

# Public Document Pack

# Blackpool Council

3 March 2017

To: Councillors Benson, Blackburn, Cain, Campbell, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

The above members are requested to attend the:

## EXECUTIVE

Monday, 13 March 2017 at 6.00 pm  
in Committee Room A, Town Hall, Blackpool

## A G E N D A

### 1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

- 2 **WINTER GARDENS SPANISH HALL ROOF AND CORONATION STREET FACADE** (Pages 1 - 6)
- 3 **BLACKPOOL MUSEUM PROJECT- ROUND TWO SUBMISSION** (Pages 7 - 22)
- 4 **PROVISION OF A SECURED BUSINESS LOAN TO BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST** (Pages 23 - 28)
- 5 **FINANCIAL PERFORMANCE MONITORING AS AT MONTH 10 2016/17** (Pages 29 - 82)

#### Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

**Other information:**

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail [lennox.beattie@blackpool.gov.uk](mailto:lennox.beattie@blackpool.gov.uk)

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at [www.blackpool.gov.uk](http://www.blackpool.gov.uk).

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Alan Cavill, Director of Place
<b>Relevant Cabinet Member:</b>	Councillor Gillian Campbell, Deputy Leader of the Council (Tourism, Economic Growth and Jobs)
<b>Date of Meeting:</b>	13 March 2017

## **WINTER GARDENS SPANISH HALL ROOF AND CORONATION STREET FACADE**

### **1.0 Purpose of the report:**

- 1.1 To consider the authorisation of £1,995,000 expenditure and the associated funding package in order to carry out priority works to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.
- 1.2 Subject to authorisation, the funding package for the priority works will include £895,000 Prudential Borrowing and £600,000 Corporate allocation from the Council's Capital Programme provided over two financial years 2017/18 and 2018/19, in addition to £500,000 grant funding.

### **2.0 Recommendation(s):**

- 2.1 That expenditure of £1,995,000 is authorised in order to carry out priority repairs to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.
- 2.2 That Prudential Borrowing of £895,000 and a £600,000 Corporate allocation from the Council's Capital Programme provided over two financial years 2017/18 and 2018/19 is authorised in order to fund priority repairs to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.

### **3.0 Reasons for recommendation(s):**

- 3.1 To support and enhance the Winter Gardens complex in contributing toward attaining the Council vision for Blackpool of being the UK's number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town.
- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

Delay the priority repairs to the Spanish Hall roof and Coronation Street façade.

This course of action would reduce the contribution the Winter Gardens complex can make toward the attainment of Blackpool being the UK's number one family resort, as the appearance and lettable space of the complex is adversely affected by the building condition issues this report seeks to address. A delay, or taking no action, would also result in the loss of grant funding and projected incremental net income whilst generating further costs associated with the temporary measures currently in place, in addition to greater deterioration in building condition.

**4.0 Council Priority:**

4.1 The relevant Council Priority is: "The economy: Maximising growth and opportunity across Blackpool".

**5.0 Background Information**

5.1 The Spanish Hall contains some of the most important historic features within the Winter Gardens complex. The existing condition of the roof to the Spanish Hall dictates this space is grossly underused which in turn results in lost net income.

5.2 In addition the roof condition is such that if not addressed it is probable that further deterioration of the historic building fabric would occur which would be difficult to recover, whilst the associated cost of overall rectification is highly likely to increase.

5.3 The total pre-tender estimated cost of the Spanish Hall roof repairs is £1,345,000. Grant funding of £500,000 has been offered as contribution toward the cost of repairs. Match funding of £845,000 is required which, subject to approval, would be provided via Prudential Borrowing and funded by way of incremental net income generated through letting the Spanish Hall once repairs are complete.

5.4 During 2016 a number of failures to the Coronation Street façade of the Winter Gardens complex occurred. This necessitated the erection of temporary scaffold including crash deck to the Coronation Street elevation.

5.5 Inspection has revealed extremely poor façade condition. Sections of the underlying structure are exposed to the elements with high potential for water ingress. If not addressed, it is likely to result in the building condition deteriorating further and the eventual cost of repair increasing.

5.6 The total pre-tender estimated cost of the Coronation Street façade repair is

£650,000. Subject to approval, this will be funded by a £600,000 Corporate allocation from the Council's Capital Programme over two financial years 2017/18 and 2018/19, and £50,000 Prudential Borrowing.

5.7 It is currently anticipated the building issues set out in this report will be addressed in 2017 and 2018. A programme of works will be drawn up in consultation with the operator of the Winter Gardens and other stakeholders so as to minimise disruption.

5.8 Does the information submitted include any exempt information? No

**5.9 List of Appendices:**

None

**6.0 Legal considerations:**

6.1 The Council's contracting and commissioning procedures will apply. A suitable contract will be developed in consultation with the Council's Legal Services team.

**7.0 Human Resources considerations:**

7.1 None

**8.0 Equalities considerations:**

8.1 None

**9.0 Financial considerations:**

9.1 Blackpool Council would be required to prudentially borrow £895,000 which, together with the grant offer of £500,000 and £600,000 Corporate capital programme allocation would finance the programme of works set out in this report.

9.2 Blackpool Entertainment Company Limited has provided a forecast of incremental net revenue to be generated through the Spanish Hall once repairs to the roof have been completed and the space becomes fully lettable. Prudential borrowing will be financed through this incremental net revenue.

9.3 The useful life of the investment set out in this report is estimated to be forty years. The financing term has been matched to the useful life of the investment. Financing costs outstrip forecast incremental net revenue in the early years of the scheme however the project in its entirety is forecast to generate a surplus. Deficits early in the term contribute toward working capital balances.

9.4 Completing the works as set out in this report also allows the Council to utilise £500,000 grant funding contribution offered.

9.5 Existing Winter Gardens operational maintenance budgets are fully allocated to other areas of the complex.

9.6 Cost savings would be made by taking the course of action recommended in this report when compared to the option of delaying works to the future.

**10.0 Risk management considerations:**

10.1 A number of robust financial and performance management controls and measures would be implemented and maintained in order to manage these projects. The Council has undertaken to ensure rigorous risk management remains in place in the delivery of this scheme.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation has taken place with internal departments and external stakeholders on the requirements set out in this report.

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 9/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency: N/A

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 3 March 2017 Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1 None

**18.0 Executive decision:**

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

21.0 Call-in:

22.0 Notes:

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Alan Cavill, Director of Place
<b>Relevant Cabinet Member :</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting :</b>	13 March 2017

## **BLACKPOOL MUSEUM PROJECT- ROUND TWO SUBMISSION**

### **1.0 Purpose of the report:**

- 1.1 To approve the submission of a round two application to the Heritage Lottery Fund (HLF) for the Blackpool Museum Project.

### **2.0 Recommendation(s):**

- 2.1 To authorise the Chief Executive to submit the application and all associated supporting documents, after consultation with the Project Board, to meet the Heritage Lottery Fund deadline of 16 March 2017.
- 2.2 To approve free Museum admission for Blackpool residents as assumed in the operational business plan.
- 2.3 To commit the Council to securing the funding balancing sum from the sources listed in Appendix 3a.

### **3.0 Reasons for recommendation(s):**

- 3.1 The Heritage Lottery Fund approved a round one grant for Blackpool Council in May 2014 to develop the concept of a Museum for Blackpool. Since this time, the Council has recruited a Museum staff team, procured professional consultants, prepared architectural plans for the Horseshoe and Pavilion areas of the Winter Gardens, developed a concept for the Museum exhibition (see Appendix 3a), completed a fundraising strategy, business plan and governance model and prepared an activity plan to develop audiences, engage with the community and test programmes for the Museum.

The application and supporting documents have been prepared and need to be submitted to the Heritage Lottery Fund by 16 March to comply with the grant

conditions applied by the Heritage Lottery Fund. The application seeks to secure support from the project's major funder to allow for progression of the Museum project.

The project's business plan has now been developed and forecasts a sustainable operation whilst assuming free entrance for Blackpool residents to enable them to take full advantage of the Museum and the opportunities to participate, learn and engage. An objective of the project has always been to enhance civic pride and allow local people to celebrate the town's history and its contribution to popular culture nationally.

Of the total cost of £25.67m for the delivery of the museum, it is hoped that the Heritage Lottery Fund will agree to fund £14.8m. The Council has committed some £2.24m to the project of which £1.2m has been expended as part of the development phase and already has £1.5m of earmarked funding from growth deal. This leaves circa £8m to be found from various sources including charitable donations, philanthropy and other grant sources.

At this stage the project has identified in excess of £23m of potential sources and given the Council's track record of a more than 75% strike rate on applications to such funds it is recommended that the Council is responsible for raising this further £8m from this multiplicity of resources and, in effect, underwrites this position for the purpose of the Heritage Lottery Fund bid.

Any such underwriting would be subject to an approval of the amount requested from Heritage Lottery Fund and further detailed information and, if necessary, approvals from the Council being sought for part of this sum of £8m.

It is therefore recommended that the Council requests the Chief Executive to commit the Council to securing this balancing sum from the sources identified in Appendix 3a.

- |      |  |     |
|------|--|-----|
| 3.2a | Is the recommendation contrary to a plan or strategy adopted or approved by the Council?       | No  |
| 3.2b | Is the recommendation in accordance with the Council's approved budget?                        | Yes |
| 3.3  | Other alternative options to be considered:  |     |
|      | None available to progress the Museum project within the current programme and funding streams |     |

#### **4.0 Council Priority:**

4.1 The relevant Council Priorities are:

Priority one - The economy: Maximising growth and opportunity across Blackpool

Priority two - Communities: Creating stronger communities and increasing resilience

#### **5.0 Background Information**

5.1 The Blackpool Museum project sets out to create a new museum which celebrates Britain's love affair with the seaside holiday and Blackpool's contributions to British popular entertainment over the last 150 years. The vision is to create a museum that offers a unique and engaging experience for both traditional and non-traditional museum audiences.

5.2 The Heritage Lottery Fund approved a round one grant for Blackpool Council in May 2014 to develop the concept of a Museum for Blackpool. £13.4m was earmarked for the Blackpool project on the condition that a round two application was submitted to secure the remaining funding.

5.3 Significant progress has been made since 2014 in all areas of design and development. The design teams have developed plans to create permanent and temporary gallery spaces, visitor and staff facilities, learning areas and an immersive, participatory and inclusive experience for all visitors showcasing artefacts, film, music and performance, as outlined in the document at Appendix 3b.

5.4 Following a Heritage Lottery Fund development review in November 2015, the project team were challenged over increasing costs resulting from increased knowledge of the deteriorating building condition, ensuring business continuity for Blackpool Entertainment Company Ltd (BECL), and inflation. An extensive capital cost review was commissioned in 2016 resulting in a value engineering exercise to limit costs whilst retaining the ability to deliver a sustainable museum business to meet the project outcomes. The overall funding envelope of £25.67million was then agreed by the Museum Project Board for the delivery phase.

5.5 A business plan has been developed which assumes a revenue contribution from the Council to the Museum of up to £120,000 per year. This is included within the Medium Term Financial Sustainability Strategy, approved by Executive on 12 September 2016. The Museum will be expected to manage its finances accordingly.

5.6 The Museum is projected to attract 270,000 annual visits with a £2million turnover. In terms of economic benefit the project is expected to generate £12.3m net additional expenditure in Blackpool per year with the creation of 384 additional jobs,

40 as part of the Museum. It has been calculated that 269 of these jobs would be filled by local residents.

5.7 Does the information submitted include any exempt information? No

**5.8 List of Appendices:**

Appendix 3a– Summary of funding position

Appendix 3b – Museum content overview

**6.0 Legal considerations:**

6.1 There are no specific legal considerations at this stage. If the application is successful, the Council’s Legal Services team would be full involved to ensure Legal requirements are met.

**7.0 Human Resources considerations:**

7.1 If the application to the Heritage Lottery Fund is successful, additional fixed term roles will be required to deliver the Museum. The project team has been working with the Council’s Human Resources team to prepare for this.

**8.0 Equalities considerations:**

8.1 Access and Inclusion guidelines are part of the supporting documents being provided to the Heritage Lottery Fund to demonstrate the considerations made during the design, planning and operations of the Museum programme.

**9.0 Financial considerations:**

9.1 Financial elements relating to the cost of the project and the funding streams are detailed above and in Appendix 3a.

**10.0 Risk management considerations:**

10.1 The project has a detailed risk register that considers both delivery phase and operational risks. This will be submitted to the Heritage Lottery Fund as part of the round two application, it is also reviewed bimonthly by the Project Manager and regularly presented to the Project Board.

10.2 Identified risk categories include financial, programme, procurement, stakeholder, collections, design and construction. All risks are rated in terms of their likelihood and impact with-controls and mitigations put in place or to be developed to further

mitigate the risks.

Key strategic risks;

- Failure to secure Heritage Lottery Fund round two grant - mitigated by: comprehensive suite of detailed supporting documents, financial commitment from the Council, testing with the Heritage Lottery Fund prior to submission.
- Inability to contain costs within capital budget - mitigated by: commissioning a capital cost review to ensure cost confidence by an agreed reduction of scope, and approval of the overall cost envelope by the Project Board; ongoing value engineering; regular reporting to and monitoring by the Project Board.
- Unable to secure additional funding - mitigated by: use of experienced fundraisers and recruitment of Capital Campaign Manager in the delivery phase; continued identification of prospects (currently £23m); establishment of the Blackpool Museum Trust as a charitable vehicle able to fundraise.
- Unsustainable business model - mitigated by: procurement of experienced business planners to develop business model informed by two rounds of primary market research; contribution from the Council as detailed in the Medium Term Financial Sustainability Strategy; rigorous reviews of the model to test assumptions and ensure implementation of the most cost efficient model for both the Museum and the Council; built in capacity to flex and allow for adjustments to be made depending on ongoing operational performance
- Failure to deliver to project programme - mitigated by: realistic programming in early stages, tested by experienced professionals; ongoing review and management of the programme by Project Team and regular reporting to the Project Board

In a large and complex scheme such as this, none of the risks listed above operate in isolation or can be fully mitigated at this point. Ongoing effective risk management will be key to successful project delivery within the budget identified.

#### **11.0 Ethical considerations:**

11.1 The project complies with the Council's ethical policy.

#### **12.0 Internal/ External Consultation undertaken:**

12.1 Extensive consultation has taken place throughout the development phase with local residents and visitors, community groups, arts, heritage and cultural organisations and funders. Two phases of extensive primary research have been carried out to inform the business plan.

**13.0 Background papers:**

13.1 Risk Register

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 13/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 3 March 2017 Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

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### Appendix 3a Blackpool Museum Project

#### Summary of funding position

SOURCES	AVAILABLE	ALLOCATED 1.	ACHIEVABLE
<b>SECURED</b>			
Blackpool Council (capital)	£1,035,000 2.	£1,035,000	£1,035,000
Growth Deal	£1,500,000	£1,500,000	£1,500,000
<b>STATUTORY</b>			
CCF/ Growth Deal / Great Exhibition of the North Legacy / Other Government Funds	£20,000,000		£5,500,000
<b>PRIVATE</b>			
Trusts/charities/foundations/ Major Donors /Corporate	£3,220,000	£20,100	£2,500,000
<b>Volunteer time</b>	£309,000	£309,000	£309,000
<b>HLF</b>			
HLF grant	£12,436,000	£12,436,000	£12,436,000
HLF uplift request	£2,386,000	£2,386,000	£2,386,000
<b>TOTAL FUNDING</b>	<b>£40,886,000</b>	<b>£17,686,100</b>	<b>£25,666,000</b>
<b>TOTAL PROJECT DELIVERY COST</b>	<b>£25,666,000</b>	<b>£25,666,000</b>	<b>£25,666,000</b>
<i>Balance</i>	£15,220,000	<b>-£7,979,900</b>	£0

**NOTES:**

1. Subject to HLF R2 grant approval
2. Council contribution of £2.24m less development phase expenditure

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## Blackpool Museum Project

### Visitor experience



*Museum entrance visual © Casson Mann*

#### 1.0 Introduction

Blackpool Council has set out to create a new Museum in Blackpool which celebrates Britain's love affair with the seaside holiday and Blackpool's contributions to British popular entertainment over the last 150 years. The Museum will be based in Blackpool's historic Winter Gardens.

The Museum will contain 1500m<sup>2</sup> of high quality semi-permanent accessible and imaginative displays. There will be a dedicated temporary exhibition gallery of approximately 200m<sup>2</sup> to ensure ongoing audience development and dedicated facilities and spaces for activities and performances.

#### 2.0 Vision

The vision is to create a brand new Museum that offers a unique and engaging experience for both traditional and non traditional museum audiences. This is no conventional museum – it will be a vibrant and celebratory space - a blend of museum, visitor attraction and theatre, filled with artefacts, film, music and performance. It will be immersive, participatory and inclusive. It will have a strong personality with a memorable and distinctive take which is true to the lively spirit of Blackpool. Blackpool Museum will be *a serious museum with a funny side*.



*Visual of 'Getting into character' interactive, part of It's show time! © Casson Mann*

### 3.0 Target audience

Blackpool Museum will attract visitors of all ages: families, older visitors and visitors with an interest in Blackpool and the entertainment business. It will target both tourists and locals and bring new visitors from higher socio-economic groups who do not normally view Blackpool as a destination.

### 4.0 Visitor experience

The Museum will offer a lively, immersive, multi-sensory, fun, informative and entertaining experience. Although there will be a suggested route round the Museum the stories can be visited in any order. The Museum will be arranged thematically. Each section will have a distinctive style and character as well as digital and graphic narrative threads that will help structure visits.

Text will be short, punchy and accessible. We are seeking a celebrity scriptwriter to give the Museum a strong and popular 'voice'. Information will be layered and touchscreen interactives will enable visitors to access collections and stories in depth.

The Museum will showcase over 800 objects from Blackpool collections, institutional and private loans, gifts and acquisitions. There will be semi-permanent displays with opportunities to refresh and renew content. A dedicated, temporary exhibition space offers the opportunity to host a mixture of in-house, touring and community exhibitions. The galleries will be animated by performers, character actors demonstrating circus skills, magic and dance, encouraging visitors to have a go.

## 5.0 Themes

### Beside the seaside: the great British seaside holiday

The story of how Blackpool became symbolic of the British seaside holiday both at home and abroad. Race your donkey against an elephant and a camel in a Donkey Derby, perform your very own Punch and Judy show, see the different beach fashions worn in Blackpool over the years and identify the smells of various food stuffs sold on the beach.



Visual of Museum Punch and Judy interactive © Casson Mann



Visual of Horseshoe looking towards Reach for the sky © Casson Mann

### Reach for the sky: The Blackpool Tower

Test your strength by hammering a rivet and watch the Tower be built in front of your eyes and learn some of the bonkers facts about the iconic building. Learn how Blackpool created one of Britain's most iconic landmarks and promoted it all across the world.

### How bizarre: fun, thrills and escapism

Capturing the sights and sounds from the Golden Mile; visit magic shops and learn a trick or two, interact with a 100 year old gazing ball and have your fortune told, see if you can squeeze into Houdini's milk churn, and sneak a peek at a bearded lady.



Visual of 'House of secrets', part of How bizarre © Casson Mann



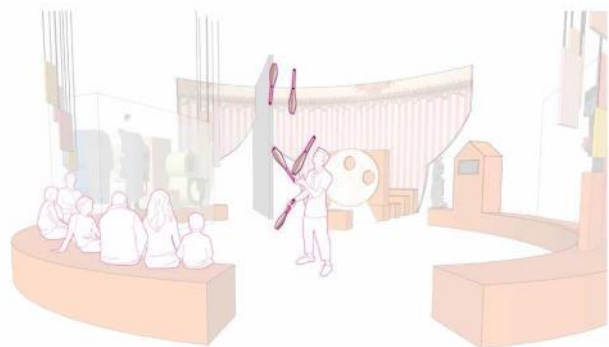
Visual of Let us entertain you © Casson Mann

**Let us entertain you:** the magnificent Winter Gardens

Explore a scale model of the Winter Gardens and unlock the hidden secrets of this vast building and marvel at the Wonder Wall, packed with curiosities including a Stone Roses poster, Little Tich's boots and a donkey puppet signed by Cilla Black.

**Roll up! Roll up!** A celebration of Blackpool's international role in circus

Roll up! Roll up! and enter the big top tent and join some of the international stars of circus, learn about the art of clowning, design your own clown face and see some of the beautiful posters, photographs and films from Blackpool Tower Circus.



Visual of Roll up! Roll up! with circus skills demonstration © Casson Mann



Visual of Everybody dance now © Casson Mann

**Everybody dance now:** the home of ballroom dancing

Step under the glitter ball onto the ballroom dancefloor and strut your stuff alongside some of the iconic Strictly Come Dancing costumes from the recent series, see Fred Astaire's dancing suit, meet dance band leaders and hear why Blackpool is the spiritual home of ballroom.

### **It's better with the lights on: the Blackpool Illuminations**

The shining light at the end of the Museum visit, learn why Blackpool is a pioneer in electric lighting, travel down the promenade through the Lights in an illuminated tram, create your own illumination and throw the switch to light up the displays.



*Visual of It's better with the lights on © Casson Mann*



*Visual of It's show time! with show taking place © Casson Mann*

### **It's show time! the great British talent show**

The climax of the Museum visit will be in the Pavilion with a show-stopping, jaw-dropping variety show on the stage, walls and ceiling. See the performers come to life before your eyes. Get up close to some of the most iconic items in entertainment history. See costumes and props, hear gags and songs, get into character with wigs and glasses and have a selfie with your favourite performers.

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	13 March 2017

## **PROVISION OF A SECURED BUSINESS LOAN TO BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST**

### **1.0 Purpose of the report:**

- 1.1 To support the Council's local public sector partner, Blackpool Teaching Hospitals NHS Foundation Trust, with its investment in front-line services via the Council's Business Loans Fund

### **2.0 Recommendation:**

- 2.1 To authorise the provision of a £9,230,000 loan over a 10-year repayment period to Blackpool Teaching Hospitals NHS Foundation Trust.
- 2.2 Subject to the approval of 2.1, to authorise the Council's Legal Services team to draw up and enter into a suitable legal agreement with Blackpool Teaching Hospital.

### **3.0 Reason for recommendation:**

- 3.1 To provide the funding that Blackpool Teaching Hospitals NHS Foundation Trust is seeking and which could not otherwise be obtained at such rates for the investment in its front-line services.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

### **3.3 Other alternative options to be considered:**

The alternative option for the Council is not to progress this loan and allow the Foundation Trust to seek its funding from the financial markets at a higher cost to the taxpayer

#### **4.0 Council Priority:**

4.1 The relevant Council Priorities are:

- “The economy: Maximising growth and opportunity across Blackpool”
- “Communities: Creating stronger communities and increasing resilience”

#### **5.0 Background Information**

5.1 The Council meeting on 23 February 2017 approved as part of the General Fund Revenue Budget 2017/2018 an increase to the Council’s Business Loans Fund from £10.0m to £100.0m and with immediate effect.

5.2 Prior to this, officers of the Foundation Trust and the Council had been in discussions regarding if/how a loan could be sourced at cheaper rates than obtainable via the financial markets that would enable the Foundation Trust to invest further in its transformation programme and bolster its working capital. The Council’s Treasury Management function is able to source borrowing from a number of sources, in particular the Public Works Loan Board, the Municipal Bonds Agency and temporary borrowings that make up its managed loans pool and this was identified as the preferred solution.

5.3 It would be the intention for the Council to provide a loan of £9,230,000 in advance of 31 March 2017 for a 10-year period, repayable on the basis of the Equal Instalments of Principal (EIP) method and at a fixed interest rate agreed and set on the date of the Loan Agreement which at least covers the cost to the Council. The loan would be secured upon income-generating, non-operational property assets of the Foundation Trust to at least the value of the loan and with such valuation costs together with any loan arrangement fee being met by the Foundation Trust.

5.4 Does the information submitted include any exempt information? No

#### **5.5 List of Appendices**

None

**6.0 Legal considerations:**

6.1 The Council's Legal Services Section has considered whether the loan constitutes State Aid and whether the Council has the appropriate legal powers to make such a loan. The interest rate to be applied will not break State Aid rules and the Council has the powers to make such a loan under the general powers of competence under the Localism Act 2011 Section 1. The NHS Foundation Trust Provider Licence does place restrictions on the use of assets as security against borrowings where the assets are used in the delivery of Commissioner Requested Services (CRSs), however there are no restrictions where assets are not used to provide Commissioner Requested Services so there are no regulatory restrictions upon this proposed arrangement.

6.2 Subject to the approval of the loan, a legal agreement will be drawn up by the Council's Legal Services team.

**7.0 Human Resources considerations:**

7.1 None

**8.0 Equalities considerations:**

8.1 None

**9.0 Financial considerations:**

9.1 As outlined above in the Background Information section.

**10.0 Risk management considerations:**

10.1 In the unlikely event that the Foundation Trust should default on its loan then the Council would take charge over its agreed security, namely 1 specific income-generating, non-operational property asset with an externally RICS-valued assessment of £9,230,000.

**11.0 Ethical considerations:**

11.1 The Council is able to support its residents indirectly by providing better value financing to another public sector third party.

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation has been undertaken internally with the Council's Treasury Management Panel and Business Loans Fund Panel and externally with the Foundation Trust's Finance Committee.

**13.0 Background Papers**

13.1 Confidential Treasury Management Panel working papers and Business Loans Fund Panel minutes that by their commercially sensitive nature are not available for public inspection.

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 8/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency: N/A

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 3 March 2017 Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1 None

**18.0 Executive decision:**

18.2 **Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

**21.0 Call-in:**

**22.0 Notes:**

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	13 March 2017

## FINANCIAL PERFORMANCE MONITORING AS AT MONTH 10 2016/17

### 1.0 Purpose of the report:

1.1 The level of spending against the Council's Revenue and Capital budgets for the first 10 months to 31 January 2017.

### 2.0 Recommendation(s):

2.1 To note the report

2.2 To require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children's Services, Strategic Leisure Assets and Places.

### 3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council's Revenue and Capital Budget is kept under review by members.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None

**4.0 Council Priority:**

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”.

**5.0 Background Information**

5.1 See reports and appendices circulated to members under separate cover.

5.2 Does the information submitted include any exempt information?

No

**5.3 List of Appendices:**

Report

Appendix 1 - Revenue Summary

Appendix 2 - Schedule of Service forecast overspendings

Appendix 3a - Chief Executive

Appendix 3b - Governance and Partnership Services

Appendices 3b/c - Ward Budgets

Appendix 3d - Resources

Appendix 3e - Places

Appendix 3f - Strategic Leisure Assets

Appendix 3g - Community and Environmental Services

Appendix 3h - Adult Services

Appendix 3i - Children’s Services

Appendix 3j - Public Health

Appendix 3k - Budgets Outside the Cash Limit

Appendix 4 - Capital Monitoring

Appendix 5 - Cash Flow Summary

Appendix 6 - General Fund Balance Sheet Summary

All circulated to members under separate cover

**6.0 Legal considerations:**

6.1 None

**7.0 Human Resources considerations:**

7.1 See reports and appendices circulated to members under separate cover.



**8.0 Equalities considerations:**

8.1 An Equalities Impact Assessment was produced as a part of the budget setting process and remains relevant.

**9.0 Financial considerations:**

9.1 See reports and appendices circulated to members under separate cover.

**10.0 Risk management considerations:**

10.1 Impact of financial performance on Council balances. Financial performance against approved Revenue and Capital budgets.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 None

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members present:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**13 MARCH 2017**

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**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 10 2016/17**

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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 2016/17, i.e. the period to 31 January 2017, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

**2. Report Format**

- 2.1 Separate reports have been prepared for each of the Council's core areas of responsibility:

- Appendix 3a - Chief Executive
- Appendix 3b - Governance and Partnership Services
- Appendix 3b/c - Ward Budgets
- Appendix 3d - Resources
- Appendix 3e - Places
- Appendix 3f - Strategic Leisure Assets
- Appendix 3g - Community and Environmental Services
- Appendix 3h - Adult Services
- Appendix 3i - Children's Services
- Appendix 3j - Public Health
- Appendix 3k - Budgets Outside the Cash Limit.

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2016/17. There is an accompanying narrative to explain any areas of significant variance from budget and to highlight any areas of potential pressure along with action plans agreed with service managers to address them.

2.2 The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council's Revenue Budget Book and reflects the disestablishment of the Deputy Chief Executive's Directorate with teams moving to other directorates. This summary allows proactive month-on-month monitoring of the Council's forecast working balances to be undertaken to ensure appropriate and prudent levels are maintained. Appendix 2 highlights on a 12-month rolling basis those services which trip the designated overspending reporting threshold.

### 3. Directorates' Budget Performance

3.1 As a supportive measure to give services every chance to deliver a break-even budget, the Executive agreed at its meeting on 23 May 2016 to write-off all service overspends and carry forward the 2015/16 underspends of £279k on Ward Budgets (£246k), Governance and Partnership Services (£19k) and Community and Environmental Services (£14k).

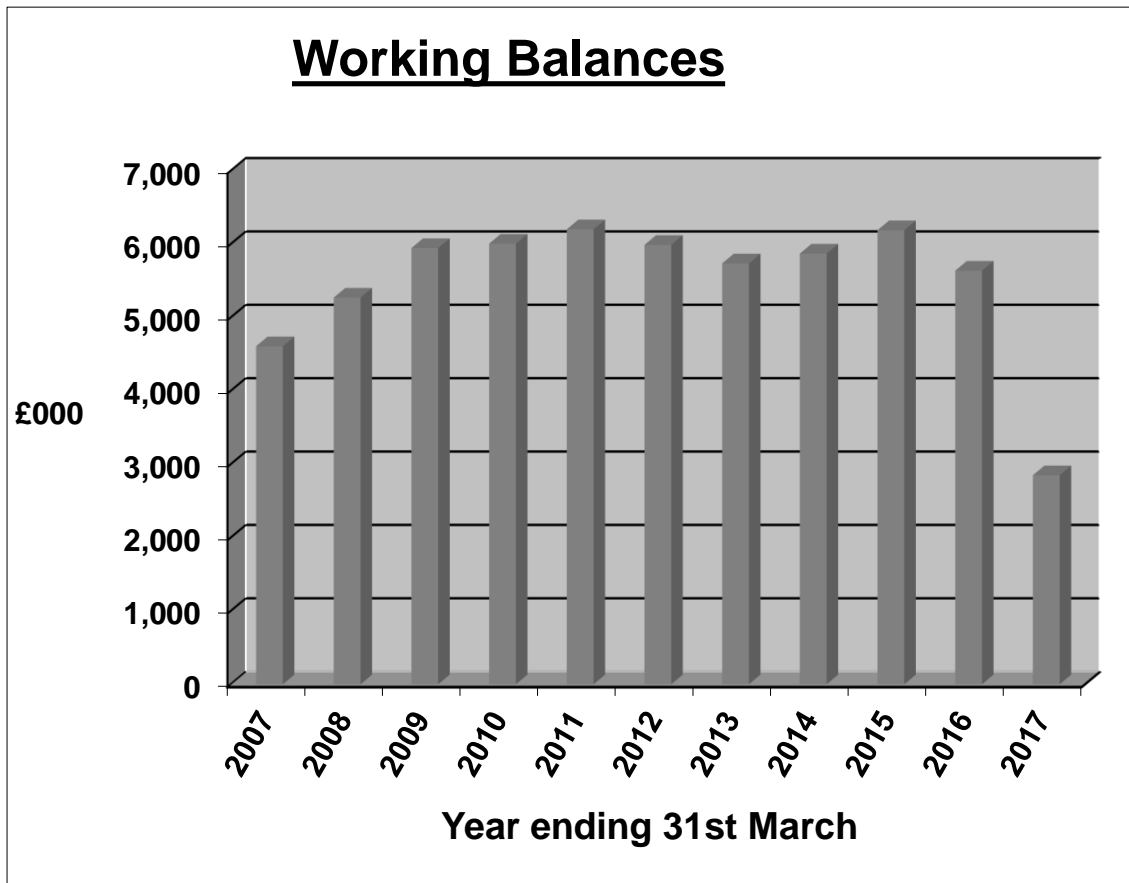
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 10 forecast overspend of £2,788k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £5,186k is forecast. Children's Social Care is forecast to overspend by £5,432k, £3,993k is due to increases in the numbers by over 15% in the last year to 511 and average placement cost of Looked After Children (LAC), £645k is due to a shortfall in meeting the challenging 2016/17 Priority Led Budgeting (PLB) savings target of £1,222k arising from the ongoing implementation of the review recommendations and £289k is due to legal and court costs and other miscellaneous overspends of £505k across the division. There are overspends in Lifelong Learning and Schools of £49k due to increased demand and the Education Services Grant of £83k due to the anticipated loss of funding arising from in-year academy conversions. These are mitigated by savings of £357k in Early Help for Children and Families. A number of solutions to try and mitigate the above pressures are being implemented. Developments include the introduction of an 'edge of care' model through the reconfiguration of Argosy children's home based on a model established in Blackburn and the creation of the Vulnerable Adolescent Hub which will enable young people to be more effectively helped. The Council's Internal Audit department is currently reviewing the governance and due diligence in relation to statutory work. A financial impact assessment is also underway. A re-modelling of the Council's Early Help offer, based on a model used in Leeds, is being considered. The Leeds model delivers a rapid response service to reduce the levels of need for Social Care. The scoping and financial impact of the PAUSE project, which looks at reducing multiple	5,186

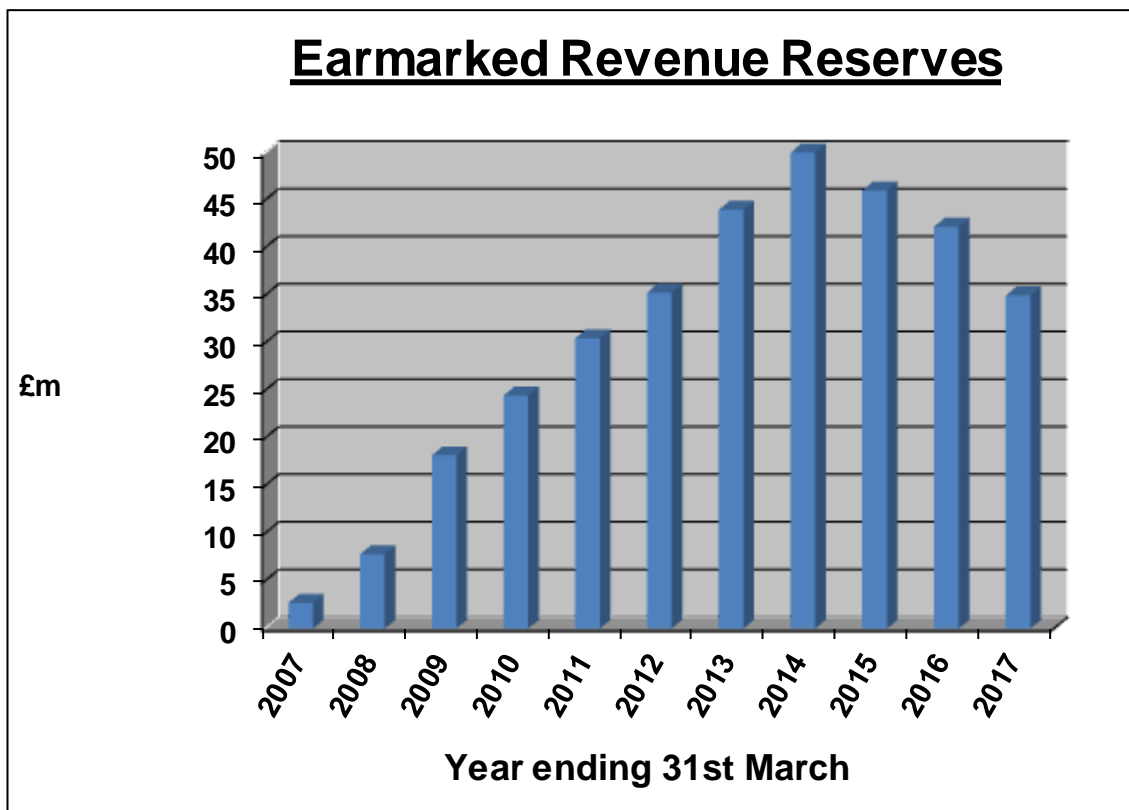
	removals of children at birth from families, was reported in January 2017. If the project is implemented, the financial savings have been modelled and are substantial. Now that the division's internal reviews are nearing completion, a refocus of the Children's Commissioning Team has commenced, in an attempt to drive down placement costs. A new system (introduced in February 2017) requires all new admissions into the care system to be approved by the Social Care Senior Service Manager. Additionally, the Independent Placement Overview panel has increased the frequency of its meetings from February 2017 to scrutinise and challenge the cost of the most expensive external placements.	
Places	An overspend of £595k is forecast. The Illuminations service is forecasting an overspend of £250k due to increased costs and poorer than expected income. Print Services is forecasting an overspend of £100k due to an income pressure that is currently under review. Other pressures are mainly due to prudential borrowing and reduced income.	595
Resources	An overspend of £71k is forecast. Property Services is forecasting a £158k overspend based on the current pace of property rationalisation and pressure from rental income within the Central Business District. This has been mitigated by net savings in other areas of the Directorate.	71
Strategic Leisure Assets	Strategic Leisure Assets is forecasting a £668k pressure. In accordance with the original decision for this programme by the Executive on 7 February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast accumulative deficit as at 31 <sup>st</sup> March 2017 is £5,479k. This incorporates the increased debt financing costs associated with the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile and the application of a composite rate to prudential borrowing. The Leisure Assets portfolio is currently forecast to break-even, in-year, during 2021/22	Net nil
Community and Environmental Services	An underspend of £58k is forecast. This is mainly due to cost pressures offset by income savings. The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants with the risk being covered against the specific Waste PFI reserve.	(58)
Governance and Partnership Services	An underspend of £98k is forecast. This is due to a combination of service demand and a forecast underspend on Wards.	(98)

Budgets Outside the Cash Limit	An underspend of £727k is forecast. Concessionary Fares are forecasting a pressure of £479k mainly due to increased bus patronage and the impact of fare increases. Parking Services is £301k down due to a stretched income target of £6,262k. The cost to the Council of supporting the Subsidiary Companies is an underspend of £138k due to the reducing balance payback of prudentially-borrowed schemes. Treasury Management has a £1,203k favourable position due to the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure. New Homes Bonus is showing an underspend of £150k due to additional income resulting from the final allocation.	(727)
Adult Services	An underspend of £1,024k is forecast. Adult Safeguarding is forecasting an overspend of £137k as a result of additional legal and staffing costs, relating to Deprivation of Liberty (DoLs) case law, which is not covered by New Burdens funding of £82k and a pressure of £55k relating to the timing of a staffing restructure in Adults and Children's Safeguarding. These are mitigated by an underspend of £756k on Adult Commissioning Placements due to higher residential income and one-off savings. Other net savings are due to staffing.	(1,024)
Contingencies / Reserves	A further review of contingencies has enabled the release of an additional £350k on top of the previous £807k, but this view is taken at some risk that the Council does not experience equivalent claims/appeals in the last 2 months of the year.	(1,157)
<b>Total</b>		<b>2,788</b>

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



3.4 Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves for such longer-term commitments as future Private Finance Initiative payments and uncertainties within the new Localised Business Rate system. In order to present a complete picture of the Council's strong financial standing an equivalent graph to the above is shown below:



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

- 4.1 As at 31 January 2017 86% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 89% (89% last month) will be achieved by the year-end, which takes into account anticipated pressures and savings.
- 4.2 The full-year effect of the 2016/17 savings in 2017/18 amounts to 93% of the 2016/17 target which reflects any non-recurrent savings. This excludes any in-year pressures/savings.

#### **5. Collection Rates**

##### **5.1 Council Tax**

At the end of month 10 the amount collected for Council Tax (excluding Police and Fire precepts) was £40.8m and the collection rate was 84.4%. This compares to £38.8m and 85.3% at the same point in 2015/16. The reduction of 0.9% compared to the previous year equates to £0.4m. The amount collected has actually risen by £2.0m and the movement of £2.4m is mainly due to increases in both the Council Tax rate and base.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme the target collection rate is 97.5% over a 4-year collection period as approved on 25<sup>th</sup> January 2016 as part of the setting of the Council Tax Base for 2016/17.

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

The Council Tax Reduction Scheme was introduced on 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.

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 £2.36m and the collection rate was 55.2%. This compares to £2.44m and 57.6% at the same point in 2015/16 and is the principal cause of the overall collection rate deteriorating.

The likely impact for 2016/17 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2015/16 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.



### **5.3 Business Rates**

Prior to 1 April 2013, Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1<sup>st</sup> April 2013 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.

At the end of month 10 the amount collected for Business Rates was £44.6m and the collection rate was 82.4%. This compares to £43.5m and 83.1% at the same point in 2015/16. The reduction of 0.7% compared to the previous year equates to £0.4m, though increases in both the Business Rate multiplier and base have made positive contributions of £1.5m. The Council's share of these is 49%.

From April 2014 Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay.

The audited Business Rate cumulative deficit as at 31<sup>st</sup> March 2016 is £4.58m. The Council's share of this is £2.24m (49%) and provision has been made for this.

## **6. Capital Monitoring Performance**

- 6.1 All active capital schemes have been included within Appendix 4. The purpose is to present the overall position of capital spend. The schemes are shown individually where total scheme budget is greater than £500k and grouped as "other schemes" otherwise. As in previous financial years the emphasis regarding capital monitoring will be on scheme variance rather than in-year progress since many schemes cross financial years such as the major housing developments. Therefore, some degree of flexibility for the management of slippage is necessary in order to balance the overall capital programme each year to the funding allocations available.
- 6.2 As at month 10 an overall nil variance on capital schemes is anticipated.

## **7. Summary Cash Flow Statement**

- 7.1 As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 5. This provides a comparison of the actual cash receipts and payments compared to forecast for 2016/17.
- 7.2 During the first 10 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has decreased marginally since 31 March 2016 but it is anticipated that it will increase in February and March due to the expansion of the Business Loans Fund and as capital expenditure is incurred. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying taking any new long-term borrowing to fund planned capital expenditure. The interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result, the delay in taking new long-term borrowing and the lower interest charge from Lancashire County Council mean that a favourable credit variance is once again forecast for 2016/17.

## 8. Summary Balance Sheet

- 8.1 In order to provide a complete picture of the Council's financial performance, Appendix 6 provides a snapshot of the General Fund balance sheet as at the end of month 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 From 1<sup>st</sup> April 2016 local authorities were told that they must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and had been brought onto the balance sheet in previous months under Property, Plant and Equipment for 2016/17. However, on 14<sup>th</sup> November 2016, CIPFA took the decision to delay the implementation of the accounting for Highways Network Asset until 2017/18. Therefore, these amounts have now been removed from the balance sheet.
- 8.3 Over the 10-month period there has been an increase in spend on capital schemes included within Property, Plant and Equipment of £30.9m and a decrease in short-term borrowing of £15.6m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme. Long-term assets have increased by £6.0m due to the purchase of equity in Blackpool Housing Company and loans being issued to Blackpool Transport Services and Blackpool Housing Company.

## 9. Conclusion and Recommendations

- 9.1 There has been an improvement in the financial position compared to month 9 by £15k, however, the Council is still predicting a significant deterioration in the Council's financial standing in comparison with Budget. Working balances are estimated to fall by £2,788k against the budgeted position over the year. This fall is in the context of the audited working balances at the start of the year of £5,636k, a reduction of nearly half.
- 9.2 If this forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution, the forecast revenue outturn 2016/17 within this report contravenes the second of the two specific conditions that excess spending does not:
1. exceed 1% (i.e. £4.3m) of the authority's total gross revenue expenditure;  
or
  2. have the effect of reducing the authority's Working Balances below 50% of their normal target level (i.e. £3.0m).

In the context of £35.0m of Earmarked Revenue Reserves and with 2 months of the financial year remaining there should still be sufficient time to improve the position such that Working Balances of at least £3.0m are reached. Revised service and financial plans are underway to do so, including the freezing of non-essential spend and delays to filling non-front line vacancies.

- 9.3 In response to the financial position the Director of Resources is holding regular meetings with individual Directors to discuss the robustness and integrity of current year budget forecasts and the plans in place to deliver an in-year breakeven position.
- 9.4 The Executive is asked:
- i) to note the report; and
  - ii) to require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children's Services, Strategic Leisure Assets and Places.

Steve Thompson  
Director of Resources

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## Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2017							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
3(a)	CHIEF EXECUTIVE	(125)	(738)	613	(125)	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,403	1,768	(263)	1,505	102	(19)
3(b/c)	WARD BUDGETS	516	171	145	316	(200)	(246)
3(d)	RESOURCES	3,334	714	2,691	3,405	71	-
3(e)	PLACES	3,902	361	4,136	4,497	595	-
3(f)	STRATEGIC LEISURE ASSETS	1,355	3,024	(1,001)	2,023	668	-
3(g)	COMMUNITY & ENVIRONMENTAL SERVICES	44,010	31,801	12,151	43,952	(58)	(14)
3(h)	ADULT SERVICES	45,542	28,595	15,923	44,518	(1,024)	-
3(i)	CHILDREN'S SERVICES	37,144	29,038	13,292	42,330	5,186	-
3(j)	PUBLIC HEALTH	304	(2,056)	2,360	304	-	-
3(k)	BUDGETS OUTSIDE THE CASH LIMIT	16,501	11,768	4,006	15,774	(727)	-
	CAPITAL CHARGES	(27,742)	(23,118)	(4,624)	(27,742)	-	-
	<b>NET COST OF SERVICES:</b>	<b>126,144</b>	<b>81,328</b>	<b>49,429</b>	<b>130,757</b>	<b>4,613</b>	<b>(279)</b>
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(5,295)	-	(5,963)	(5,963)	(668)	
	- 2015/16 SERVICE UNDERSPENDS	(279)	-	(279)	(279)	-	
	- REVENUE CONSEQUENCES OF CAPITAL	85	-	85	85	-	
	CONTINGENCIES	2,279	-	1,122	1,122	(1,157)	
	NW REGIONAL FLOOD DEFENCE LEVY	65	-	65	65	-	
	<b>CONTRIBUTIONS, etc.</b>	<b>(3,145)</b>	<b>-</b>	<b>(4,970)</b>	<b>(4,970)</b>	<b>(1,825)</b>	
	<b>TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS</b>	<b>122,999</b>	<b>81,328</b>	<b>44,459</b>	<b>125,787</b>	<b>2,788</b>	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,788)	(2,788)	(2,788)	
	<b>NET REQUIREMENT AFTER WORKING BALANCES</b>	<b>122,999</b>	<b>81,328</b>	<b>41,671</b>	<b>122,999</b>	<b>-</b>	
<b>GENERAL BALANCES AS AT 1st APRIL 2016 PER AUDITED STATEMENT OF ACCOUNTS 2015/16</b>							<b>5,636</b>
In-year (reduction in) / addition to General Fund Working Balances							(2,788)
<b>ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017</b>							<b>2,848</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 2016</b>	<b>Mar 2016</b>	<b>Apr 2016</b>	<b>May 2016</b>	<b>Jun 2016</b>	<b>July 2016</b>	<b>Aug 2016</b>	<b>Sept 2016</b>	<b>Oct 2016</b>	<b>Nov 2016</b>	<b>Dec 2016</b>	<b>Jan 2017</b>
8					<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>
9																
10																
11	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			2,189	2,189			2,025	3,120	3,357	3,861	3,939	4,534	4,918	5,432
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			1,503	1,503			1,113	668	668	668	668	668	668	668
13	PLACES	VISITOR ECONOMY			102	102			208	222	200	260	260	380	380	380
14	PLACES	GROWING PLACES							93	93	93	93	93		200	200
15	RESOURCES	PROPERTY SERVICES			157	157			480	495	495	481	283	272	147	158
16	ADULT SERVICES	ADULT SAFEGUARDING			231	231			146	158	158	158	157	156	155	137
17	GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES			84	84									102	102
18	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT														101
19	CHILDREN'S SERVICES	EDUCATION SERVICES GRANT			1,185	1,185			86	86	83	83	83	83	83	83
20	ADULT SERVICES	CARE & SUPPORT			370	370										-
21	CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS										240	213	154	75	-
22	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE							183	194	106					-
23	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES			149	149			104							-
24	PLACES	CULTURAL SERVICES									148					-
64																
65		<b>Sub Total</b>			<b>5,970</b>	<b>5,970</b>	-	-	<b>4,438</b>	<b>5,036</b>	<b>5,308</b>	<b>5,844</b>	<b>5,696</b>	<b>6,247</b>	<b>6,728</b>	<b>7,261</b>
66																
67		Transfer to Earmarked Reserves (note 3)			(1,503)	(1,503)	-	-	(1,113)	(668)	(668)	(668)	(668)	(668)	(668)	(668)
68																
69		Other General Fund (under) / overspends			(3,915)	(3,915)	-	-	(733)	(1,135)	(1,760)	(2,000)	(2,400)	(2,444)	(3,257)	(3,805)
70																
71		<b>Total</b>			<b>552</b>	<b>552</b>	-	-	<b>2,592</b>	<b>3,233</b>	<b>2,880</b>	<b>3,176</b>	<b>2,628</b>	<b>3,135</b>	<b>2,803</b>	<b>2,788</b>
72																
73																
74	Notes:															
75																
76	1. The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where															
77	the controllable budget exceeds £5m are required to be highlighted within this monthly budgetary control report. They are required to develop and submit a recovery plan															
78	over a period not exceeding 3 years which is to be approved by the respective Portfolio Holder. The services tripping this threshold are listed above together with their															
79	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
80																
81	2. The Strategic Leisure Assets overspend reflects the in-year position.															
82																
83	3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.															
84																

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## Blackpool Council - Chief Executive

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD  £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>CHIEF EXECUTIVE</b>						
<b>NET EXPENDITURE</b>						
CHIEF EXECUTIVE	620	483	137	620	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(760)	(1,157)	397	(760)	-	-
CORPORATE DELIVERY UNIT	15	(64)	79	15	-	-
<b>TOTALS</b>	<b>(125)</b>	<b>(738)</b>	<b>613</b>	<b>(125)</b>	<b>-</b>	<b>-</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Following the recent Council restructure this directorate now includes Human Resources, Organisation and Workforce Development and the Corporate Delivery Unit (both transferred from the former Deputy Chief Executive's Directorate).

The Directorate is forecasting a break-even position for 2016/17.

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

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## Blackpool Council – Governance and Partnership Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - 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	2,123	2,039	84	2,123	-	(19)
CORPORATE LEGAL SERVICES	(346)	(437)	91	(346)	-	-
REGISTRATION AND BEREAVEMENT SERVICES	(374)	166	(438)	(272)	102	-
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>	<b>1,403</b>	<b>1,768</b>	<b>(263)</b>	<b>1,505</b>	<b>102</b>	<b>(19)</b>
WARDS	516	171	145	316	(200)	(246)
<b>TOTALS</b>	<b>1,919</b>	<b>1,939</b>	<b>(118)</b>	<b>1,821</b>	<b>(98)</b>	<b>(265)</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Following the recent Council restructure this Directorate has been renamed and now includes Corporate Legal Services (transferred from Resources) and Governor Services (from Children's Services). The Licensing Service has transferred to Community and Environmental Services and Community Engagement and Equalities (which transferred from the former Deputy Chief Executive's Directorate) has now transferred to Public Health.

#### Democratic Governance Service

The Democratic Governance Service is forecasting a break-even position for 2016/17. This service now includes Governor Services.

#### Corporate Legal Services

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

#### Registration and Bereavement Services

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

**Ward Budgets**

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

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

**Blackpool Council  
Ward Budgets  
2016/17  
Month 10**

## Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2016-17 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2016-17 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	6	6	0	5	£28,312.71	£10,397.00	£17,915.71
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	10	10	0	8	£21,273.94	£17,253.06	£4,020.88
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	6	6	0	3	£16,697.54	£10,778.35	£5,919.19
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	3	3	0	2	£28,982.55	£2,460.00	£26,522.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	12	12	0	11	£19,394.14	£16,469.92	£2,924.22
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	12	12	0	8	£26,764.39	£16,192.50	£10,571.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	3	3	0	1	£28,018.81	-£11,600.00	£39,618.81
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	9	9	0	6	£29,800.00	£14,721.60	£15,078.40
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	8	8	0	7	£25,413.77	£6,689.02	£18,724.75
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	12	12	0	9	£36,530.09	£12,908.40	£23,621.69
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	16	16	0	14	£21,091.00	£20,368.48	£722.52
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	9	9	0	8	£34,963.08	£22,060.40	£12,902.68
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	9	9	0	6	£38,495.41	£35,674.50	£2,820.91
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	8	8	0	7	£30,493.68	£10,938.89	£19,554.79
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	7	7	0	5	£21,608.91	£14,647.50	£6,961.41
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	5	3	2	3	£30,896.00	£4,330.00	£26,566.00
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	9	9	0	4	£36,657.78	£21,053.93	£15,603.85
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	4	4	0	4	£29,171.66	£5,583.95	£23,587.71
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	5	5	0	4	£24,586.66	£9,628.35	£14,958.31
Warbreck Ward BC1020	Cllr. Scott	5	5	0	3	£21,364.07	£4,978.16	£16,385.91
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	7	7	0	5	£28,115.00	£9,435.00	£18,680.00

<b>Ward Totals</b>	<b>165</b>	<b>163</b>	<b>2</b>	<b>123</b>	<b>£578,631.19</b>	<b>£254,969.01</b>	<b>£323,662.18</b>
<b>Unallocated Budget</b>	-	-	-	-	<b>-£17,631.19</b>	<b>£0.00</b>	<b>-£17,631.19</b>
<b>Income Budget</b>	-	-	-	-	<b>-£45,000.00</b>	<b>£0.00</b>	<b>-£45,000.00</b>
<b>Area Ward Totals</b>	<b>165</b>	<b>163</b>	<b>2</b>	<b>123</b>	<b>£516,000.00</b>	<b>£254,969.01</b>	<b>£261,030.99</b>

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## Blackpool Council - Resources

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	(8)	(153)	81	(72)	(64)	-
BENEFITS	(1,050)	(1,299)	246	(1,053)	(3)	-
REVENUES & EXCHEQUER SERVICES	1,405	1,278	181	1,459	54	-
CUSTOMER FIRST	(60)	(270)	220	(50)	10	-
ICT SERVICES	176	(801)	917	116	(60)	-
ACCOUNTANCY	(28)	(462)	425	(37)	(9)	-
RISK SERVICES	70	(184)	239	55	(15)	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,829	2,605	382	2,987	158	-
<b>TOTALS</b>	<b>3,334</b>	<b>714</b>	<b>2,691</b>	<b>3,405</b>	<b>71</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

#### Procurement and Projects

- The favourable variance of £64k is due to an over-achievement against current and prior years' Priority Led Budgeting (PLB) targets in respect of staff savings and additional income.

#### Benefits

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

#### Revenues and Exchequer Services

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

#### Customer First

- As a way of streamlining processes and encouraging customers to embrace digital services and 'self-serve', thereby relieving pressure on face-to-face and telephone-based customer contact points, a 'Channel Shift' project is underway.

### **ICT Services**

- Following the disaggregation of the Deputy Chief Executive's Directorate, ICT Services transferred into the Resources Directorate. This service is forecasting a small underspend as a result of staffing vacancies.

### **Accountancy**

- Accountancy is forecasting to achieve the PLB savings target.

### **Risk Services**

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

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

- Property Services is forecasting an overspend of £158k. This projection is based on the current pace of property rationalisation. There is also a forecast pressure from rental income within the Central Business District until all units are filled and any rent-free periods lapse. The Gym in Talbot Road Multi-story Car Park has now opened.

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

After 10 months of the financial year Resources is forecasting a £71k overspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

**Budget Holder - Mr S Thompson, Director of Resources**



## Blackpool Council – Places

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>PLACES</b>						
<b>NET EXPENDITURE</b>						
CULTURAL SERVICES	99	208	(94)	114	15	-
ECONOMIC DEVELOPMENT	73	(1,754)	1,827	73	-	-
GROWING PLACES	12	(1,435)	1,647	212	200	-
VISITOR ECONOMY	3,718	3,342	756	4,098	380	-
<b>TOTALS</b>	<b>3,902</b>	<b>361</b>	<b>4,136</b>	<b>4,497</b>	<b>595</b>	<b>-</b>

### Commentary on the key issues:

#### Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within the Places Directorate against their respective, currently approved, revenue budget. The forecast outturn of £595k overspend is based upon actual financial performance for the first 10 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

#### Cultural Services

This service is expecting a £15k overspend, due to the cost of entering the Lord Mayor's Show.

#### Growing Places

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

#### Visitor Economy

This service is expecting a £380k overspend by the year-end. £100k is due to low income in Print Services - this service is now under review. The Illuminations service is forecasting an overspend of £250k due to increasing costs and poorer than expected year-to-date income. Visit Blackpool is also forecasting an overspend of £30k due to various events coming in over budget.

**Budget Holder – Mr A Cavill, Director of Place**

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## Blackpool Council – Strategic Leisure Assets

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD  £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR -JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,355	3,024	(1,001)	2,023	668	-
<b>TOTALS</b>	<b>1,355</b>	<b>3,024</b>	<b>(1,001)</b>	<b>2,023</b>	<b>668</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

#### Key Issues

The Leisure Asset portfolio projected outturn for 2016/17 is currently £668k, taking the forecast cumulative deficit as at 2016/17 year-end to £5,479k. This position incorporates the increased debt financing costs associated with both the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile, as well as the application of a composite rate to prudential borrowing.

The Leisure Asset portfolio is currently forecast to break-even, in-year, during 2021/22.

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

**Budget Holder – Mr A Cavill, Director of Place**

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## Blackpool Council – Community and Environmental Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD  £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>COMMUNITY &amp; ENVIRONMENTAL SERVICES</b>						
<b>NET EXPENDITURE</b>						
BUSINESS SERVICES	1,407	1,337	61	1,398	(9)	(14)
LEISURE AND CATERING	4,233	3,701	426	4,127	(106)	-
PUBLIC PROTECTION	(314)	(1,152)	903	(249)	65	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,188	11,217	3,999	15,216	28	-
STREET CLEANSING AND WASTE	18,700	12,094	6,469	18,563	(137)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,326	3,260	1,066	4,326	-	-
INTEGRATED TRANSPORT	470	1,344	(773)	571	101	-
<b>TOTALS</b>	<b>44,010</b>	<b>31,801</b>	<b>12,151</b>	<b>43,952</b>	<b>(58)</b>	<b>(14)</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

#### Business Services

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

#### Leisure and Catering

There is a forecast underspend of £106k due to savings on provisions and additional income.

#### Public Protection

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

#### Highways and Traffic Management Services

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

**Street Cleansing and Waste**

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

The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants, with the risk being covered against the specific Waste PFI reserve in 2016/17.

**Integrated Transport**

Integrated Transport is £101k over budget due to a pressure on public transport contracts.

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

As at the end of month 10 the Community and Environmental Services Directorate is forecasting an overall underspend of £58k for the financial year to March 2017 as detailed above. The pressure due to the loss of the Waste PFI grant has been offset against reserves in 2016/17. A review of discretionary expenditure has achieved £89k of savings included in the above figures.

**Budget Holder - Mr J Blackledge, Director of Community and Environmental Services**

## Blackpool Council - Adult Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	3,664	3,176	427	3,603	(61)	-
CARE & SUPPORT	4,237	2,737	1,265	4,002	(235)	-
COMMISSIONING & CONTRACTS TEAM	1,067	576	382	958	(109)	-
ADULT COMMISSIONING PLACEMENTS	36,112	22,025	13,331	35,356	(756)	-
ADULT SAFEGUARDING	462	81	518	599	137	-
<b>TOTALS</b>	<b>45,542</b>	<b>28,595</b>	<b>15,923</b>	<b>44,518</b>	<b>(1,024)</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

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

- The Adult Commissioning Placements Budget is forecasting a £756k underspend as a result of higher than anticipated residential income and one-off savings following a review of prudent year-end accruals. It is possible the financial position may improve further following scrutiny of the income forecast, however, the current view has been taken in the light of potential pressures from unpredictable winter demand.

#### Commissioning & Contracts Team

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

#### Care & Support

- Care & Support is currently forecast to be £235k underspent on their staffing budget. This is due to vacancies within the Intermediate Care model and the Extra Support Service has recently held vacant posts due to a restructure.

#### Adult Social Care

- Adult Social Care is currently forecast to be £61k underspent on their staffing budget due to vacancies within the teams and over-achieving their vacancy target.

## **Adult Safeguarding**

- The Adult Safeguarding Division is forecast to be £137k overspent, with £82k relating to additional legal and staffing costs to fund Deprivation of Liberty (DoLs) case law. Several Councils are currently challenging the Government in relation to New Burdens funding. There is also a £55k in-year pressure relating to the timing of a staffing restructure within Adults and Children's Safeguarding.

## **Summary of the Adult Services financial position**

As at the end of January 2017 the Adult Services Directorate is forecasting an overall underspend of £1,024k for the financial year to March 2017 on a gross budget of £67.3m.

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



## Blackpool Council – Children’s Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - 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	20,702	18,913	1,868	20,781	79	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	447	454	7	461	14	-
LIFELONG LEARNING & SCHOOLS	21,983	16,056	6,042	22,098	115	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	157	91	248	(49)	-
CHILDREN'S SOCIAL CARE	116	96	20	116	-	-
BUSINESS SUPPORT AND RESOURCES	368	286	82	368	-	-
DEDICATED SCHOOL GRANT	(44,721)	(38,045)	(6,535)	(44,580)	141	-
CARRY FORWARD OF DSG	(192)	-	(492)	(492)	(300)	-
<b>TOTAL DSG FUNDED SERVICES</b>	<b>(1,000)</b>	<b>(2,083)</b>	<b>1,083</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>
CHILDREN'S SERVICES DEPRECIATION	3,236	2,696	540	3,236	-	-
LIFELONG LEARNING & SCHOOLS	3,768	1,513	2,304	3,817	49	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,860	938	2,565	3,503	(357)	-
CHILDREN'S SOCIAL CARE	24,750	24,268	5,914	30,182	5,432	-
CHILDREN'S SAFEGUARDING	1,498	998	525	1,523	25	-
BUSINESS SUPPORT AND RESOURCES	1,906	1,323	556	1,879	(27)	-
LOCAL SERVICES SUPPORT GRANT	-	(16)	(3)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(599)	(192)	(791)	83	-
<b>TOTAL COUNCIL FUNDED SERVICES</b>	<b>38,144</b>	<b>31,121</b>	<b>12,209</b>	<b>43,330</b>	<b>5,186</b>	<b>-</b>
<b>TOTAL CHILDREN'S SERVICES</b>	<b>37,144</b>	<b>29,038</b>	<b>13,292</b>	<b>42,330</b>	<b>5,186</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

#### Dedicated Schools Grant Funded Services

- The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2017/18 and, in the case of overspends, become the first call on the grant in that year.

### **Lifelong Learning and Schools**

- Due to increased demand, there is a forecast overspend on the Special Educational Needs Transport budget of £188k, partly offset by various small underspends in other areas of the division to give an overall overspend of £49k.

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

- The Early Help division is forecasting a £357k underspend due to staff vacancies and a saving on the Domestic Abuse contract.

### **Children's Social Care**

- Several commissioning reviews took place during the first half of the financial year and progress has been made against the challenging £1.222m 2016/17 PLB savings target that was applied to the Children's Social Care division. There is a forecast shortfall of £645k due to the ongoing implementation of the review recommendations.
- Additional in-year service pressures, as described below, relating to placements, legal costs and other miscellaneous overspends amount to £4.787m giving a total forecast overspend for the division of £5.432m.
- The number of Looked After Children (LAC) in Blackpool has increased by over 15% in the last year and, exceeding 500 for the first time, the last few months have seen the highest ever levels in the town. The number of open cases, which is currently in excess of 2,000, has also reached record levels. These pressures in the system reflect national trends, with the Children and Family Court Advisory and Support Service (Cafcass) reporting a 16% increase in care applications between July 2015 and July 2016. At a local level, significant and unusual anti-social behaviour patterns emerged in the town in the early part of the financial year, which ultimately resulted in several new residential placements with extensive therapeutic support being required in many cases.
- The Deputy Director of Children's Services carried out an audit of all new admissions into care between April and June 2016 which confirmed that all the children were brought into the system appropriately. Only one of these new placements was due to a family moving into the Blackpool area.
- January 2017 has seen the commencement of 5 new residential placements at a forecast cost of £135k until the end of the financial year, and the movement of two young people into more expensive placements at a forecast cost of £82k. Overall, changes to external placements have created total new cost pressures in the division of over £300k, and are the primary reason for the increase in the directorate's forecast overspend between December and January.
- Average placement costs have continued to increase, and this is partly due to a shortage of quality providers which is being seen nationally as highlighted in Martin Narey's recent government-commissioned report, Residential Care in England. This creates significant commissioning challenges in terms of negotiating weekly placement rates that offer value for money.

- A breakdown of the budgeted, current and projected placements is shown in the table below:

IFA budgeted numbers (fte)		65.0
IFA current (headcount)		93.0
IFA projected numbers (fte)		80.0
Increased numbers pressure	£	788,700
Increased placement rate pressure	£	21,915
Independent Fostering Agency Over Spend	£	810,615
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		40.0
Resi projected numbers (fte)		35.0
Increased numbers pressure	£	2,399,760
Increased placement rate pressure	£	782,495
Residential Over Spend	£	3,182,255
Total Placement Over Spend	£	3,992,870

- In addition to placement pressures, there is a forecast overspend of £289k on the legal and court fees budget. Despite the fact that Blackpool invests more in advocacy services, and has consequently seen less of a spike in care proceedings, than our neighbouring authorities such cases are continuing to rise, increasing from 107 in 2015/16 to a projected figure of 140 for 2016/17.
- A number of solutions to try and mitigate the above pressures are being implemented, and developments include the introduction of an 'edge of care' model through the reconfiguration of Argosy children's home; the model this is based upon has been used in Blackburn and has created savings of £750,000 per year for that authority. The development of the Vulnerable Adolescent Hub is also underway, which will enable us to work more effectively with young people to prevent the need for higher level service interventions. A detailed project plan is in place, and the Council's Internal Audit department are currently reviewing the governance and due diligence in relation to statutory work. The financial impact assessment is ongoing.
- A re-modelling of the Council's Early Help offer is being considered based on a model that has been effectively implemented in Leeds and has led to a significant reduction in numbers for that authority. The Leeds model delivers a rapid response service using Early Help staff which has helped to reduce the levels of need for Social Care. This approach would require partners (and especially schools) to deliver an increased offer at Level 2 and 3, and would also involve a re-modelling of the Authority's Children's Centre offer (including Better Start delivery), plus a revision of the threshold document and re-development of the Early Help assessment process. Therefore, all of the above has been subject to a summit on behalf of the Safeguarding Board and a Local Government Association (LGA)-led challenge session.
- A report considering the scope and financial impact of the PAUSE project, which looks at reducing multiple removals of children at birth from families, was published in January 2017. If the project is implemented, the financial savings have been modelled and are substantial.
- Now that the division's internal residential reviews are nearing completion, a refocus of the Children's Commissioning team has commenced, with a dedicated officer working on proactive market management and development in an attempt to drive down placement costs.

- A new system has been introduced from February 2017, whereby all new admissions into the care system must be approved by the Social Care Senior Service Manager. In addition, the Independent Placement Overview panel has increased its meetings from fortnightly to weekly from February 2017, and a fortnightly meeting to be chaired by the Interim Director of Children's Services will take place in order to scrutinise and challenge the costs of the most expensive external placements, and review the options for stepping children down into more affordable provision.

#### **Education Services Grant**

- From April 2013, the education functions provided by local authorities have been funded from the Education Services Grant (ESG). The Council receives £77 per pupil in relation to the pupils in schools maintained by the authority plus £15 for each pupil in all schools and academies in respect of responsibilities retained for every pupil within our boundary. A shortfall in grant of £83k is included in the forecast overspend, relating to the anticipated loss of funding due to in-year academy conversions.

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

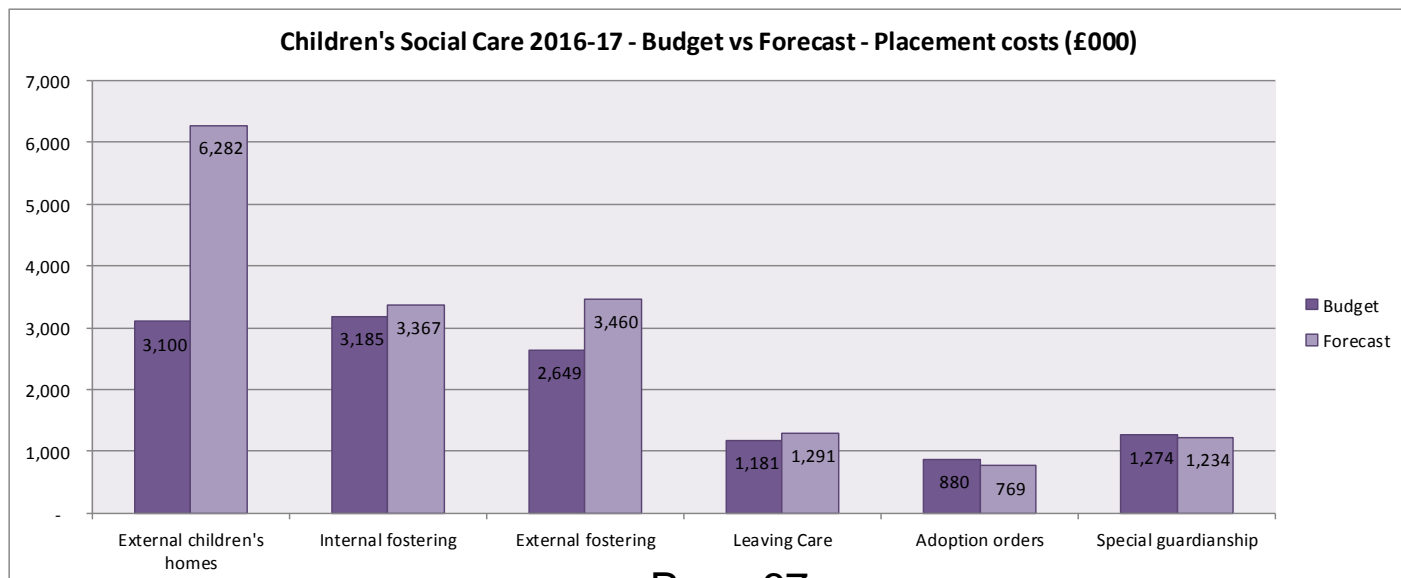
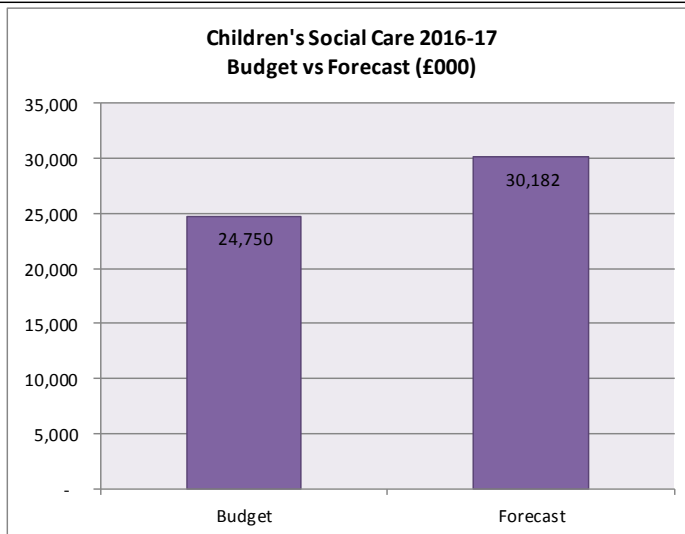
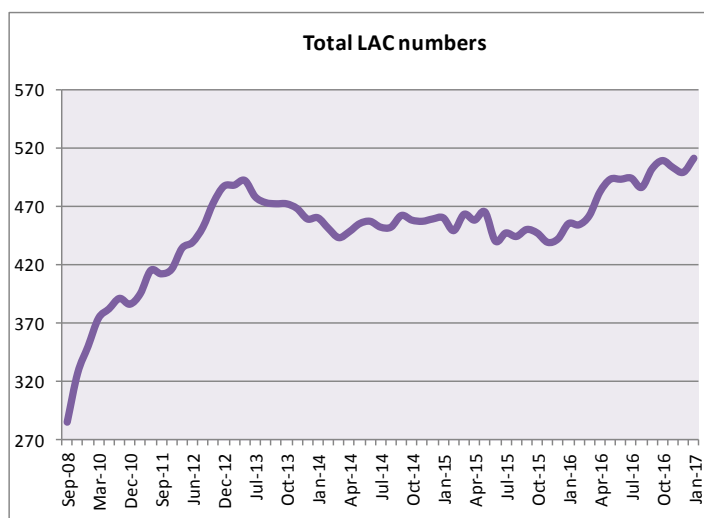
As at the end of January 2017 the Children's Services Directorate is forecasting an overspend of £5.186m for the financial year to March 2017.

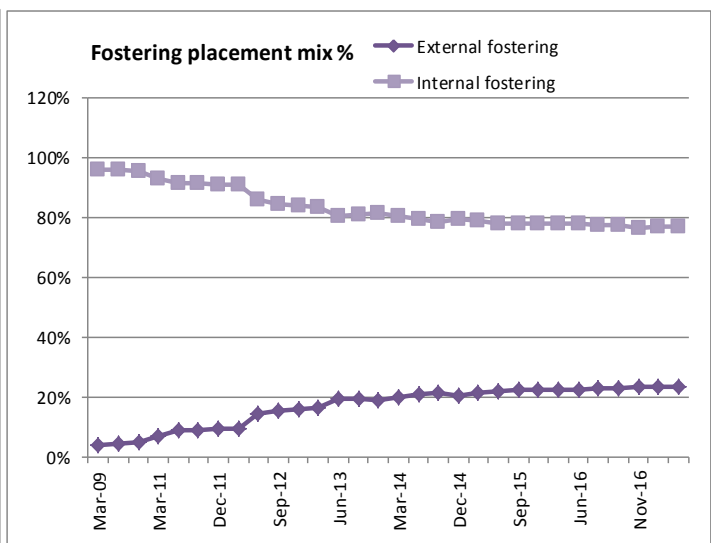
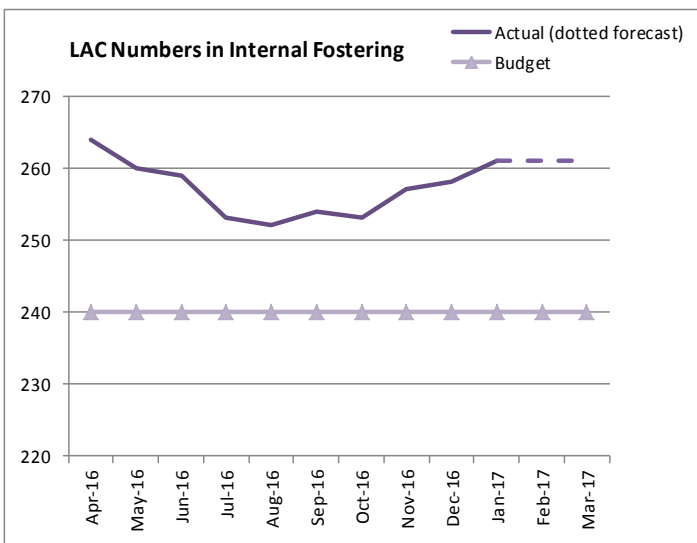
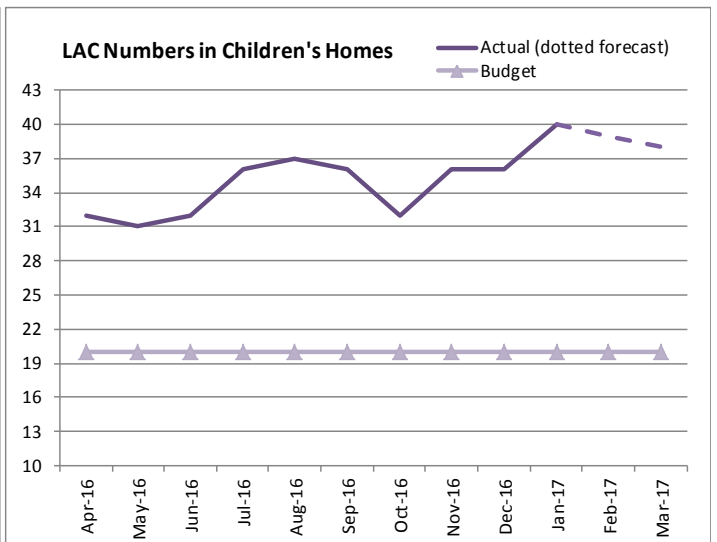
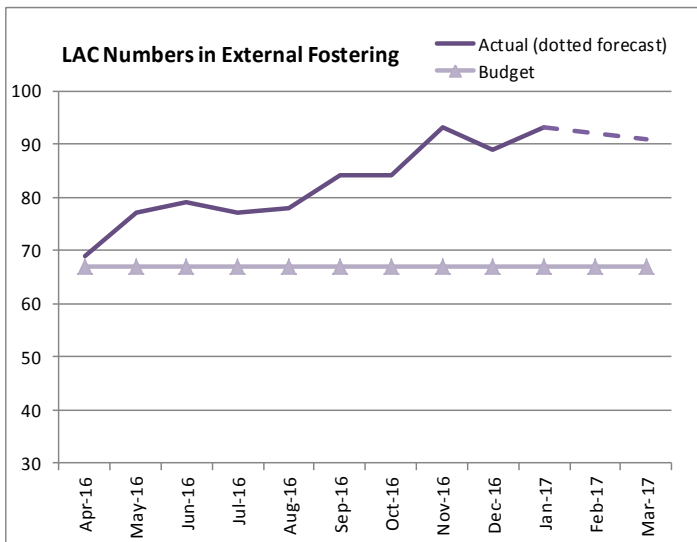
**Budget Holder – Ms G Martins, Interim Director of Children's Services**

Children's Social Care Trends

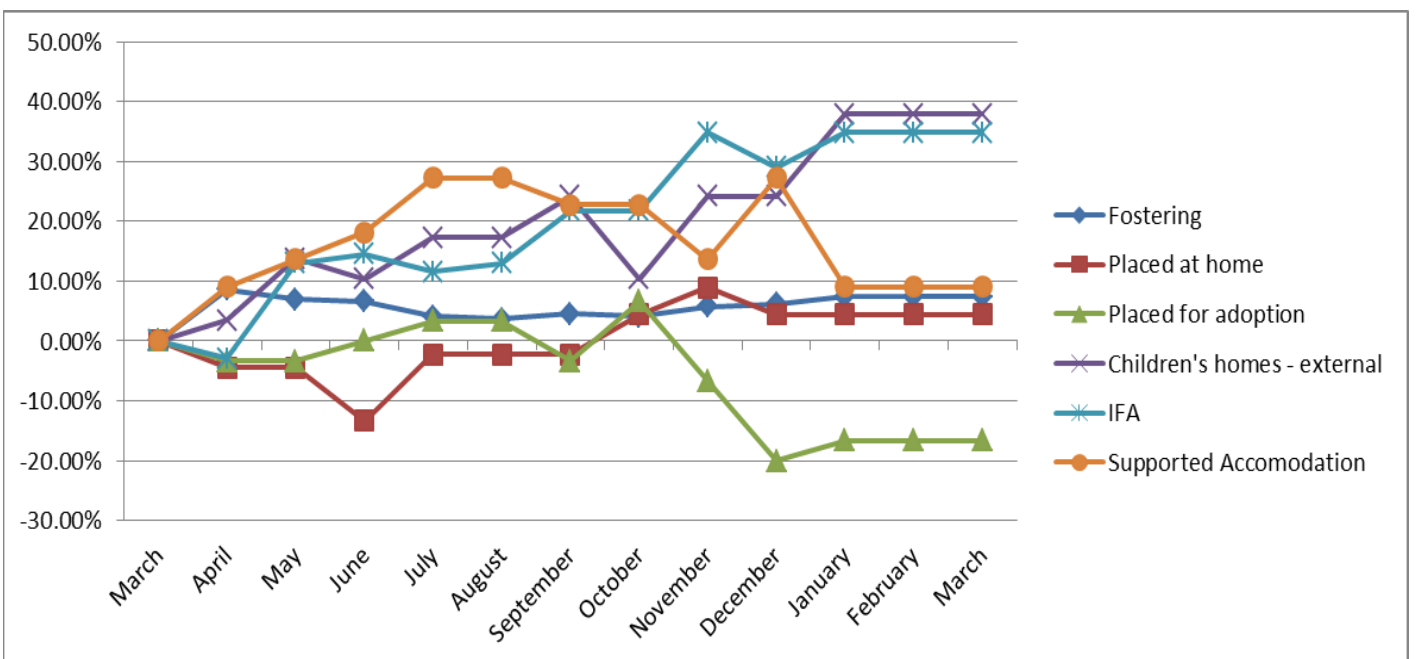
Date	External Placements Projection						Total			Internal Fostering Projection			Total LAC Numbers
	Fostering			Residential						FTE	£000's	£ per placement	
	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.
Mar-11	22.69	860	37,912	36.73	3,536	96,272	59.42	4,396	73,983	303.23	3,329	10,977	395
Jun-11	29.54	1,108	37,508	33.62	3,430	102,023	63.16	4,538	71,849	303.23	3,329	10,977	395
Sep-11	30.35	1,129	37,191	33.90	3,457	101,982	64.25	4,586	71,376	316.95	3,527	11,128	412
Dec-11	31.91	1,184	37,118	35.16	3,580	101,808	67.07	4,764	71,031	312.85	3,496	11,175	416
Mar-12	32.68	1,223	37,424	34.27	3,488	101,780	66.95	4,711	70,366	315.07	3,507	11,131	434
Jun-12	49.27	1,816	36,858	36.47	3,710	101,727	85.07	5,526	64,958	296.18	3,480	11,750	439
Sep-12	53.37	1,903	35,657	36.70	4,264	116,185	90.07	6,167	68,469	290.42	3,345	11,518	452
Dec-12	55.80	1,987	35,611	38.08	4,498	118,121	93.88	6,485	69,080	290.55	3,372	11,606	487
Mar-13	57.36	2,028	35,355	38.89	4,645	119,447	96.25	6,673	69,330	291.27	3,377	11,594	488
Jun-13	71.93	2,604	36,202	30.01	3,349	111,596	101.94	5,953	58,400	298.00	3,542	11,887	492
Sep-13	70.51	2,515	35,667	29.05	3,240	111,523	99.56	5,754	57,801	293.58	3,496	11,908	472
Dec-13	68.22	2,494	36,560	29.02	3,398	117,073	97.24	5,892	60,592	292.11	3,455	11,828	459
Mar-14	72.82	2,480	34,058	29.76	3,525	118,473	102.57	6,005	58,547	295.49	3,474	11,757	443
Jun-14	70.35	2,527	35,928	24.74	2,537	102,561	95.09	5,065	53,265	266.65	3,422	12,833	457
Sep-14	69.41	2,614	37,655	23.09	2,799	121,210	92.50	5,412	58,513	258.39	3,248	12,570	462
Dec-14	68.73	2,664	38,760	23.09	2,870	124,281	91.83	5,534	60,268	265.56	3,313	12,474	459
Mar-15	71.13	2,856	40,155	23.23	2,993	128,868	94.36	5,850	61,992	262.93	3,253	12,374	463
Jun-15	71.30	2,896	40,625	22.02	3,254	147,777	93.32	6,150	65,909	250.74	3,144	12,541	440
Sep-15	71.48	2,862	40,040	26.39	3,772	142,934	97.87	6,634	67,785	251.13	3,151	12,549	450
Dec-15	71.41	2,945	41,243	26.60	3,862	145,196	98.00	6,807	69,455	250.66	3,115	12,428	442
Mar-16	72.39	3,056	42,215	27.09	3,958	146,120	99.48	7,014	70,512	250.97	3,125	12,453	462
Jun-16	73.79	3,110	42,145	25.62	4,025	157,136	99.41	7,135	71,778	256.45	3,239	12,630	493
Sep-16	75.24	3,216	42,750	31.40	5,337	169,996	106.64	8,554	80,216	255.78	3,245	12,688	502
Dec-16	78.60	3,383	43,038	34.41	6,055	175,954	113.01	9,438	83,513	258.78	3,327	12,857	499
Jan-17	80.00	3,460	43,253	35.03	6,282	179,328	115.03	9,742	84,691	262.15	3,367	12,844	511

**Note:**  
The variance between the current total number of Looked After Children (511) and the total internal fostering and external placement numbers (377) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





### Placement Mix



## Blackpool Council – Public Health

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>PUBLIC HEALTH</b>						
<b>NET EXPENDITURE</b>						
MANAGEMENT AND OVERHEADS	1,828	1,391	437	1,828	-	-
NHS HEALTH CHECKS - MANDATED	549	371	178	549	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,114	2,604	510	3,114	-	-
TOBACCO CONTROL	580	405	175	580	-	-
MENTAL HEALTH AND WELLBEING	29	15	14	29	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,430	2,324	106	2,430	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	2,962	784	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	206	105	101	206	-	-
OTHER PUBLIC HEALTH SERVICES	204	204	-	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	5,989	5,989	-	5,989	-	-
EQUALITY AND DIVERSITY	299	244	55	299	-	-
GRANT	(19,392)	(19,392)	-	(19,392)	-	-
<b>TOTALS</b>	<b>304</b>	<b>(2,056)</b>	<b>2,360</b>	<b>304</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 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the service leads. Equality and Diversity has now transferred from Governance and Partnership Services.

#### Public Health Grant

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

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

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

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

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

As at the end of January 2017, the Public Health Directorate is forecasting an overall spend of the full grant, £19,392,000, for the financial year to March 2017.

**Budget Holder – Dr Arif Rajpura, Director of Public Health**

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## Blackpool Council – Budgets Outside the Cash Limit

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
<b>BUDGETS OUTSIDE THE CASH LIMIT</b>						
<b>NET EXPENDITURE</b>						
TREASURY MANAGEMENT	13,246	10,036	2,007	12,043	(1,203)	-
PARKING SERVICES	(3,517)	(3,207)	(9)	(3,216)	301	-
CORPORATE SUBSCRIPTIONS	192	99	93	192	-	-
HOUSING BENEFITS	1,884	1,586	298	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	269	37	306	-	-
SUBSIDIARY COMPANIES	(943)	(618)	(463)	(1,081)	(138)	-
CONCESSIONARY FARES	3,834	2,837	1,476	4,313	479	-
LAND CHARGES	(48)	(99)	35	(64)	(16)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	2,658	532	3,190	-	-
NEW HOMES BONUS	(1,643)	(1,793)	-	(1,793)	(150)	-
<b>TOTALS</b>	<b>16,501</b>	<b>11,768</b>	<b>4,006</b>	<b>15,774</b>	<b>(727)</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 2016/17 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

#### Treasury Management

- This revenue account is forecast to achieve a favourable variance of £1,203k for the year. This reflects the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.

#### Parking Services

- This service is forecasting a pressure of £301k. As at Week 45 (w/e 5<sup>th</sup> February) parking income is at £4,811k with patronage at 1,260,135. Car park patronage is up by 10,185 and income is up by £121,763 on 2015/16. On-Street Pay and Display is down on patronage by 10,142, however income is up by £3,329.

#### Subsidiary Companies

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

**Concessionary Fares**

- This service is forecasting a pressure of £479k, which mainly relates to the ongoing pressure arising from increased bus patronage and the impact of fare increases.

**Land Charges**

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

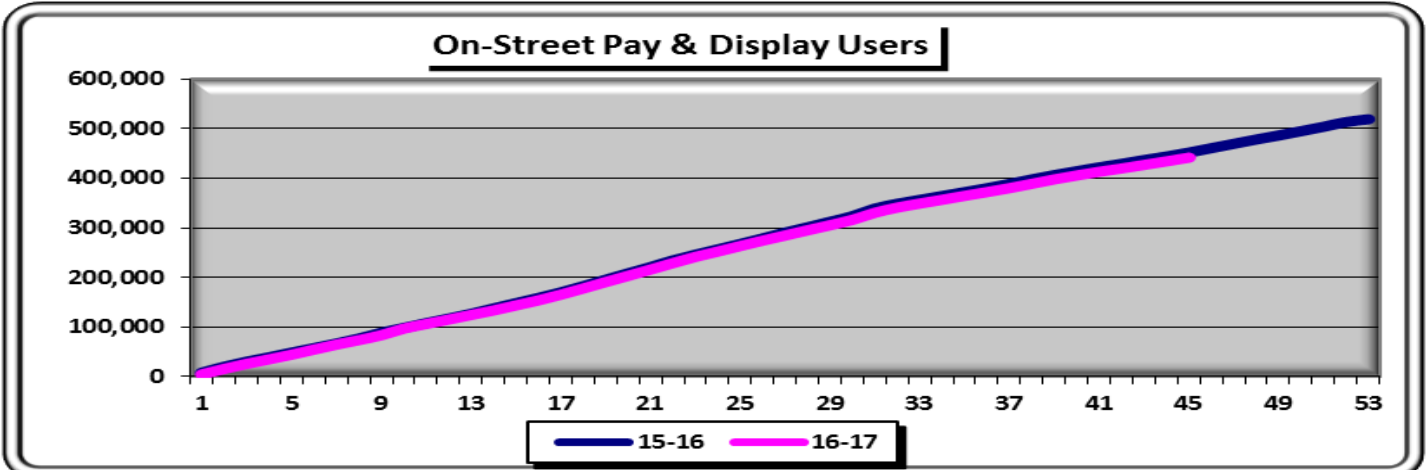
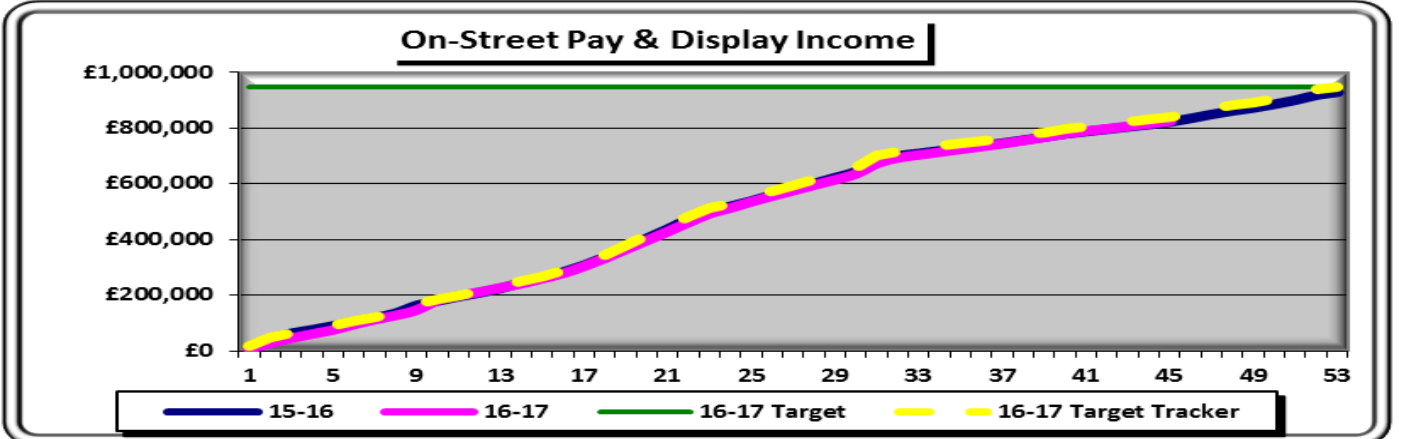
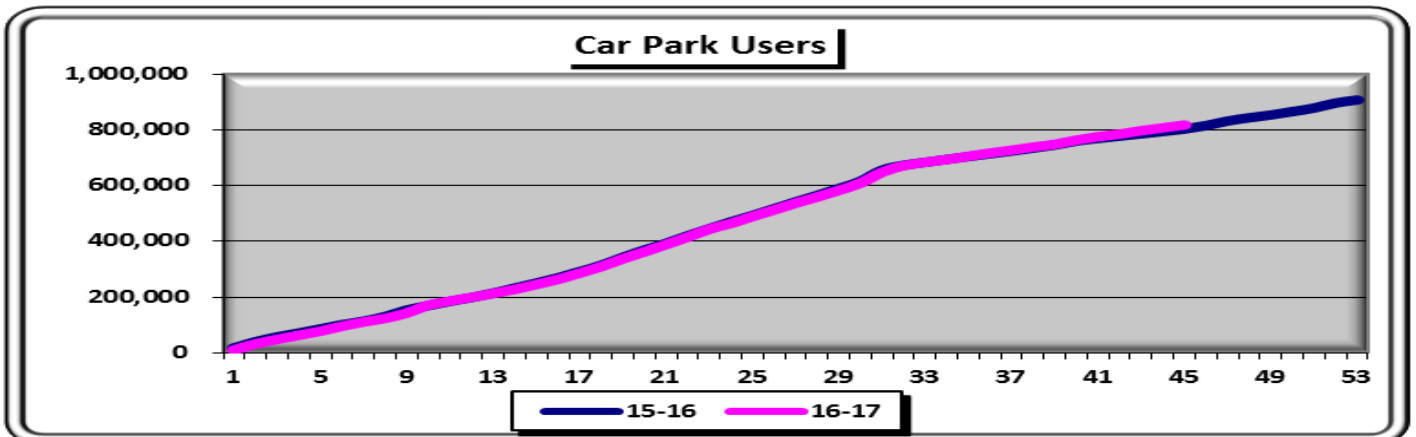
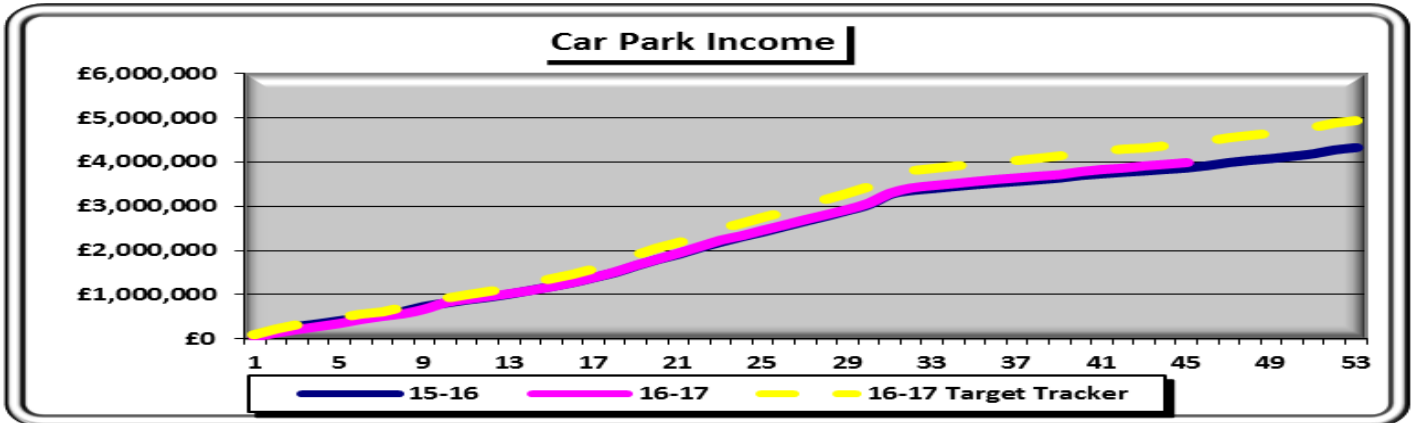
**New Homes Bonus**

- A favourable variance of £150k is now forecast. This is due to additional income resulting from the final 2016/17 allocation.

**Summary of the revenue forecasts**

After 10 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £727k underspend.

Car Parking Trends



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**2016/17 CAPITAL MONITORING  
MONTH 10**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - Jan	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Resources</b>									
<b>Property and Asset Management</b>									
Central Business District Phase 1	40,832	37,730	3,102	-	3,102	(14)	140	-	
Office Accommodation Strategy	1,408	1,408	-	-	-	-	-	-	
CBD Phase 2 - Hotel	14,000	74	13,926	-	13,926	-	-	-	
- Wilkinson's	7,800	-	-	7,800	7,800	6,277	123	-	
Syndicate	1,600	1,577	(277)	300	23	91	(68)	-	
ICT Refresh	1,312	381	131	800	931	34	341	-	
Clifton Street Redevelopment	700	-	-	700	700	760	40	-	
Municipal Building Works	695	-	-	695	695	303	392	-	
Other Resources Schemes	1,191	102	625	464	1,089	747	342	-	
<b>Total Resources</b>	<b>69,538</b>	<b>41,272</b>	<b>17,507</b>	<b>10,759</b>	<b>28,266</b>	<b>8,198</b>	<b>1,310</b>	<b>-</b>	
<b>Director Responsible for Adult Services</b>									
Support to Vulnerable Adults - Grants	2,739	1,484	109	1,146	1,255	526	729	-	
Other Adult Services Schemes	3,557	1,891	972	694	1,666	85	581	-	
<b>Total Adult Services</b>	<b>6,296</b>	<b>3,375</b>	<b>1,081</b>	<b>1,840</b>	<b>2,921</b>	<b>611</b>	<b>1,310</b>	<b>-</b>	

**2016/17 CAPITAL MONITORING  
MONTH 10**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - Jan	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Community and Environmental Services</b>									
Anchorsholme Seawall	27,515	20,821	1,542	5,152	6,694	2,826	868	-	
Coastal Protection Studies	1,541	1,221	230	90	320	123	197	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	227	133	-	133	55	78	-	
<b>Transport</b>									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	4,554	1,000	-	
Sintropher	1,903	2,780	(1,090)	213	(877)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	1,795	1,695	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
<b>Other</b>									
Vehicles	743	-	-	743	743	646	97	-	
<b>Total Community and Environmental Services</b>	<b>144,422</b>	<b>118,936</b>	<b>10,037</b>	<b>10,438</b>	<b>20,475</b>	<b>10,249</b>	<b>3,978</b>	<b>-</b>	
<b>Director Responsible for Governance and Partnership Services</b>									
Carleton Crem Building Works	1,991	1,934	57	-	57	88	(31)	-	
<b>Total Governance and Partnership Services</b>	<b>1,991</b>	<b>1,934</b>	<b>57</b>	<b>-</b>	<b>57</b>	<b>88</b>	<b>(31)</b>	<b>-</b>	

**2016/17 CAPITAL MONITORING  
MONTH 10**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - Jan	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Place</b>									
<b>Housing</b>									
Cluster of Empty Homes	1,392	1,392	-	-	-	3	-	-	
Foxhall Village	12,500	9,836	2,664	-	2,664	604	260	-	
Work towards Decent Homes Standard	4,484	-	-	4,484	4,484	2,302	1,600	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(14)	43	-	
Queens Park Redevelopment Ph2	8,000	1,414	-	6,586	6,586	2,352	1,148	-	
Other	96	-	-	96	96	41	55	-	
<b>Others</b>									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	448	40	-	
LightPool	740	600	100	40	140	140	-	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	3,369	(170)	-	
Leopold Grove	557	-	-	557	557	356	201	-	
<b>Transport</b>									
Local Transport Plan 2014/15	1,984	1,896	86	-	86	86	-	-	
Local Transport Plan Project 30 2014/15	1,050	1,050	-	-	-	-	-	-	
Local Transport Plan 2015/16	1,730	1,307	423	-	423	219	204	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	939	-	-	939	939	377	467	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	583	-	-	
Local Transport Plan Quality Corridor	850	-	-	220	220	220	-	-	
Quality Corridor	6,600	-	-	588	588	7	581	-	
<b>Total Place</b>	<b>119,785</b>	<b>93,207</b>	<b>5,741</b>	<b>14,193</b>	<b>19,934</b>	<b>11,093</b>	<b>4,429</b>	<b>-</b>	

**2016/17 CAPITAL MONITORING  
MONTH 10**

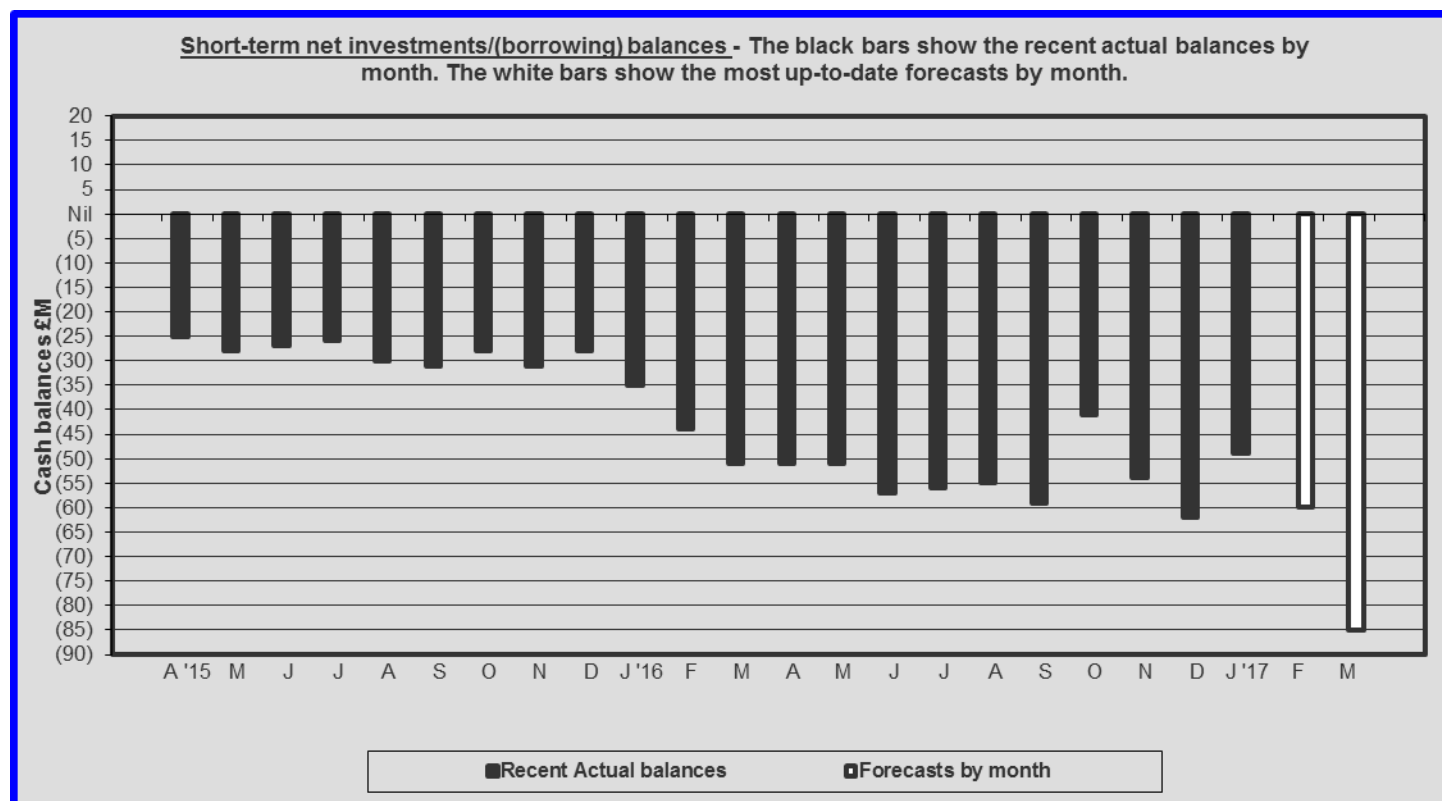
Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - Jan	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Childrens Services</b>									
Devolved Capital to Schools	616	167	358	91	449	52	244	-	
Christ The King	5,160	4,830	-	320	320	4	-	-	
Christ the King PRU Refurbishment	250	251	(1)	-	(1)	-	-	-	
Westbury Feasibility Plan	555	323	196	36	232	217	-	-	
Woodlands Development Scheme	1,500	-	-	1,500	1,500	9	1,491	-	
Demolition Aspire	350	-	-	350	350	-	350	-	
Basic Need	2,514	32	1,139	1,343	2,482	167	96	-	
Condition	428	-	-	428	428	200	99	-	
Other Children's Schemes	575	499	76	-	76	26	50	-	
<b>Total Childrens Services</b>	<b>11,948</b>	<b>6,102</b>	<b>1,768</b>	<b>4,068</b>	<b>5,836</b>	<b>675</b>	<b>2,330</b>	<b>-</b>	
<b>CAPITAL TOTAL</b>	<b>353,980</b>	<b>264,826</b>	<b>36,191</b>	<b>41,298</b>	<b>77,489</b>	<b>30,914</b>	<b>13,326</b>	<b>-</b>	



## Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
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
80	67	65	14	<b>RECEIPTS</b>			
106	96	80	10	Housing Benefit & Subsidy	(2)	1	(1)
14	12	10	2	Council tax and NNDR	(16)	-	(16)
29	24	29	4	VAT	(2)	-	(2)
89	78	95	12	RSG & BRR	5	(1)	4
93	77	90	19	Other Grants	17	1	18
-	-	239	11	Other Income	13	3	16
-	-	227	16	Money Market Transactions Received	239	11	250
				Receipt of Loans	227	16	243
411	354	835	88	<b>RECEIPTS - NORMAL ACTIVITIES</b>	481	31	512
9	7	7	2	<b>PAYMENTS</b>			
225	187	217	66	Police & Fire	-	-	-
-	-	1	-	General Creditors	(30)	(28)	(58)
115	96	92	17	RSG & BRR	(1)	-	(1)
70	58	56	11	Salaries & wages	4	2	6
52	52	463	65	Housing Benefits	2	1	3
				Money Market Transactions Paid Out	(411)	(65)	(476)
471	400	836	161	<b>PAYMENTS - NORMAL ACTIVITIES</b>	(436)	(90)	(526)
(60)	(46)	(1)	(73)	<b>NET CASH FLOW IN/(OUT)</b>	45	(59)	(14)
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, overall temporary borrowing has decreased marginally since 31<sup>st</sup> March 2016 but it is anticipated that it will increase in February and March due to the expansion of the Business Loans Fund and as capital expenditure is incurred. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying taking any new long-term borrowing to fund planned capital expenditure. The interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result, the delay in taking new long-term borrowing and the lower interest charge from Lancashire County Council mean that a favourable credit variance is once again forecast for 2016/17.

The chart of actual and forecast month-end balances shows temporary investment and borrowing levels throughout the year. The forecast shows the level of borrowing that may be required to cover planned capital expenditure up to 31<sup>st</sup> March 2017.

## Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2016/2017				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
31 Mar 16		31 Jan 17	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	818,950	30,914	819,927
65	Intangible Assets	65	-	35
22,614	Long-term Assets	28,659	6,045	33,718
	Current Assets			
45,579	Debtors	48,755	3,176	45,000
538	Inventories	537	(1)	500
12,594	Cash and cash equivalents	6,801	(5,793)	10,000
<b>869,426</b>	<b>Total Assets</b>	<b>903,767</b>	<b>34,341</b>	<b>909,180</b>
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(56,500)	15,626	(75,000)
(59,891)	Creditors	(55,785)	4,106	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(79,602)	542	(90,000)
(7,885)	Capital Grants in Advance	(7,885)	-	(7,500)
(16,143)	Provisions	(22,025)	(5,882)	(15,000)
(294,549)	Other Long Term Liabilities	(294,549)	-	(280,000)
<b>338,688</b>	<b>Total Assets less Liabilities</b>	<b>387,421</b>	<b>48,733</b>	<b>381,680</b>
(68,297)	Usable Reserves	(60,940)	7,357	(55,899)
(270,391)	Unusable Reserves	(326,481)	(56,090)	(325,781)
<b>(338,688)</b>	<b>Total Reserves</b>	<b>(387,421)</b>	<b>(48,733)</b>	<b>(381,680)</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 Payments Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRSs). Temporary investments are included within cash and cash equivalents along with bank balance and cash in hand. Usable reserves include unallocated General Fund reserves and earmarked revenue reserves. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

From 1<sup>st</sup> April 2016 local authorities were told that they must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and had been brought onto the balance sheet in previous months under Property, Plant and Equipment for 2016/17. However, on 14<sup>th</sup> November 2016, CIPFA took the decision to delay the implementation of the accounting for Highways Network Asset until 2017/18. Therefore, these amounts have now been removed from the balance sheet.

Over the 10-month period there has been an increase in spend on capital schemes included within Property, Plant and Equipment of £30.9m and a decrease in short term borrowing of £15.6m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme. Long-term assets have increased by £6m due to the purchase of equity in Blackpool Housing Company and loans being issued to Blackpool Transport Services and Blackpool Housing Company.