

# Public Document Pack

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Dear Councillor

## **EXECUTIVE - MONDAY, 12TH SEPTEMBER, 2016**

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 12th September, 2016 meeting of the Executive, forwarded to Members under separate cover.

<b>Agenda No</b>	<b>Item</b>
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8	<b><u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2016/2017 (Pages 1 - 48)</u></b>
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Yours sincerely

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**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**12 SEPTEMBER 2016**

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**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 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 3 months of 2016/17, i.e. the period to 30 June 2016, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

**2. Report Format**

- 2.1 Separate reports have been prepared for each of the Council's core areas of responsibility:
- Appendix 3a - Chief Executive
  - Appendix 3b - Deputy Chief Executive (now disaggregated)
  - Appendix 3c - Governance and Partnership Services
  - Appendix 3c/d - Ward Budgets
  - Appendix 3e - Resources
  - Appendix 3f - Places
  - Appendix 3g - Strategic Leisure Assets
  - Appendix 3h - Community and Environmental Services
  - Appendix 3i - Adult Services
  - Appendix 3j - Children's Services
  - Appendix 3k - Public Health
  - Appendix 3l - Budgets Outside the Cash Limit.

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 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 breakeven budget, the Executive agreed at its meeting on 23<sup>rd</sup> May 2016 to write-off all service overspends and carry forward the 2015/16 underspends of £279k on Ward Budgets (£246k), Governance and Partnership Services (£19k) and Community & Environmental Services (£14k).

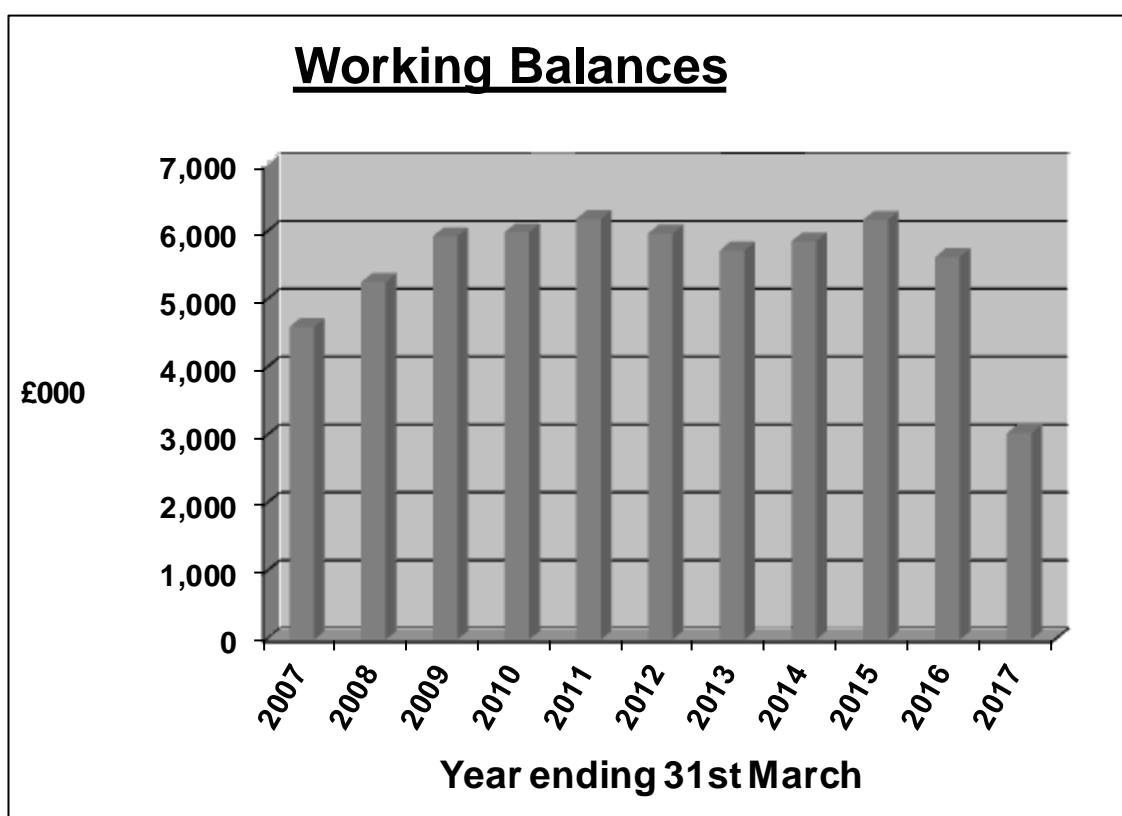
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 3 forecast overspend of £2,592k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £2,021k is forecast. Children's Social Care is forecast to overspend by £2,025k, £1,334k is due to increases in the numbers and average placement cost of Looked After Children (LAC) and £691k is due to a shortfall in meeting the challenging 2016/17 Priority Led Budgeting (PLB) savings target of £1,222k. There are overspends in the Education Services Grant of £86k due to the anticipated loss of funding arising from in-year academy conversions and Lifelong Learning and Schools of £42k. These are mitigated by savings of £113k in Early Help for Children and Families and the Local Services Support Grant of £19k.	2,021
Resources	Property Services is forecasting a £480k overspend based on the current pace of property rationalisation and pressure from rental income within the Central Business District. Other pressures within the directorate are mainly due to staffing costs and income pressures, but these have been mitigated by savings of £55k in Procurement and Development and £38k in Revenues, Benefits and Exchequer Services.	418
Places	The Directorate has a pressure of £364k. Print Services is forecasting an overspend of £86k due to an income target that needs to be reviewed as part of a wider service review. Cultural Services is expecting a £63k overspend due to a shortfall in funding the Grundy Art Gallery. Other pressures include staffing pressures of £63k in the Planning Department, prudential borrowing costs relating to the Foxhall Village development of £30k and unidentified savings of £122k in Visitor Economy.	364

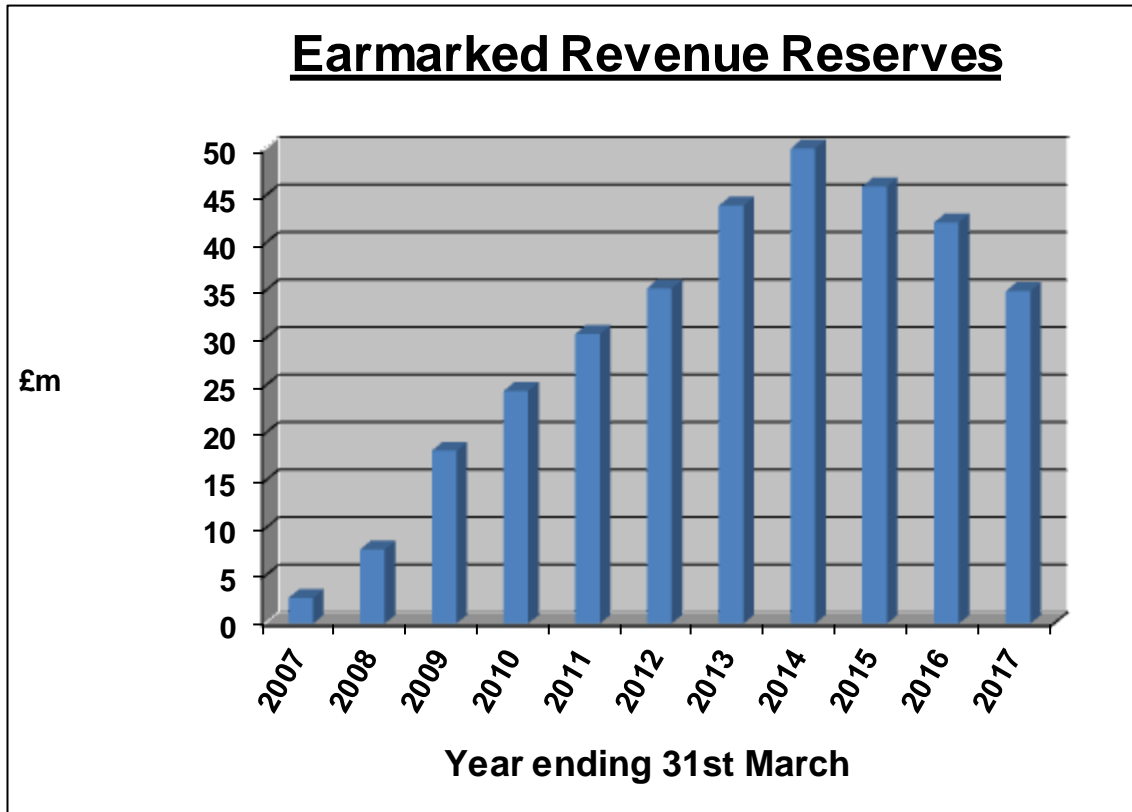
Community and Environmental Services	Street Cleansing and Waste has a pressure of £183k due mainly to a decrease in income from recycling waste arising from a downturn in the recycle market and higher staffing costs. The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants with the risk being covered against the specific Waste PFI reserve. Highways and Traffic Management Services are over budget by £104k due to pressures of £68k on Shelter income and £36k on vehicles due to the provision for future replacements. Public Protection has a forecast pressure of £67k due to the South Beach Selective Licensing Scheme. Integrated Transport is forecasting an overspend of £48k due to pressures on the public transport contracts. These are mitigated by an underspend of £93k in Leisure and Catering due to savings in provisions.	308
Governance and Partnership Services	An overspend of £107k is forecast. The Community Engagement and Equalities division is forecasting a pressure of £43k due to unallocated savings and staffing costs. Corporate Legal Services is forecasting a pressure of £34k mainly due to an unachieved PLB target and an income shortfall. A pressure of £30k in Registration and Bereavement Services is due to the forecast level of demand in the Coroners and Mortuary Service.	107
Adult Services	Adult Safeguarding is forecasting an overspend of £146k 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 £101k and a pressure of £45k relating to the timing of a staffing restructure within Adults and Children's Safeguarding. These are mitigated by Adult Commissioning Placements and Care and Support who are forecasting an underspend of £136k and projected savings of £5k in the Commissioning and Contracts Team.	5
Budgets Outside the Cash Limit	The cost to the Council of supporting the Subsidiary Companies is an underspend of £8k. Parking Services is £250k down due to a challenging income target. The position has improved on month 2 due to increased optimism on patronage and reduced costs. Concessionary Fares are forecasting a pressure of £556k mainly due to increased bus patronage and the impact of fare increases. Treasury Management has a £829k favourable position due to the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.	(31)

Strategic Leisure Assets, Contingencies / Reserves	Strategic Leisure Assets is forecasting a £1,113k pressure. In accordance with the original decision for this programme by the Executive on 7 <sup>th</sup> February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast accumulative deficit as at 31 <sup>st</sup> March 2017 is £5,900k. 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. The Leisure Assets portfolio is currently forecast to breakeven, in year, during 2021/22. A review of contingencies has released £600k.	(600)
<b>Total</b>		<b>2,592</b>

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



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



#### 4. Directorate Budget Savings Performance

- 4.1 As at 30<sup>th</sup> June 2016 79% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 87% (83% 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 90% 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 3 the amount collected for Council Tax (including Police and Fire precepts) was £16.5m and the collection rate was 26.8%. This compares to £16.3m and 27.7% at the same point in 2015/16.

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 3 the collection rate for those who have to pay Council Tax Reduction Scheme, either for the first time or in addition to a proportion of their Council Tax, is 17.3%. This compares to 19.1% 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<sup>st</sup> April 2013 Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1<sup>st</sup> April 2013 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.

At the end of month 3 the amount collected for Business Rates was £14.0m and the collection rate was 25.5%. This compares to £13.8m and 25.5% at the same point in 2015/16.

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 unaudited 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 The report includes the capital programme as approved by the Executive in February 2016 together with some additional schemes that have been approved subsequently. The month 3 report has traditionally included this data for comparative purposes. Future reports may show some changes in the capital programme, representing schemes that are not currently finalised or funding confirmed.



6.3 As at month 3 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 3 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31<sup>st</sup> March 2016 due to the change in the timing of the receipt of grant income in the first three months. 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 3. 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 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 has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,460m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

8.3 Over the 3-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £13.3m and an increase in cash and cash equivalents of £7.5m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.

## 9. Conclusion and Recommendations

- 9.1 This is the first formal detailed directorate report of the 2016/17 financial year. Although an improvement upon the internally-reported forecasts as at months 1 and 2, which are typically too early in the year to make any precise assessment, the Council is still predicting a significant deterioration in its financial standing in comparison with Budget. Working balances are estimated to fall by £2,592k against the budgeted position over the year. This fall is in the context of the unaudited working balances at the start of the year of £5,636k, a reduction of 46.0%.
- 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 neither 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 9 months of the financial year remaining there should still be sufficient time to redress the position and revised service and financial plans are underway to do so.

- 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, Concessionary Fares and the Investment Portfolio.

Steve Thompson  
Director of Resources

## 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 - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
3(a)	CHIEF EXECUTIVE	(40)	43	(83)	(40)	-	-
3(b)	DEPUTY CHIEF EXECUTIVE'S DIRECTORATE	-	-	-	-	-	-
3(c)	GOVERNANCE & PARTNERSHIP SERVICES	1,667	686	1,088	1,774	107	(19)
3(c/d)	WARD BUDGETS	516	29	487	516	-	(246)
3(e)	RESOURCES	2,835	360	2,893	3,253	418	-
3(f)	PLACES	4,227	(5,598)	10,189	4,591	364	-
3(g)	STRATEGIC LEISURE ASSETS	1,289	(1,029)	3,431	2,402	1,113	-
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	43,541	(4,007)	47,856	43,849	308	(14)
3(i)	ADULT SERVICES	45,663	6,231	39,437	45,668	5	-
3(j)	CHILDREN'S SERVICES	37,722	1,038	38,705	39,743	2,021	-
3(k)	PUBLIC HEALTH	4	8,442	(8,438)	4	-	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	16,176	2,557	13,588	16,145	(31)	-
	CAPITAL CHARGES	(26,945)	(6,736)	(20,209)	(26,945)	-	-
	<b>NET COST OF SERVICES:</b>	<b>126,655</b>	<b>2,016</b>	<b>128,944</b>	<b>130,960</b>	<b>4,305</b>	<b>(279)</b>
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(5,313)	-	(6,426)	(6,426)	(1,113)	
	- 2015/16 SERVICE UNDERSPENDS	(279)	-	(279)	(279)	-	
	- REVENUE CONSEQUENCES OF CAPITAL CONTINGENCIES	85	-	85	85	-	
	NW REGIONAL FLOOD DEFENCE LEVY	1,786	-	1,186	1,186	(600)	
	CONTRIBUTIONS, etc.	65	-	65	65	-	
		<b>(3,656)</b>	<b>-</b>	<b>(5,369)</b>	<b>(5,369)</b>	<b>(1,713)</b>	
	<b>TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS</b>	<b>122,999</b>	<b>2,016</b>	<b>123,575</b>	<b>125,591</b>	<b>2,592</b>	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,592)	(2,592)	(2,592)	
	<b>NET REQUIREMENT AFTER WORKING BALANCES</b>	<b>122,999</b>	<b>2,016</b>	<b>120,983</b>	<b>122,999</b>	<b>-</b>	
<b>GENERAL BALANCES AS AT 1st APRIL 2016 PER UNAUDITED STATEMENT OF ACCOUNTS 2015/16</b>							<b>5,636</b>
In-year (reduction in) / addition to General Fund Working Balances							(2,592)
<b>ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017</b>							<b>3,044</b>

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# Blackpool Council

## Schedule of Service forecast annual overspendings over the last 12 months

Directorate	Service	Audit Committee Report	July 2015 £000	Aug 2015 £000	Sept 2015 £000	Oct 2015 £000	Nov 2015 £000	Dec 2015 £000	Jan 2016 £000	Feb 2016 £000	Mar 2016 £000	Apr 2016 £000	May 2016 £000	Jun 2016 £000
CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE		569	755	1,078	1,130	1,309	1,335	1,622	2,189	2,189			2,025
STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		928	959	1,078	1,246	1,246	1,306	1,473	1,503	1,503			1,113
RESOURCES	PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)		749	661	717	682	668	547	553	157	157			480
PLACES	VISITOR ECONOMY							101	110	102	102			208
COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE													183
ADULT SERVICES	ADULT SAFEGUARDING		115	126	119	119	140	146	163	231	231			146
COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES						81			149	149			104
PLACES	GROWING PLACES													93
CHILDREN'S SERVICES	EDUCATION SERVICES GRANT		1,085	1,085	1,085	1,085	1,086	1,087	1,087	1,185	1,185			86
ADULT SERVICES	CARE & SUPPORT		381		435	410	395	401	552	370	370			-
PUBLIC HEALTH	CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES					451	479	479	479					-
PUBLIC HEALTH	SEXUAL HEALTH SERVICES - MANDATED					378	378	378	378					-
ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS		629	634	209									-
PUBLIC HEALTH	SUBSTANCE MISUSE (DRUGS AND ALCOHOL)					350	350	350	350					-
CHILDREN'S SERVICES	CHILDRENS SAFEGUARDING		99	98	110	116	117	155	145					-
CHILDREN'S SERVICES	LOCAL SERVICES SUPPORT GRANT		104	104	104	104	104	104	104					-
COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT		155	149	161	167								-
CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS				75	128	133	91	97					-
COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING				148	148	96							-
GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES									84	84			-
	<b>Sub Total</b>		<b>4,814</b>	<b>4,571</b>	<b>5,319</b>	<b>6,514</b>	<b>6,582</b>	<b>6,480</b>	<b>7,113</b>	<b>5,970</b>	<b>5,970</b>	-	-	<b>4,438</b>
	Transfer to Earmarked Reserves (note 3)		(928)	(959)	(1,078)	(1,246)	(1,246)	(1,306)	(1,473)	(1,503)	(1,503)	-	-	(1,113)
	Other General Fund (under) / overspends		(414)	(445)	(679)	(2,012)	(1,928)	(2,511)	(2,772)	(3,915)	(3,915)	-	-	(733)
	<b>Total</b>		<b>3,472</b>	<b>3,167</b>	<b>3,562</b>	<b>3,256</b>	<b>3,408</b>	<b>2,663</b>	<b>2,868</b>	<b>552</b>	<b>552</b>	-	-	<b>2,592</b>

### Notes:

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

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

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

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## Blackpool Council - Chief Executive

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	612	97	515	612	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(728)	(64)	(664)	(728)	-	-
CORPORATE DELIVERY UNIT	76	10	66	76	-	-
<b>TOTALS</b>	<b>(40)</b>	<b>43</b>	<b>(83)</b>	<b>(40)</b>	<b>-</b>	<b>-</b>

### Commentary on the key issues:

#### Directorate Summary

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 3 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 – Deputy Chief Executive’s Directorate**

### **Directorate Summary**

Following the departure of the Deputy Chief Executive this directorate has been disestablished with the teams moving to other directorates.

### **Human Resources, Communication and Engagement**

Broadly this area has moved to the Chief Executive with Payroll and Health and Safety teams moving to Resources, and Community Engagement and Equalities moving to Governance and Partnership Services.

### **Business Support and Resources**

This service has mainly moved to Children’s Services, with Systems moving to Resources.

### **Information and Communication Technology**

This service has moved to Resources.

### **Budget Holder – Budgets redistributed**

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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 - JUN £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	2,133	500	1,633	2,133	-	(19)
CORPORATE LEGAL SERVICES	(336)	110	(412)	(302)	34	-
REGISTRATION AND BEREAVEMENT SERVICES	(382)	15	(367)	(352)	30	-
COMMUNITY ENGAGEMENT & EQUALITIES	252	61	234	295	43	-
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>	<b>1,667</b>	<b>686</b>	<b>1,088</b>	<b>1,774</b>	<b>107</b>	<b>(19)</b>
WARDS	516	29	487	516	-	(246)
<b>TOTALS</b>	<b>2,183</b>	<b>715</b>	<b>1,575</b>	<b>2,290</b>	<b>107</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 3 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), Governor Services (from Children's Services) and Community Engagement and Equalities (transferred from the former Deputy Chief Executive's directorate). The Licensing Service has transferred to Community and Environmental Services.

#### 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

There is a pressure of £34k mainly due to a £32k unachieved Priority Led Budgeting (PLB) target and an income shortfall.

#### Registration and Bereavement Service

The Registration and Bereavement Service is forecasting a pressure of £30K. This is due to the forecast level of demand in the Coroners and Mortuary Service and has reduced from month 2 due to additional income expected.

### **Community Engagement & Equalities**

The Community Engagement and Equalities Service is forecasting a pressure of £43K for the year due to unallocated savings and staffing costs.

### **Ward Budgets**

Ward budgets are expected to break-even in 2016/17.

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

**Blackpool Council  
Ward Budgets  
2016/17  
Month 3**

## 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	0	0	0	0	£28,312.71	£200.00	£28,112.71
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	3	3	0	3	£21,273.94	£10,636.06	£10,637.88
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	2	2	0	2	£16,697.54	£5,450.00	£11,247.54
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	0	0	0	0	£28,982.55	£0.00	£28,982.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	1	1	0	1	£19,394.14	£10,695.73	£8,698.41
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	3	3	0	3	£26,764.39	£7,522.50	£19,241.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	0	0	0	0	£28,018.81	-£12,500.00	£40,518.81
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	0	0	0	0	£29,800.00	£7,940.00	£21,860.00
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	2	2	0	2	£25,413.77	£3,507.52	£21,906.25
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	1	1	0	1	£36,530.09	£5,880.00	£30,650.09
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	2	2	0	2	£21,091.00	£8,963.08	£12,127.92
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	2	2	0	2	£34,963.08	£7,991.78	£26,971.30
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	1	1	0	1	£38,495.41	£22,860.00	£15,635.41
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	2	2	0	2	£30,493.68	£10,000.00	£20,493.68
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	0	0	0	0	£21,608.91	£1,961.00	£19,647.91
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	1	1	0	1	£30,896.00	£4,660.00	£26,236.00
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	2	2	0	2	£36,657.78	£15,803.93	£20,853.85
Tyldesley Ward BC1018	Cllr. Matthews	1	1	0	1	£29,171.66	£4,855.60	£24,316.06
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	1	1	0	1	£24,586.66	£5,000.00	£19,586.66
Warbreck Ward BC1020	Cllr. Brown Cllr. Scott	0	0	0	0	£21,364.07	£2,200.00	£19,164.07
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	3	3	0	3	£28,115.00	£6,160.00	£21,955.00

<b>Ward Totals</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>£578,631.19</b>	<b>£129,787.20</b>	<b>£448,843.99</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>27</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>£516,000.00</b>	<b>£129,787.20</b>	<b>£386,212.80</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
	ADJUSTED CASH LIMITED BUDGET £000	2016/17			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
<b>RESOURCES</b>						
<b>NET EXPENDITURE</b>						
PROCUREMENT & DEVELOPMENT	(11)	41	(107)	(66)	(55)	-
REVENUES, BENEFITS & EXCHEQUER SERVICES	303	(2,903)	3,168	265	(38)	-
CUSTOMER FIRST	(61)	149	(202)	(53)	8	-
ICT SERVICES	200	50	143	193	(7)	-
ACCOUNTANCY	(167)	169	(336)	(167)	-	-
RISK SERVICES	73	(12)	115	103	30	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,498	2,866	112	2,978	480	-
<b>TOTALS</b>	<b>2,835</b>	<b>360</b>	<b>2,893</b>	<b>3,253</b>	<b>418</b>	<b>-</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 3 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 Development

- The favourable variance of £55k is due to an over-achievement against current and prior years' Priority Led Budgeting (PLB) targets in respect of staff savings and additional income.

#### Revenues, Benefits and Exchequer Services

- The service is forecast to meet its savings requirement in 2016/17 due to a combination of staff savings and additional income.

#### Customer First

- Customer First is forecasting a £8k pressure in 2016/17. The majority of this pressure falls within the staffing budget due to the need to channel as many staff as possible to answer the phones and the extra duties involved in staffing the reception at Bickerstaffe House.

#### ICT Services

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

### **Accountancy**

- Accountancy services are forecasting to achieve the Priority Led Budgeting savings targets and end the financial year in a break even position.

### **Risk Services**

- Risk Services is forecasting a pressure of £30k, however, income estimates are currently at prudent levels and the service is targeting a break even position at year end.

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

- Property Services is forecasting an overspend of £480k. 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.

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

After 3 months of the financial year, Resources is forecasting a £418k 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 - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>PLACES</b>						
<b>NET EXPENDITURE</b>						
CULTURAL SERVICES	(64)	(2,217)	2,216	(1)	63	-
ECONOMIC DEVELOPMENT	79	(2,345)	2,424	79	-	-
GROWING PLACES	468	(657)	1,218	561	93	-
VISITOR ECONOMY	3,744	(379)	4,331	3,952	208	-
<b>TOTALS</b>	<b>4,227</b>	<b>(5,598)</b>	<b>10,189</b>	<b>4,591</b>	<b>364</b>	<b>-</b>

### Commentary on the key issues:

#### Directorate Summary

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 £364k overspend is based upon actual financial performance for the first 3 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 £63k overspend by the year-end due to a shortfall in funding of the Grundy Art Gallery.

#### Growing Places

This service is expecting a £93k overspend by the year-end. This is due to a combination of staffing pressures of £63k in the Planning Department and prudential borrowing costs of £30k in Housing for the Foxhall Village development.

#### Visitor Economy

This service is expecting a £208k overspend by the year-end. £86k is due to low income in Print Services that needs to be reviewed as part of a wider review of how the service is used corporately and savings of £122k that have not yet been identified within the department.

**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	15/16 (UNDER)/OVER SPEND B/FWD  £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR -JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,289	(1,029)	3,431	2,402	1,113	-
<b>TOTALS</b>	<b>1,289</b>	<b>(1,029)</b>	<b>3,431</b>	<b>2,402</b>	<b>1,113</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 3 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 £1,113k, taking the forecast cumulative deficit as at 2016/17 year end to £5,900k. This position incorporates the increased debt financing costs associated with both the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile.

The Leisure Asset portfolio is currently forecast to breakeven, 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 - JUN £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	1,007	84	922	1,006	(1)	(14)
LEISURE AND CATERING	4,291	(123)	4,321	4,198	(93)	-
PUBLIC PROTECTION	(303)	(2,327)	2,091	(236)	67	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,114	(735)	15,953	15,218	104	-
STREET CLEANSING AND WASTE	18,653	(585)	19,421	18,836	183	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,334	(90)	4,424	4,334	-	-
INTEGRATED TRANSPORT	445	(231)	724	493	48	-
<b>TOTALS</b>	<b>43,541</b>	<b>(4,007)</b>	<b>47,856</b>	<b>43,849</b>	<b>308</b>	<b>(14)</b>

### Commentary on the key issues:

#### Directorate Summary

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 3 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

The service is under budget by £1k due to savings on supplies and services.

#### Leisure and Catering

An underspend of £93k is forecast due to savings on provisions.

#### Public Protection

Public Protection is over budget by £67k due to a forecast pressure at the end of the South Beach Selective Licensing Scheme.

#### Highways and Traffic Management Services

The service is over budget by £104k due to a net pressure of £36k on vehicles due to the provision for future replacements and a £68k pressure on Shelters, mainly due to income. The position has improved due to the net Project 30 insurance pressure being covered corporately.

### **Street Cleansing and Waste**

Street Cleansing and Waste is over budget by £183k, mainly due to pressures at the Household Waste Recycling Centre (HWRC). This is because of a decrease in the level of income forecast from recycling waste which is due to a downturn in the recycle markets and higher staffing costs. Previous pressures have been covered off by additional income.

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

### **Coastal and Environmental Partnerships**

The previous staff savings have been utilised to fund costs associated with the Blue Flag scheme.

### **Integrated Transport**

Integrated Transport is £48k over budget due to a pressure on public transport contracts.

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

As at the end of month 3 the Community and Environmental Services Directorate is forecasting an overall overspend of £308k 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.

**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 - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>ADULT SERVICES</b>						
<b>NET EXPENDITURE</b>						
ADULT SOCIAL CARE	3,664	1,326	2,338	3,664	-	-
CARE & SUPPORT	5,419	1,967	3,457	5,424	5	-
COMMISSIONING & CONTRACTS TEAM	1,067	68	994	1,062	(5)	-
ADULT COMMISSIONING PLACEMENTS	35,051	3,105	31,805	34,910	(141)	-
ADULT SAFEGUARDING	462	(235)	843	608	146	-
<b>TOTALS</b>	<b>45,663</b>	<b>6,231</b>	<b>39,437</b>	<b>45,668</b>	<b>5</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 3 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) and Care and Support

- Adults Commissioning Placements Budget is close to break-even with a forecast £141k underspend on a £35m budget.

#### Adult Safeguarding

- The Adults Safeguarding Division is forecast to be £146k overspent, with £101k 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 £45k 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 June 2016 the Adult Services Directorate is forecasting an overall overspend of £5k for the financial year to March 2017 on a gross budget of £67.3m.

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

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## Blackpool Council – Children’s Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUNE £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	20,899	6,216	14,683	20,899	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	250	-	263	263	13	-
LIFELONG LEARNING & SCHOOLS	22,073	5,669	16,487	22,156	83	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	12	236	248	(49)	-
CHILDREN'S SOCIAL CARE	116	29	87	116	-	-
CHILDREN'S STRATEGY AND SUPPORT	368	91	277	368	-	-
DEDICATED SCHOOL GRANT	(44,811)	(14,948)	(29,863)	(44,811)	-	-
CARRY FORWARD OF DSG	(192)	-	(239)	(239)	(47)	-
<b>TOTAL DSG FUNDED SERVICES</b>	<b>(1,000)</b>	<b>(2,931)</b>	<b>1,931</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>
CHILDRENS SERVICES DEPRECIATION	3,399	-	3,399	3,399	-	-
LIFELONG LEARNING & SCHOOLS	3,768	(318)	4,128	3,810	42	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,780	(1,111)	4,778	3,667	(113)	-
CHILDREN'S SOCIAL CARE	25,413	5,420	22,018	27,438	2,025	-
CHILDRENS SAFEGUARDING	1,414	178	1,236	1,414	-	-
CHILDREN'S STRATEGY AND SUPPORT	1,822	3	1,819	1,822	-	-
LOCAL SERVICES SUPPORT GRANT	-	(5)	(14)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(198)	(590)	(788)	86	-
<b>TOTAL COUNCIL FUNDED SERVICES</b>	<b>38,722</b>	<b>3,969</b>	<b>36,774</b>	<b>40,743</b>	<b>2,021</b>	<b>-</b>
<b>TOTAL CHILDREN'S SERVICES</b>	<b>37,722</b>	<b>1,038</b>	<b>38,705</b>	<b>39,743</b>	<b>2,021</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 3 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, 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.

#### Early Help for Children and Families

- The Early Help division is forecasting a £113k underspend due to staff vacancies and a saving on the Domestic Abuse contract.

## Children's Social Care

- Several commissioning reviews are ongoing 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 £691k due to the ongoing implementation of the review recommendations. Further increases in the numbers of Looked After Children and the average placement cost have led to additional pressures of £1.334m giving a total forecast overspend of £2.025m. A breakdown of the budgeted, current and projected placements is shown in the table below:

IFA budgeted numbers (fte)		65.0
IFA current (headcount)		79.0
IFA projected numbers (fte)		73.8
Increased numbers pressure	£	454,680
Increased placement cost pressure	£	6,380
Independent Fostering Agency Over Spend	£	461,060
<hr/>		
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		32.0
Resi projected numbers (fte)		25.6
Increased numbers pressure	£	606,000
Increased placement cost pressure	£	266,700
Residential Over Spend	£	872,700
<hr/>		
Total Placement Over Spend	£	1,333,760

- In 2015/16 Blackpool had the highest number of care cases issued per 10,000 of child population in England and Wales at 3.5 times the national figure. Care proceedings are continuing to rise from 107 last year to a projected figure of 150 for 2016/17.

## 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 £86k 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

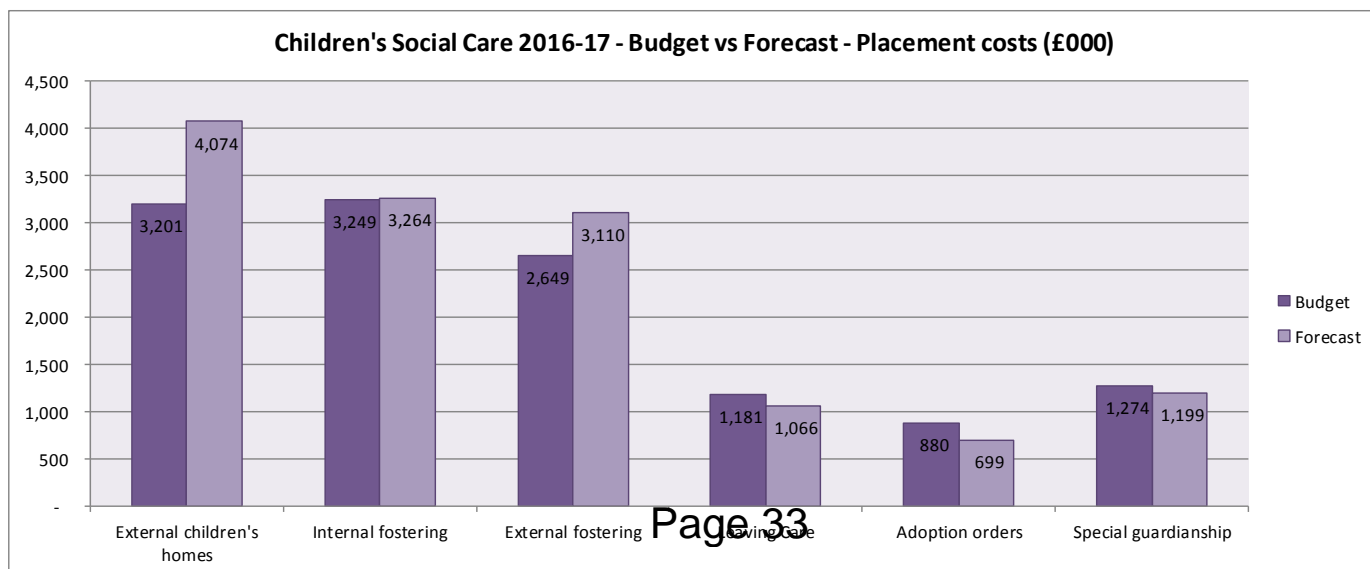
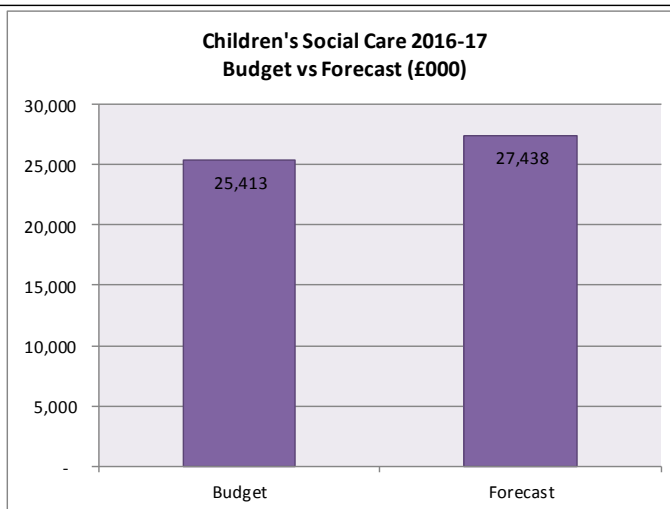
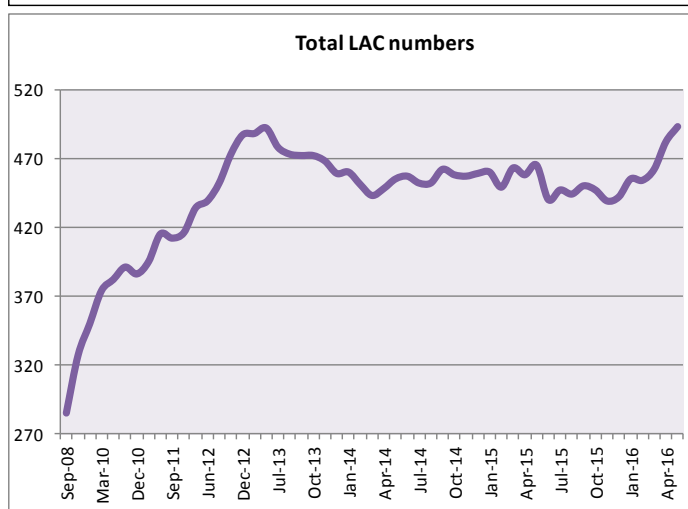
As at the end of June 2016 the Children's Services Directorate is forecasting an overspend of £2.021m for the financial year to March 2017.

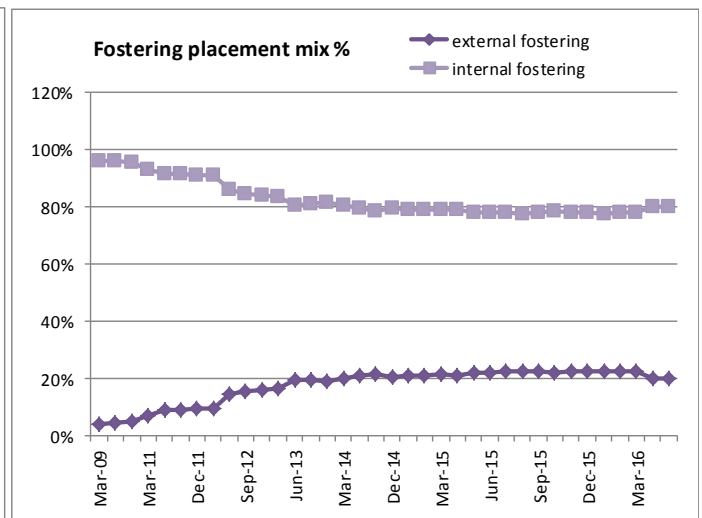
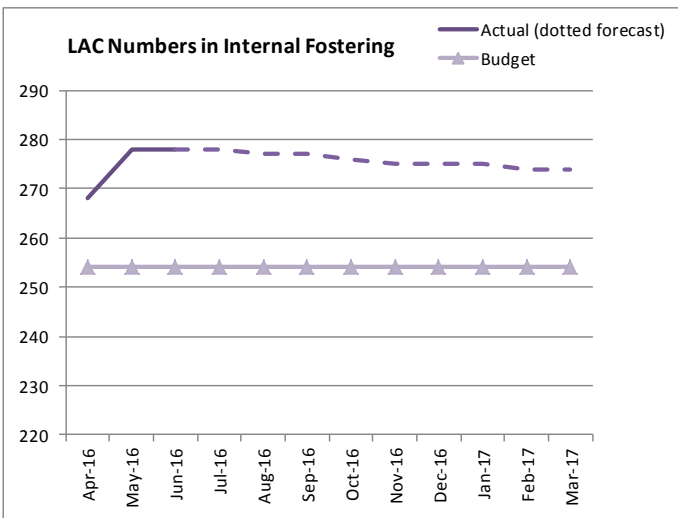
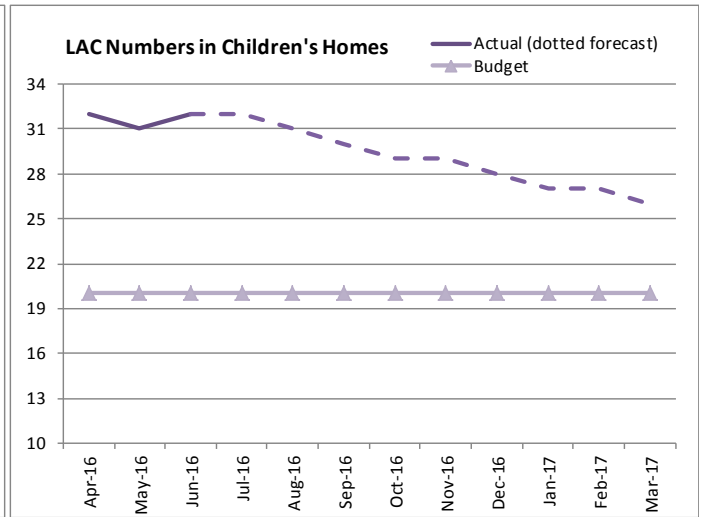
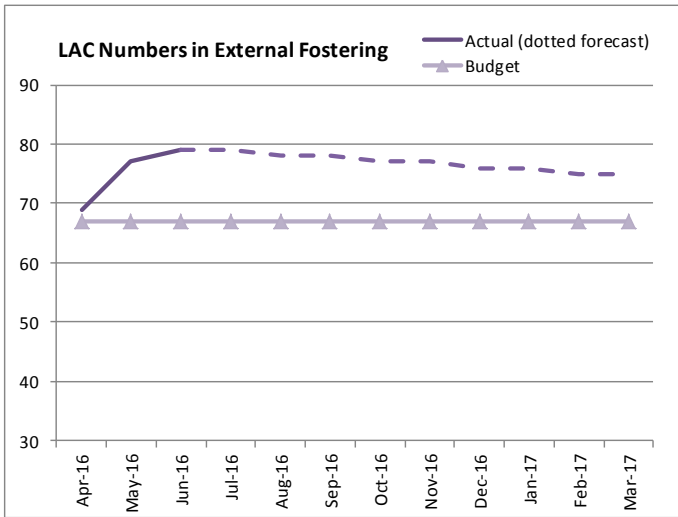
**Budget Holder – Mrs D Curtis, Director of People (Statutory Director of Children's Services)**

Children's Social Care Trends

Date	External Placements						Total			Internal Fostering			Total LAC Numbers
	Fostering			Residential			FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.
	FTE	£000's	£ per placement	FTE	£000's	£ per placement							
Dec-08	8.67	411	47,453	27.50	2,624	95,423	36.17	3,035	83,926	no data	no data	no data	285
Mar-09	8.77	403	45,979	28.07	2,772	98,747	36.84	3,175	86,186	208.91	2,510	12,015	323
Jul-09	12.10	466	38,549	40.85	4,290	105,007	52.96	4,757	89,820	no data	no data	no data	334
Mar-10	13.35	513	38,445	39.02	4,295	110,083	52.37	4,809	91,824	263.88	2,889	10,946	374
Jun-10	20.43	765	37,428	34.20	3,473	101,534	54.63	4,237	77,563	304.83	3,357	11,012	382
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
Oct-15	70.28	2,864	40,748	26.58	3,761	141,471	96.87	6,625	68,389	251.61	3,150	12,520	447
Nov-15	71.42	2,952	41,334	25.71	3,787	147,325	97.13	6,739	69,384	248.91	3,097	12,444	439
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	274.85	3,264	11,874	493

**Note:**  
The variance between the current total number of Looked After Children (493) and the total internal fostering and external placement numbers (369) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





## Blackpool Council – Public Health

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £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	1,837	613	1,224	1,837	-	-
NHS HEALTH CHECKS - MANDATED	556	333	223	556	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,113	2,487	626	3,113	-	-
TOBACCO CONTROL	565	64	501	565	-	-
MENTAL HEALTH AND WELLBEING	24	2	22	24	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,345	1,661	684	2,345	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	1,074	2,672	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	178	48	130	178	-	-
OTHER PUBLIC HEALTH SERVICES	204	180	24	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	6,106	6,106	-	6,106	-	-
GRANT	(19,392)	(4,848)	(14,544)	(19,392)	-	-
<b>TOTALS</b>	<b>4</b>	<b>8,442</b>	<b>(8,438)</b>	<b>4</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 3 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the services leads.

#### Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced until March 2017.

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 June 2016, the Public Health Directorate is forecasting an overall spend of the full grant, £19,392,000, for the financial year to March 2017.

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

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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 - JUN £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	13,109	3,070	9,210	12,280	(829)	-
PARKING SERVICES	(3,738)	(542)	(2,946)	(3,488)	250	-
CORPORATE SUBSCRIPTIONS	192	71	121	192	-	-
HOUSING BENEFITS	1,884	465	1,419	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	77	229	306	-	-
SUBSIDIARY COMPANIES	(910)	77	(995)	(918)	(8)	-
CONCESSIONARY FARES	3,834	(874)	5,264	4,390	556	-
LAND CHARGES	(48)	(58)	10	(48)	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	795	2,395	3,190	-	-
NEW HOMES BONUS	(1,643)	(524)	(1,119)	(1,643)	-	-
<b>TOTALS</b>	<b>16,176</b>	<b>2,557</b>	<b>13,588</b>	<b>16,145</b>	<b>(31)</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 3 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 £829k 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 £250k. This figure reflects the ongoing challenging income target. It has improved on month 2 due to increased optimism on parking patronage and reduced costs. As at Week 13 (w/e 20<sup>th</sup> June) parking income is at £1,249k with patronage at 337,117. Car park patronage is down by 40,434, however income is up by £10,902 on 2015/16. On-Street Pay and Display is down on patronage by 2,537, but up on income by £1,741.

#### Subsidiary Companies

- This service is now forecasting a favourable variance of £8k.

**Concessionary Fares**

- This service is forecasting a pressure of £556k, which mainly relates to the ongoing pressure arising from increased bus patronage and the impact of fare increases.

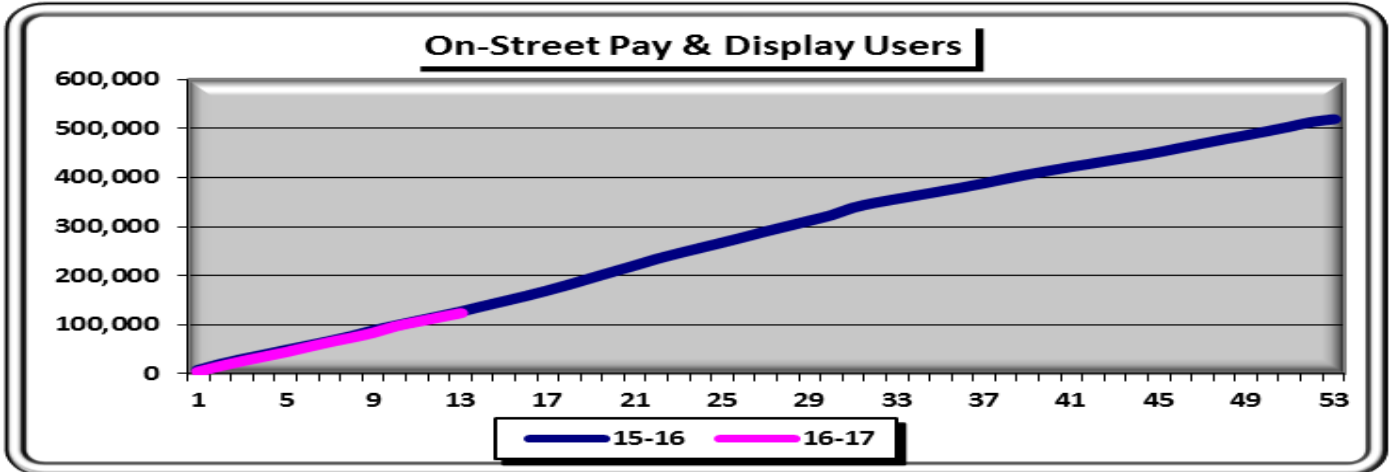
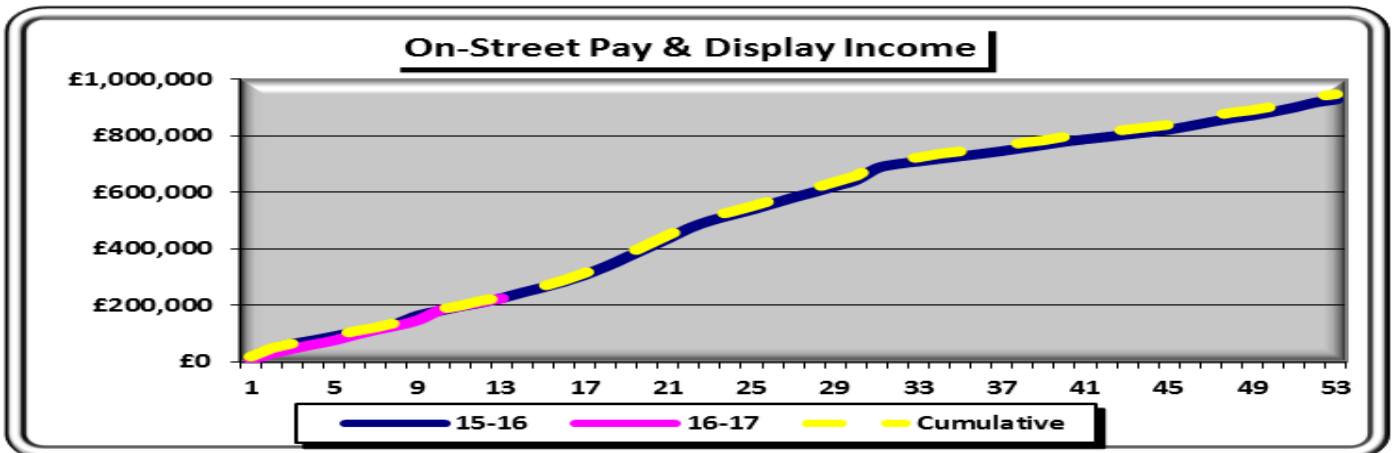
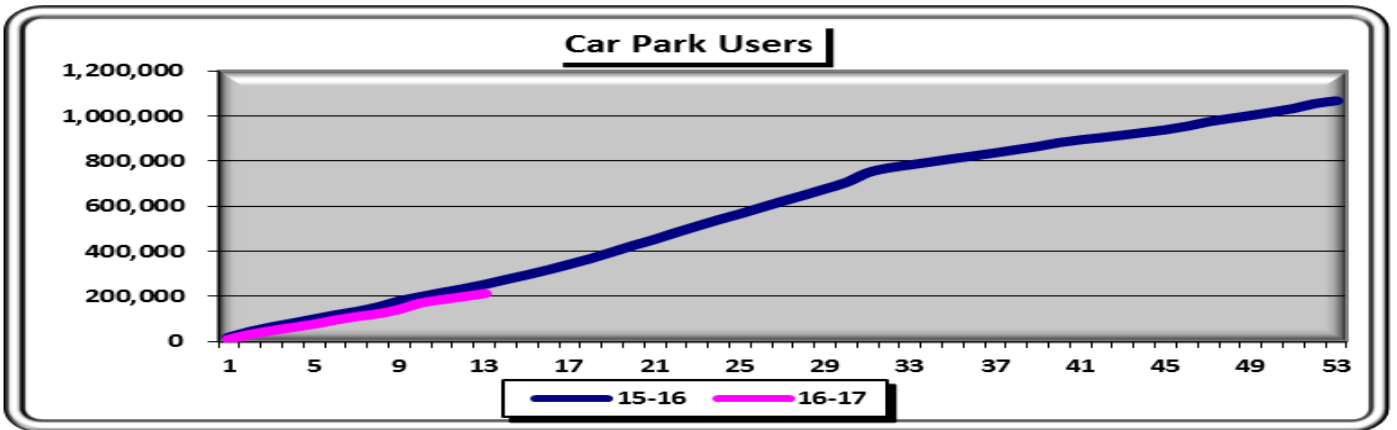
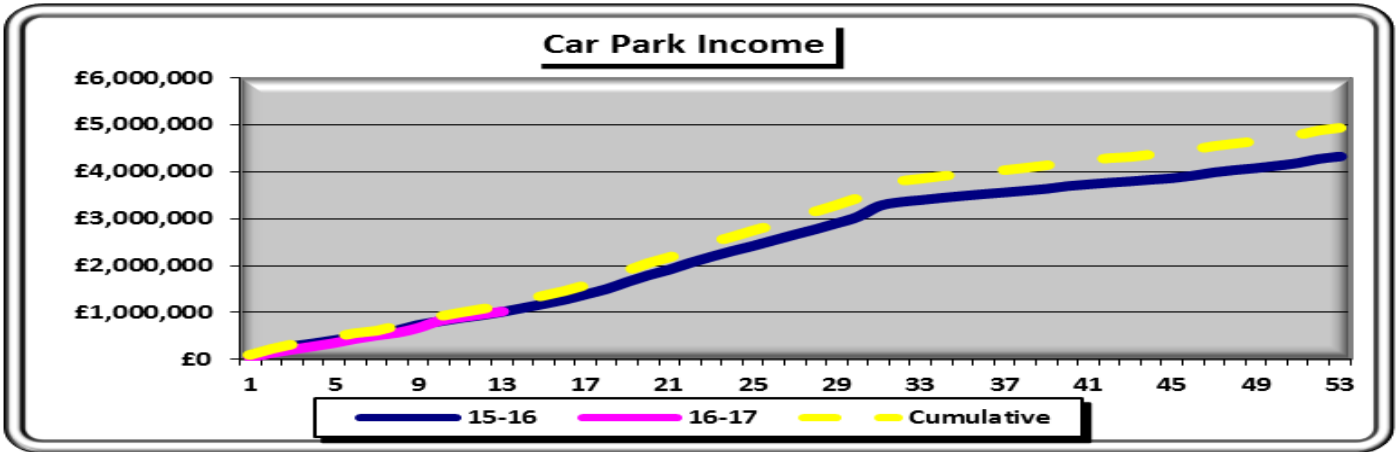
**Land Charges**

- This service is forecasting to break-even during 2016/17.

**Summary of the revenue forecasts**

After 3 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £31k underspend.





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**2016/17 CAPITAL MONITORING  
MONTH 3**

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 - June	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	(95)	215	-	
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	6,286	1,514	-	
Syndicate	1,600	1,577	(277)	300	23	6	17	-	
ICT Refresh	512	381	131	-	131	(4)	135	-	
Clifton Street Redevelopment	700	-	-	700	700	24	676	-	
Other Resources Schemes	1,002	288	625	89	714	199	515	-	
<b>Total Resources</b>	<b>67,854</b>	<b>41,458</b>	<b>17,507</b>	<b>8,889</b>	<b>26,396</b>	<b>6,416</b>	<b>3,072</b>	<b>-</b>	
<b>Director Responsible for Adult Services</b>									
Support to Vulnerable Adults - Grants	2,751	1,484	67	1,200	1,267	6	1,261	-	
Other Adult Services Schemes	2,863	1,891	972	-	972	14	958	-	
<b>Total Adult Services</b>	<b>5,614</b>	<b>3,375</b>	<b>1,039</b>	<b>1,200</b>	<b>2,239</b>	<b>20</b>	<b>2,219</b>	<b>-</b>	

**2016/17 CAPITAL MONITORING  
MONTH 3**

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 - June	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	22,363	20,821	1,542	-	1,542	1,402	2,140	-	
Coastal Protection Studies	1,451	1,221	230	-	230	10	220	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	227	133	-	133	22	111	-	
<b>Transport</b>									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	3,615	2,000	-	
Sintropher	1,690	2,780	(1,090)	-	(1,090)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	128	3,362	-	
Yeadon Way	2,597	2,597	-	-	-	-	-	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
<b>Total Community and Environmental Services</b>	<b>140,821</b>	<b>121,533</b>	<b>10,037</b>	<b>4,240</b>	<b>14,277</b>	<b>5,427</b>	<b>7,876</b>	<b>-</b>	
<b>Director Responsible for Governance and Partnership Services</b>									
Carleton Crem Building Works	1,991	1,934	57	-	57	15	42	-	
<b>Total Governance and Partnership Services</b>	<b>1,991</b>	<b>1,934</b>	<b>57</b>	<b>-</b>	<b>57</b>	<b>15</b>	<b>42</b>	<b>-</b>	

**2016/17 CAPITAL MONITORING  
MONTH 3**

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 - June	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	94	2,570	-	
Work towards Decent Homes Standard	4,274	-	-	4,274	4,274	259	4,015	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(117)	117	-	
Queens Park Redevelopment Ph2	5,000	-	-	5,000	5,000	663	4,337	-	
<b>Others</b>									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	45	443	-	
LightPool	700	600	100	-	100	10	90	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	-	3,199	-	
Tramway Extension									
Other									
<b>Transport</b>									
Local Transport Plan 2014/15	1,984	1,896	86	-	86	103	(17)	-	
Local Transport Plan Project 30 2014/15	1,050	1,050	-	-	-	-	-	-	
Local Transport Plan 2015/16	1,730	1,307	423	-	423	47	376	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	1,159	-	-	1,159	1,159	72	600	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	-	583	-	
<b>Total Place</b>	<b>108,652</b>	<b>91,793</b>	<b>5,741</b>	<b>11,116</b>	<b>16,857</b>	<b>1,179</b>	<b>16,313</b>	<b>-</b>	

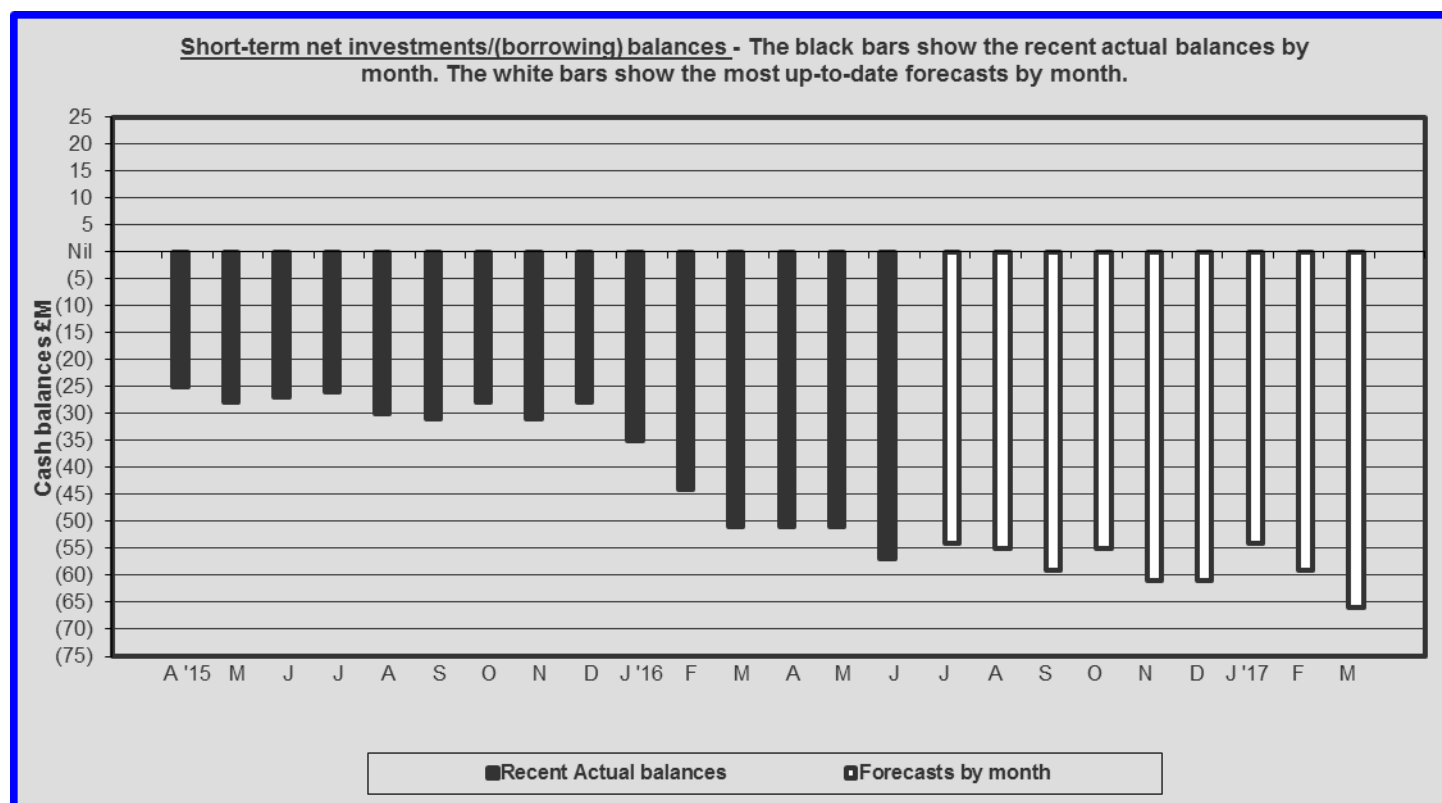
**2016/17 CAPITAL MONITORING  
MONTH 3**

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 - June	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	738	167	392	179	571	-	300	-	
Christ The King	5,160	4,830	-	320	320	5	-	-	
Christ the King PRU Refurbishment	250	251	(1)	-	(1)	-	-	-	
Westbury Feasibility Plan	519	323	196	-	196	217	-	-	
Basic Need	4,364	32	1,139	3,193	4,332	33	1,762	-	
Condition	523	-	-	523	523	-	235	-	
Other Children's Schemes	575	499	76	-	76	4	72	-	
<b>Total Childrens Services</b>	<b>12,129</b>	<b>6,102</b>	<b>1,802</b>	<b>4,215</b>	<b>6,017</b>	<b>259</b>	<b>2,369</b>	<b>-</b>	
<b>CAPITAL TOTAL</b>	<b>337,061</b>	<b>266,195</b>	<b>36,183</b>	<b>29,660</b>	<b>65,843</b>	<b>13,316</b>	<b>31,891</b>	<b>-</b>	

## Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-JUN CASH FLOW ORIGINAL BUDGET (*)	APR -JUN CASH FLOW ACTUAL	JUL - 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 - JUN MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	JUL - 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	20	19	60	<b>RECEIPTS</b>			
106	28	24	77	Housing Benefit & Subsidy	(1)	-	(1)
14	3	4	10	Council tax and NNDR	(4)	(1)	(5)
29	8	11	21	VAT	1	(1)	-
89	23	28	72	RSG & BRR	3	-	3
93	23	29	72	Other Grants	5	6	11
-	-	62	6	Other Income	6	2	8
-	-	79	34	Money Market Transactions Received	62	6	68
				Receipt of Loans	79	34	113
411	105	256	352	<b>RECEIPTS - NORMAL ACTIVITIES</b>	151	46	197
9	2	2	7	<b>PAYMENTS</b>			
225	53	79	171	Police & Fire	-	-	-
-	-	1	-	General Creditors	(26)	1	(25)
115	29	27	86	RSG & BRR	(1)	-	(1)
70	18	17	53	Salaries & wages	2	-	2
52	48	128	115	Housing Benefits	1	(1)	-
				Money Market Transactions Paid Out	(80)	(111)	(191)
471	150	254	432	<b>PAYMENTS - NORMAL ACTIVITIES</b>	(104)	(111)	(215)
<b>(60)</b>	<b>(45)</b>	<b>2</b>	<b>(80)</b>	<b>NET CASH FLOW IN/(OUT)</b>	<b>47</b>	<b>(65)</b>	<b>(18)</b>
A	B	C	D		= C less B	= D less (A-B)	

Cash - short-term net investments/(borrowing) balances:

**Commentary on Cash Movements during the year:**

The summary on the previous page provides a comparison of the actual cash receipts and payments compared to the forecasted cash receipts and payments.

During the first 3 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31<sup>st</sup> March 2016. 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
DRAFT				
31 Mar 16		30 Jun 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	2,260,990	1,472,954	2,284,927
65	Intangible Assets	35	(30)	35
22,614	Long-term Assets	22,614	-	19,000
	Current Assets			
45,579	Debtors	40,600	(4,979)	45,000
538	Inventories	604	66	250
12,594	Cash and cash equivalents	20,066	7,472	10,000
<b>869,426</b>	<b>Total Assets</b>	<b>2,344,909</b>	<b>1,475,483</b>	<b>2,359,212</b>
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(81,956)	(9,830)	(80,000)
(59,891)	Creditors	(55,400)	4,491	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(80,144)	-	(90,000)
(7,885)	Capital Grants in Advance	(7,835)	50	(7,500)
(16,143)	Provisions	(16,335)	(192)	(15,000)
(294,549)	Other Long Term Liabilities	(292,753)	1,796	(280,000)
<b>338,688</b>	<b>Total Assets less Liabilities</b>	<b>1,810,486</b>	<b>1,471,798</b>	<b>1,826,712</b>
(68,297)	Usable Reserves	(63,950)	4,347	(55,520)
(270,391)	Unusable Reserves	(1,746,536)	(1,476,145)	(1,771,192)
<b>(338,688)</b>	<b>Total Reserves</b>	<b>(1,810,486)</b>	<b>(1,471,798)</b>	<b>(1,826,712)</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 3. 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.

## Appendix 6

From 1<sup>st</sup> April 2016 local authorities 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 has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,460m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

Over the 3-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £13.3m and an increase in cash and cash equivalents of £7.5m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.