget	Spend as at 31/3/18	Budget Brought Forward 2017/18	Capital Programme 2018/19	Total Available Budget 2018/19	Spend to Date April - Sept	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	40,432	38,120	2,312	-	2,312	-	-	-	
Office Accommodation Strategy	1,408	1,408	-	-	-	-	-	-	
ICT Refresh	2,450	1,583	67	800	867	540	327	-	
CLC Remodelling scheme	859	705	154	-	154	9	145	-	
Municipal Building Works	2,668	2,908	(240)	-	(240)	(11)	-	-	
Other Resources Schemes	1,442	913	279	250	529	4	289	-	
Total Resources	49,259	45,637	2,572	1,050	3,622	542	761	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	5,963	4,292	38	1,633	1,671	680	991	-	
Other Adult Services Schemes	4,494	3,284	770	440	1,210	203	1,007	-	
Total Adult Services	10,457	7,576	808	2,073	2,881	883	1,998	-	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	27,515	25,171	2,344	-	2,344	75	-	-	
Coastal Protection Studies	1,759	1,423	40	296	336	33	303	-	
Marton Mere Pumping Station & Spillway	415	372	43	-	43	-	-	-	
Marton Mere HLF	360	332	28	-	28	-	-	-	
Bridges	11,365	9,897	269	1,199	1,468	562	906	-	
Total Community and Environmental Services	41,414	37,195	2,724	1,495	4,219	670	1,209	-	

2018/19 CAPITAL MONITORING
MONTH 6

	Total Scheme Budget	Spend as at 31/3/18	Budget Brought Forward 2017/18	Capital Programme 2018/19	Total Available Budget 2018/19	Spend to Date April - Sept	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Governance & Partnership Services									
Carleton Crematorium Works 2018-20	1,860	-	-	1,860	1,860	164	1,696	-	
Carleton Crematorium Café	30	-	-	30	30	52	-	-	
Total Governance & Partnership Services	1,890	-	-	1,890	1,890	216	1,696	-	
Chief Executive									
Housing									
Foxhall Village	12,500	12,276	224	-	224	52	172	-	
Work towards Decent Homes Standard	3,695	-	-	3,695	3,695	700	2,995	-	
Queens Park Redevelopment Ph2	12,708	9,557	-	3,151	3,151	1,691	1,460	-	
Troutbeck Redevelopment	-	-	-	-	-	82	-	-	
Hoyle Redevelopment	-	-	-	-	-	87	-	-	
Total Chief Executive	28,903	21,833	224	6,846	7,070	2,612	4,627	-	

2018/19 CAPITAL MONITORING
MONTH 6

	Total Scheme Budget	Spend as at 31/3/18	Budget Brought Forward 2017/18	Capital Programme 2018/19	Total Available Budget 2018/19	Spend to Date April - Sept	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Communication and Regeneration									
Regeneration									
College Relocation/Illumination Depot	13,005	13,924	(1,019)	100	(919)	-	-	-	
Leisure Assets	62,099	61,414	685	-	685	635	50	-	
Conference Centre	26,600	2,203	5,797	12,036	17,833	5,311	12,522	-	
Leopold Grove	557	503	54	-	54	-	54	-	
Spanish Hall roof & façade	1,995	164	1,831	-	1,831	560	1,271	-	
CBD Phase 2 - Hotel	24,500	1,178	3,943	2,581	6,524	29	495	-	
Other	808	667	141	-	141	47	94	-	
Transport									
Local Transport Plan 2016/17	860	824	36	-	36	36	-	-	
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	-	-	-	-	-	-	
Local Transport Plan 2017/18	1,304	558	746	-	746	126	620	-	
Local Transport Plan Project 30 2017/18	523	523	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2017/18	200	160	40	-	40	-	40	-	
Local Transport Plan 2018/19	1,764	-	-	1,764	1,764	114	1,650	-	
Local Transport Plan Project 30 2018/19	483	-	-	483	483	-	483	-	
Local Transport Plan Quality Corridor 2018/19	279	-	-	279	279	-	279	-	
Quality Corridor	6,600	1,956	302	2,478	2,780	733	1,047	-	
Intelligent Traffic Management	1,510	1,526	(16)	-	(16)	(16)	-	-	
Blackpool/Fleetwood Tramway	99,990	93,057	6,933	-	6,933	283	2,352	-	
Tramway Extension	16,400	7,352	-	6,633	6,633	2,686	3,947	-	
Sintropher	1,903	2,779	(876)	-	(876)	-	-	-	
Total Communication and Regeneration	262,210	189,618	18,597	26,354	44,951	10,544	24,904	-	

2018/19 CAPITAL MONITORING
MONTH 6

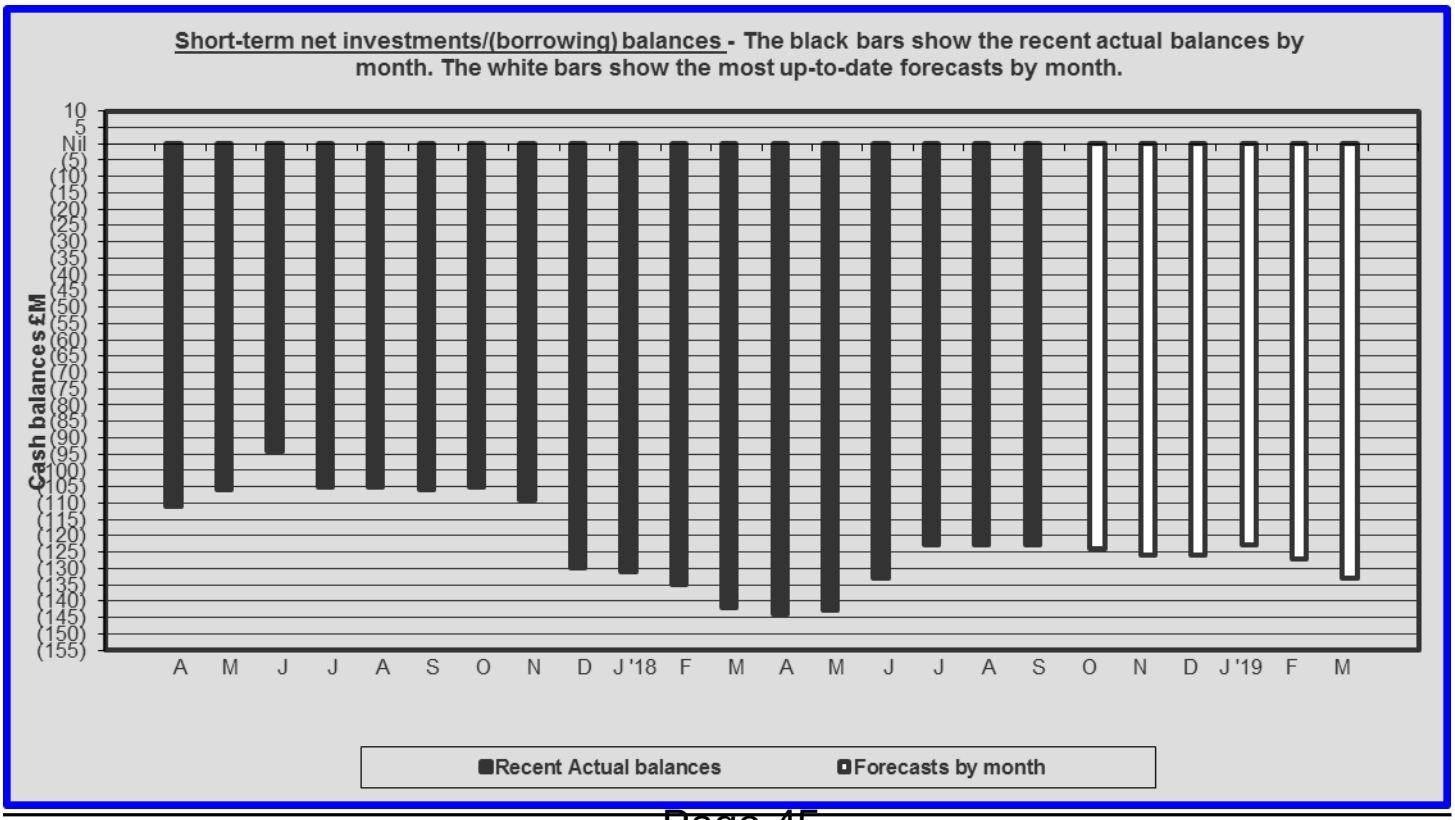
	Total Scheme Budget	Spend as at 31/3/18	Budget Brought Forward 2017/18	Capital Programme 2018/19	Total Available Budget 2018/19	Spend to Date April - Sept	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Children's Services									
Devolved Capital to Schools	420	196	148	76	224	13	211	-	
Woodlands Development Scheme	2,155	1,446	254	455	709	646	63	-	
Demolition Aspire	440	409	31	-	31	18	13	-	
Basic Need	4,691	206	372	4,113	4,485	230	835	-	
Condition	649	31	260	357	617	-	617	-	
Other Children's Schemes	625	554	71	-	71	-	71	-	
Total Children's Services	8,980	2,842	1,136	5,001	6,137	907	1,810	-	
CAPITAL TOTAL	**403,113**	**304,701**	**26,061**	**44,709**	**70,770**	**16,374**	**37,005**	**-**	

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 18/19							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR - SEP CASH FLOW ORIGINAL BUDGET (*)	APR - SEP CASH FLOW ACTUAL	OCT - 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 - SEP MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	OCT - 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
				RECEIPTS			
74	37	40	37	Housing Benefit & Subsidy	3	-	3
106	57	49	50	Council tax and NNDR	(8)	1	(7)
12	6	9	6	VAT	3	-	3
30	16	19	11	RSG & BRR	3	(3)	-
99	50	69	52	Other Grants	19	3	22
100	50	56	50	Other Income	6	-	6
-	-	130	22	Money Market Transactions Received	130	22	152
25	25	99	49	Receipt of Loans	74	49	123
446	241	471	277	**RECEIPTS - NORMAL ACTIVITIES**	230	72	302
				PAYMENTS			
9	5	5	4	Police & Fire	-	-	-
249	123	146	162	General Creditors	(23)	(36)	(59)
-	-	-	-	RSG & BRR	-	-	-
109	54	48	47	Salaries & wages	6	8	14
65	33	31	33	Housing Benefits	2	(1)	1
172	116	249	117	Money Market Transactions Paid Out	(133)	(61)	(194)
604	331	479	363	**PAYMENTS - NORMAL ACTIVITIES**	(148)	(90)	(238)
(158)	**(90)**	**(8)**	**(86)**	**NET CASH FLOW IN/(OUT)**	**82**	**(18)**	**64**
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 6 months of the year the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has decreased since 31st March 2018 due to the receipt of grant income from central government in advance of expenditure. The Council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so (including £8m on loans made to Blackpool Transport Services in order to refresh the bus fleet). The take-up of loans from the Business Loans Fund is expected to continue steadily during 2018/19.

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 2019.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2018/2019				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
31 Mar 18		30 Sep 18 Actual	Movement since 31 Mar 18	31 Mar 19 Forecast
£000s		£000s	£000s	£000s
768,815	Property, Plant and Equipment	785,189	16,374	805,820
62,281	Long-term Assets	71,360	9,079	96,781
	Current Assets			
51,094	Debtors	46,700	(4,394)	55,000
416	Inventories	486	70	400
9,366	Cash and cash equivalents	12,934	3,568	9,500
891,972	**Total Assets**	**916,669**	**24,697**	**967,501**
	Current Liabilities			
(153,776)	Borrowing Repayable within 12 months	(130,500)	23,276	(161,531)
(59,526)	Creditors	(53,800)	5,726	(52,000)
	Long-term Liabilities			
(90,343)	Borrowing Repayable in excess of 12 months	(98,343)	(8,000)	(91,874)
(13,197)	Capital Grants in Advance	(13,197)	-	(13,000)
(15,151)	Provisions	(19,729)	(4,578)	(15,000)
(319,769)	Other Long-term Liabilities	(319,769)	-	(320,000)
240,210	**Total Assets less Liabilities**	**281,331**	**41,121**	**314,096**
(57,805)	Usable Reserves	(56,515)	1,290	(49,797)
(182,405)	Unusable Reserves	(224,816)	(42,411)	(264,299)
(240,210)	**Total Reserves**	**(281,331)**	**(41,121)**	**(314,096)**

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 6. 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 6-month period there has been a decrease in short-term borrowing of £23.3m and an increase in cash and cash equivalents of £3.6m which mainly reflects the phasing of capital grants received in advance to fund the capital expenditure on Property, Plant and Equipment (£16.4m) and Long-term Assets (£9.1m).