

Dear Councillor

EXECUTIVE - MONDAY, 16TH SEPTEMBER, 2019

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 16 September, 2019 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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4	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2019/20</u> (Pages 1 - 50)
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
16TH SEPTEMBER 2019

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2019/20

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 2019/20, i.e. the period to 30th June 2019, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

2. Report Format

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

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2019/20. There is an accompanying narrative to explain any areas of significant variance from budget and to

highlight any areas of potential pressure along with action plans agreed with service managers to address them.

- 2.2 The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council's Revenue Budget Book with Growth and Prosperity now shown separately from Communications and Regeneration. This summary allows proactive month-on-month monitoring of the Council's forecast working balances to be undertaken to ensure appropriate and prudent levels are maintained. Appendix 2 highlights on a 12-month rolling basis those services which trip the designated overspending reporting threshold.

3. Directorates' Budget Performance

- 3.1 As a supportive measure to give services every chance to deliver a break-even budget, the Executive agreed at its meeting on 10th June 2019 to write-off all 2018/19 service variances but carry forward the 2018/19 underspend of £80k on Ward Budgets.
- 3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 3 forecast overspend of **£6,956k** for 2019/20 are summarised below:-

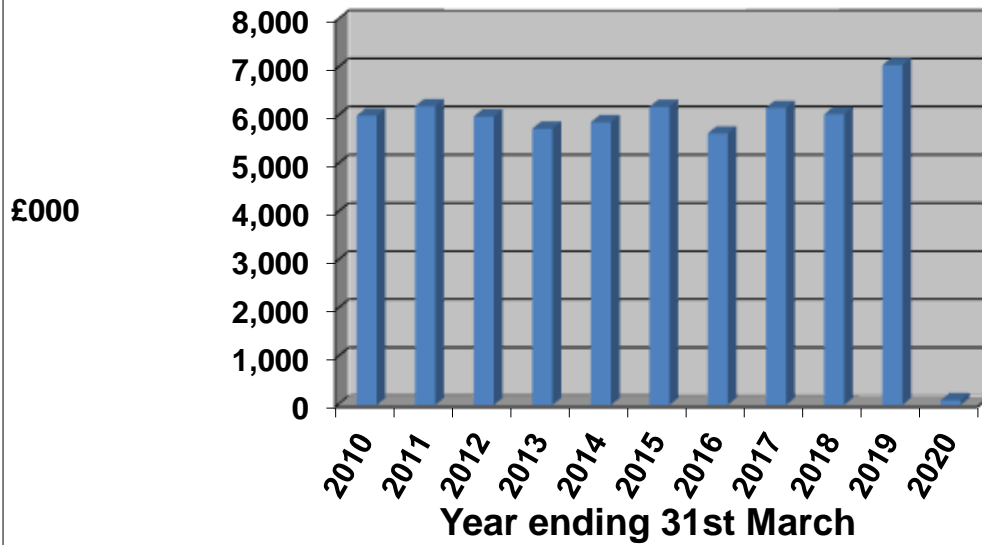
Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £8,063k is forecast. Children's Social Care is forecast to overspend by £7,789k, due to ongoing pressures relating to Looked After Children (LAC). When budgets were set, £3,570k was earmarked to cover the forecast overspend. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £3,497k. In addition to this, an amount of £3,936k is included in the forecast relating to the Directorate's Ofsted Improvement Plan, which was developed and implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year and which has resulted in the introduction of a new staffing structure for the longer term. The new structure represents a fundamental shift in the management of Children's Social Care in Blackpool – a shift from managing the problems to addressing the source of them. It proposes additional capacity to enable social workers to spend more time with children and families to build	8,063

	<p>better relationships and have more effective interventions, building on the strengths within each family and thereby preventing escalation. Independent analysis suggests that the approach should result in a long-term reduction in the number of cases open to Children's Social Care at any one time and through the year. It will also reduce the number of children on child protection plans or in the care of the Local Authority. In addition to the cost pressures described above, there is a forecast shortfall of £356k against the Troubled Families' £1m income target. By June 2019 LAC numbers stand at 580. There are overspends in Education of £577k, primarily relating to the Special Educational Needs (SEN) Transport Service which is partly due to demand pressures and partly due to the savings target of £320k that was applied in 2017/18 but not achieved. There are underspends totalling £303k in Early Help for Children and Families, Business Support and Resources and School Improvement Grant.</p>	
Budgets Outside the Cash Limit	<p>An overspend of £541k is forecast. Concessionary Fares is forecast to overspend by £675k due to the level of demand for bus and tram usage by NoW cardholders unexpectedly increasing at the end of 2018/19 after budgets were set. Parking Services is £599k down mainly due to 'on-street parking' schemes not being feasible, loss of parking spaces, Prudential borrowing costs, increased business rates and reduced income from staff parking. Treasury Management is forecasting an underspend of £699k, primarily due to the Council currently using mostly temporary borrowing to finance Prudentially-funded capital expenditure. The Business Loans Fund now has a savings target of £2,700k and there is some slippage in the loans being made to date. The cost to the Council of supporting the Subsidiary Companies is an underspend of £31k due to an expected reduction in charges mainly relating to debt management.</p>	541
Governance and Partnership Services	<p>An overspend of £39k is forecast. This is due to pressure on income relating to the cremators and Registrars Service and increased Coroner's costs within Life Events and Customer Care of £272k. This is offset by a forecast underspend on Ward budgets of £200k and savings in Democratic Governance of £33k due to vacant posts and increased income.</p>	39
Adult Services	<p>An overspend of £32k is forecast. Adult Commissioning Placements are forecasting an overspend of £63k. Net underspends totalling £31k are due to vacant posts in the Directorate.</p>	32

Communications and Regeneration	An overspend of £6k is forecast. Visitor Economy is expecting a £190k overspend due to increased event costs that currently are not expected to be covered by increased income. Economic Development is expecting an underspend of £84k which relates to a one-off release of reserves in Adult Learning. Planning is expecting an underspend of £100k due to increased income.	6
Strategic Leisure Assets	Strategic Leisure Assets is forecasting a £1,624k pressure. In accordance with the original decision for this programme by the Executive on 7 th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31 st March 2020 is £10,195k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and other unplanned maintenance, together with increased marketing and insurance costs and a revised income profile.	Net nil
Resources	An underspend of £214k is forecast. Property Services is forecasting a £115k underspend mainly due to increased income from various Council properties. Savings in Benefits and Procurement and Projects totalling £99k relate to vacancies.	(214)
Community and Environmental Services	An underspend of £262k is forecast. In-year pressures are expected to be offset by a combination of improved income, staff vacancies and the managed use of reserves.	(262)
Contingencies and Reserves	A review of Contingencies and Reserves and a release in part to General Fund of £249k. This section also assumes the release of £1m of one-off budgets across directorates as a consequence of a 1-year freeze on non-essential spend.	(1,249)
Total		6,956

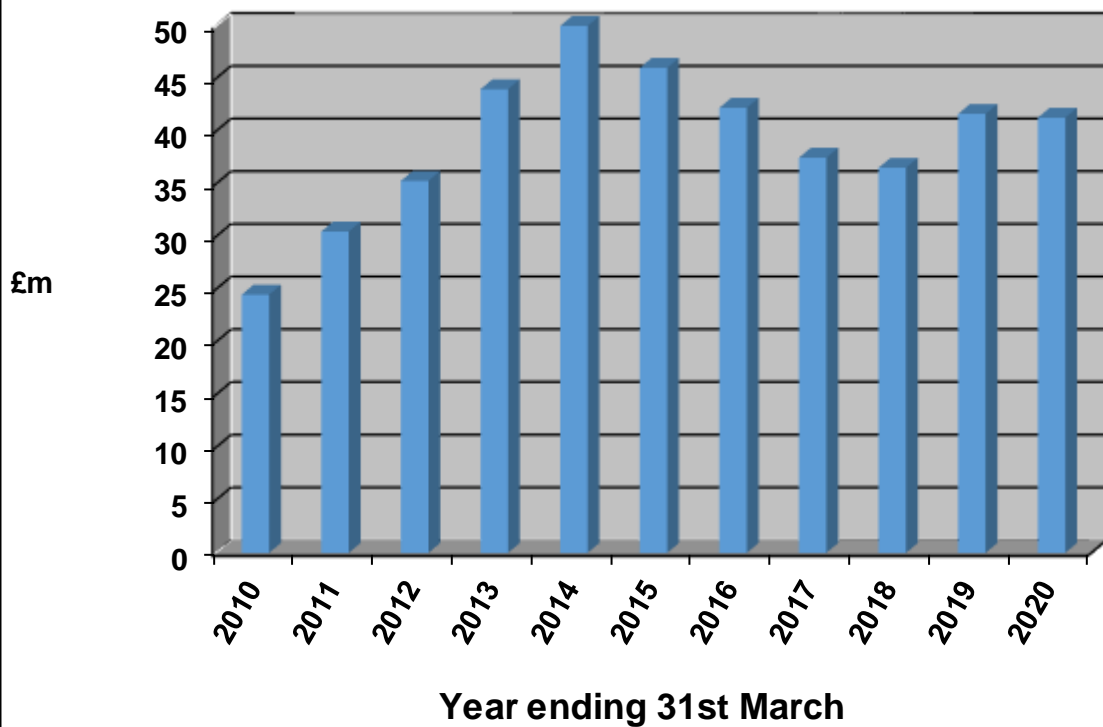
- 3.3 The graph on the next page shows the stark impact on the level of Council working balances in-year together with the last 10 years' year-end balances for comparison:

Working Balances



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

Earmarked Revenue Reserves



4. Children's Services

- 4.1 It is apparent that the demand pressures being met by Children's Services are once again the primary challenge facing the Council in its attempt to balance its Budget in-year. All other services show an aggregated net underspend of **£1,107k**.
- 4.2 This is not a local problem as catalogued in this same report throughout 2018/19. Indeed as recently as 27th August an analysis by the Local Government Association (LGA) reported that English local authorities had overspent by some £770m on children's social care during 2018/19 with a projection that this will double to £1.4bn next year.
- 4.3 The chair of the LGA Children and Young People Board was quoted that *"In order to keep children at most risk safe, councils up and down the country have been forced to find savings from non-statutory or discretionary budgets, which includes valuable early intervention and prevention support that can stop children and families reaching crisis point. This is not sustainable."*

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

- 4.4 The forecast **£7.8m** overspend on Children's Social Care represents a variance of +25% on its gross budget of £31.2m. This pressure will be difficult enough to manage in-year using working balances and reserves but if repeated (as the trajectory of demand indicates) then without significant Government investment, as recommended by the Housing, Communities and Local Government Select Committee in its report on the funding of local authorities' children's services in May 2019, the position will become impossible to reconcile against available resource.

5. Directorate Budget Savings Performance

- 5.1 As at 30th June 2019 30% of the 2019/20 savings target has been delivered.

6. Collection Rates

6.1 Council Tax

At the end of month 3 the amount collected for Council Tax (excluding Police and Fire precepts) was £14.9m and the collection rate was **26.3%**. This compares to £14.3m and 26.2% at the same point in 2018/19. The amount collected has actually risen by £0.6m which is mainly due to increases in both the Council Tax rate and base.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme the target collection rate is still 97.5% over a 4-year collection period as approved on 31st January 2019 as part of the setting of the Council Tax Base for 2019/20.

6.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1st April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means-tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided. From 1st April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. The scheme was also amended from 1st April 2018 to provide additional support for low income groups of claimants (in receipt of Income Support, Income-Based Jobseekers Allowance or Income Related Employment Support Allowance) by amending the percentage reduction applied to their award from 27.11% to 13.56%. From 1st April 2019 the scheme was further amended. At its meeting on 10th December 2018 the Executive approved the provision of additional support by amending the percentage from 27.11% to 13.56% for further low income groups of claimants or partners (in receipt of Jobseeker's Allowance Contribution Based, Main Phase Employment and Support Allowance and are in the Work Related Activity Group, Maximum Universal Credit and neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award such as an Occupational Pension or other unearned income and Universal Credit which includes either the limited capability for work and/or work-related activity). Other claimants will continue to have a 27.11% reduction applied to their award and all applicants who were protected and paid 13.56% under the previous scheme will continue to pay 13.56% when they move to Universal Credit. These have the effect of reducing the amount to be collected.

At the end of month 3 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 £0.71m and the collection rate was **20.6%**. This compares to £0.65m and 18.8% at the same point in 2018/19.

The likely impact for 2019/20 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2018/19 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

6.3 Business Rates

Prior to 1st April 2013 Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1st April 2013 to 31st March 2019 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.

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

Consequently, from 1st April 2019 the income relating to Blackpool is shared between central government (25%), the Council (73.5%) and the Fire Authority (1.5%).

At the end of month 3 the amount collected for Business Rates was £12.7m and the collection rate was **25.7%**. This compares to £12.7m and 25.4% at the same point in 2018/19. Changes resulting from the introduction of new reliefs from 1st April 2019 are offset by S31 grants.

From April 2014 Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay. However, 392 business rate summonses were issued in the 3 months to the end of June 2019.

The Business Rate cumulative deficit as at 31st March 2019 was £2,310k. The Council's share of this is £1,132k (49%).

7. Capital Monitoring Performance

- 7.1 All active capital schemes have been included within Appendix 4. The purpose is to present the overall position of capital spend. The schemes are shown individually where total scheme budget is greater than £500k and grouped as “other schemes” otherwise. As in previous financial years the emphasis regarding capital monitoring will be on scheme variance rather than in-year progress since many schemes cross financial years such as the major housing developments. Therefore, some degree of flexibility for the management of slippage is necessary in order to balance the overall capital programme each year to the funding allocations available.
- 7.2 The report includes the capital programme as approved by the Executive in February 2019. 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 were approved after submission of the 2019/20 capital programme.
- 7.3 As at month 3 an overspend of £215k on capital schemes is anticipated. The Foxhall Village scheme is forecast to overspend by £215k due to all property foundations requiring piling.

8. Summary Cash Flow Statement

- 8.1 As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 5. This provides a comparison of the actual cash receipts and payments compared to forecast for 2019/20.
- 8.2 During the first 3 months of the year the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. The Council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so.

9. Summary Balance Sheet

- 9.1 In order to provide a complete picture of the Council's financial performance Appendix 6 provides a snapshot of the General Fund balance sheet as at the end of month 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.
- 9.2 Over the 3-month period there has been an increase in short-term borrowing of £4.1m which mainly reflects the phasing of revenue grants and capital grants received to fund the capital expenditure on Property, Plant and Equipment (£8.2m) and Long-term Assets (£11.0m).

10. Conclusions and Recommendations

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

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

However, I fear that the Council is now at a financial crossroads where the unavoidable costs of children's social care (71% of whose cost drivers fall outside the control of councils per recent LGA research) can only be met from:

- one-off use of finite working balances and reserves;
- drastic service cuts elsewhere; and/or
- significant additional external funding.

The Spending Round 2019 announced by the Chancellor of the Exchequer on 4th September included an additional £1bn for adult and children's social care in 2020/21. If this were to be allocated on the same basis as the Social Care Grant 2019/20, then Blackpool's share should be £3.7m. This represents approximately 1/3 of the underlying pressure in Blackpool's Children's Social Care, even assuming that Adult Services continues to break even and requires no call against this.

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

1. exceed 1% (= £4.5m) of the authority's total gross revenue expenditure; or
2. have the effect of reducing the authority's Working Balances below 50% of their normal target level (= £3.0m).

In the context of £41m of Earmarked Revenue Reserves and with 9 months of the financial year remaining officers are working continuously to improve the position such that Working Balances of at least £3.0m can be reached. Revised service and financial plans are underway, including the review of technical accounting treatments, non-essential spend and earmarked reserves plus delays to filling non-front line vacancies.

10.5 The Executive is asked:

- i) to note the report;
- ii) to continue to lobby Government (HM Treasury, Ministry of Housing, Communities and Local Government and the Department for Education in particular) along with local authority peers, the Local Government Association and the Association of Directors of Children's Services for significantly more funding to cope with the soaring demand and new burdens presenting in Children's Services; and
- iii) to require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services but also Strategic Leisure Assets, Concessionary Fares and Parking Services, and to ensure the release of at least £1m of budgets across all directorates as a consequence of a 1-year freeze on non-essential spend.

Steve Thompson
Director of Resources
5th September 2019

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31ST MARCH 2020							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
		2019/20					
		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	874	(168)	1,042	874	-	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	3,393	937	2,695	3,632	239	-
3(b/c)	WARD BUDGETS	395	(30)	225	195	(200)	(80)
3(d)	RESOURCES	3,092	1,805	1,073	2,878	(214)	-
3(e)	COMMUNICATIONS AND REGENERATION	3,607	(1,737)	5,350	3,613	6	-
3(f)	STRATEGIC LEISURE ASSETS	748	462	1,910	2,372	1,624	-
3(g)	GROWTH & PROSPERITY	(5,974)	364	(6,338)	(5,974)	-	-
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	43,296	(13)	43,047	43,034	(262)	-
3(i)	ADULT SERVICES	54,546	10,379	44,199	54,578	32	-
3(j)	CHILDREN'S SERVICES	40,608	2,707	45,964	48,671	8,063	-
3(k)	PUBLIC HEALTH	107	1,543	(1,436)	107	-	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	12,828	3,116	10,253	13,369	541	-
	CAPITAL CHARGES	(27,991)	(6,998)	(20,993)	(27,991)	-	-
	NET COST OF SERVICES:	129,529	12,367	126,991	139,358	9,829	(80)
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(3,587)	-	(5,711)	(5,711)	(2,124)	
	- 2018/19 SERVICE UNDERSPENDS	(80)	-	(80)	(80)	-	
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	200	-	200	200	-	
	CONTINGENCIES	(2,443)	-	(3,192)	(3,192)	(749)	
	LEVIES	454	-	454	454	-	
	CONTRIBUTIONS, ETC.	(5,456)	-	(8,329)	(8,329)	(2,873)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	124,073	12,367	118,662	131,029	6,956	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(6,956)	(6,956)	(6,956)	
	NET REQUIREMENT AFTER WORKING BALANCES	124,073	12,367	111,706	124,073	-	
GENERAL BALANCES AS AT 1st APRIL 2019 PER UNAUDITED STATEMENT OF ACCOUNTS 2018/19							7,057
In-year (reduction in) / addition to General Fund Working Balances							(6,956)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31ST MARCH 2020							101

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Blackpool Council															
2																
3	Schedule of Service forecast annual overspendings over the last 12 months															
4																
5																
6																
7	Directorate	Service	Scrutiny Committee Report		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
8					2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019
9					£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
10																
11	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			3,610	3,479	3,566	3,652	4,102	4,891	5,093	5,175	5,175			7,789
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,827	1,827			1,624
13	CHILDREN'S SERVICES	EDUCATION			884	813	779	733	708	689	634	771	771			577
14	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE			100	100	100	100	155	155	175	308	308			272
15	COMMUNICATIONS & REGENERATION	VISITOR ECONOMY					109	109	140	118	118	91	91			190
16	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING			136	186	225	225	235	235	235	223	223			-
17	ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS			77			146	181	201	225	294	294			-
18	RESOURCES	PROPERTY SERVICES						119	107	178	266	263	263			-
19	COMMUNICATIONS & REGENERATION	ECONOMIC DEVELOPMENT & CULTURAL SERVICES							81	81	81	81	81			-
71																
72		Sub Total			6,201	5,972	6,173	6,478	7,103	7,942	8,221	9,033	9,033	-	-	10,452
73																
74		Transfer to Earmarked Reserves (note 3)			(1,394)	(1,394)	(1,394)	(1,394)	(1,394)	(1,394)	(1,394)	(1,827)	(1,827)	-	-	(1,624)
75																
76		Other General Fund (under) / overspends			(638)	(548)	(781)	(1,512)	(1,872)	(2,719)	(3,073)	(8,229)	(8,229)	-	-	(1,872)
77																
78		Total			4,169	4,030	3,998	3,572	3,837	3,829	3,754	(1,023)	(1,023)	-	-	6,956
79																
80																
81	Notes:															
82																
83	1. The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where															
84	the controllable budget exceeds £5m are required to be highlighted within this monthly budgetary control report. They are required to develop and submit a recovery plan															
85	over a period not exceeding 3 years which is to be approved by the respective Portfolio Holder. The services tripping this threshold are listed above together with their															
86	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
87																
88	2. The Strategic Leisure Assets overspend reflects the in-year position.															
89																
90	3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.															
91																

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
FUNCTIONS OF THE SERVICE	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	726	139	587	726	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	2	59	(57)	2	-	-
CHIEF EXECUTIVE TOTAL	728	198	530	728	-	-
CORPORATE DELIVERY UNIT	375	(5)	380	375	-	-
HOUSING	(229)	(361)	132	(229)	-	-
ASSISTANT CHIEF EXECUTIVE	146	(366)	512	146	-	-
TOTALS	874	(168)	1,042	874	-	-

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

Chief Executive

This service is currently forecasting a break-even position.

Human Resources, Organisation and Workforce Development

This service is currently forecasting a break-even position.

Corporate Delivery Unit

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

Housing

This service is currently forecasting a break-even position.

Budget Holder – Mr N Jack, Chief Executive

Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,363	546	1,784	2,330	(33)	-
CORPORATE LEGAL SERVICES	1,300	492	808	1,300	-	-
INFORMATION GOVERNANCE	102	(42)	144	102	-	-
LIFE EVENTS & CUSTOMER CARE	(372)	(59)	(41)	(100)	272	-
GOVERNANCE & PARTNERSHIP SERVICES	3,393	937	2,695	3,632	239	-
WARDS	395	(30)	225	195	(200)	(80)
TOTALS	3,788	907	2,920	3,827	39	(80)

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

Democratic Governance Service

The Democratic Governance Service is currently forecasting an underspend of £33k due to vacant posts and increased income.

Corporate Legal Services

This service is currently forecasting a break-even position.

Information Governance

This service is currently forecasting a break-even position.

Life Events & Customer Care

This service is forecasting a pressure of £272k. Income for both the Registrars service and Cremations continues to be below target contributing £160k to this pressure. The remaining £112k of the pressure is due to the forecast increase in Coroner's costs. The service has seen a 56% increase in caseload since this period last year.

Ward Budgets

Ward budgets are expected to underspend in 2019/20.

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

Blackpool Council
Ward Budgets
2019/20
Month 3

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2019-20 Budget	2019-20 Budget Committed to <u>Approved</u> Schemes	Remaining 2019-20 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	0	0	0	0	£18,530.24	£0.00	£18,530.24
Bispham Ward BC1002	Cllr. Clapham Cllr. Wilshaw	1	1	0	0	£15,699.00	£1,500.00	£14,199.00
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	0	0	0	0	£22,002.14	£0.00	£22,002.14
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	0	0	0	0	£15,230.60	£0.00	£15,230.60
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	5	5	0	0	£15,055.60	£10,524.04	£4,531.56
Clifton Ward BC1006	Cllr. Hutton Cllr. P. Burdess	2	2	0	0	£21,555.00	£600.00	£20,955.00
Greenlands Ward BC1007	Cllr. Scott Cllr. Wing	0	0	0	0	£15,002.11	£0.00	£15,002.11
Hawes Side Ward BC1008	Cllr. Brookes Cllr. Critchley	0	0	0	0	£15,027.26	£0.00	£15,027.26
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	0	0	0	0	£16,704.20	£0.00	£16,704.20
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Farrell	1	0	1	0	£15,032.72	£0.00	£15,032.72
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	1	0	1	0	£15,000.00	£0.00	£15,000.00
Marton Ward BC1012	Cllr. D Coleman Cllr. Stansfield	0	0	0	0	£16,535.31	£0.00	£16,535.31
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	0	0	0	0	£15,411.51	£0.00	£15,411.51
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	5	5	0	0	£19,945.15	£8,883.78	£11,061.37
Squires Gate Ward BC1015	Cllr. Cox Cllr. Walsh	0	0	0	0	£15,000.00	£0.00	£15,000.00
Stanley Ward BC1016	Cllr. Roberts Cllr. Baker	0	0	0	0	£44,746.75	£0.00	£44,746.75
Talbot Ward BC1017	Cllr. Hugo Cllr. Smith	0	0	0	0	£15,034.10	£0.00	£15,034.10
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	0	0	0	0	£30,890.99	£0.00	£30,890.99
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	0	0	0	0	£15,000.00	£0.00	£15,000.00
Warbreck Ward BC1020	Cllr. Scott Cllr. Mrs Scott	0	0	0	0	£15,635.62	£0.00	£15,635.62
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	0	0	0	0	£21,128.14	£0.00	£21,128.14

Ward Totals	15	13	2	0	£394,166.44	£21,507.82	£372,658.62
Unallocated Budget	-	-	-	-	£0.00	£0.00	£0.00
Income Budget	-	-	-	-	£0.00	£0.00	£0.00
Area Ward Totals	15	13	2	0	£394,166.44	£21,507.82	£372,658.62

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - JUN	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	
	£000	£000	£000	£000	£000	
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & PROJECTS	46	1,106	(1,086)	20	(26)	-
BENEFITS	(846)	(3,438)	2,519	(919)	(73)	-
REVENUES & EXCHEQUER SERVICES	1,169	445	724	1,169	-	-
CUSTOMER FIRST	(1)	218	(219)	(1)	-	-
ICT SERVICES	36	510	(474)	36	-	-
ACCOUNTANCY	1	337	(336)	1	-	-
RISK SERVICES	(1)	136	(137)	(1)	-	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,688	2,491	82	2,573	(115)	-
TOTALS	3,092	1,805	1,073	2,878	(214)	-

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

Procurement and Projects

The Procurement and Projects Service is forecasting an underspend of £26k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend.

Benefits

The Benefits Service is forecasting an underspend of £73k against a gross budget of £4.3m. Vacancies across the Benefits service have contributed towards the underspend. Monthly Housing Benefit new claims processing figures for June were 24 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications for June was 13 days; this is still well within the current target of 19 days.

Revenues and Exchequer Services

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

Customer First

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

ICT Services

ICT is forecasting a break-even position on a gross budget of £4.9m.

Accountancy

Accountancy is forecasting a break-even position on a gross budget of £2.1m.

Risk Services

Risk Services are forecasting a break-even position. The service currently faces an income pressure, and steps are being taken to address this, including seeking additional income opportunities and undertaking a review of the service structure.

Property Services (incl. Investment Portfolio)

Property Services are forecasting an underspend of £115k against a gross expenditure budget of £14.3m. There are various council moves taking place in 2019/20 that will have an impact on the property services budgets. The investment portfolio are working to maximise income generation by undertaking rent reviews and reviewing premises expenditure against investment portfolio properties. The service has benefited from one-off income received in 2019/20 that has contributed towards pressures across the service.

Summary of the revenue forecast

After 3 months of the financial year Resources are forecasting a £214k underspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

Budget Holder - Mr S Thompson, Director of Resources

Blackpool Council – Communications & Regeneration

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNICATIONS & REGENERATION						
NET EXPENDITURE						
ECONOMIC DEVELOPMENT & CULTURAL						
SERVICES	284	(3,263)	3,463	200	(84)	-
PLANNING	399	(77)	376	299	(100)	-
VISITOR ECONOMY	2,924	1,603	1,511	3,114	190	-
TOTALS	3.607	(1.737)	5.350	3.613	6	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn of £6k overspend is based upon actual financial performance for the first 3 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Economic Development and Cultural Services

This service is expecting an underspend of £84k, which relates to a one-off release of reserves in Adult Learning .

Planning

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

Visitor Economy

This service is expecting a £190k overspend by the year-end. This overspend is made up of increased event spend that currently is not expected to be fully covered by increased income. This has been partially offset by additional income that has been generated elsewhere.

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

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE				VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20						
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		
STRATEGIC LEISURE ASSETS							
NET EXPENDITURE							
STRATEGIC LEISURE ASSETS	748	462	1,910	2,372	1,624		-
TOTALS	748	462	1,910	2,372	1,624		-

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

Key Issues

The Leisure Asset portfolio projected outturn for 2019/20 is currently £1,624k, taking the forecast cumulative deficit as at 2019/20 year-end to £10,195k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and other unplanned maintenance, together with increased marketing and insurance costs and revised income profile.

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

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

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Blackpool Council – Growth & Prosperity

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GROWTH & PROSPERITY						
NET EXPENDITURE						
GROWTH & PROSPERITY	(5,974)	364	(6,338)	(5,974)	-	-
TOTALS	(5,974)	364	(6,338)	(5,974)	-	-

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

Key Issues

There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to break-even in 2019/20.

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

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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	457	53	142	195	(262)	-
LEISURE AND CATERING	2,704	84	2,620	2,704	-	-
PUBLIC PROTECTION	530	(387)	917	530	-	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	16,892	(313)	17,205	16,892	-	-
STREET CLEANSING AND WASTE	18,027	772	17,255	18,027	-	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	3,979	(228)	4,207	3,979	-	-
INTEGRATED TRANSPORT	707	6	701	707	-	-
TOTALS	43,296	(13)	43,047	43,034	(262)	-

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

Business Services

This service is currently forecasting a saving of £262k, with the 2019/20 target savings of £747k being met.

Leisure and Catering

This service is currently forecasting a break-even position. There is a forecast pressure of £170k, relating to Leisure Services, where Health and Fitness income is down against budget. Projects are being put in place to help improve income streams. There will be savings achieved through the use of reserves and a restructure within the service, which will assist the service in recording a break-even outturn position. Catering has pressure with an increase in basic pay, but this is expected to be mitigated by vacancies.

Public Protection

This service is currently forecasting a break-even position. Any anticipated pressures in the year are expected to be off-set against staffing vacancies.

Highways and Traffic Management Services

This service is currently forecasting a break-even position.

Street Cleansing and Waste

This service is fully expecting to deliver the £570k saving budgeted this year for refuse collection, with Envoco NW commencing operations on 1st July 2019. The service as a whole is currently forecasting a break-even position.

Coastal and Environmental Partnerships

This service is currently forecasting a break-even position.

Integrated Transport

This service is currently forecasting a break-even position. There is a target saving of £90k for school crossing patrols, but this will not be met. There are, however, one-off small savings identified within other areas, but the pressure will still amount to £78k. Use of reserves will address this issue in 2019/20.

Conclusion – Community and Environmental Services financial position

At the end of June 2019, the Community and Environmental Services Directorate is forecasting an underspend of £262k. There are ongoing pressures within Leisure and Integrated Transport, which are being addressed through the one-off use of reserves whilst the services produce plans to address the underlying problems.

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

Blackpool Council - Adult Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE				VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD
	2019/20						
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - JUN	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER		
	£000	£000	£000	£000	£000		
ADULT SERVICES							
NET EXPENDITURE							
ADULT SOCIAL CARE	6,187	1,733	4,424	6,157	(30)		-
CARE & SUPPORT	5,246	2,257	2,996	5,253	7		-
COMMISSIONING & CONTRACTS TEAM	41	75	(34)	41	-		-
ADULT COMMISSIONING PLACEMENTS	42,353	6,294	36,122	42,416	63		-
ADULT SAFEGUARDING	719	20	691	711	(8)		-
TOTALS	54,546	10,379	44,199	54,578	32		-

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

Adult Commissioning Placements (Social Care Packages)

The Adult Commissioning Placements budget is forecasting a £63k overspend on £60m gross expenditure budget. There is expected to be an overspend on both complex cases and care at home placements, partly offset by the demographics budget, increased non-residential income and a one-off adjustment of the deferred payments provision.

Adult Social Care

Adult Social Care is currently forecast to be £30k underspent due to vacant posts within the service.

Summary of the Adult Services financial position

As at the end of June 2019 the Adult Services Directorate is forecasting an overall overspend of £32k for the financial year to March 2020 on a gross budget of £82m.

Budget Holder – K Smith, Director of Adult Services

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Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	82,501	4,233	78,268	82,501	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	340	2	338	340	-	-
EDUCATION	21,163	3,032	18,610	21,642	479	-
EARLY HELP FOR CHILDREN AND FAMILIES	182	46	136	182	-	-
BUSINESS SUPPORT AND RESOURCES	9,114	2,334	6,780	9,114	-	-
DEDICATED SCHOOL GRANT	(113,093)	(13,158)	(99,935)	(113,093)	-	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(1,207)	-	(1,686)	(1,686)	(479)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(3,511)	2,511	(1,000)	-	-
CHILDREN'S SERVICES DEPRECIATION	1,754	-	1,754	1,754	-	-
EDUCATION	3,323	1,066	2,834	3,900	577	-
EARLY HELP FOR CHILDREN AND FAMILIES	5,375	(1,101)	6,273	5,172	(203)	-
CHILDREN'S SOCIAL CARE	30,054	6,616	31,227	37,843	7,789	-
BUSINESS SUPPORT AND RESOURCES	1,278	(359)	1,587	1,228	(50)	-
LOCAL SERVICES SUPPORT GRANT	(18)	(4)	(14)	(18)	-	-
SCHOOL IMPROVEMENT GRANT	(158)	-	(208)	(208)	(50)	-
TOTAL COUNCIL FUNDED SERVICES	41,608	6,218	43,453	49,671	8,063	-
TOTALS	40,608	2,707	45,964	48,671	8,063	-

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 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each Head of Service.

Children’s Social Care

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

When budgets were set, £3.570m was earmarked to cover the forecast overspend in Children’s Social Care. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £3.497m.

In addition to this, an amount of £3.936m is included in the forecast relating to the directorate's Ofsted improvement plan, which is being implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year, and which has resulted in the introduction of a new staffing structure for the longer term.

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

In addition to the cost pressures described above, there is a forecast shortfall of £356k against the Troubled Families £1m income target.

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 overspend against services funded by the DSG will be carried forward to 2020/21 and, in the case of overspend, become the first call on the grant in that year.

Education

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

Summary of the Children's Services financial position

As at the end of June 2019 the Children's Services Directorate is forecasting an overspend of £8.063m for the financial year to March 2020.

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

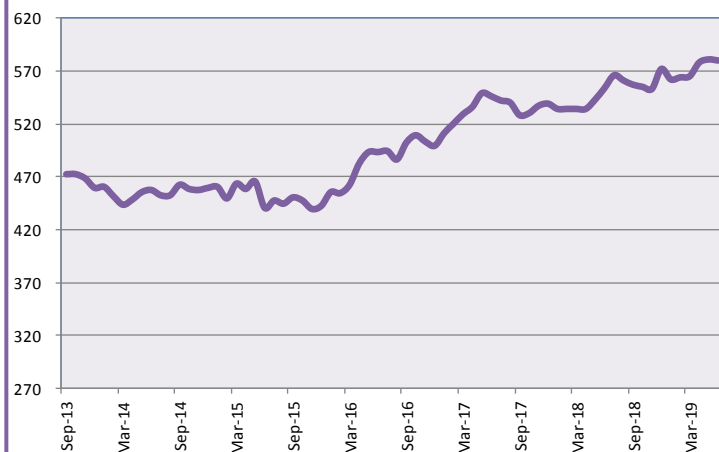
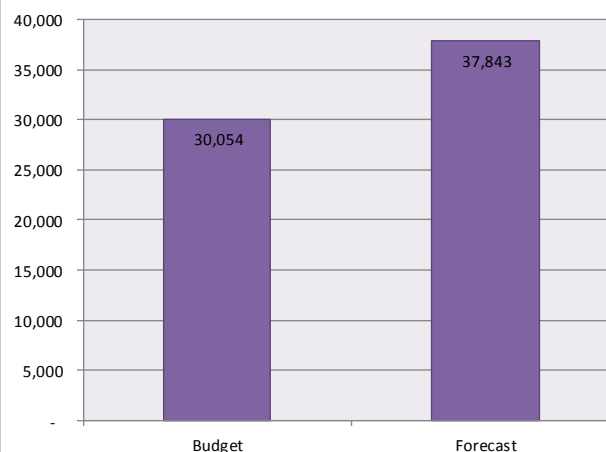
Children's Social Care Trends

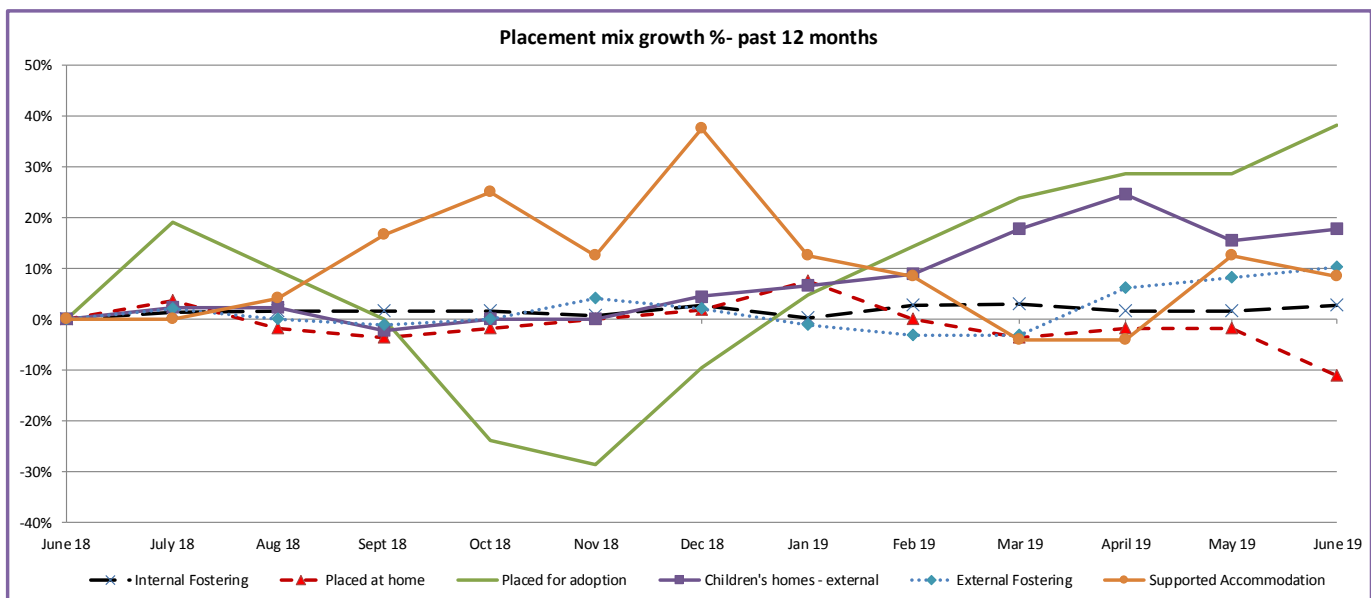
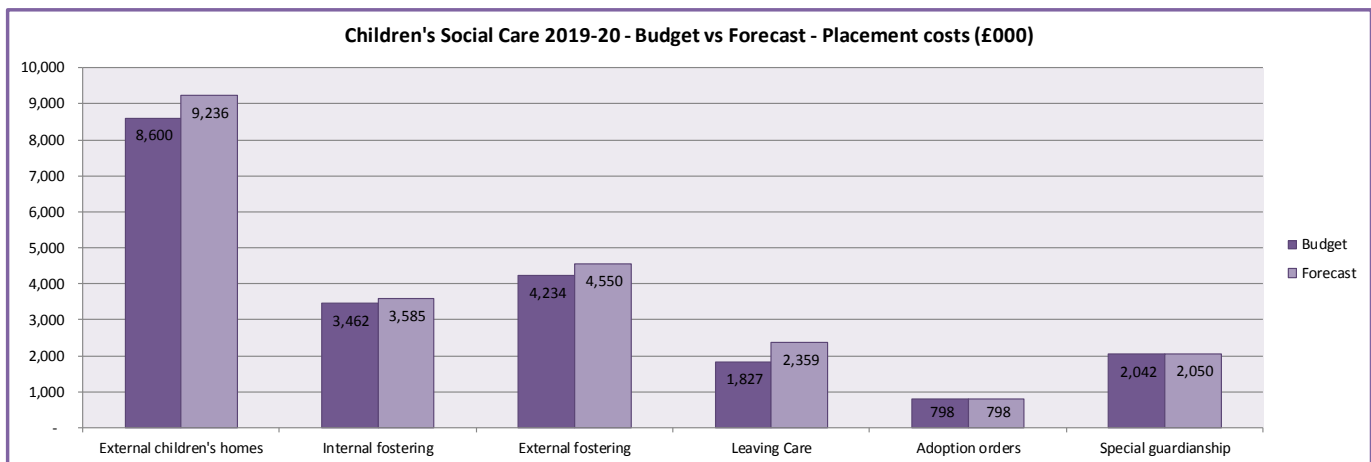
Date	External Placements Projection						Supported Accommodation			Internal Fostering			LAC numbers
	Fostering			Residential			Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	No.
	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement							
Jun-13	72	15%	36,202	41	8%	111,596	16	3%	no data	263	53%	11,887	492
Sep-13	66	14%	35,667	33	7%	111,523	17	4%	no data	272	58%	11,908	472
Dec-13	69	15%	36,560	30	7%	117,073	17	4%	no data	260	57%	11,828	459
Mar-14	64	14%	34,058	27	6%	118,473	15	3%	no data	248	56%	11,757	443
Jun-14	74	16%	35,928	25	5%	102,561	18	4%	no data	250	55%	12,833	457
Sep-14	75	16%	37,655	21	5%	121,210	27	6%	no data	237	51%	12,570	462
Dec-14	70	15%	38,760	18	4%	124,281	23	5%	no data	243	53%	12,474	459
Mar-15	73	16%	40,155	23	5%	128,868	19	4%	no data	244	53%	12,374	463
Jun-15	74	17%	40,625	25	6%	147,777	20	5%	no data	219	50%	12,541	440
Sep-15	73	16%	40,040	25	6%	142,934	16	4%	no data	225	50%	12,549	450
Dec-15	70	16%	41,243	27	6%	145,196	17	4%	no data	217	49%	12,428	442
Mar-16	69	15%	42,215	29	6%	146,120	22	5%	no data	257	56%	12,453	462
Jun-16	77	16%	42,145	34	7%	157,136	28	6%	38,608	259	53%	12,630	493
Sep-16	84	17%	42,750	32	6%	169,996	27	5%	41,376	254	51%	12,688	502
Dec-16	89	18%	43,038	36	7%	175,954	28	6%	41,037	258	52%	12,857	499
Mar-17	103	19%	43,502	44	8%	179,669	26	5%	42,416	269	51%	12,872	529
Jun-17	100	18%	40,933	49	9%	151,450	26	5%	60,946	272	50%	13,227	546
Sep-17	95	18%	40,991	35	7%	161,487	36	7%	57,928	270	51%	13,213	528
Dec-17	103	19%	41,277	43	8%	162,623	36	7%	58,358	272	50%	13,169	539
Mar-18	98	18%	41,099	44	8%	165,935	30	6%	55,728	273	51%	13,116	534
Jun-18	97	18%	40,083	45	8%	164,794	24	4%	48,006	297	54%	13,403	554
Sep-18	97	17%	40,425	45	8%	159,388	28	5%	46,073	302	54%	13,441	557
Dec-18	99	17%	40,227	47	8%	169,287	33	6%	46,167	305	53%	13,430	572
Mar-19	94	17%	39,536	53	9%	177,477	23	4%	45,845	306	54%	13,289	565
Jun-19	107	18%	42,426	53	9%	172,929	26	4%	68,367	305	53%	13,014	580

Note:

The variance between the current total number of Looked After Children (580) and the total internal fostering and external placement numbers (491) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.

Total LAC numbers

Children's Social Care 2019-20
Budget vs Forecast (£000)



Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET	EXPENDITURE APR - JUN	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER	
	£000	£000	£000	£000	£000	
PUBLIC HEALTH						
NET EXPENDITURE						
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	1,126	229	897	1,126	-	-
NHS HEALTH CHECKS - MANDATED	100	6	94	100	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	600	600	-	600	-	-
CHILDREN'S 0-5 SERVICES	2,410	2,390	20	2,410	-	-
TOBACCO CONTROL	354	34	320	354	-	-
MENTAL HEALTH AND WELLBEING	-	-	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,785	1,573	212	1,785	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,625	636	1,989	2,625	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	824	431	393	824	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	109	70	39	109	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,008	50	7,958	8,008	-	-
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	21	8	13	21	-	-
GRANT	(17,941)	(4,485)	(13,456)	(17,941)	-	-
COMMUNITY SAFETY	96	(15)	111	96	-	-
CCTV	(10)	16	(26)	(10)	-	-
TOTALS	107	1,543	(1,436)	107	-	-

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

Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced. The ring-fencing has been extended from March 2018 to March 2020.

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

The Public Health Directorate are forecasting an overall spend of the full grant, £17,941,000, for the financial year to March 2020.

Payment by Results (PbR)/ Activity-based Commissioning

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

Community Safety

This service is expecting a break-even position at year-end.

CCTV

This service is expecting a break-even position at year-end. CCTV is due to move back to the Community & Environmental Services directorate from July 2019.

Summary of the Public Health Directorate financial position

As at the end of June 2019, the Public Health Directorate is forecasting a break-even position for the financial year to March 2020.

Budget Holder – Dr Arif Rajpura, Director of Public Health

Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	9,679	2,229	6,751	8,980	(699)	-
PARKING SERVICES	(4,730)	(616)	(3,515)	(4,131)	599	-
CORPORATE SUBSCRIPTIONS	137	106	31	137	-	-
HOUSING BENEFITS	1,497	362	1,135	1,497	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,103	269	834	1,103	-	-
SUBSIDIARY COMPANIES	(1,172)	-	(1,203)	(1,203)	(31)	-
LAND CHARGES	(51)	(1)	(53)	(54)	(3)	-
CONCESSIONARY FARES	3,929	158	4,446	4,604	675	-
EMPLOYERS PREVIOUS YEARS'						
PENSION LIABILITY	2,890	722	2,168	2,890	-	-
NEW HOMES BONUS	(454)	(113)	(341)	(454)	-	-
TOTALS	12,828	3,116	10,253	13,369	541	-

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 2019/20 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

Treasury Management

Treasury Management is forecasting an underspend of £699k, primarily due to the council currently using mostly temporary borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low, the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. The Business Loans Fund has a savings target of £2,700k and there is some slippage in the loans being made to-date.

Parking Services

This service is forecasting a pressure of £599k; this pressure is mainly due to 'on-street parking' schemes not being feasible, loss of parking spaces, prudential borrowing costs, increased business rates and reduced income from staff parking. As at Week 15 (w/e 14th July) parking income is at £1.46m with patronage at 369,116. Car park patronage is down by 7,809 and income is down by £21,079 on 2018/19. On-Street Pay and Display is up on patronage by 2,814 and income is up by £11,761.

Council Tax and NNDR Cost of Collection

This service is forecasting a break-even position.

Subsidiary Companies

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

Land Charges

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

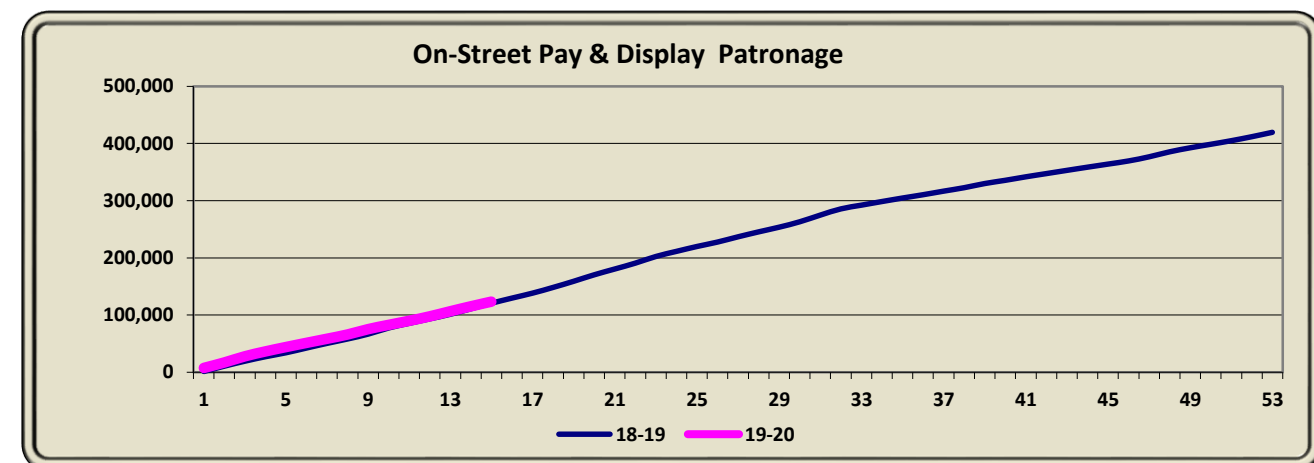
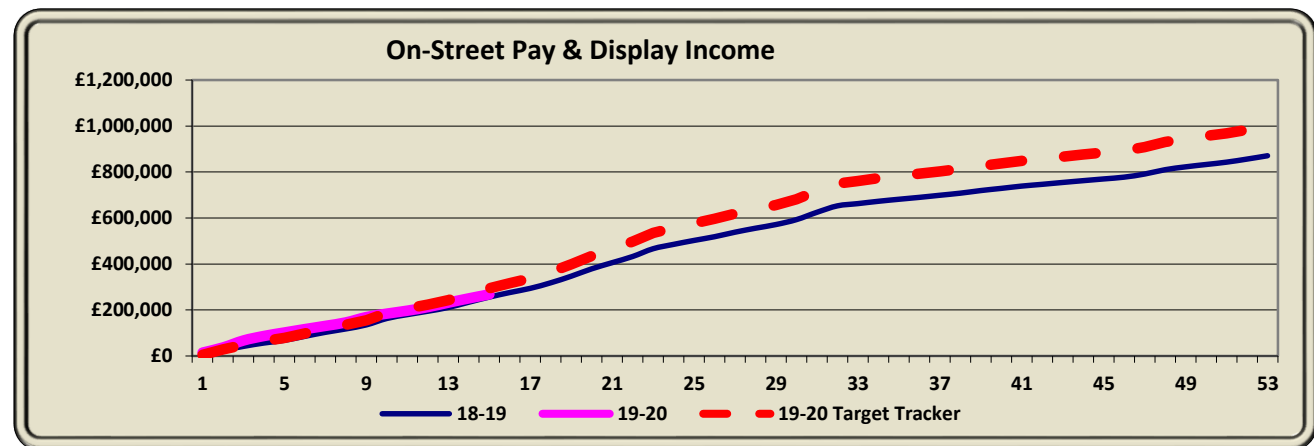
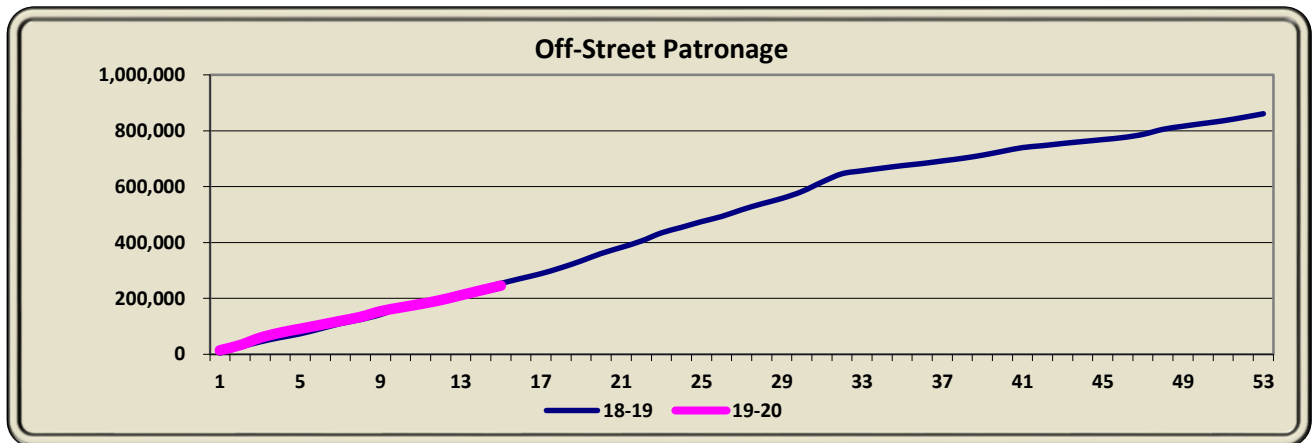
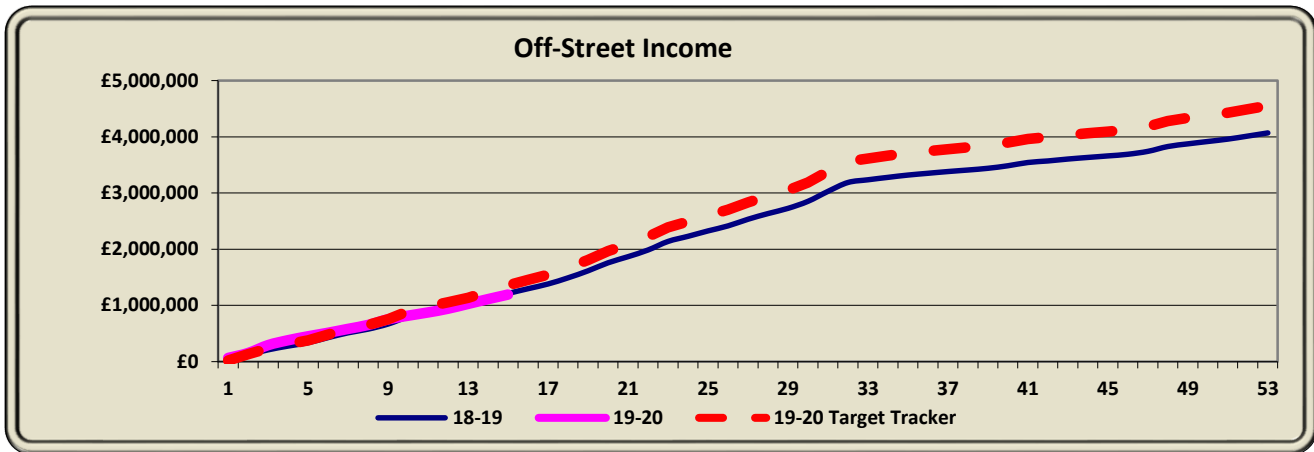
Concessionary Fares

This service is forecasting a pressure of £675k due to the level of demand for bus and tram usage by NoW cardholders unexpectedly increasing at the end of 2018/19 after the budgets were set. This has meant that the expected £340k saving based on forecasts last October is now not likely to materialise. This has further been compounded by assumptions made at the end of last year not materialising and so adding to this year's pressure.

Summary of the revenue forecasts

After 3 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £541k overspend.

Car Parking Trends



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**2019/20 CAPITAL MONITORING
MONTH 3**

	Total Scheme Budget	Spend as at 31/3/19	Budget Brought Forward 2018/19	Capital Programme 2019/20	Total Available Budget 2019/20	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Resources									
Property and Asset Management									
Central Business District Phase 1	40,432	38,120	2,312	-	2,312	-	-	-	
ICT Refresh	2,450	2,155	295	-	295	68	227	-	
CLC Remodelling scheme	859	831	28	-	28	-	28	-	
Local Full Fibre Network	3,147	68	379	1,500	1,879	556	1,323	-	
Other Resources Schemes	1,303	1,018	285	-	285	44	241	-	
Total Resources	48,191	42,192	3,299	1,500	4,799	668	1,819	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	7,627	6,142	-	1,485	1,485	150	1,335	-	
Other Adult Services Schemes	5,425	4,324	532	570	1,102	6	1,096	-	
Total Adult Services	13,052	10,466	532	2,055	2,587	156	2,431	-	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	27,515	25,484	2,031	-	2,031	97	-	-	
Coastal Protection Studies	1,759	1,502	256	-	256	53	203	-	
Marton Mere Pumping Station & Spillway	415	372	43	-	43	-	-	-	
Marton Mere HLF	360	332	28	-	28	-	-	-	
Refuse Vehicles	4,054	-	-	-	-	1,586	-	-	
Layton Depot Refuse Work	750	415	335	-	335	114	221	-	
Stanley Park All Weather Pitch	458	349	109	-	109	-	109	-	
Bridges	11,365	11,297	68	-	68	81	-	-	
Yeadon Way Access Route	851	149	702	-	702	-	702	-	
Leisure Refurbishment	500	-	-	500	500	-	500	-	
Others	643	79	(79)	-	(79)	538	(617)	-	
Total Community and Environmental Services	48,670	39,979	3,493	500	3,993	2,469	1,118	-	

**2019/20 CAPITAL MONITORING
MONTH 3**

	Total Scheme Budget	Spend as at 31/3/19	Budget Brought Forward 2018/19	Capital Programme 2019/20	Total Available Budget 2019/20	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Governance & Partnership Services									
Carleton Crematorium Works 2018-20	1,860	468	1,392	-	1,392	575	817	-	
Carleton Burial Plots	527	-	-	527	527	-	527	-	
Carleton Crematorium - Others	127	-	-	127	127	-	127	-	
Total Governance & Partnership Services	2,514	468	1,392	654	2,046	575	1,471	-	
Chief Executive									
Housing									
Foxhall Village	12,798	12,480	20	-	20	93	727	215	
Work towards Decent Homes Standard	3,919	-	-	3,919	3,919	334	3,585	-	
Queens Park Redevelopment Ph2	13,241	12,979	262	-	262	14	248	-	
Troutbeck Redevelopment	9,200	602	-	3,468	3,468	51	3,417	-	
Hoyle Redevelopment	2,324	1,286	(151)	1,189	1,038	289	749	-	
Dunsop Court	510	-	-	510	510	-	510	-	
Total Chief Executive	41,992	27,347	131	9,086	9,217	781	9,236	215	

**2019/20 CAPITAL MONITORING
MONTH 3**

Page 45

	Total Scheme Budget	Spend as at 31/3/19	Budget Brought Forward 2018/19	Capital Programme 2019/20	Total Available Budget 2019/20	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Communication and Regeneration									
Regeneration									
College Relocation/Illumination Depot	13,005	13,924	(919)	100	(819)	-	-	-	
Leisure Assets	62,099	62,054	45	-	45	-	45	-	
Conference Centre	26,600	11,413	15,187	-	15,187	1,528	10,659	-	
Leopold Grove	557	503	54	-	54	20	-	-	
Spanish Hall roof & façade	1,995	1,478	517	-	517	128	389	-	
CBD Phase 2 - Hotel	24,500	1,630	22,870	-	22,870	5	865	-	
Land Release Fund	3,150	83	3,067	-	3,067	48	-	-	
Town Centre Investment	3,200	3,001	199	-	199	-	199	-	
Enterprise Zone	13,000	392	2,608	10,000	12,608	224	3,384	-	
Town Centre Parking Strategy	16,000	62	(62)	16,000	15,938	281	5,657	-	
Other	530	-	217	313	530	851	(321)	-	
Transport									
Local Transport Plan 2017/18	1,357	1,139	217	-	217	73	144	-	
Local Transport Plan Project 30 2017/18	577	523	54	-	54	-	54	-	
Local Transport Plan Quality Corridor 2017/18	140	210	(72)	-	(72)	-	(72)	-	
Local Transport Plan 2018/19	1,862	1,274	587	-	587	42	545	-	
Local Transport Plan Project 30 2018/19	463	463	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2018/19	203	-	203	-	203	-	203	-	
Local Transport Plan 2019/20	2,125	-	-	2,125	2,125	-	2,125	-	
Local Transport Plan Project 30 2019/20	225	-	-	225	225	-	225	-	
Quality Corridor	6,600	3,617	121	2,862	2,983	43	1,940	-	
Blackpool/Fleetwood Tramway	99,990	99,690	300	-	300	195	105	-	
Tramway Extension	16,400	10,220	6,180	-	6,180	(45)	1,725	-	
Sintropher	1,903	2,780	(876)	-	(876)	-	-	-	
Total Communication and Regeneration	296,481	214,456	50,497	31,625	82,122	3,393	27,871	-	

**2019/20 CAPITAL MONITORING
MONTH 3**

	Total Scheme Budget	Spend as at 31/3/19	Budget Brought Forward 2018/19	Capital Programme 2019/20	Total Available Budget 2019/20	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Children's Services									
Devolved Capital to Schools	568	290	278	-	278	7	271	-	
Woodlands Development Scheme	2,155	2,320	(165)	-	(165)	-	-	-	
Demolition Aspire	440	409	31	-	31	(11)	42	-	
Park Expansion	610	201	409	-	409	-	409	-	
Basic Need	3,760	265	3,495	-	3,495	171	500	-	
Condition	639	371	268	-	268	4	264	-	
Other Children's Schemes	607	537	70	-	70	-	70	-	
Total Children's Services	8,779	4,393	4,386	-	4,386	171	1,556	-	
CAPITAL TOTAL	459,679	339,301	63,730	45,420	109,150	8,213	45,502	215	

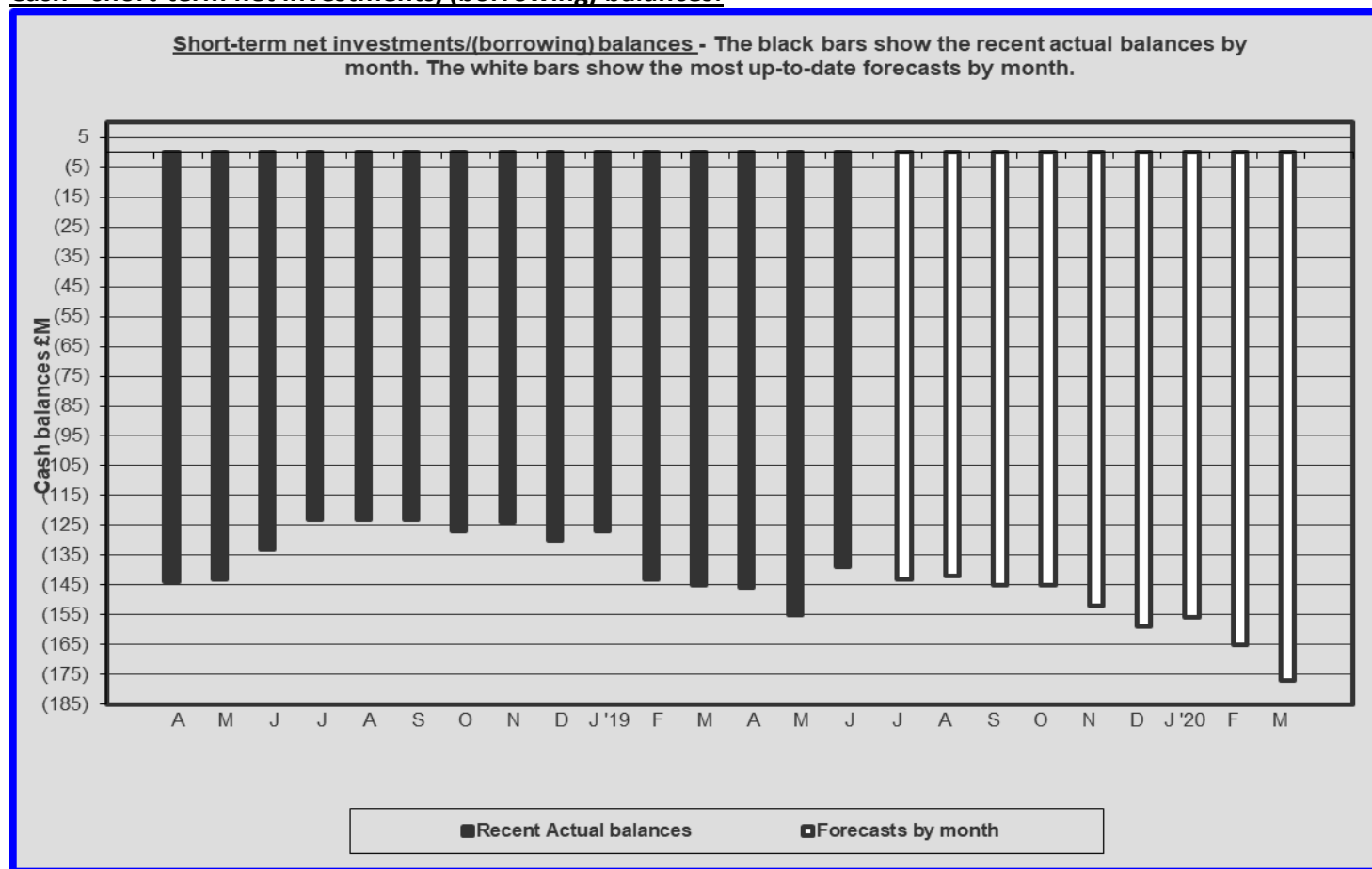
Notes

(1) - Foxhall Village scheme is forecast to overspend by £215k due to all property foundations requiring piling.

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 19/20							
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
70	18	18	53	RECEIPTS	-	1	1
104	26	24	70	Housing Benefit & Subsidy	(2)	(8)	(10)
14	4	5	11	Council tax and NNDR	1	1	2
43	11	13	30	VAT	2	(2)	-
105	28	31	79	RSG & BRR	3	2	5
107	26	28	83	Other Grants	2	2	4
-	-	61	8	Other Income	61	8	69
34	24	160	82	Money Market Transactions Received	136	72	208
477	137	340	416	Receipt of Loans	203	76	279
11	2	2	9	RECEIPTS - NORMAL ACTIVITIES	-	-	-
267	68	91	214	PAYMENTS	(23)	(15)	(38)
9	2	2	6	Police & Fire	-	1	1
115	29	24	78	General Creditors	5	8	13
64	16	14	48	RSG & BRR	2	-	2
200	144	207	227	Salaries & wages	(63)	(171)	(234)
666	261	340	582	Housing Benefits	(79)	(177)	(256)
(189)	(124)	-	(166)	Money Market Transactions Paid Out			
A	B	C	D	PAYMENTS - NORMAL ACTIVITIES			
				NET CASH FLOW IN/(OUT)	124	(101)	23
					= 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 three months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. The council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so. The take-up of loans from the Business Loans Fund is expected to continue steadily during 2019/20.

The chart of actual and forecast month-end balances shows temporary investment and borrowing levels throughout the year. The forecast shows the level of borrowing that may be required to cover planned capital expenditure up to 31st March 2020.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2019/2020				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft				
31 Mar 19		30 Jun 19	Movement since	31 Mar 20
£000s		Actual	31 Mar 19	Forecast
		£000s	£000s	£000s
777,160	Property, Plant and Equipment	785,373	8,213	822,935
86,674	Long-term Assets	97,714	11,040	183,674
Current Assets				
49,499	Debtors	46,700	(2,799)	50,000
445	Inventories	433	(12)	440
800	Short term loans	800	-	-
6,946	Cash and cash equivalents	6,917	(29)	7,000
921,524	Total Assets	937,937	16,413	1,064,049
Current Liabilities				
(159,452)	Borrowing Repayable within 12 months	(163,600)	(4,148)	(220,000)
(67,655)	Creditors	(65,400)	2,255	(63,000)
Long-term Liabilities				
(89,895)	Borrowing Repayable in excess of 12 months	(89,895)	-	(85,895)
(15,400)	Capital Grants in Advance	(15,400)	-	(12,000)
(16,298)	Provisions	(16,298)	-	(17,000)
(318,191)	Other Long-term Liabilities	(318,191)	-	(320,000)
254,633	Total Assets less Liabilities	269,153	14,520	346,154
(65,158)	Usable Reserves	(53,972)	11,186	(49,300)
(189,475)	Unusable Reserves	(215,181)	(25,706)	(296,854)
(254,633)	Total Reserves	(269,153)	(14,520)	(346,154)

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 Payment Policy.

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

Over the 3-month period there has been an increase in short-term borrowing of £4.1m which mainly reflects the phasing of revenue grants and capital grants received to fund the capital expenditure on Property, Plant and Equipment (£8.2m) and Long-term Assets (£11.0m).

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