

# Public Document Pack

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Dear Councillor

## **EXECUTIVE - MONDAY, 23 MARCH, 2020**

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 23 March, 2020 meeting of the Executive, forwarded to Members under separate cover.

<b>Agenda No</b>	<b>Item</b>
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8	<b><u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 10 2019/20</u> (Pages 1 - 52)</b>
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Yours sincerely

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**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**23 MARCH 2020**

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**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 10 2019/20**

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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 10 months of 2019/20, i.e. the period to 31<sup>st</sup> January 2020, 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 - Growth and Prosperity
  - Appendix 3h - Community and Environmental Services
  - Appendix 3i - Adult Services
  - Appendix 3j - Children's Services
  - Appendix 3k - Public Health
  - Appendix 3l - 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 2019/20. There is an accompanying narrative to explain **Page 4** 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 Growth and Prosperity now shown separately from 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 10<sup>th</sup> June 2019 to write-off all 2018/19 service variances but carry forward the 2018/19 underspend of £80k 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 10 forecast overspend of **£7,010k** for 2019/20 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £11,904k is forecast. Children's Social Care is forecast to overspend by £11,605k, due to ongoing pressures relating to Looked After Children (LAC). When budgets were set, £3,570k was earmarked to cover the forecast overspend. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £6,999k. In addition to this, an amount of £4,606k is included in the forecast relating to the Directorate's Ofsted Improvement Plan, which is being implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year and which has resulted in the introduction of a new staffing structure for the longer term. The new structure represents a fundamental shift in the management of Children's Social Care in Blackpool – a shift from managing the problems to addressing the source of them. It proposes additional capacity to enable social workers to spend more time with children and families to build better relationships, have more effective interventions, building on the strengths within each family and thereby preventing escalation. Independent analysis suggests that the approach should result in a	11,904

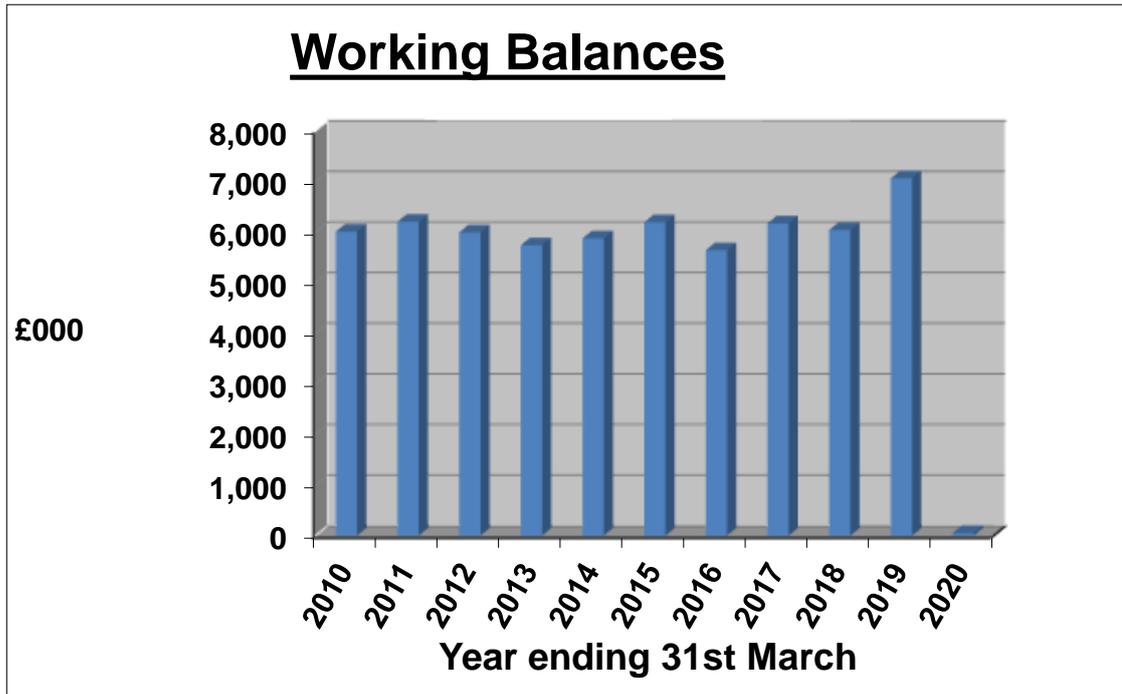
	<p>long-term reduction in the number of cases open to Children's Social Care at any one time and through the year. It will also reduce the number of children on child protection plans or in the care of the Local Authority. By January 2020 LAC numbers stand at <b>627</b>. There are overspends in Education of £749k, 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. There are underspends totalling £450k in Early Help for Children and Families and Business Support and Resources.</p>	
Governance and Partnership Services	<p>An overspend of £281k is forecast. Corporate Legal Services is expecting a £289k overspend on Children's Counsel fees due to an increasing caseload and the need to use external legal firms. Life Events and Customer Care is forecasting a pressure of £264k due to pressure on income relating to cremations and the Registrars Service, increased costs relating to repairs, security and risk assessments and increased Coroner's costs. These are offset by a forecast underspend on Ward budgets of £250k and savings in Democratic Governance of £22k due to vacant posts, increased income and an additional Audit fee relating to the 2018/19 Financial Accounts.</p>	281
Budgets Outside the Cash Limit	<p>An overspend of £261k is forecast. Concessionary Fares is forecast to overspend by £812k due to an under provision in 2018/19 (based on external forecasts) combined with subsequent price increases. Parking Services is £694k 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 £1,211k, primarily due to the Council currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. The Business Loans Fund now has a savings target of £2,700k and there is some slippage in the loans being made to date. The cost to the Council of supporting the Subsidiary Companies is an underspend of £31k due to an expected reduction in charges mainly relating to debt management.</p>	261
Communications and Regeneration	<p>An overspend of £87k is forecast. Visitor Economy is expecting a £327k overspend mainly due to increased event costs that currently are not expected to be covered by increased income. Economic Development is expecting an underspend of £140k which mainly relates to a one-off release of reserves in Adult Learning. Planning is expecting an underspend of £100k due to</p>	87

	increased income.	
Growth & Prosperity	<p>An overspend of £4,397k is forecast. There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to have a pressure of £4,397k. The 'Cash Limited Budgeting' policy allows for overspends to be carried forward if there is a plan in place to deliver. The accounting mechanism is that the overspend is to be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21. An income target transferred to Growth &amp; Prosperity during the year from the Business Loans Fund of £1.9m, part of which was to contribute to post-Ofsted costs of £1,188k falling on Children's Services, was to be derived from increased income from investment properties. Due to the complex nature of these projects delays have arisen which will now result in an in-year overspend. Whilst this is disappointing it is not a result of a failure of projects or even an unexpected shortfall in income but rather a question of timing. All projects that were to contribute to the target are still proceeding well and should deliver beyond the target if taken over the 2 year period from 2019/20 to 2020/21. The target over these 2 years is £12.1m. The income is made up of a number of key projects as follows:-</p> <ul style="list-style-type: none"> <li>• Blackpool Central – the land deal has now been agreed and because this took a few months longer than originally anticipated the initial receipt of £4.5m is not now likely to be received until after 2019/20.</li> <li>• Housing Sites – including Ryscar Way and Blackpool Road have been delayed. The planning process is taking longer than planned. Ryscar Way terms are agreed and will now deliver a significant receipt which will be reported separately to the Executive. Marketing for Blackpool Road has commenced although as planning consent has not yet been achieved we have not invited final bids, but have an indication of values from discussions with developers. Once planning is achieved we are expecting capital receipts including Ryscar Way of c. £10m.</li> <li>• Several projects yield revenue funding for the Council including for example the ATOS building in Lytham, town centre shops and the Houndshill Shopping Centre. In all, these projects bring some £2.5m of revenue annually.</li> </ul> <p>The total income that is scheduled to arise from all these over the 2 years in question is in the order of £17m – well above the target and as such Growth and Prosperity is confident that the target will be met. A number of avenues are being explored to enable the use of capital receipts to fund revenue and we are confident that these will be achieved. In addition, there are a number of other smaller projects in the pipeline that will yield further</p>	Net nil

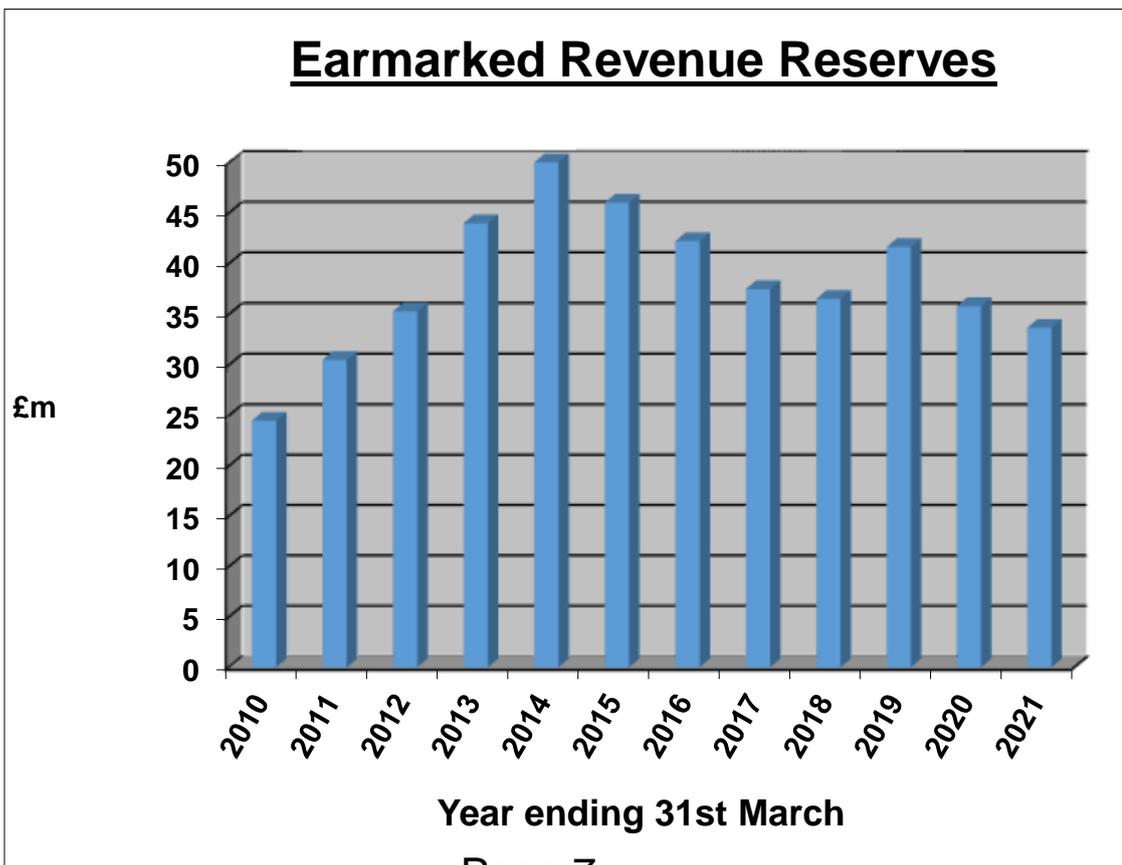
	<p>income and provide for additional contingency. There have also been other regeneration and non-General Fund financial benefits attributable to Growth and Prosperity initiatives such as job creation and improved business rate yield.</p>	
<p>Strategic Leisure Assets</p>	<p>Strategic Leisure Assets is forecasting a £4,040k 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 2020 is £12,611k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and the Conference Centre, accelerated repair work at the Tower including the Tower Illuminations and other unplanned maintenance, together with increased marketing and insurance costs and a revised income profile including an expected reduction across the portfolio.</p> <p>The Leisure Assets portfolio projected financial outturn position has deteriorated during the period by £1.1m. A number of factors have contributed to the revised position, which include:</p> <ul style="list-style-type: none"> <li>• The loss of a major, Chinese May Dance Festival sponsorship income stream at the Winter Gardens, which affects 2018/19 results written off in the current financial year, and a loss of anticipated revenue in financial year 2019/20. The total impact associated with this loss of income is £1.1m however, a proportion of this had previously been taken into account in the current financial year forecasts. A review of risk associated with transactions of this nature is currently taking place with the Board of Directors and management team of the Winter Gardens operating company, and although the full bearing of this issue is accounted for within the current projection, efforts to recover the position are ongoing.</li> <li>• Blackpool Tower and Madame Tussauds continue to perform well however, there have been some essential repairs and maintenance required in the period which have a direct cost impact in addition to lost patronage, as a result of asset down time. This work includes essential repairs to the Tower lift steel infrastructure which forms part of an ongoing programme of steel work, and in addition, crucial works to the Tower Ballroom ceiling were required to be undertaken in order to safeguard the Grade I Listed structure.</li> <li>• Blackpool Tower lift operation has also been hampered by excessive and prolonged wind speeds throughout the year, which has also had a financial impact in the form of lost revenue.</li> </ul>	<p>Net nil</p>

	<ul style="list-style-type: none"> <li>• A one-off restructuring cost at Blackpool Tower is also taken into account in the current projected outturn. It is anticipated this will have a positive financial impact in future periods.</li> <li>• The new development at the Tower, "Fifth Floor", in the area previously known as Jungle Jim opened ahead of schedule and provided a positive contribution to financial performance.</li> </ul> <p>In addition to the above, a restructure of Golden Mile rental income, required as part of the impending Blackpool Central development, has resulted in a reduction in achievable rents and this is also reflected in the currently forecast outturn position. In light of the performance deterioration in the current financial year, the Leisure Assets medium-term financial plan is under continuous review.</p>	
Chief Executive	An underspend of £100k is forecast. A release of reserves has produced £70k saving and the remaining £30k is mainly due to staff savings.	(100)
Adult Services	An underspend of £481k is forecast. Adult Social Care is forecast to underspend by £274k due to vacant posts. Adult Commissioning Placements is forecast to underspend by £237k mainly due to one-off monies, non-residential income, nursing placements and Direct Payment recoveries. Other net overspends totalling £30k are mainly due to Care and Support and Adult Safeguarding.	(481)
Community and Environmental Services	An underspend of £500k is forecast. In-year pressures are expected to be offset by a combination of improved income and staff vacancies.	(500)
Resources	An underspend of £589k is forecast. ICT is forecasting a £250k underspend due to the release of ICT investment funding which will be deferred by one year. Property Services is forecasting a £106k underspend mainly due to increased income from various Council properties. Savings in Benefits, Procurement and Projects, Risk Services and Accountancy totalling £233k relate to vacancies and additional income generation.	(589)
Contingencies and Reserves	A review of Contingencies and Reserves and a release in part to General Fund of £592k. This section also assumes the release of £340k of one-off budgets across directorates as a consequence of a 1-year freeze on non-essential spend. The remaining £660k (of the <b>£1m</b> ) is reflected in other services. In addition, there is a release of <b>£1m</b> of Earmarked Revenue Reserves to compensate for the deficit on Working Balances at month 4. A further £1,921k is expected in respect of a contribution from Reserves/Contingencies.	(3,853)
<b>Total</b>		<b>7,010</b>

3.3 The graph below shows the stark 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 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, including a projection to 31<sup>st</sup> March 2021, is shown on the next page:



#### 4. Children's Services

- 4.1 It is apparent 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 show an aggregated net underspend of **£4,894k**.
- 4.2 This is not a local problem as catalogued in this same report throughout 2018/19. Indeed as recently as 27<sup>th</sup> August 2019 an analysis by the Local Government Association (LGA) reported that English local authorities had overspent by some £770m on children's social care during 2018/19 with a projection that this will double to £1.4bn next year.
- 4.3 The chair of the LGA Children and Young People Board was quoted that *"In order to keep children at most risk safe, councils up and down the country have been forced to find savings from non-statutory or discretionary budgets, which includes valuable early intervention and prevention support that can stop children and families reaching crisis point. This is not sustainable."*

We fully support the LGA's take on the current position. Indeed, whilst spending on children's social care nationally represents 18% of total local authority spend (excluding Education and Police), in Blackpool this proportion is much greater at 27%, implying by deduction that other services are receiving proportionately less funding as a result.

- 4.4 The forecast **£11.6m** overspend on Children's Social Care represents a variance of +37% on its gross budget of £31.2m. This pressure will be difficult enough to manage in-year using working balances and reserves. In order to deliver and on a sustainable footing, the 2020/21 Revenue Budget proposes unprecedented investment in the service with £4.3m to address the additional staffing requirement, some 30% more children's social worker staffing than 12 months ago, and £10.1m to address the demographic demand pressures of children in need and the increasing intensity of care required – a total recurrent investment of **£14.4m**. The upshot of this is that by next year Children's Social Care will represent 33% of the Council's revenue spend compared with 17% a decade earlier.

#### 5. Collection Rates

##### 5.1 Council Tax

At the end of month 10 the amount collected for Council Tax (excluding Police and Fire precepts) was £48.9m and the collection rate was **86.1%**. This compares to £47.3m and 86.4% at the same point in 2018/19. The amount collected has actually risen by £1.6m 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 31<sup>st</sup> January 2019 as part of the setting of the Council Tax Base for 2019/20.

##### 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%. The scheme was also amended from 1<sup>st</sup> 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%. From 1<sup>st</sup> April 2019 the scheme was further amended. At its meeting on 10<sup>th</sup> December 2018 the Executive approved the provision of additional support by amending the percentage from 27.11% to 13.56% for further low income groups of claimants or partners (in receipt of Jobseeker's Allowance Contribution Based, Main Phase Employment and Support Allowance and are in the Work Related Activity Group, Maximum Universal Credit and neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award such as an Occupational Pension or other unearned income and Universal Credit which includes either the limited capability for work and/or work-related activity). Other claimants will continue to have a 27.11% reduction applied to their award and all applicants who were protected and paid 13.56% under the previous scheme will continue to pay 13.56% when they move to Universal Credit. These have the effect of reducing the amount to be collected.

At the end of month 10 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS, either for the first time or in addition to a proportion of their Council Tax, was £2.31m and the collection rate was **61.9%**. This compares to £2.19m and 62.3% at the same point in 2018/19.

The likely impact for 2019/20 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2018/19 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 to 31<sup>st</sup> March 2019 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.

On 13<sup>th</sup> December 2018 the Ministry of Housing, Communities and Local Government (MHCLG) approved the establishment of a Lancashire-wide 75% Business Rate Pilot Pool (including Blackpool) in 2019/20 to share risk and reward. As part of this, the 50% rate retention scheme increases to 75% and authorities in the pool will forego Revenue Support Grant. The value of the Revenue Support Grant was taken into account when revised business rate tariffs and top-ups for the pilot authorities were set. The Government also increased the Safety Net from 92.5% to 95% for the new pilot pools. Consequently, from 1<sup>st</sup> April 2019 the income relating to Blackpool is shared between central government (25%), the Council (73.5%) and the Fire Authority (1.5%).

At the end of month 10 the amount collected for Business Rates was £40.5m and the collection rate was **83.4%**. This compares to £41.6m and 83.1% at the same point in 2018/19. Changes resulting from the introduction of new reliefs from 1<sup>st</sup> April 2019 are offset by S31 grants.

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, 820 business rate summonses were issued in the 10 months to the end of January 2020.

The Business Rate cumulative deficit as at 31<sup>st</sup> March 2019 was £2,310k. The Council's share of this is £1,132k (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 as approved by the Executive in February 2019. The month 10 report has traditionally included this data for comparative purposes. Future reports may show some changes in the capital programme, representing schemes that were approved after submission of the 2019/20 capital programme.
- 6.3 As at month 10 an overspend of £1.8m on capital schemes is anticipated. Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.8m reflects the current ‘best case scenario’ subject to ongoing negotiations with the administrators.

## **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 2019/20.
- 7.2 During the first 10 months of the year, the Council’s net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, as a result of the purchase of the Houndshill Shopping Centre, short-term borrowing increased significantly in November 2019. 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. No further take up of loans from the Business Loans Fund is expected during 2019/20.

## **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 10. 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 10-month period there has been a decrease in cash and cash equivalents of £3.2m and an increase in short-term borrowing of £51.5m together with increased capital expenditure on Property, Plant and Equipment of £80.9m and Long-term Assets of £16.3m. This mainly relates to the purchase of the Houndshill Shopping Centre (£47.6m).

## **9. Conclusions and Recommendations**

- 9.1 Over the 9-year period 2011/12 – 2019/20 cumulative Revenue Budget savings amounting to £152m have been required to be made by Blackpool Council. This is greater than the Council's annual Net Requirement Budget of £124m and even more starkly the compound effect over the same period amounts to £830m 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.
- 9.2 The Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 is still valid and has been used to successfully keep pace with and deliver budget savings plans year after year. However, in tandem the soaring demand for child protection services and the rising costs of providing care for looked after children are now creating a crippling burden that current levels of local taxation and Government funding cannot meet.
- 9.3 Over the last 9 years of Government funding cuts Blackpool Council has consistently:
- delivered its annual budget in line with statutory requirements
  - maintained its working balances of circa £6m
  - maintained its earmarked reserves at stable and appropriate levels, indeed increasing them in 2018/19 by £5m at the request of the external auditor to re-designate some provisions
  - improved its income collection for the last 3 years in succession.

Most importantly and despite this backdrop it has consistently funded and delivered the ambitions of successive administrations.

The Spending Round 2019 announced by the Chancellor of the Exchequer on 4<sup>th</sup> September included an additional £1bn for adult and children's social care in 2020/21. Blackpool's allocation is £4.4m. This represents approximately 35% of the underlying pressure in Blackpool's Children's Social Care, even assuming that Adult Services continues to break even and requires no call against this.

9.4 If the 2019/20 forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution the forecast revenue outturn 2019/20 within this report contravenes both of the two specific conditions that excess spending does not:

1. exceed 1% (= £4.5m) 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 relatively healthy levels of Earmarked Revenue Reserves per CIPFA's Financial Resilience Index but with little time remaining of the financial year officers are still working continuously to improve the position such that service overspendings are no more than the working balances available. Revised service and financial plans are underway, including the review of technical accounting treatments such as the MRP policy, non-essential spend and earmarked reserves plus delays to filling non-front line vacancies. Next year's budget has been formulated to protect Children's Social Care and reinstate working balances in-part in anticipation of the next Spending Review.

9.5 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 significantly more funding to cope with the soaring demand and new burdens presenting in Children's Services;
- iii) to agree that the Growth and Prosperity overspend is to be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21 under the 'Cash Limited Budgeting' regime;
- iv) 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 but also Growth and Prosperity, Strategic Leisure Assets, Concessionary Fares and Parking Services.

Steve Thompson  
Director of Resources

## Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							2018/19 (UNDER)/OVER SPEND B/FWD £000
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2020							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	2019/20 PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
3(a)	CHIEF EXECUTIVE	615	3,139	(2,624)	515	(100)	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	3,353	3,482	402	3,884	531	-
3(b/c)	WARD BUDGETS	395	118	27	145	(250)	(80)
3(d)	RESOURCES	3,623	9,506	(6,472)	3,034	(589)	-
3(e)	COMMUNICATIONS AND REGENERATION	3,973	(116)	4,176	4,060	87	-
3(f)	STRATEGIC LEISURE ASSETS	368	4,760	(352)	4,408	4,040	-
3(g)	GROWTH & PROSPERITY	(6,877)	(909)	(1,571)	(2,480)	4,397	-
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	43,097	30,004	12,593	42,597	(500)	-
3(i)	ADULT SERVICES	54,559	40,974	13,104	54,078	(481)	-
3(j)	CHILDREN'S SERVICES	42,027	39,410	14,521	53,931	11,904	-
3(k)	PUBLIC HEALTH	21	(1,530)	1,551	21	-	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	14,128	11,327	3,062	14,389	261	-
	CAPITAL CHARGES	(29,962)	(24,968)	(4,994)	(29,962)	-	-
	<b>NET COST OF SERVICES:</b>	<b>129,320</b>	<b>115,197</b>	<b>33,423</b>	<b>148,620</b>	<b>19,300</b>	<b>(80)</b>
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(2,587)	-	(14,695)	(14,695)	(12,108)	
	- 2018/19 SERVICE UNDERSPENDS	(80)	-	(80)	(80)	-	
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	200	-	200	200	-	
	CONTINGENCIES	(3,234)	-	(3,416)	(3,416)	(182)	
	LEVIES	454	-	454	454	-	
	<b>CONTRIBUTIONS, etc.</b>	<b>(5,247)</b>	<b>-</b>	<b>(17,537)</b>	<b>(17,537)</b>	<b>(12,290)</b>	
	<b>TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS</b>	<b>124,073</b>	<b>115,197</b>	<b>15,886</b>	<b>131,083</b>	<b>7,010</b>	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(7,010)	(7,010)	(7,010)	
	<b>NET REQUIREMENT AFTER WORKING BALANCES</b>	<b>124,073</b>	<b>115,197</b>	<b>8,876</b>	<b>124,073</b>	<b>-</b>	
<b>GENERAL BALANCES AS AT 1st APRIL 2019 PER AUDITED STATEMENT OF ACCOUNTS 2018/19</b>							<b>7,057</b>
In-year (reduction in) / addition to General Fund Working Balances							(7,010)
<b>ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2020</b>							<b>47</b>

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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 Report</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	
8				<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</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		5,175	5,175			7,789	8,989	9,307	9,546	10,059	10,635	11,400	11,605	
12	GROWTH & PROSPERITY	GROWTH & PROSPERITY													4,397	
13	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		1,827	1,827			1,624	1,624	1,624	1,624	2,759	2,909	2,909	4,040	
14	CHILDREN'S SERVICES	EDUCATION		771	771			577	572	539	515	431	544	580	749	
15	COMMUNICATIONS & REGENERATION	VISITOR ECONOMY		91	91			190	176	207	256	299	315	315	327	
16	GOVERNANCE & PARTNERSHIP SERVICES	CORPORATE LEGAL SERVICES											95	150	289	
17	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE		308	308			272	272	325	320	297	297	297	264	
18	ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS		294	294				267	375					-	
19	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING		223	223										-	
20	RESOURCES	PROPERTY SERVICES		263	263										-	
21	COMMUNICATIONS & REGENERATION	ECONOMIC DEVELOPMENT & CULTURAL SERVICES		81	81										-	
22	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT							78	78					-	
71																
72		<b>Sub Total</b>		<b>9,033</b>	<b>9,033</b>	-	-	<b>10,452</b>	<b>11,978</b>	<b>12,455</b>	<b>12,261</b>	<b>13,845</b>	<b>14,795</b>	<b>15,651</b>	<b>21,671</b>	
73																
74		Transfer to Earmarked Reserves (note 3)		(1,827)	(1,827)	-	-	(1,624)	(1,624)	(1,624)	(1,624)	(2,759)	(2,909)	(2,909)	(8,437)	
75																
76		Other General Fund (under) / overspends		(8,229)	(8,229)	-	-	(1,872)	(2,326)	(3,413)	(3,302)	(3,480)	(3,720)	(3,984)	(6,224)	
77																
78		<b>Total</b>		<b>(1,023)</b>	<b>(1,023)</b>	-	-	<b>6,956</b>	<b>8,028</b>	<b>7,418</b>	<b>7,335</b>	<b>7,606</b>	<b>8,166</b>	<b>8,758</b>	<b>7,010</b>	
79																
80																
81	Notes:															
82																
83	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															
84	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															
85	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															
86	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
87																
88	2. The Strategic Leisure Assets overspend reflects the in-year position.															
89																
90	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. In addition, the overspend on Growth and Prosperity will be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21.															
91																

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## Blackpool Council - Chief Executive

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

	BUDGET	EXPENDITURE			VARIANCE	
	2019/20					
FUNCTIONS OF THE SERVICE	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	2018/19 (UNDER)/OVER SPEND B/FWD £000
<b>CHIEF EXECUTIVE</b>						
<b>NET EXPENDITURE</b>						
CHIEF EXECUTIVE	724	482	212	694	(30)	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(13)	(855)	822	(33)	(20)	-
<b>CHIEF EXECUTIVE TOTAL</b>	<b>711</b>	<b>(373)</b>	<b>1,034</b>	<b>661</b>	<b>(50)</b>	-
CORPORATE DELIVERY UNIT	151	24	127	151	-	-
HOUSING	(247)	3,488	(3,785)	(297)	(50)	-
<b>ASSISTANT CHIEF EXECUTIVE</b>	<b>(96)</b>	<b>3,512</b>	<b>(3,658)</b>	<b>(146)</b>	<b>(50)</b>	-
<b>TOTALS</b>	<b>615</b>	<b>3,139</b>	<b>(2,624)</b>	<b>515</b>	<b>(100)</b>	-

### 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 10 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

#### Chief Executive

This service is currently forecasting a saving of £30k. This is due, in the main, to staffing savings with some savings in supplies and services.

#### Human Resources, Organisation and Workforce Development

This service is currently forecasting a saving of £20k. This is due to a release of reserves no longer required.

#### Corporate Delivery Unit

This service is forecasting a break-even position. There is currently a pressure within the service but this will be met by savings in other areas.

**Housing**

This service is currently forecasting £50k saving. This is due to a release of reserves no longer required.

**Budget Holder – Mr N Jack, Chief Executive**

## Blackpool Council – Governance and Partnership Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD  £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>						
<b>NET EXPENDITURE</b>						
DEMOCRATIC GOVERNANCE	2,378	2,326	30	2,356	(22)	-
CORPORATE LEGAL SERVICES	1,297	1,098	488	1,586	289	-
INFORMATION GOVERNANCE	102	77	25	102	-	-
LIFE EVENTS & CUSTOMER CARE	(424)	(19)	(141)	(160)	264	-
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>	<b>3,353</b>	<b>3,482</b>	<b>402</b>	<b>3,884</b>	<b>531</b>	-
WARDS	395	118	27	145	(250)	(80)
<b>TOTALS</b>	<b>3,748</b>	<b>3,600</b>	<b>429</b>	<b>4,029</b>	<b>281</b>	<b>(80)</b>

### 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 10 months of 2019/20 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 currently forecasting an underspend of £22k due to vacant posts, increased income and an additional Audit fee relating to the 2018/19 Financial Accounts.

#### Corporate Legal Services

This service is now forecasting an overspend of £289k due to an increase in the expected spend in Children's Counsel fees resulting from an increasing caseload and the need to increasingly use external legal firms .

#### Information Governance

This service is currently forecasting a break-even position.

### **Life Events & Customer Care**

This service is forecasting a pressure of £264k. Cumulative income for both the Registrars service and Cremations continues to be below target contributing £145k to this pressure however this has started to improve. £55k is increased costs relating to repairs, security, risk assessments and vehicle repairs. The remaining £64k of the pressure is due to the forecast increase in Coroner's costs.

### **Ward Budgets**

Ward budgets are expected to underspend in 2019/20.

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

**Blackpool Council  
Ward Budgets  
2019/20  
Month 10**

## Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2019-20 Budget	2019-20 Budget Committed to <u>Approved</u> Schemes	Remaining 2019-20 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	2	2	0	2	£18,530.24	£5,235.00	£13,295.24
Bispham Ward BC1002	Cllr. Clapham Cllr. Wilshaw	3	3	0	3	£15,699.00	£1,182.79	£14,516.21
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	6	6	0	6	£22,002.14	£2,130.00	£19,872.14
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	6	6	0	6	£15,230.60	£3,890.00	£11,340.60
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	16	16	0	16	£15,055.60	£14,466.98	£588.62
Clifton Ward BC1006	Cllr. Hutton Cllr. P. Burdess	10	10	0	10	£21,555.00	£5,959.79	£15,595.21
Greenlands Ward BC1007	Cllr. Scott Cllr. Wing	6	6	0	6	£15,002.11	£5,953.98	£9,048.13
Hawes Side Ward BC1008	Cllr. Brookes Cllr. Critchley	7	7	0	7	£15,027.26	£7,096.07	£7,931.19
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	7	7	0	7	£16,704.20	£2,484.98	£14,219.22
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Farrell	1	1	0	1	£15,032.72	£6,000.00	£9,032.72
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	4	4	0	4	£15,000.00	£8,110.49	£6,889.51
Marton Ward BC1012	Cllr. D Coleman Cllr. Stansfield	7	7	0	6	£16,535.31	£2,635.00	£13,900.31
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	11	11	0	9	£15,411.51	£10,171.00	£5,240.51
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	13	13	0	13	£19,945.15	£15,634.11	£4,311.04
Squires Gate Ward BC1015	Cllr. Cox Cllr. Walsh	3	3	0	3	£15,000.00	£2,690.00	£12,310.00
Stanley Ward BC1016	Cllr. Roberts Cllr. Baker	3	3	0	3	£44,746.75	£4,380.00	£40,366.75
Talbot Ward BC1017	Cllr. Hugo Cllr. Smith	7	7	0	6	£15,034.10	£11,353.37	£3,680.73
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	8	8	0	8	£30,890.99	£2,440.00	£28,450.99
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	11	11	0	11	£15,000.00	£3,540.00	£11,460.00
Warbreck Ward BC1020	Cllr. Scott Cllr. Mrs Scott	6	6	0	6	£15,635.62	£6,569.00	£9,066.62
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	4	4	0	4	£21,128.14	£4,885.00	£16,243.14

<b>Ward Totals</b>	<b>141</b>	<b>141</b>	<b>0</b>	<b>137</b>	<b>£394,166.44</b>	<b>£126,807.56</b>	<b>£267,358.88</b>
<b>Unallocated Budget</b>	-	-	-	-	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>Income Budget</b>	-	-	-	-	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>Area Ward Totals</b>	<b>141</b>	<b>141</b>	<b>0</b>	<b>137</b>	<b>£394,166.44</b>	<b>£126,807.56</b>	<b>£267,358.88</b>

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## Blackpool Council - Resources

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>RESOURCES</b>						
<b>NET EXPENDITURE</b>						
PROCUREMENT & PROJECTS	45	1,067	(1,104)	(37)	(82)	-
BENEFITS	(882)	(1,566)	593	(973)	(91)	-
REVENUES & EXCHEQUER SERVICES	1,167	1,141	26	1,167	-	-
CUSTOMER FIRST	(10)	(220)	210	(10)	-	-
ICT SERVICES	(1,050)	(967)	(333)	(1,300)	(250)	-
ACCOUNTANCY	(4)	(187)	160	(27)	(23)	-
RISK SERVICES	(6)	(234)	191	(43)	(37)	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	4,363	10,472	(6,215)	4,257	(106)	-
<b>TOTALS</b>	<b>3,623</b>	<b>9,506</b>	<b>(6,472)</b>	<b>3,034</b>	<b>(589)</b>	-

### 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 10 months of 2019/20 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 Procurement and Projects Service is forecasting an underspend of £82k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend.

#### Benefits

The Benefits Service is forecasting an underspend of £91k against a gross budget of £4.3m. Vacancies across the Benefits service have contributed towards the underspend. Monthly Housing Benefit new claims processing figures for January was 10 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications was 11 days.

#### Revenues and Exchequer Services

Revenues and Exchequer Services are forecasting a break-even position. The legacy pressure in Payroll services has been reduced through additional income generation. Due to staff absence, additional overtime is resulting in pressures in the service. This is being offset by vacancy savings within Transactional services.

### **Customer First**

Customer First is forecasting a break-even position on a gross budget of £1.1m.

### **ICT Services**

ICT is forecasting an underspend of £250k on a gross budget of £4.9m. The service has released £250k of ICT investment funding which will be deferred by one year.

### **Accountancy**

Accountancy are forecasting an underspend of £23k against a gross budget of £2.1m. This has been achieved through additional income generation.

### **Risk Services**

Risk Services are forecasting a £37K underspend. A review of the service structure has been undertaken which has resulted in savings this financial year. Additional income has also been generated by the Health and Safety team.

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

Property Services are forecasting an underspend of £106k against a gross expenditure budget of £14.3m. There are various Council moves taking place in 2019/20 that will have an impact on the Property Services budgets. The investment portfolio is working to maximise income generation by undertaking rent reviews and reviewing premises expenditure against investment portfolio properties. The service has benefited from one-off income received in 2019/20 that has contributed towards pressures across the service.

### **Summary of the revenue forecast**

After 10 months of the financial year Resources are forecasting a £589k 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	2018/19 (UNDER)/OVER SPEND £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>COMMUNICATIONS &amp; REGENERATION</b>						
<b>NET EXPENDITURE</b>						
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	413	(3,711)	3,984	273	(140)	-
PLANNING	391	291	-	291	(100)	-
VISITOR ECONOMY	3,169	3,304	192	3,496	327	-
<b>TOTALS</b>	<b>3,973</b>	<b>(116)</b>	<b>4,176</b>	<b>4,060</b>	<b>87</b>	<b>-</b>

### Commentary on the key issues:

#### Directorate Summary – basis

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 £87k overspend is based upon actual financial performance for the first 10 months of 2019/20 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 an underspend of £140k, which mainly relates to a one-off release of reserves in Adult Learning.

#### Planning

This service is expecting an underspend of £100k; this is due to an expected increase in income.

#### Visitor Economy

This service is expecting a £327k overspend by the year-end. An overspend of £341k in Visit Blackpool relates to increased event spend that is not expected to be fully covered by increased income, an increase in licence costs and a reduced shelter income forecast. An underspend in Print Services of £14k has been forecast as additional income has been generated.

**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	2018/19 (UNDER)/OVER SPEND B/FWD  £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	368	4,760	(352)	4,408	4,040	-
<b>TOTALS</b>	<b>368</b>	<b>4,760</b>	<b>(352)</b>	<b>4,408</b>	<b>4,040</b>	<b>-</b>

### 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 10 months of 2019/20 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 2019/20 is now £4,040k overspend, taking the forecast cumulative deficit as at 2019/20 year-end to £12,611k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and the Conference Centre, accelerated repair work at the Tower including the Tower illuminations and other unplanned maintenance, together with increased marketing and insurance costs and revised income profile including an expected reduction across the portfolio.

The Leisure Assets portfolio projected financial outturn position has deteriorated during the period by £1.1m. A number of factors have contributed to the revised position, which include:

- The loss of a major, Chinese May Dance Festival sponsorship income stream at the Winter Gardens, which affects 2018/19 results written off in the current financial year, and a loss of anticipated revenue in financial year 2019/20. The total impact associated with this loss of income is £1.1m however, a proportion of this had previously been taken into account in the current financial year forecasts. A review of risk associated with transactions of this nature is currently taking place with the Board of Directors and management team of the Winter Gardens operating company, and although the full bearing of this issue is accounted for within the current projection, efforts to recover the position are ongoing.

- Blackpool Tower and Madame Tussauds continue to perform well however, there have been some essential repairs and maintenance required in the period which have a direct cost impact in addition to lost patronage, as a result of asset down time. This work includes essential repairs to the Tower lift steel infrastructure which forms part of an ongoing programme of steel work, and in addition, crucial works to the Tower Ballroom ceiling were required to be undertaken in order to safeguard the Grade I Listed structure.
- Blackpool Tower lift operation has also been hampered by excessive and prolonged wind speeds throughout the year which has also had a financial impact in the form of lost revenue.
- A one-off restructuring cost at Blackpool Tower is also taken into account in the current projected outturn. It is anticipated this will have a positive financial impact in future periods.
- The new development at the Tower, "Fifth Floor", in the area previously known as Jungle Jim opened ahead of schedule and provided a positive contribution to financial performance.

In addition to the above, a restructure of Golden Mile rental income, required as part of the impending Blackpool Central development, has resulted in a reduction in achievable rents and this is also reflected in the currently forecast outturn position.

In light of the performance deterioration in the current financial year, the Leisure Assets medium-term financial plan is under continuous review.

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 Communications & Regeneration**

## Blackpool Council – Growth & Prosperity

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD  £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GROWTH & PROSPERITY						
NET EXPENDITURE						
GROWTH & PROSPERITY	(6,877)	(909)	(1,571)	(2,480)	4,397	-
<b>TOTALS</b>	<b>(6,877)</b>	<b>(909)</b>	<b>(1,571)</b>	<b>(2,480)</b>	<b>4,397</b>	<b>-</b>

### 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 10 months of 2019/20 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

There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to have a pressure of £4,397k. The 'Cash Limited Budgeting' policy allows for overspends to be carried forward if there is a plan in place to deliver. The accounting mechanism is that the overspend is to be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21. An income target transferred to Growth & Prosperity during the year from the Business Loans Fund of £1.9m, part of which was to contribute to post-Ofsted costs of £1,188k falling on Children's Services, was to be derived from increased income from investment properties. Due to the complex nature of these projects delays have arisen which will now result in an in-year overspend.

Whilst this is disappointing it is not a result of a failure of projects or even an unexpected shortfall in income but rather a question of timing. All projects that were to contribute to the target are still proceeding well and should deliver beyond the target if taken over the 2 year period from 2019/20 to 2020/21. The target over these 2 years is £12.1m. The income is made up of a number of key projects as follows:-

- Blackpool Central – the land deal has now been agreed and because this took a few months longer than originally anticipated the initial receipt of £4.5m is not now likely to be received until after 2019/20.
- Housing Sites – including Ryscar Way and Blackpool Road have been delayed. The planning process is taking longer than planned. Ryscar Way terms are agreed and will now deliver a significant receipt which will be reported separately to the Executive. Marketing for Blackpool Road has commenced although as planning consent has not yet been achieved we have not invited final bids, but have an indication of values from discussions with developers. Once planning is achieved we are expecting capital receipts including Ryscar Way of c. £10m.

- Several projects yield revenue funding for the Council including for example the ATOS building in Lytham, town centre shops and the Houndshell Shopping Centre. In all, these projects bring some £2.5m of revenue annually.

The total income that is scheduled to arise from all these over the 2 years in question is in the order of £17m – well above the target and as such Growth and Prosperity is confident that the target will be met.

A number of avenues are being explored to enable the use of capital receipts to fund revenue and we are confident that these will be achieved.

In addition, there are a number of other smaller projects in the pipeline that will yield further income and provide for additional contingency.

There have also been other regeneration and non-General Fund financial benefits attributable to Growth and Prosperity initiatives such as job creation and improved business rate yield.

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

## Blackpool Council – Community and Environmental Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	2019/20		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
<b>COMMUNITY &amp; ENVIRONMENTAL SERVICES</b>						
<b>NET EXPENDITURE</b>						
BUSINESS SERVICES	545	936	(653)	283	(262)	-
LEISURE AND CATERING	2,954	282	2,716	2,998	44	-
PUBLIC PROTECTION	605	(800)	1,357	557	(48)	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	16,646	16,010	504	16,514	(132)	-
STREET CLEANSING AND WASTE	17,688	9,524	8,019	17,543	(145)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	3,979	3,156	823	3,979	-	-
INTEGRATED TRANSPORT	680	896	(173)	723	43	-
<b>TOTALS</b>	<b>43,097</b>	<b>30,004</b>	<b>12,593</b>	<b>42,597</b>	<b>(500)</b>	-

### 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 10 months of 2019/20 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

This service is currently forecasting a £262k surplus to assist in delivering the Council's overall savings target for 2019/20. The 2019/20 target savings of £747k are also being met.

#### Leisure and Catering

This service is currently forecasting a pressure of £44k. Leisure Services has a £114k pressure, as Health and Fitness income is down against budget. The performance of Leisure Services has stabilised and it is not envisaged that there will be any increase in the pressure. Efficiency and utilities savings within Parks has generated a £60k saving, and Catering is forecast to contribute £10k to the overall saving of the Directorate.

#### Public Protection

This service is currently forecasting a £48k surplus. Public Protection is forecasting a £38k surplus, due to staffing vacancies, but there is a reduction in income from Café Licencing. The overall surplus, however, will be used to off-set pressures elsewhere in the Directorate. Security is expected to return a saving of £10k.

**Highways and Traffic Management Services**

This service is currently forecasting a surplus of £132k. Highways & Engineering is forecast to save £82k, due to staffing vacancies and increased scheme income, which will be used to off-set pressures elsewhere in the Directorate. Highways & Traffic is expected to deliver £50k of savings, which will contribute to the overall savings within the Directorate.

**Street Cleansing and Waste**

This service is fully expecting to deliver the £570k saving budgeted this year for refuse collection, with Envenco NW commencing operations on 1<sup>st</sup> July 2019. The service as a whole is currently forecasting a saving of £145k, with small savings within Waste of £15k and Street Cleansing saving £20k. There is a reduction in the contribution to Vehicles, Plant and Equipment, through Waste, which will deliver a saving of £110k in-year, but this budget will be required in 2020/21.

**Coastal and Environmental Partnerships**

This service is currently forecasting a break-even position.

**Integrated Transport**

This service is currently forecasting a pressure of £43k. There is a target saving of £90k for school crossing patrols, but this will not be met. There are, however, one-off small savings identified within other areas, but the pressure within Travel and Road Safety will still amount to £68k. Small efficiency savings targeted within the service, amounting to £25k within the year and the use of savings being achieved in other areas will address this issue in 2019/20.

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

At the end of January 2020, the Community and Environmental Services Directorate is forecasting a £500k surplus. The pressures within Leisure and Integrated Transport are being addressed through savings achieved elsewhere in the Directorate, whilst the services produce plans to address the underlying problems. Other services within the Directorate, however, have been challenged to achieve savings of £260k to assist in delivering the Council's overall savings target for 2019/20.

**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	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>ADULT SERVICES</b>						
<b>NET EXPENDITURE</b>						
BETTER CARE FUND	-	-	-	-	-	-
ADULT SOCIAL CARE	6,165	5,834	57	5,891	(274)	-
CARE & SUPPORT	5,342	3,432	1,968	5,400	58	-
ADULT COMMISSIONING PLACEMENTS	42,333	31,328	10,768	42,096	(237)	-
ADULT SAFEGUARDING	719	380	311	691	(28)	-
<b>TOTALS</b>	<b>54,559</b>	<b>40,974</b>	<b>13,104</b>	<b>54,078</b>	<b>(481)</b>	<b>-</b>

### 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 10 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

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

The Adult Commissioning Placements budget is forecasting a £237k underspend on £60m gross expenditure budget. There is expected to be an overspend on both complex cases and supported living, partly offset by the demographics budget, one-off monies and increased non-residential income. Further savings are expected through nursing placements and Direct Payments recoveries.

#### Adult Social Care

Adult Social Care is currently forecast to be £274k underspent due to vacant posts within the service.

#### Summary of the Adult Services financial position

As at the end of January 2020 the Adult Services Directorate is forecasting an overall underspend of £481k for the financial year to March 2020 on a gross budget of £82m.

#### Budget Holder – K Smith, Director of Adult Services

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## Blackpool Council – Children’s Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>CHILDREN'S SERVICES</b>						
<b>NET EXPENDITURE</b>						
LOCAL SCHOOLS BUDGET - ISB	18,378	15,288	3,090	18,378	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	930	141	722	863	(67)	-
EDUCATION	17,822	14,287	4,927	19,214	1,392	-
EARLY HELP FOR CHILDREN AND FAMILIES	182	152	30	182	-	-
BUSINESS SUPPORT AND RESOURCES	8,699	6,935	1,764	8,699	-	-
DEDICATED SCHOOL GRANT	(45,804)	(38,156)	(7,648)	(45,804)	-	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(1,207)	-	(2,532)	(2,532)	(1,325)	-
<b>TOTAL DSG FUNDED SERVICES</b>	<b>(1,000)</b>	<b>(1,353)</b>	<b>353</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>
CHILDREN'S SERVICES DEPRECIATION	2,274	2,272	2	2,274	-	-
EDUCATION	3,328	2,424	1,653	4,077	749	-
EARLY HELP FOR CHILDREN AND FAMILIES	5,737	2,871	2,502	5,373	(364)	-
CHILDREN'S SOCIAL CARE	30,679	32,527	9,757	42,284	11,605	-
BUSINESS SUPPORT AND RESOURCES	1,185	690	409	1,099	(86)	-
LOCAL SERVICES SUPPORT GRANT	(18)	(21)	3	(18)	-	-
SCHOOL IMPROVEMENT GRANT	(158)	-	(158)	(158)	-	-
<b>TOTAL COUNCIL FUNDED SERVICES</b>	<b>43,027</b>	<b>40,763</b>	<b>14,168</b>	<b>54,931</b>	<b>11,904</b>	<b>-</b>
<b>TOTALS</b>	<b>42,027</b>	<b>39,410</b>	<b>14,521</b>	<b>53,931</b>	<b>11,904</b>	<b>-</b>

### 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 10 months of 2019/20 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

The Children’s Social Care division is forecasting a significant overspend due to ongoing pressures relating to Looked After Children (LAC) numbers.

When budgets were set, £3.570m was earmarked to cover the forecast overspend in Children’s Social Care. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £6.999m.

In addition to this, an amount of £4.606m is included in the forecast relating to the directorate's Ofsted improvement plan, which is being implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year, and which has resulted in the introduction of a new staffing structure for the longer term.

The new structure represents a fundamental shift in the management of Children's Social Care in Blackpool – a shift from managing the problems to addressing the source of them. It proposes additional capacity to enable Social Workers to spend more time with children and families to build better relationships, have more effective interventions, building on the strengths within each family, and thereby preventing escalation. Independent analysis suggests that the approach should result in a long-term reduction in the number of cases open to Children's Social Care at any one time and through the year. It will also reduce the number of children on child protection plans, or in the care of the Local Authority.

### **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 2020/21 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**

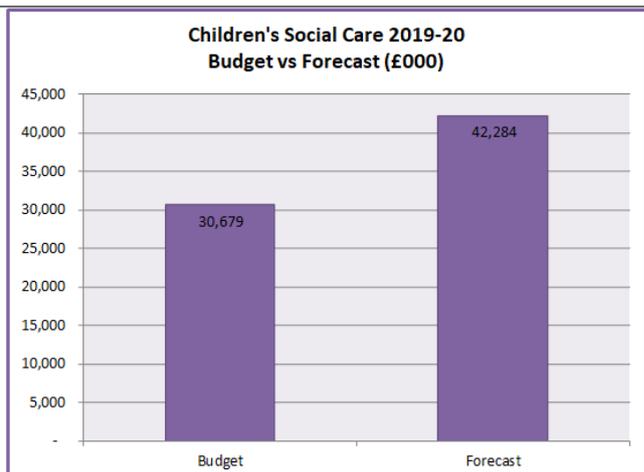
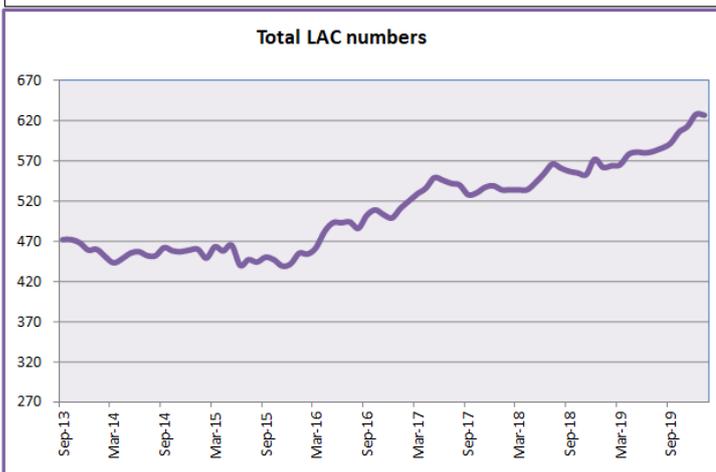
As at the end of January 2020 the Children's Services Directorate is forecasting an overspend of £11.904m for the financial year to March 2020.

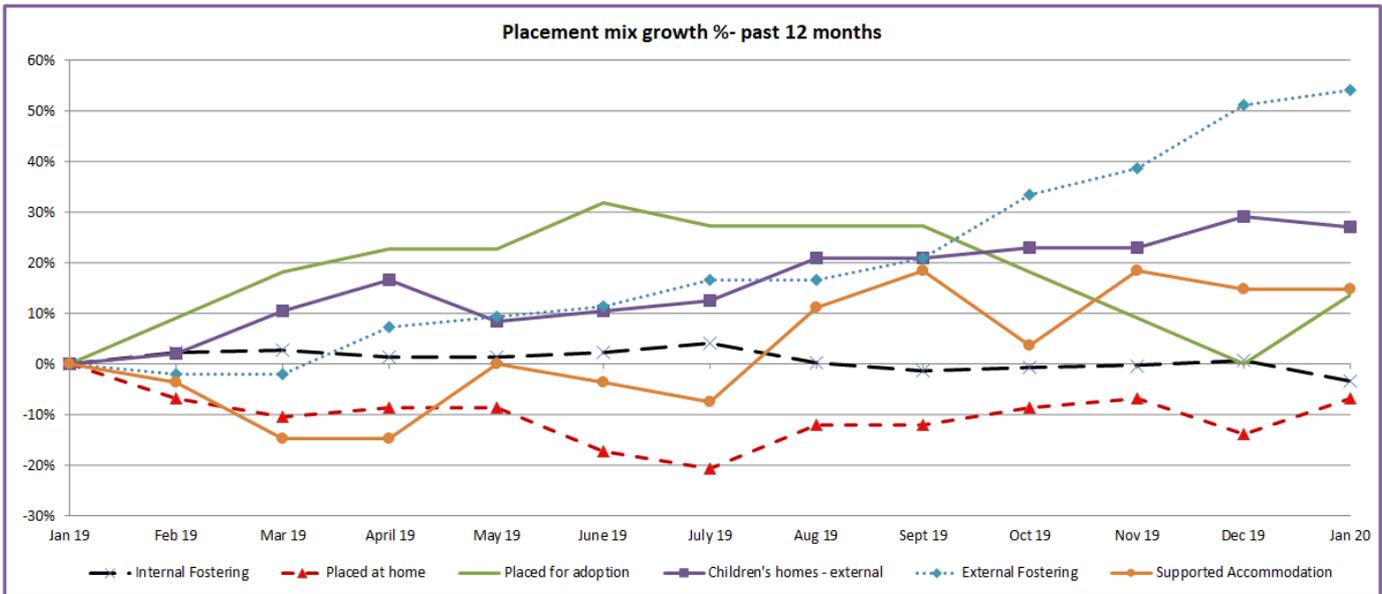
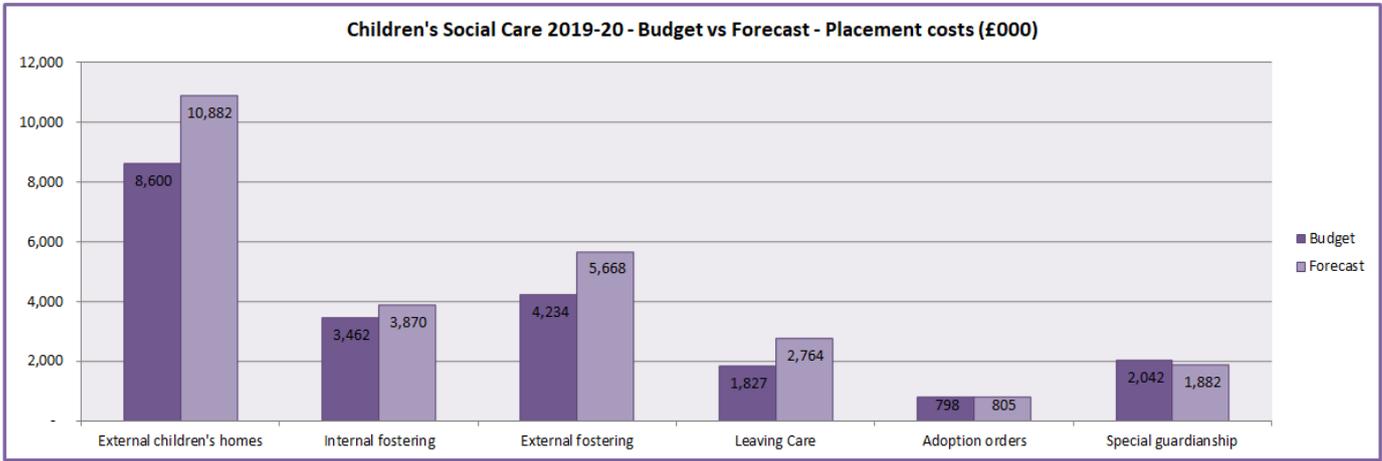
### **Budget Holder – Mrs D Booth, Director of Children's Services**

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	No.
	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement							
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%	41,243	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
Jun-18	97	18%	40,083	45	8%	164,794	24	4%	48,006	297	54%	13,403	554
Sep-18	97	17%	40,425	45	8%	159,388	28	5%	46,073	302	54%	13,441	557
Dec-18	99	17%	40,227	47	8%	169,287	33	6%	46,167	305	53%	13,430	572
Mar-19	94	17%	39,536	53	9%	177,477	23	4%	45,845	306	54%	13,289	565
Jun-19	107	18%	42,426	53	9%	172,929	26	4%	68,367	305	53%	13,014	580
Sep-19	116	20%	43,981	58	10%	180,014	32	5%	56,148	294	50%	12,649	592
Dec-19	145	23%	45,812	62	10%	184,396	31	5%	60,289	300	48%	12,854	628
Jan-20	148	24%	45,812	61	10%	185,187	31	5%	62,688	288	46%	12,827	627

**Note:**  
The variance between the current total number of Looked After Children (627) and the total internal fostering and external placement numbers (528) 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	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>PUBLIC HEALTH</b>						
<b>NET EXPENDITURE</b>						
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	1,126	721	405	1,126	-	-
NHS HEALTH CHECKS - MANDATED	100	40	60	100	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	600	600	-	600	-	-
CHILDREN'S 0-5 SERVICES	2,410	2,392	18	2,410	-	-
TOBACCO CONTROL	354	192	162	354	-	-
MENTAL HEALTH AND WELLBEING	-	-	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,785	1,734	51	1,785	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,625	2,170	455	2,625	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	824	736	88	824	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	109	103	6	109	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,008	7,693	315	8,008	-	-
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	21	30	(9)	21	-	(9)
GRANT	(17,941)	(17,941)	-	(17,941)	-	-
<b>TOTALS</b>	<b>21</b>	<b>(1,530)</b>	<b>1,551</b>	<b>21</b>	<b>-</b>	<b>-</b>

### 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 10 months of 2019/20 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 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, £17,941,000, for the financial year to March 2020.

#### 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 January 2020, the Public Health Directorate is forecasting a break-even position for the financial year to March 2020.

**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 (UNDER)/OVER SPEND B/FWD  £000
	ADJUSTED CASH LIMITED BUDGET £000	2019/20			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
<b>BUDGETS OUTSIDE THE CASH LIMIT</b>						
<b>NET EXPENDITURE</b>						
TREASURY MANAGEMENT	11,054	8,202	1,641	9,843	(1,211)	-
PARKING SERVICES	(4,835)	(3,939)	(202)	(4,141)	694	-
CORPORATE SUBSCRIPTIONS	137	125	12	137	-	-
HOUSING BENEFITS	1,497	1,245	252	1,497	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,103	918	185	1,103	-	-
SUBSIDIARY COMPANIES	(1,142)	480	(1,653)	(1,173)	(31)	-
LAND CHARGES	(51)	(69)	15	(54)	(3)	-
CONCESSIONARY FARES	3,929	2,411	2,330	4,741	812	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	2,890	2,408	482	2,890	-	-
NEW HOMES BONUS	(454)	(454)	-	(454)	-	-
<b>TOTALS</b>	<b>14,128</b>	<b>11,327</b>	<b>3,062</b>	<b>14,389</b>	<b>261</b>	<b>-</b>

### 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 10 months of 2019/20 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 a favourable variance of £1,211k. 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. The Business Loans Fund now has a savings target of £2,700k and there is some slippage in the loans being made to date.

#### Parking Services

This service is forecasting a pressure of £694k; 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 45 (w/e 9th February) parking income is at £4.36m with patronage at 1,108,874. Car park patronage is down by 12,031 and income is down by £74,329 on 2018/19. On-Street Pay and Display patronage is down by 11,385 however income is up by £2,001.

**Council Tax and NNDR Cost of Collection**

This service is forecasting a break-even position.

**Subsidiary Companies**

This service is now forecasting a favourable variance of £31k. This is due to an expected reduction in charges mainly relating to debt management.

**Land Charges**

This service is forecasting a slight underspend due to lower costs.

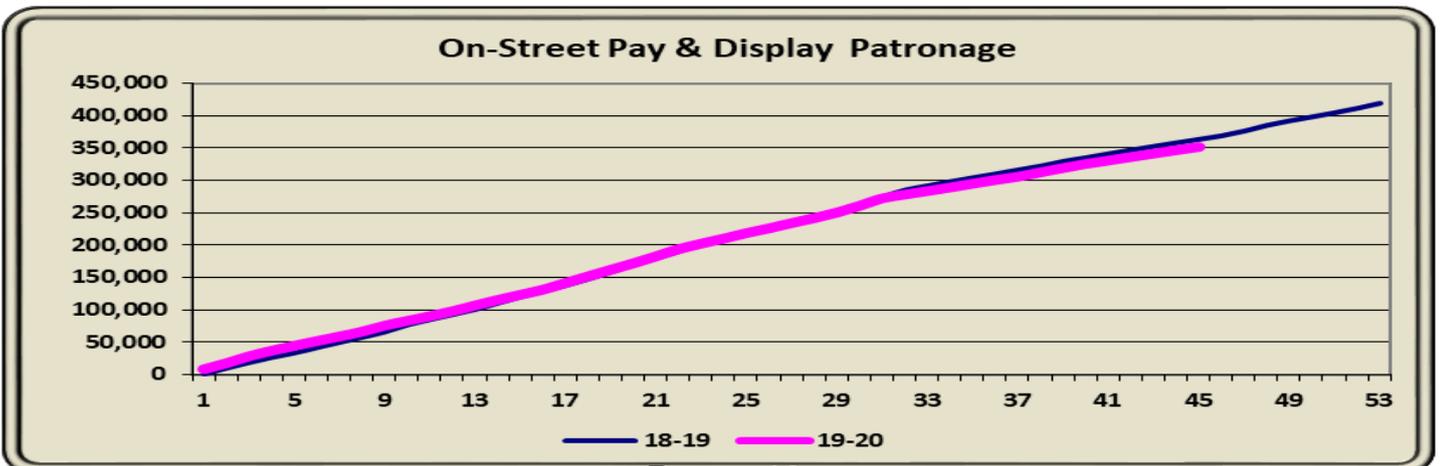
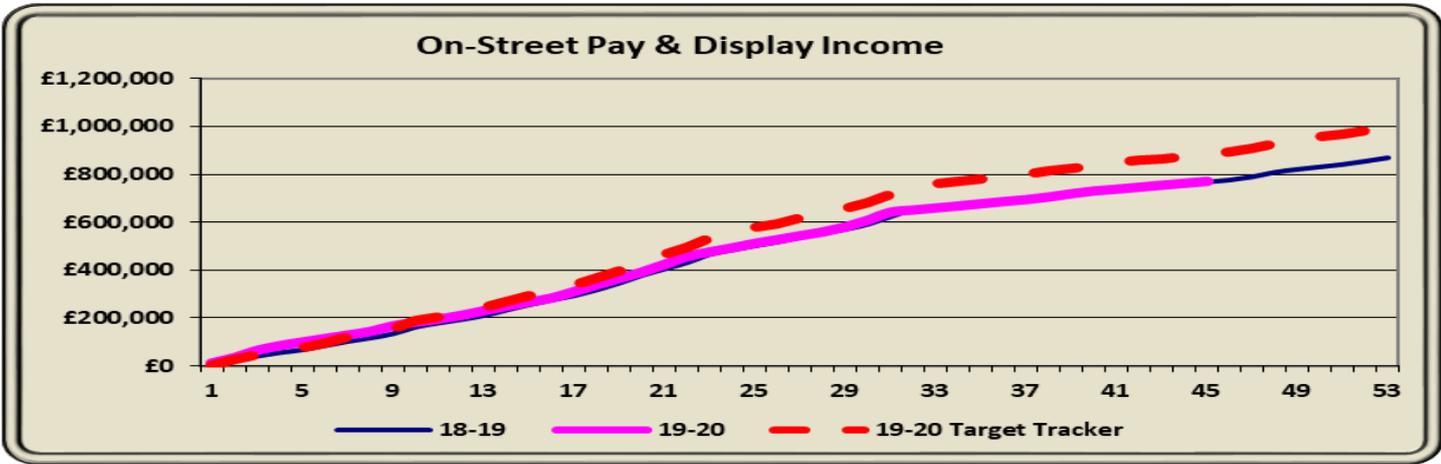
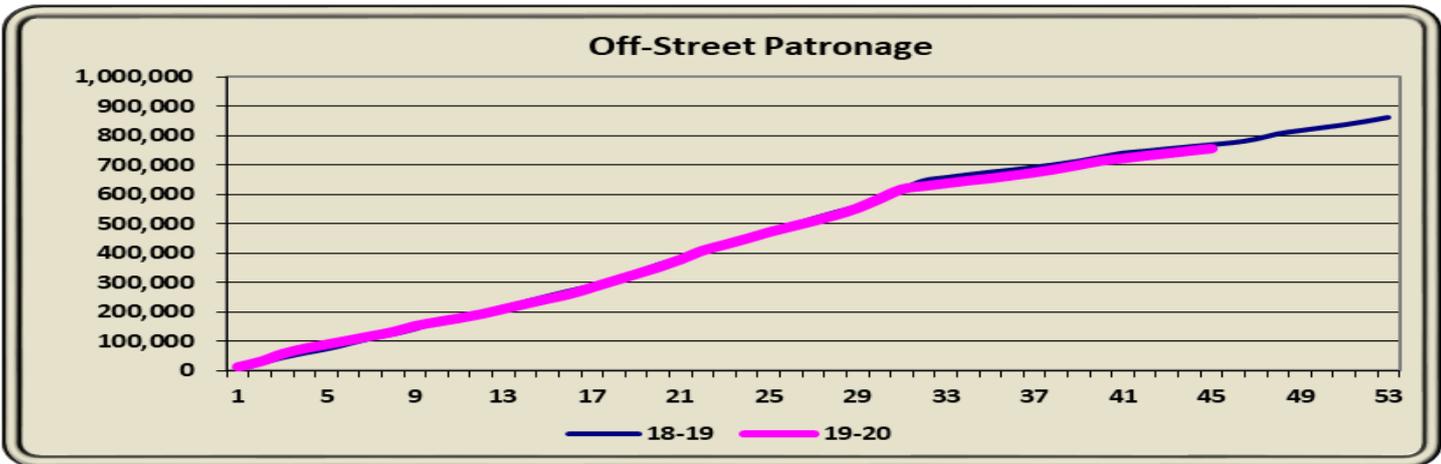
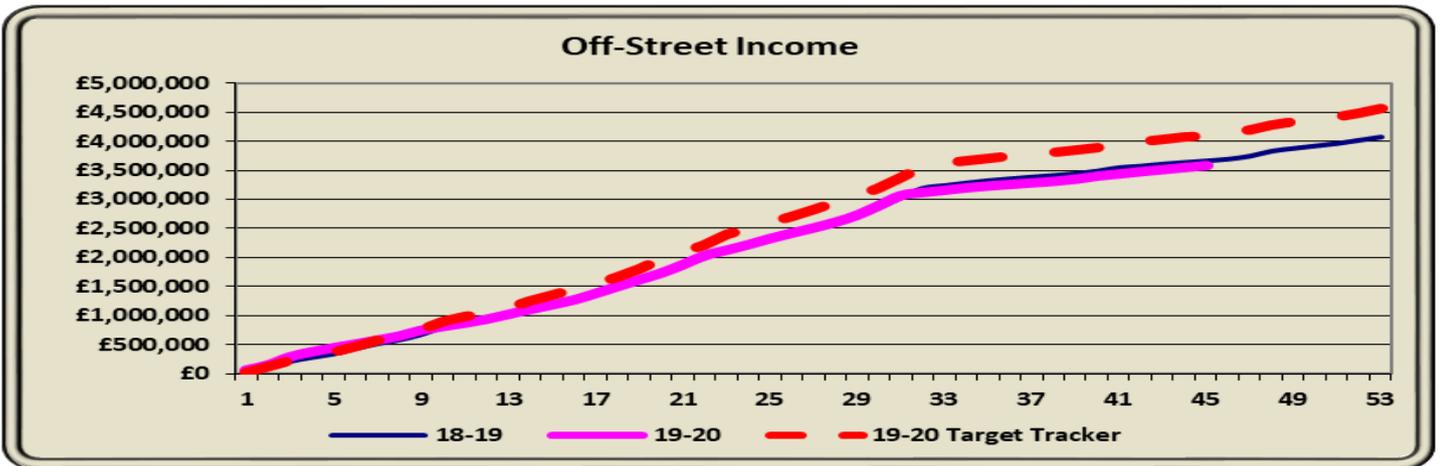
**Concessionary Fares**

Whilst the overall level of demand on the buses and trams has started to fall, an under provision in 2018/19 (based on external forecasts) combined with subsequent increased pricing has led the service to report a pressure of £812k.

**Summary of the revenue forecasts**

After 10 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £261k overspend.

Car Parking Trends



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**2019/20 CAPITAL MONITORING  
MONTH 10**

	<b>Total Scheme Budget</b>	<b>Spend as at 31/3/19</b>	<b>Budget Brought Forward 2018/19</b>	<b>Capital Programme 2019/20</b>	<b>Total Available Budget 2019/20</b>	<b>Spend to Date April - Jan</b>	<b>Forecast to Year End</b>	<b>Forecast Variance</b>	<b>Notes</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>Director Responsible for Resources</b>									
<b>Property and Asset Management</b>									
Central Business District Phase 1	40,432	38,120	2,312	-	2,312	-	-	-	
ICT Refresh	3,055	2,155	50	850	900	725	175	-	
CLC Remodelling scheme	859	831	28	-	28	17	11	-	
Local Full Fibre Network	3,147	68	379	1,500	1,879	1,489	390	-	
Other Resources Schemes	1,558	1,018	285	255	540	245	295	-	
<b>Total Resources</b>	<b>49,051</b>	<b>42,192</b>	<b>3,054</b>	<b>2,605</b>	<b>5,659</b>	<b>2,476</b>	<b>871</b>	<b>-</b>	
<b>Director Responsible for Adult Services</b>									
Support to Vulnerable Adults - Grants	7,892	6,142	-	1,750	1,750	1,373	377	-	
Other Adult Services Schemes	5,348	4,324	532	492	1,024	106	918	-	
<b>Total Adult Services</b>	<b>13,240</b>	<b>10,466</b>	<b>532</b>	<b>2,242</b>	<b>2,774</b>	<b>1,479</b>	<b>1,295</b>	<b>-</b>	
<b>Director Responsible for Community and Environmental Services</b>									
Anchorsholme Seawall	27,515	25,484	2,031	-	2,031	125	-	-	
Coastal Protection Studies	1,759	1,502	256	-	256	97	159	-	
Refuse Vehicles	4,054	-	-	4,054	4,054	2,985	1,069	-	
Layton Depot Refuse Work	750	415	335	-	335	387	(52)	-	
Stanley Park All Weather Pitch	458	349	109	-	109	-	109	-	
Bridges	11,369	11,297	72	-	72	61	-	-	
Yeadon Way Access Route	2,645	149	964	1,532	2,496	510	1,986	-	
Leisure Refurbishment	500	-	-	500	500	-	500	-	
VPE Renewal	700	-	-	700	700	539	161	-	
Others	282	79	(79)	282	203	225	(22)	-	
<b>Total Community and Environmental Services</b>	<b>50,032</b>	<b>39,275</b>	<b>3,688</b>	<b>7,068</b>	<b>10,756</b>	<b>4,929</b>	<b>3,910</b>	<b>-</b>	

**2019/20 CAPITAL MONITORING  
MONTH 10**

	<b>Total Scheme Budget</b>	<b>Spend as at 31/3/19</b>	<b>Budget Brought Forward 2018/19</b>	<b>Capital Programme 2019/20</b>	<b>Total Available Budget 2019/20</b>	<b>Spend to Date April - Jan</b>	<b>Forecast to Year End</b>	<b>Forecast Variance</b>	<b>Notes</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>Director Responsible for Governance &amp; Partnership Services</b>									
Carleton Crematorium Works 2018-20	1,860	468	1,392	-	1,392	1,417	(25)	-	
Carleton Burial Plots	527	-	-	527	527	9	518	-	
Carleton Crematorium - Others	127	-	-	127	127	-	127	-	
<b>Total Governance &amp; Partnership Services</b>	<b>2,514</b>	<b>468</b>	<b>1,392</b>	<b>654</b>	<b>2,046</b>	<b>1,426</b>	<b>620</b>	<b>-</b>	
<b>Chief Executive</b>									
<b>Housing</b>									
Foxhall Village	12,798	12,480	318	-	318	793	424	1,800	
Work towards Decent Homes Standard	3,919	-	-	3,919	3,919	2,829	1,090	-	
Queens Park Redevelopment Ph2	13,241	12,979	262	-	262	232	30	-	
Troutbeck Redevelopment	9,200	602	-	3,468	3,468	541	627	-	
Hoyle Redevelopment	2,324	1,286	(151)	1,189	1,038	979	59	-	
Dunsop Court	510	-	-	510	510	65	445	-	
Others	40	-	-	40	40	61	-	-	
<b>Total Chief Executive</b>	<b>42,032</b>	<b>27,347</b>	<b>429</b>	<b>9,126</b>	<b>9,555</b>	<b>5,500</b>	<b>2,675</b>	<b>1,800</b>	

**2019/20 CAPITAL MONITORING  
MONTH 10**

	<b>Total Scheme Budget</b>	<b>Spend as at 31/3/19</b>	<b>Budget Brought Forward 2018/19</b>	<b>Capital Programme 2019/20</b>	<b>Total Available Budget 2019/20</b>	<b>Spend to Date April - Jan</b>	<b>Forecast to Year End</b>	<b>Forecast Variance</b>	<b>Notes</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>Director Responsible for Communications and Regeneration</b>									
<b>Regeneration</b>									
College Relocation/Illumination Depot	13,105	13,924	(919)	100	(819)	-	-	-	
Leisure Assets	62,099	62,054	45	-	45	156	(111)	-	
Conference Centre	26,600	11,413	15,187	-	15,187	3,608	2,579	-	
Leopold Grove	557	503	54	-	54	20	-	-	
Spanish Hall roof & façade	1,995	1,478	517	-	517	130	387	-	
CBD Phase 2 - Hotel	24,500	1,630	22,870	-	22,870	245	625	-	
Land Release Fund	3,150	83	3,067	-	3,067	114	-	-	
Town Centre Investment	3,200	3,001	199	-	199	-	199	-	
Enterprise Zone	13,000	392	2,608	10,000	12,608	547	1,361	-	
Town Centre Parking Strategy	16,000	62	(62)	16,000	15,938	876	1,562	-	
Town Centre Investments	50,000	-	-	50,000	50,000	49,930	70	-	
Museum	7,894	-	-	7,894	7,894	78	131	-	
Other	761	-	217	544	761	487	-	-	
<b>Transport</b>									
Local Transport Plan 2017/18	1,357	1,139	217	-	217	178	-	-	
Local Transport Plan Project 30 2017/18	577	523	54	-	54	60	-	-	
Local Transport Plan Quality Corridor 2017/18	140	210	(72)	-	(72)	(72)	-	-	
Local Transport Plan 2018/19	1,862	1,274	587	-	587	320	267	-	
Local Transport Plan Project 30 2018/19	463	463	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2018/19	203	-	203	-	203	204	(1)	-	
Local Transport Plan 2019/20	2,125	-	-	2,125	2,125	1,234	391	-	
Local Transport Plan Project 30 2019/20	403	-	-	403	403	453	(50)	-	
Quality Corridor	6,600	3,617	121	2,862	2,983	1,503	480	-	
Blackpool/Fleetwood Tramway	99,990	99,690	300	-	300	300	-	-	
Tramway Extension	16,400	10,220	6,180	-	6,180	1,640	540	-	
Sintropher	1,903	2,780	(876)	-	(876)	-	-	-	
<b>Total Communications and Regeneration</b>	<b>354,884</b>	<b>214,456</b>	<b>50,497</b>	<b>89,928</b>	<b>140,425</b>	<b>62,011</b>	<b>8,430</b>	<b>-</b>	

**2019/20 CAPITAL MONITORING  
MONTH 10**

	<b>Total Scheme Budget</b>	<b>Spend as at 31/3/19</b>	<b>Budget Brought Forward 2018/19</b>	<b>Capital Programme 2019/20</b>	<b>Total Available Budget 2019/20</b>	<b>Spend to Date April - Jan</b>	<b>Forecast to Year End</b>	<b>Forecast Variance</b>	<b>Notes</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>Director Responsible for Children's Services</b>									
Devolved Capital to Schools	645	290	278	77	355	170	185	-	
Woodlands Development Scheme	2,255	2,320	(65)	-	(65)	(143)	-	-	
Demolition Aspire	440	409	31	-	31	(11)	42	-	
Park Expansion	610	201	409	-	409	-	409	-	
Lotus School	350	113	237	-	237	1,625	-	-	
Pegasus Expansion	810	14	796	-	796	778	-	-	
Basic Need	2,500	150	2,350	-	2,350	198	1,000	-	
Condition	989	359	280	350	630	431	199	-	
Other Children's Schemes	607	537	70	-	70	-	70	-	
<b>Total Children's Services</b>	<b>9,206</b>	<b>4,393</b>	<b>4,386</b>	<b>427</b>	<b>4,813</b>	<b>3,048</b>	<b>1,905</b>	<b>-</b>	
<b>CAPITAL TOTAL</b>	<b>520,959</b>	<b>338,597</b>	<b>63,978</b>	<b>112,050</b>	<b>176,028</b>	<b>80,869</b>	<b>19,706</b>	<b>1,800</b>	

## Notes

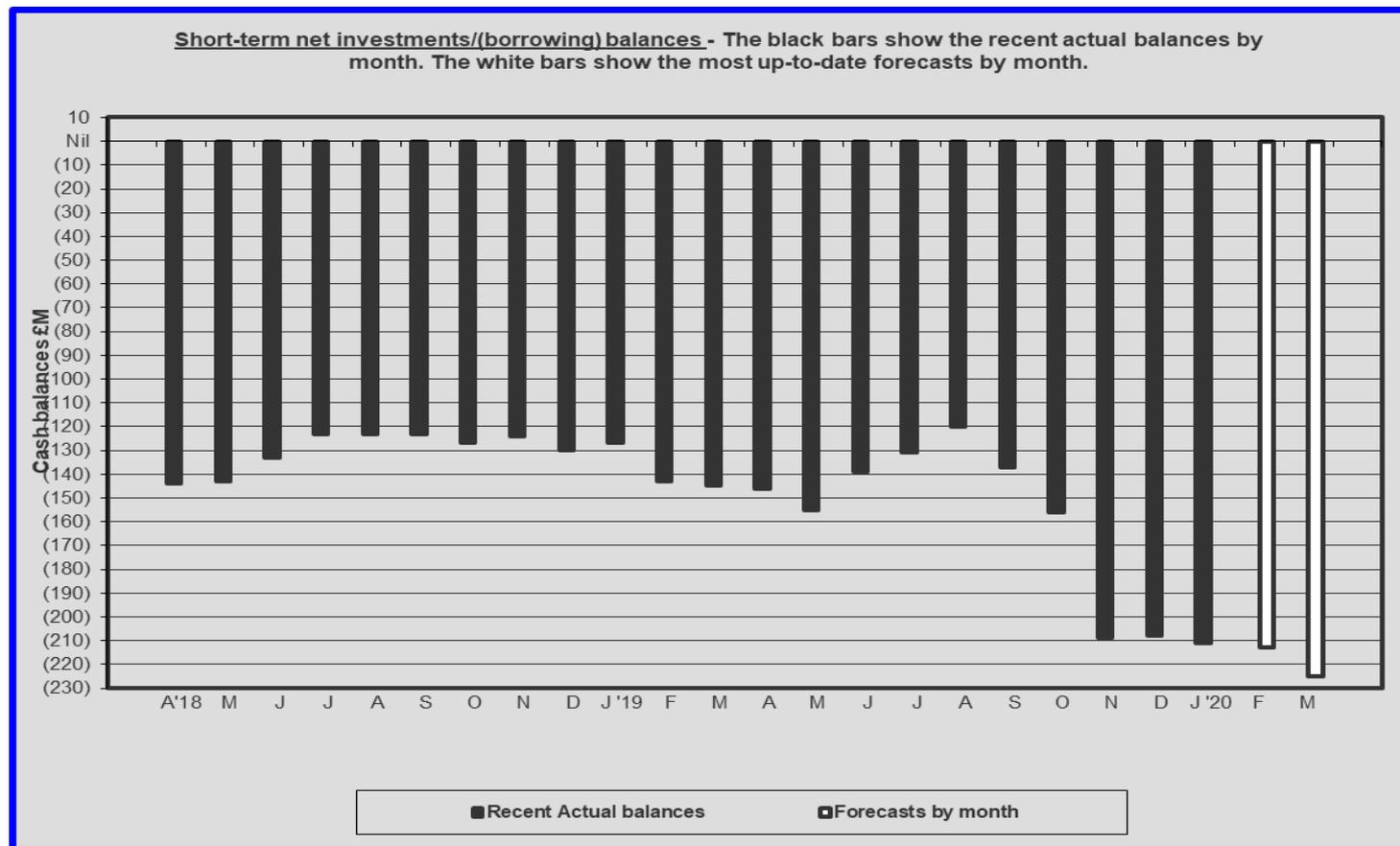
(1) Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.8m reflects the current 'best case scenario' subject to ongoing negotiations with the administrators.

# Blackpool Council

## Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 19/20							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR - JAN CASH FLOW ORIGINAL BUDGET (*)	APR - JAN CASH FLOW ACTUAL	FEB - 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 - JAN MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	FEB - 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
70	58	56	11	<b>RECEIPTS</b>			
104	94	85	4	Housing Benefit & Subsidy	(2)	(1)	(3)
14	12	13	3	Council tax and NNDR	(9)	(6)	(15)
43	36	43	8	VAT	1	1	2
105	91	105	15	RSG & BRR	7	1	8
107	90	99	19	Other Grants	14	1	15
-	-	255	-	Other Income	9	2	11
34	34	424	2	Money Market Transactions Received	255	-	255
				Receipt of Loans	390	2	392
477	415	1,080	62	<b>RECEIPTS - NORMAL ACTIVITIES</b>	665	-	665
11	9	9	2	<b>PAYMENTS</b>			
267	234	316	52	Police & Fire	-	-	-
9	7	7	2	General Creditors	(82)	(19)	(101)
115	96	83	16	RSG & BRR	-	-	-
64	54	44	10	Salaries & wages	13	3	16
200	182	621	63	Housing Benefits	10	-	10
666	582	1,080	145	Money Market Transactions Paid Out	(439)	(45)	(484)
				<b>PAYMENTS - NORMAL ACTIVITIES</b>	(498)	(61)	(559)
<b>(189)</b>	<b>(167)</b>	<b>-</b>	<b>(83)</b>	<b>NET CASH FLOW IN/(OUT)</b>	<b>167</b>	<b>(61)</b>	<b>106</b>
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 10 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, as a result of the purchase of the Houndshill Shopping Centre, short-term borrowing increased significantly in November 2019. 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. No further take up of loans from the Business Loans Fund is expected during 2019/20.

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 2020.

## Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2019/2020				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
31 Mar 19		31 Jan 20	Movement since	31 Mar 20
£000s		Actual	31 Mar 19	Forecast
		£000s	£000s	£000s
777,160	Property, Plant and Equipment	858,029	80,869	877,608
86,674	Long-term Assets	102,929	16,255	133,674
	Current Assets			
49,499	Debtors	48,500	(999)	50,000
445	Inventories	619	174	440
800	Short-term loans	800	-	-
7,618	Cash and cash equivalents	4,377	(3,241)	7,000
<b>922,196</b>	<b>Total Assets</b>	<b>1,015,254</b>	<b>93,058</b>	<b>1,068,722</b>
	Current Liabilities			
(159,452)	Borrowing Repayable within 12 months	(211,000)	(51,548)	(220,000)
(68,444)	Creditors	(67,800)	644	(63,000)
	Long-term Liabilities			
(89,895)	Borrowing Repayable in excess of 12 months	(87,657)	2,238	(85,895)
(15,400)	Capital Grants in Advance	(15,400)	-	(12,000)
(14,551)	Provisions	(15,541)	(990)	(15,000)
(318,191)	Other Long-term Liabilities	(318,191)	-	(315,000)
<b>256,263</b>	<b>Total Assets less Liabilities</b>	<b>299,665</b>	<b>43,402</b>	<b>357,827</b>
(66,994)	Usable Reserves	(60,910)	6,084	(51,922)
(189,269)	Unusable Reserves	(238,755)	(49,486)	(305,905)
<b>(256,263)</b>	<b>Total Reserves</b>	<b>(299,665)</b>	<b>(43,402)</b>	<b>(357,827)</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 10. 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 10-month period there has been a decrease in cash and cash equivalents of £3.2m and an increase in short-term borrowing of £51.5m together with increased capital expenditure on Property, Plant and Equipment of £80.9m and Long-term Assets of £16.3m. This mainly relates to the purchase of the Houndshill Shopping Centre (£47.6m).