

# Public Document Pack

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Dear Councillor

**EXECUTIVE - MONDAY, 2 NOVEMBER, 2020**

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 2 November, 2020 meeting of the Executive, forwarded to Members under separate cover.

Yours sincerely

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**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**2<sup>ND</sup> NOVEMBER 2020**

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**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2020/21**

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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 5 months of 2020/21, i.e. the period to 31<sup>st</sup> August 2020, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary. It also incorporates the impact of the Council's wholly-owned companies for which the Council is parent company and underwriter.
- 1.2 This year is unprecedented in the operational and consequential financial demands being placed upon the Council from the very outset with the introduction of the Government's lockdown and restriction measures resulting from the Covid-19 pandemic. This has impacted in a variety of ways from increasing service demand and cost to curtailing income sources and not just for Council services but also its private sector providers, its wholly-owned companies and its partners, necessitating budgetary overspends, supplier reliefs and subsidies, cashflow loans and other support measures besides implementing at short notice Government policy initiatives such as business support grants, business rate reliefs and infection prevention and control grants.

**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
- Appendix 3m - Wholly-owned companies

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2020/21. 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 also reconciles to the monthly Covid monitoring returns that have been required by the Ministry of Housing, Communities and Local Government (MHCLG). 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 The Provisional Outturn Report 2019/20 was reported to the Executive on 15<sup>th</sup> June 2020. To allow services to enter the new financial year in a balanced position and give directorates a realistic chance of meeting their budget savings for what will be the 10<sup>th</sup> consecutive year of material budget cuts, the Executive agreed to write-off all 2019/20 service variances but carry forward the 2019/20 underspend of £206k on Ward Budgets and the overspend of £4,183k on Growth and Prosperity. The 'Cash Limited Budgeting' policy allows for overspends to be carried forward if there is a plan in place to deliver. As such the Growth and Prosperity overspend of £4,183k is to be covered by Earmarked Reserves in 2019/20 and recovered in 2020/21.
- 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 5 forecast overspend of **£8,872k** for 2020/21 are summarised below:-

Directorate	Service	Forecast Variance £000
Adult Services	An overspend of £7,672k is forecast including £7,496k relating directly to Covid. Adult Commissioning Placements is forecast to overspend by £7,542k. There are £7,395k pressures caused by Covid and the main reasons relate to £2,472k in respect of a 10% provider rate up-lift for a period of 6 months and £1,764k for Personal Protective Equipment (PPE). In addition, at July 2020 Enhanced Hospital Discharges are estimated to cost £2,810k which is to be offset by an equivalent contribution from Blackpool Clinical Commissioning Group (CCG). Additional pressures sit within Complex Cases. Care and Support is forecasting an overspend of £131k of which £101k is due to Covid pressures. The balance of £30k is due to a pressure in the Vitaline service as a result of handing back the hostels SLA to Blackpool Coastal Housing	7,672
Strategic Leisure Assets	Strategic Leisure Assets is forecasting a £7,434k pressure. £5,692k of this deficit is due to a loss of income caused by Covid. 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 of £1,742k (i.e. excluding Covid costs) will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31 <sup>st</sup> March 2021 is £20,975k. This incorporates the increased repair costs, mainly relating to Tower steel work. The Leisure Assets medium-term financial plan now forecasts the service to break-even, in-year, during 2024/25. This has increased from 2021/22 mainly due to an assumption around the longer lasting impact of Covid.	5,692
Children's Services	An overspend of £4,842k is forecast including £2,794k Covid costs. The Children's Social Care budget was increased by £8.173m in August 2020 following the approval of the refreshed Children's Services Medium Term Financial Strategy (CSMTFS). The additional investment was required to cover the increase in numbers and unit costs of Looked After Children (LAC) between budget setting and 31 <sup>st</sup> May 2020 and also to develop the placements market and increase the capacity within internal fostering. The CSMTFS aims to reverse the current trend and this investment alongside other service improvements should ensure the service can live within the current budget by 2022/23. However, the Children's Social Care division is still forecasting an in-year overspend due to the worsening position since May 2020 (£1.674m) and the impact of Covid (£1.909m).	4,842

	<p>Nationally, there is an expected increase in demand for children’s social care services post-Covid that could see an additional pressure. By August 2020 LAC numbers stand at <b>664</b>. There are overspends in Education of £655k, primarily relating to the Special Educational Needs (SEN) Transport Service which is partly due to demand pressures and partly due to a historical savings target that was not achieved. There is also a £532k pressure due to Covid as Transport Services is expected to spend an additional £200k, £130k income targets for Music Services and Courts &amp; Licensing are unable to be achieved, additional summer holiday scheme spend of £100k. There is also expected to be an additional cost of £68k as some baseline Literacy, Numeracy, Emotional &amp; Social Health assessments will now be on paper rather than digital. There is an expected overspend of £353k in Early Help for Children due to Covid costs, which is mainly due to an unachievable Troubled Families income target. However, this is partially offset by a staffing underspend of £281k due to vacant posts across the service.</p>	
<p>Community and Environmental Services</p>	<p>An overspend of £3,719k is forecast of which £3,694k is attributable to Covid. Leisure Services are reporting a pressure of £2,162k as there has been no income forecast for the financial year due to the uncertainty surrounding the re-opening of leisure centres. Parks are forecasting a pressure of £106k due to lost sports income and potential bad debt from rental invoices. Catering Services are facing a pressure of £505k due to reduced income for school meals. All of the pressures facing the service are related to the Covid pandemic, and both Leisure and Catering Services are looking at options to reduce this pressure. Highways and Traffic Management Services is currently forecasting a pressure of £103k. There is an anticipated shortfall in Road and Street Works Act (RASWA) income of £162k due to work being halted during the Covid lockdown and the expectation that this income will be slow to resume, so will not be at the same levels as previous years. Highways &amp; Engineering is forecast to save £59k, due to staffing vacancies and increased scheme income, which will help to offset some of the Covid-related pressures within the service. Waste Services are reporting a pressure of £523k due to a reduction in forecast income within Trade Waste where income has been reduced significantly due to the pandemic. The service is continuing to monitor the situation and is working hard to alleviate the pressure. Integrated Transport is forecasting a pressure of £250k due to the loss of Rideability income during lockdown and reduced income in the future due to social distancing measures reducing the capacity of the service. There is a</p>	<p>3,719</p>

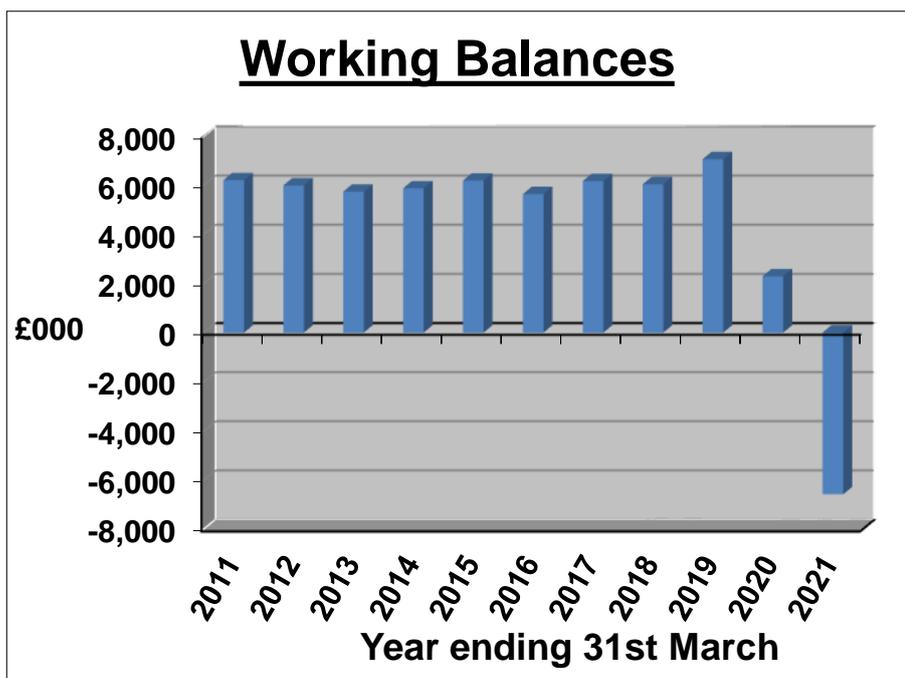
	target saving of £60k for school crossing patrols, but this will not be met and the re-opening of schools will lead to an additional staff cost pressure of £20k, due to the need for variable starts, so more requirement for crossing patrols. There are, however, one-off small savings identified within other areas, but the pressure within Travel and Road Safety will still amount to £70k. Other savings have helped to mitigate the pressures overall.	
Budgets Outside the Cash Limit	An overspend of £3,189k is forecast including £3,632k Covid costs. Parking Services is forecasting a shortfall on income of £2,129k for 2020/21. £2,165k of this shortfall relates to the expected loss of income due to Covid restrictions against budget. A small saving has been generated due to savings in staffing. There is a pressure of £1,336k in subsidiary companies. £1,377k of this pressure is due to the current restrictions relating to Covid. The current forecast assumes no dividend is received from Blackpool Transport Services (BTS) or Blackpool Operating Company Limited (BOCL). There is, however, expected to be a saving of £41k due to an expected reduction in charges, mainly relating to debt management. Housing Benefits is forecasting an overspend of £239k due to Covid relating to a reduction in the amount of overpayments recovered during the pandemic. Treasury Management is forecasting a favourable variance of £366k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low, the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. The Business Loans Fund now has a savings target of £3,309k and there is some slippage in the loans being made to date. Concessionary Fares is forecast to underspend by £149k which is due to Covid. The full year estimate is based on payments to October 2020 using an average of 4 specific periods in 2019/20 together with forecast figures provided by BTS to the end of the year	3,189
Growth & Prosperity	An overspend of £2,400k is forecast against an adjusted budget for Growth and Prosperity which includes an approved carry forward overspend of £4,183k from 2019/20. The 'Cash Limited Budgeting' policy allows for overspends to be carried forward if there is a plan in place to deliver. The accounting mechanism is that the overspend is to be covered by Earmarked Reserves in 2019/20 and recovered in 2020/21. The service is currently expecting a £2,400k pressure. £1,836k of this relates to loss of income due to the Covid restrictions to	2,400

	<p>the end of the financial year. This pressure also includes £700k of expenditure relating to the Enterprise Zone, however it is expected that this will reduce by the end of the year. In addition, there is a saving of £136k due to £533k of additional income over target less additional costs relating to regeneration projects.</p>	
Governance and Partnership Services	<p>An overspend of £874k is forecast of which £422k is attributable to Covid. Corporate Legal Services is expecting a £726k overspend including £722k relating to the increased spend on Children’s services to cover the need for additional staff and legal fees due to an increased caseload and £4k due to Covid. Life Events and Customer Care is forecasting a pressure of £450k. Of this pressure £418k relates to Covid and includes a £289k contribution to mortuaries at Warton and Blackpool Victoria Hospital as well as lost income from weddings. An overspend of £32k in Life Events relates to continuing pressures in Coroners, Cremations and Burials. These are offset by a forecast underspend on Ward budgets of £300k.</p>	874
Communications and Regeneration	<p>An overspend of £778k is forecast including £794k Covid costs. Tourism &amp; Communications is expecting a pressure of £630k of which £602k relates to Covid. The remaining pressure of £21k relates to Visit Blackpool. An additional saving in Events means that the £55k pressure relating to historic savings targets previously reported has now been met as well as a contribution of £56k being made towards the £77k additional sponsorship costs. Planning is expecting a pressure of £79k of which £127k relates to Covid. This has been offset in part due to staff savings and better than budgeted income in Building Control. Economic Development is expecting a pressure of £69k of which £65k relates to Covid. There remains a pressure of £40k relating to the Grundy Art Gallery. This has been reduced by use of savings elsewhere in Arts such as vacant posts and it is hoped that this can be reduced during the year. There is also a £24k saving in Libraries due to the release of some reserves and savings on staffing and savings of £12k in Economic Development due to some additional income and small savings elsewhere in the budget</p>	778
Chief Executive	<p>An overspend of £456k is forecast which all relates to Covid. This pressure is made up of additional costs relating to the temporary accommodation of rough sleepers in line with the government guidelines.</p>	456

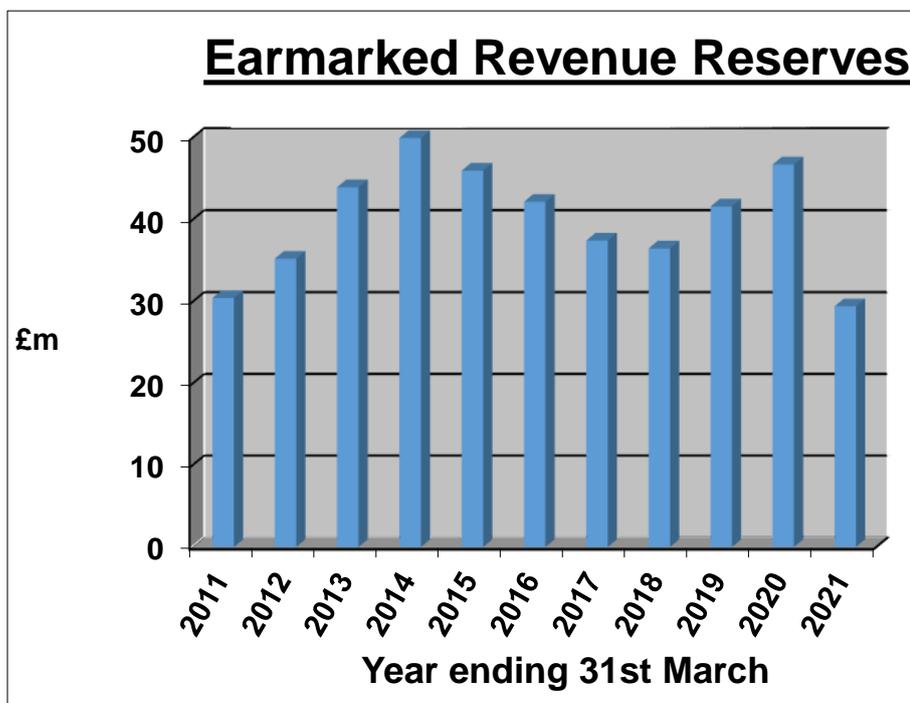
Public Health	<p>An overspend of £81k is forecast. This relates to additional spend incurred by the Public Health team as a result of the Covid response. Since March Public Health has been responding to the outbreak of Covid to protect the population of Blackpool. The team has been working on the development of Community Hubs, including the homeless population, to ensure that those left vulnerable from Covid receive the support they need, for example food, welfare checks, medication, accommodation, etc. More recently the Public Health team has been supporting the Government's NHS Test and Trace service with contact tracing and support for complex local outbreak management. This required a single point of contact to be established, monitored and calls/e-mails actioned by appropriately qualified and informed staff. The spend relating to this work is not included in the above as this is being funded through a ring-fenced £1.7m Test and Trace service support grant from the Department of Health and Social Care, and therefore has no financial impact on the budgetary position for the directorate.</p>	81
Resources	<p>An overspend of £10k is forecast including an overspend of £275k due to Covid. Additional expenses incurred by extending the Finance and Payroll contracts until March 2023 has added pressure to the budget. This has been partly offset by vacancy savings. Property Services is forecasting a break-even position taking into account £250k Covid costs and are currently reviewing its income streams within the Investment Portfolio and dual use Council/commercial buildings such as Bickerstaffe House to assess the impact of Covid on rental income. This will be reviewed on a regular basis and pressures brought into the forecast if/when they are realised. A decision has been made to continue to bill tenants in line with their rental agreement, whilst offering deferred payment terms to businesses where appropriate. The Procurement and Projects Service is forecasting an underspend of £64k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend. There has been an impact on services such as ICT, Revenues, Property Services, Benefits &amp; Customer First as a result of Covid totalling £275k to date. This additional cost has been offset mainly by savings as a result of staff vacancies.</p>	10

Contingencies and Reserves	There is a £1m freezing of non-essential and/or deferrable spend to deliver a saving of which £500k still needs to be allocated across services. As such, this is showing as a pressure for 2020/21. There are also savings from prior years that have not yet been met recurrently and these are currently showing a pressure of £668k, primarily procurement savings. Funding of £11,282k has so far been received from MHCLG net of £380k attributable to the 2019/20 financial year and a contribution of £2,810k is anticipated from Blackpool CCG for Enhanced Hospital Discharges. A MHCLG compensation scheme for non-commercial income lost due to Covid is estimated to provide an additional £7,917k in the full year.	(20,841)
<b>Total</b>		<b>8,872</b>

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



3.4 Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves for such longer-term commitments as future Private Finance Initiative payments and uncertainties within the Localised Business Rate system. In order to present a complete picture of the Council's financial standing an equivalent graph to that of working balances, including a projection to 31<sup>st</sup> March 2021, is shown on the next page:



### 3.5 Earmarked Revenue Reserves (ERR)

	£m
Provisional Earmarked Revenue Reserves as at 1 <sup>st</sup> April 2020	46.77
Less Covid grant funding	(5.71)
Less Strategic Leisure Assets non-Covid element of overspend	(1.74)
Less Recurrent Gap funding underwritten by ERR	(2.25)
Less Ward Budget underspend 2019/20	(0.21)
Add Growth & Prosperity – recovery of 2019/20 overspend	4.18
Less Transfers from ERR months 1, 2, 3, 4 and 5	(2.13)
Less Children’s Services CSMTFS funded from ERR	(8.17)
Less Other movements	<u>(0.56)</u>
Forecast Earmarked Revenue Reserves as at 31 <sup>st</sup> August 2020	<u>30.18</u>
Forecast Earmarked Revenue Reserves as at 31 <sup>st</sup> March 2021	<u>29.49</u>

## 4. Covid-19

4.1 The current forecast effect on the Council’s 2020/21 revenue outturn due to the effects of Covid stands at £27,172k gross. Funding of £11,282k has so far been received from MHCLG net of £380k attributable to the 2019/20 financial year and a contribution of £2,810k is anticipated from Blackpool CCG for Enhanced Hospital Discharges. In addition, it is estimated that £7,917k will be received from MHCLG in respect of the Sales, Fees & Charges compensation scheme. These leave a residual pressure to the Council of £5,163k. (This reconciles with the Council’s Covid financial monitoring return to MHCLG taking into account the non-General Fund pressures of capital expenditure, Dedicated Schools Grant, Housing Revenue Account and Collection Fund.)

For completeness the table below shows all the Government Covid-related funding support announcements as at the date of this report:

<b>Grant</b>	<b>Amount (£)</b>	<b>Announced</b>
Business Support Grants	59,124,000	March + subsequent announcements including ringfencing of £2,422k for the Discretionary Grants Fund
Business Rate Reliefs	28,522,000	March
Covid support funding #1	6,084,606	March
Covid support funding #2	3,810,835	April
Covid support funding #3	1,767,168	August
Hardship Fund	2,803,101	March
Homeless top-up	11,250	March
Re-open High Streets	122,772	May
Infection Prevention and Control	2,193,612	May
Test and Trace	1,693,874	May
£63m for local authorities to assist those struggling to afford food and other essentials	Tba	June
Sales, Fees & Charges – compensation scheme	See below	See below

- 4.2 The Government has announced a compensation scheme for non-commercial income lost based upon 75% recovery over and above a 5% excess. The scheme compensates eligible authorities for irrecoverable losses compared to budgets and there will be 3 separate applications covering the periods 1<sup>st</sup> April 2020 – 31<sup>st</sup> July 2020, 1<sup>st</sup> August 2020 – 30<sup>th</sup> November 2020 and 1<sup>st</sup> December 2020 – 31<sup>st</sup> March 2021. A bid was submitted to MHCLG on 30<sup>th</sup> September 2020 in respect of the impact on Sales, Fees and Charges of Covid in the sum of £3,486k covering the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> July 2020. Further bids will be submitted in due course to meet the MHCLG deadlines. It is estimated that the full-year effect will be £7,917k

## 5. Budget Savings

- 5.1 Appendix 4 comprises a summary schedule showing the progress made by directorates in achieving their revenue budget savings targets for 2020/21 which total £19.65m. As at 31<sup>st</sup> August 2020 67% of the 2020/21 savings target has been delivered. The full-year forecast, which takes into account anticipated pressures and savings including those relating to Covid, predicts that 55% will be achieved by the year end.
- 5.2 An additional £6m of one-off savings is hoped to be achieved to increase working balances to target levels. £3,012k had been identified in the 2020/21 Budget of which £900k was released in 2019/20 and so is unavailable in 2020/21, but work is underway to make up the difference and more in the current year.

## 6. Collection Rates

### 6.1 Council Tax

At the end of month 5 the amount collected for Council Tax (excluding Police and Fire precepts) was £25.0m and the collection rate was **41.6%**. This compares to £24.5m and 43.1% at the same point in 2019/20. The amount collected has risen by £0.5m which is mainly due to increases in both the Council Tax rate and base being offset by the impact of Covid, primarily deferred payments and revised instalment arrangements.

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 30<sup>th</sup> January 2020 as part of the setting of the Council Tax Base for 2020/21.

### 6.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1<sup>st</sup> April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means-tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided. From 1<sup>st</sup> April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. The scheme was also amended from 1<sup>st</sup> April 2018 to provide additional support for low income groups of claimants (in receipt of Income Support, Income-Based Jobseekers Allowance or Income Related Employment Support Allowance) by amending the percentage reduction applied to their award from 27.11% to 13.56%. From 1<sup>st</sup> April 2019 the scheme was further amended. 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. At its meeting on 20<sup>th</sup> January 2020, the Executive approved that the reduction applied to working-age claimants under the 2020/21 Scheme remained the same as the 2019/20 Scheme. These have the effect of reducing the amount to be collected.

At the end of month 5 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS either for the first time or in addition to a proportion of their Council Tax was £1.0m and the collection rate was **35.9%**. This compares to £1.13m and 32.8% at the same point in 2019/20. The 2020/21 collection rate now reflects the impact of the MHCLG Hardship Fund. It is expected that billing authorities will use the fund to provide all recipients of working age local council tax support ('LCTS') during the financial year 2020/21 with a further reduction of up to £150 in their annual council tax bill.

The likely impact for 2020/21 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2019/20 due to accumulated arrears, limits on the amount that can be recovered from Attachment of Benefits and the impact of Covid.

### 6.3 Business Rates

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

On 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 1<sup>st</sup> April 2019 the income relating to Blackpool is shared between central government (25%), the Council (73.5%) and the Fire Authority (1.5%).

From 1<sup>st</sup> April 2020 the Pilot scheme ceased and the percentage shares and Safety Net reverted back to the previous original shares. Revenue Support Grant was also reinstated.

At the end of month 5 the amount collected for Business Rates was £7.4m and the collection rate was **38.9%**. This excludes the significant s31 'Extended Retail/Nurseries etc' relief provided by central government. This compares to £21.0m and 42.6% at the same point in 2019/20. The main impact is due to Covid.

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. In the current circumstances no business rate summonses were issued in the 5 months to the end of August 2020.

Subject to audit, the Business Rate cumulative surplus as at 31<sup>st</sup> March 2020 was £3,619k. The Council's share of this is £2,490k (£695k @ 49% + £2,924k @ 73.5%).

## **7. Capital Monitoring Performance**

- 7.1 All active capital schemes have been included within Appendix 5. 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 2020. The month 5 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 2020/21 capital programme.
- 7.3 As at month 5 an overspend of £1.8m on capital schemes is anticipated. Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, and partners to develop options for the Foxhall Village scheme. The reported overspend of £1.8m reflects the current best estimate subject to ongoing negotiations with the administrators.

## **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 6. This provides a comparison of the actual cash receipts and payments compared to forecast for 2020/21.
- 8.2 During the first 5 months of the year, the Council’s net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. This is as a result of the receipt of the £59m business rates grant that was received in April 2020. 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.
- 8.3 The uptake from the Business Loans Fund is expected to continue steadily during 2020/21.

## **9. Summary Balance Sheet**

- 9.1 In order to provide a complete picture of the Council’s financial performance Appendix 7 provides a snapshot of the General Fund balance sheet as at the end of month 5. 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 5-month period there has been a decrease in cash and cash equivalents of £16.1m due to an increase in capital expenditure on Property, Plant and Equipment of £16.9m in line with the Council's approved capital programme for 2020/21.

## **10. Conclusions and Recommendations**

10.1 Over the 10-year period 2011/12 – 2020/21 cumulative Revenue Budget savings amounting to £166m have been required to be made by Blackpool Council. This is greater than the Council's current annual Net Requirement Budget of £142m and even more starkly the compound effect over the same period amounts to £996m 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 principles of the Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 are still valid and have been used to successfully keep apace 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 still creating a crippling burden that current levels of local taxation and Government funding struggle to meet. In addition, the financial consequences of Covid have been immense but so far the Government has been making good with its promises of financial recompense.

10.3 Over the last 10 years of Government funding cuts Blackpool Council has consistently:

- delivered its annual budget in line with statutory requirements
- maintained its reserves and balances at stable and appropriate levels that reflect the risk environment, indeed increasing them further in 2019/20 by £5m despite the financial pressures faced in that year
- improved its income collection rates.

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

10.4 However, the full-year forecast position at the end of month 5 of 2020/21 shows a marked deterioration in the Council's financial standing when compared with the draft unaudited position as at the close of 2019/20. Working balances are expected to fall by the current forecast overspend of £8,872k though £5,163k of this overspend is Covid-related.

10.5 The Council's Revenue Budget for 2020/21 set a target level of General Fund working balances of around £6m. Despite the circumstances it is still deemed appropriate to maintain this target level of £6m for working balances for the medium term and every endeavour is being made to deliver this and more. Earmarked revenue reserves at the start of the financial year stood at a record high of £46,772k, though with known in-year commitments against this the balance will fall to an estimated £29,490k by the end of the year. This should still be sufficient to underwrite the current year's financial risks with a separate financial plan in place for the Council's wholly-owned companies (ref. appendix 3m). It is hoped that by the end of the calendar year there will be sufficient clarity regarding Covid and future funding policies for local government to enable a refresh of the medium-term financial sustainability strategy together with an updated medium-term financial plan of another 6 years' horizon.

10.6 If the 2020/21 forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution the forecast revenue outturn 2020/21 within this report contravenes both of the two specific conditions that excess spending does not:

1. exceed 1% (= £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 (= £3m).

But these are unprecedented times for the whole of local government and in the context of relatively healthy levels of Earmarked Revenue Reserves per CIPFA's Financial Resilience Index and with 7 months of the financial year still remaining officers are working continuously to improve the position such that service overspendings are no more than the working balances available - revised service and financial plans are underway, including the review of technical accounting treatments such as the Minimum Revenue Provision (MRP) policy, freezing of non-essential spend, use of earmarked reserves and delays to filling non-front line vacancies. This year's budget has been formulated to protect Children's Social Care and reinstate working balances in-part in anticipation of the next Spending Review whilst maintaining the capacity and resource to address the consequences of the Covid pandemic.

10.7 The Executive is asked:

- i) to note the report;
- ii) to continue to lobby central government (HM Treasury, Ministry of Housing, Communities & Local Government, Department for Transport, Department for Digital, Culture, Media & Sport, Department for Business, Energy & Industrial Strategy and Department for Education in particular) along with local authority peers and networks and the Local Government Association for the funding necessary to cope with the demands and new burdens presenting as a result of both Covid and within Children's Services; and

- iii) to require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services, Strategic Leisure Assets and Growth & Prosperity and also the 3 Wholly Owned Companies that are facing the biggest impact from the Covid-19 pandemic these being Blackpool Transport Services (BTS), Blackpool Entertainment Company Limited (BECL) and Blackpool Operating Company Limited (BOCL).

Steve Thompson  
Director of Resources  
15<sup>th</sup> October 2020

## Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL									
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2021									
SUMMARY									
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2019/20 (UNDER)/OVER SPEND B/FWD	VARIANCE	
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR-AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
3(a)	CHIEF EXECUTIVE	21	1,732	(1,255)	477	456	-	456	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,818	2,337	655	2,992	1,174	-	422	752
3(b/c)	WARD BUDGETS	521	45	176	221	(300)	206	-	(300)
3(d)	RESOURCES	2,339	(1,635)	3,984	2,349	10	-	275	(265)
3(e)	COMMUNICATIONS AND REGENERATION	4,160	(1,093)	6,031	4,938	778	-	794	(16)
3(f)	STRATEGIC LEISURE ASSETS	380	(1,321)	9,135	7,814	7,434	-	5,692	1,742
3(g)	GROWTH & PROSPERITY	(11,013)	(1,160)	(7,453)	(8,613)	2,400	(4,183)	1,836	564
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	44,962	2,976	45,705	48,681	3,719	-	3,694	25
3(i)	ADULT SERVICES	56,338	20,213	43,797	64,010	7,672	-	7,496	176
3(j)	CHILDREN'S SERVICES	63,070	18,895	49,017	67,912	4,842	-	2,794	2,048
3(k)	PUBLIC HEALTH	25	(9,201)	9,307	106	81	-	81	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	12,609	6,349	9,449	15,798	3,189	-	3,632	(443)
	CAPITAL CHARGES	(27,708)	(11,545)	(16,163)	(27,708)	-	-	-	-
	<b>NET COST OF SERVICES:</b>	<b>147,522</b>	<b>26,592</b>	<b>152,385</b>	<b>178,977</b>	<b>31,455</b>	<b>(3,977)</b>	<b>27,172</b>	<b>4,283</b>
	CONTRIBUTIONS:								
	- TO / (FROM) RESERVES	(10,425)	-	(17,872)	(17,872)	(7,447)		(5,705)	(1,742)
	- 2019/20 SERVICE OVER/UNDERSPENDS	3,977	-	3,977	3,977	-		-	-
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	300	-	300	300	-		-	-
	- CLINICAL COMMISSIONING GROUP	-	-	(2,810)	(2,810)	(2,810)		(2,810)	-
	- SALES, FEES & CHARGES - COVID COMPENSATION	-	-	(7,917)	(7,917)	(7,917)		(7,917)	-
	CONTINGENCIES	255	-	(4,154)	(4,154)	(4,409)		(5,577)	1,168
	LEVIES	455	-	455	455	-		-	-
	<b>CONTRIBUTIONS, etc.</b>	<b>(5,438)</b>	<b>-</b>	<b>(28,021)</b>	<b>(28,021)</b>	<b>(22,583)</b>		<b>(22,009)</b>	<b>(574)</b>
	<b>TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS</b>	<b>142,084</b>	<b>26,592</b>	<b>124,364</b>	<b>150,956</b>	<b>8,872</b>		<b>5,163</b>	<b>3,709</b>
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(8,872)	(8,872)	(8,872)		(5,163)	(3,709)
	<b>NET REQUIREMENT AFTER WORKING BALANCES</b>	<b>142,084</b>	<b>26,592</b>	<b>115,492</b>	<b>142,084</b>	<b>-</b>		<b>-</b>	<b>-</b>
	<b>GENERAL BALANCES AS AT 1st APRIL 2020 PER UNAUDITED STATEMENT OF ACCOUNTS 2019/20</b>						<b>2,292</b>	-	<b>2,292</b>
	In-year (reduction in) / addition to General Fund Working Balances						(8,872)	(5,163)	(3,709)
	<b>ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2021</b>						<b>(6,580)</b>	<b>(5,163)</b>	<b>(1,417)</b>

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	<b>Blackpool Council</b>															
2																
3	<b>Schedule of Service forecast annual overspendings over the last 12 months</b>															
4																
5																
6																
7	<b>Directorate</b>	<b>Service</b>	<b>Scrutiny Committee Report</b>		<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
8					<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
9					<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>						
10																
11	ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS												9,636	7,163	7,542
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			1,624	2,759	2,909	2,909	4,040	4,970	4,970			7,434	7,434	7,434
13	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			9,546	10,059	10,635	11,400	11,605	12,555	12,555			10,607	10,939	3,583
14	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING								148	148			2,811	2,768	2,773
15	GROWTH & PROSPERITY	GROWTH & PROSPERITY							4,397	4,183	4,183			812	812	2,400
16	CHILDREN'S SERVICES	EDUCATION			515	431	544	580	749	739	739			1,152	1,274	1,187
17	GOVERNANCE & PARTNERSHIP SERVICES	CORPORATE LEGAL SERVICES					95	150	289	314	314			269	726	726
18	COMMUNICATIONS & REGENERATION	TOURISM AND COMMUNICATIONS			256	299	315	315	327	542	542			626	574	630
19	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE												515	515	523
20	CHIEF EXECUTIVE	HOUSING												358	358	456
21	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE			320	297	297	297	264	93	93			510	454	450
22	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT												294	314	320
23	ADULT SERVICES	CARE & SUPPORT												211	156	131
24	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES												107	105	103
25	PUBLIC HEALTH	MISCELLANEOUS PUBLIC HEALTH SERVICES												81	81	81
26	COMMUNICATIONS & REGENERATION	PLANNING												122	122	79
27	CHILDREN'S SERVICES	EARLY HELP FOR CHILDREN AND FAMILIES												178	125	-
28	COMMUNICATIONS & REGENERATION	ECONOMIC DEVELOPMENT & CULTURAL SERVICES												84	76	-
29	ADULT SERVICES	ADULT SOCIAL CARE												114		-
67																
68		<b>Sub Total</b>			<b>12,261</b>	<b>13,845</b>	<b>14,795</b>	<b>15,651</b>	<b>21,671</b>	<b>23,544</b>	<b>23,544</b>	-	-	<b>35,921</b>	<b>33,996</b>	<b>28,418</b>
69																
70		Transfer to Earmarked Reserves (note 3)			(1,624)	(2,759)	(2,909)	(2,909)	(8,437)	(9,153)	(9,153)	-	-	(1,742)	(1,742)	(1,742)
71																
72		Other General Fund (under) / overspends			(3,302)	(3,480)	(3,720)	(3,984)	(6,224)	(8,626)	(8,626)	-	-	(8,837)	(7,847)	(17,804)
73																
74		<b>Total</b>			<b>7,335</b>	<b>7,606</b>	<b>8,166</b>	<b>8,758</b>	<b>7,010</b>	<b>5,765</b>	<b>5,765</b>	-	-	<b>25,342</b>	<b>24,407</b>	<b>8,872</b>
75																
76																
77	Notes:															
78																
79	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															
80	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															
81	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															
82	respective financial performance over a 12-month rolling basis for comparison of progress being made.															
83																
84	2. The Strategic Leisure Assets overspend reflects the in-year position.															
85																
86	3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. In addition, the overspend on Growth and Prosperity will be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21.															
87																

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## Blackpool Council - Chief Executive

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
CHIEF EXECUTIVE								
NET EXPENDITURE								
CHIEF EXECUTIVE	729	251	478	729	-	-	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(20)	390	(410)	(20)	-	-	-	-
CHIEF EXECUTIVE TOTAL	709	641	68	709	-	-	-	-
CORPORATE DELIVERY UNIT	(66)	533	(599)	(66)	-	-	-	-
HOUSING	(622)	558	(724)	(166)	456	-	456	-
ASSISTANT CHIEF EXECUTIVE	(688)	1,091	(1,323)	(232)	456	-	456	-
TOTALS	21	1,732	(1,255)	477	456	-	456	-

### 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 5 months of 2020/21 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 also currently forecasting a break-even position.

#### Corporate Delivery Unit

This service is forecasting a break-even position.

#### Housing

This service is currently forecasting a pressure of £456k which all relates to Covid-19. This pressure is made up of additional costs relating to the temporary accommodation of rough sleepers in line with the government guidelines.

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## Blackpool Council – Governance and Partnership Services

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>								
<b>NET EXPENDITURE</b>								
DEMOCRATIC GOVERNANCE	2,273	1,125	1,139	2,264	(9)	-	-	(9)
CORPORATE LEGAL SERVICES	(84)	1,122	(480)	642	726	-	4	722
INFORMATION GOVERNANCE	(5)	22	(20)	2	7	-	-	7
LIFE EVENTS & CUSTOMER CARE	(366)	68	16	84	450	-	418	32
<b>GOVERNANCE &amp; PARTNERSHIP SERVICES</b>	<b>1,818</b>	<b>2,337</b>	<b>655</b>	<b>2,992</b>	<b>1,174</b>	-	<b>422</b>	<b>752</b>
WARDS	521	45	176	221	(300)	206	-	(300)
<b>TOTALS</b>	<b>2,339</b>	<b>2,382</b>	<b>831</b>	<b>3,213</b>	<b>874</b>	<b>206</b>	<b>422</b>	<b>452</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 5 months of 2020/21 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. Of the £874k pressure £422k is attributable to Covid-19.

#### Democratic Governance Service

The Democratic Governance Service is currently forecasting an underspend of £9k. Income that had been expected to be lost due to Covid-19 in Governor Services has not been lost and it is now expected that the service will generate extra income this year.

#### Corporate Legal Services

This service is now forecasting an overspend of £726k of which £4k is additional spend due to Covid-19. The majority of the remaining overspend of £722k relates to the increased spend in Children's Legal. This increase is to cover the need for additional staff and legal fees due to the increased caseload. There is a small overspend elsewhere in Legal however it is hoped that savings may offset this by the year-end.

#### Information Governance

This service is currently forecasting a £7k pressure due to a loss of income from Academies.

**Life Events & Customer Care**

This service is forecasting a pressure of £450k. Of this pressure £418k relates to Covid-19 and includes a £289k contribution to mortuaries at Warton and Blackpool Victoria Hospital as well as lost income from weddings. Life Events are also forecasting an overspend of £32k which relates to continuing pressures in Coroners, Cremations and Burials.

**Ward Budgets**

Ward budgets are expected to underspend in 2020/21.

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

**Blackpool Council**  
**Ward Budgets**  
**2020/21**  
**Month 5**

## Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2020-21 Budget	2020-21 Budget Committed to <u>Approved</u> Schemes	Remaining 2020-21 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	1	1	0	1	£24,079.79	£200.00	£23,879.79
Bispham Ward BC1002	Cllr. Clapham Cllr. Wilshaw	0	0	0	0	£27,479.76	£0.00	£27,479.76
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	5	5	0	3	£29,160.68	£8,710.00	£20,450.68
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	1	1	0	1	£25,840.60	£7,000.00	£18,840.60
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	8	8	0	8	£15,261.77	£7,450.16	£7,811.61
Clifton Ward BC1006	Cllr. Hutton Cllr. P. Burdess	2	2	0	1	£23,526.22	£1,000.00	£22,526.22
Greenlands Ward BC1007	Cllr. Scott Cllr. Wing	3	3	0	2	£23,095.75	£6,931.10	£16,164.65
Hawes Side Ward BC1008	Cllr. Brookes Cllr. Critchley	3	3	0	2	£16,322.79	£156.20	£16,166.59
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	3	3	0	2	£28,434.35	£650.00	£27,784.35
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Farrell	2	2	0	2	£23,532.72	£2,976.80	£20,555.92
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	5	5	0	5	£19,366.11	£4,397.40	£14,968.71
Marton Ward BC1012	Cllr. D Coleman Cllr. Stansfield	1	1	0	0	£27,479.86	£0.00	£27,479.86
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	1	1	0	0	£15,127.26	£0.00	£15,127.26
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	3	3	0	3	£18,811.04	£6,699.00	£12,112.04
Squires Gate Ward BC1015	Cllr. Cox Cllr. Walsh	1	1	0	1	£22,991.95	£0.00	£22,991.95
Stanley Ward BC1016	Cllr. Roberts Cllr. Baker	2	2	0	0	£45,000.00	£0.00	£45,000.00
Talbot Ward BC1017	Cllr. Hugo Cllr. Smith	3	3	0	1	£18,180.73	£8,734.00	£9,446.73
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	2	2	0	2	£36,689.86	£7,000.00	£29,689.86
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	3	3	0	2	£25,118.87	£2,740.00	£22,378.87
Warbreck Ward BC1020	Cllr. Scott Cllr. Mrs Scott	1	1	0	1	£20,908.62	£0.00	£20,908.62
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	0	0	0	0	£30,643.14	£0.00	£30,643.14

<b>Ward Totals</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>37</b>	<b>£517,051.87</b>	<b>£64,644.66</b>	<b>£452,407.21</b>
<b>Unallocated Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£4,587.40</b>	<b>£0.00</b>	<b>£4,587.40</b>
<b>Income Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>
<b>Area Ward Totals</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>37</b>	<b>£521,639.27</b>	<b>£64,644.66</b>	<b>£456,994.61</b>

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## Blackpool Council - Resources

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
RESOURCES								
NET EXPENDITURE								
PROCUREMENT & PROJECTS	3	980	(1,041)	(61)	(64)	-	(64)	
BENEFITS	(910)	(2,442)	1,532	(910)	-	-	-	
REVENUES SERVICES	1,636	723	913	1,636	-	16	(16)	
CUSTOMER FIRST	11	405	(394)	11	-	7	(7)	
ICT SERVICES	9	993	(984)	9	-	-	-	
ACCOUNTANCY & EXCHEQUER SERVICES	2	712	(636)	76	74	-	74	
RISK SERVICES	7	350	(343)	7	-	2	(2)	
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	1,581	(3,356)	4,937	1,581	-	250	(250)	
<b>TOTALS</b>	<b>2,339</b>	<b>(1,635)</b>	<b>3,984</b>	<b>2,349</b>	<b>10</b>	<b>-</b>	<b>275</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 Resources against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2020/21 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 £64k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend.

#### Benefits

The Benefits Service is forecasting a break-even position. Monthly Housing Benefit new claims processing figures for August was 11 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications was 6 days. It is anticipated that there will be a further significant increase in new claims for Council Tax Reduction over the coming months.

#### Revenue Services

Revenue Services are forecasting a break-even position on a gross budget of £2.3m.

#### Customer First

Customer First is forecasting a break-even position on a gross budget of £1.2m.

**ICT Services**

ICT is forecasting a break-even position on a gross budget of £5.2m.

**Accountancy & Exchequer Services**

Accountancy & Exchequer services are forecasting an overspend of £74k. Accountancy are forecasting an overspend of £41K, mainly due to additional expenses incurred by extending the Finance Contract with Advanced until March 2023 which has added pressure to the budget. This has been partly offset by vacancy savings within the team. Exchequer Services are forecasting an overspend of £33k due to upgrades to the CIVICA system.

**Risk Services**

Risk Services are forecasting a break-even position on a gross budget of £1.1m.

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

Property Services are forecasting a break-even position on a gross budget of £13.6m. Property Services are currently reviewing its income streams within the Investment Portfolio and dual use council/commercial buildings such as Bickerstaffe House to assess the impact of Covid-19 on rental income. This will be reviewed on a regular basis and pressures brought into the forecast if/when they are realised. A decision has been made to continue to bill tenants in line with their rental agreement, whilst offering deferred payment terms to businesses where appropriate.

**Summary of the revenue forecast**

After 5 months of the financial year Resources are forecasting a £10K overspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

There has been an impact on services such as ICT, Revenues, Property Services, Benefits & Customer First as a result of Covid-19 totalling £275k to date. This additional pressure has been offset mainly by savings as a result of staff vacancies.

**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	2019/20 (UNDER)/OVER SPEND £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
			PROJECTED SPEND £000	FORECAST OUTTURN £000				
<b>COMMUNICATIONS &amp; REGENERATION</b>								
<b>NET EXPENDITURE</b>								
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	704	(3,619)	4,392	773	69	-	65	4
PLANNING	454	260	273	533	79	-	127	(48)
TOURISM AND COMMUNICATIONS	3,002	2,266	1,366	3,632	630	-	602	28
<b>TOTALS</b>	<b>4,160</b>	<b>(1,093)</b>	<b>6,031</b>	<b>4,938</b>	<b>778</b>	<b>-</b>	<b>794</b>	<b>(16)</b>

### Commentary on the key issues:

#### Directorate Summary – basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn of £778k overspend is based upon actual financial performance for the first 5 months of 2020/21 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. Of the £778k overspend, £794k is attributable to Covid-19.

#### Economic Development and Cultural Services

There is an expected pressure in this area of £69k of which £65k relates to Covid-19. There remains a pressure of £40k relating to the Grundy Art Gallery. This has been reduced by the use of savings elsewhere in Arts such as vacant posts and it is hoped that this can keep being reduced during the year. There is a £24k saving in Libraries due to the release of some reserves and savings on staffing. There are savings of £12k in Economic Development due to some additional income and small savings elsewhere in the budget.

#### Planning

There is an expected pressure in this area of £79k of which £127k relates to Covid-19. This has been offset in part due to staff savings and better than budgeted income in Building Control.

#### Tourism & Communications

There is an expected pressure in this area of £630k of which £602k relates to Covid-19. Of the remaining pressure £21k relates to Visit Blackpool. Print Services is once again expecting a small pressure of £7k other than for Covid-19 costs as it is looking less likely the additional building costs will be covered by additional income this year. Of the £21k pressure in Visit Blackpool, an additional saving in Events means that the £55k pressure relating to historic savings targets previously reported has now been met as well as a contribution of £56k being made towards the £77k additional sponsorship costs.

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

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## Blackpool Council – Strategic Leisure Assets

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

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG	PROJECTED SPEND	FORECAST OUTTURN	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
		£000	£000	£000	£000		£000	£000
STRATEGIC LEISURE ASSETS								
NET EXPENDITURE								
STRATEGIC LEISURE ASSETS	380	(1,321)	9,135	7,814	7,434	-	5,692	1,742
<b>TOTALS</b>	<b>380</b>	<b>(1,321)</b>	<b>9,135</b>	<b>7,814</b>	<b>7,434</b>	<b>-</b>	<b>5,692</b>	<b>1,742</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 5 months of 2020/21 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

This service is currently expecting a pressure of £7,434k, bringing the expected cumulative deficit as at 2020/21 to £20,975k. £5,692k of this deficit is due to Covid-19 caused loss of income. Included in this forecast are increased repair costs, mainly relating to Tower steel work.

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 of £1,742k (i.e. excluding Covid-19 costs) will be carried forward and transferred to Earmarked Reserves.

The Leisure Assets medium-term financial plan now forecasts the service to break-even, in-year, during 2024/25. This has increased from 2021/22 mainly due to an assumption around the longer lasting impact of Covid-19.

**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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
GROWTH & PROSPERITY								
NET EXPENDITURE								
GROWTH & PROSPERITY	(11,013)	(1,160)	(7,453)	(8,613)	2,400	(4,183)	1,836	564
<b>TOTALS</b>	<b>(11,013)</b>	<b>(1,160)</b>	<b>(7,453)</b>	<b>(8,613)</b>	<b>2,400</b>	<b>(4,183)</b>	<b>1,836</b>	<b>564</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 5 months of 2020/21 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 adjusted budget for Growth and Prosperity includes an approved carry forward overspend of £4,183k from 2019/20.

This service is now expecting a £2,400k pressure. £1,836k of this relates to loss of income due to the Covid-19 restrictions to the end of the financial year. This pressure also includes £700k of expenditure relating to the Enterprise Zone, however it is expected that this will reduce by the end of the year. In addition, there is a saving of £136k due to £533k of additional income over target less additional costs relating to regeneration projects

**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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
<b>COMMUNITY &amp; ENVIRONMENTAL SERVICES</b>								
<b>NET EXPENDITURE</b>								
BUSINESS SERVICES	437	540	(103)	437	-	-	-	
LEISURE AND CATERING	3,238	3,213	2,798	6,011	2,773	-	2,773	
PUBLIC PROTECTION	758	(93)	851	758	-	-	(12)	
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	16,771	(4,571)	21,445	16,874	103	-	182	
STREET CLEANSING AND WASTE	18,301	2,223	16,601	18,824	523	-	545	
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,765	338	4,427	4,765	-	-	-	
INTEGRATED TRANSPORT	692	1,326	(314)	1,012	320	-	206	
<b>TOTALS</b>	<b>44,962</b>	<b>2,976</b>	<b>45,705</b>	<b>48,681</b>	<b>3,719</b>	-	<b>3,694</b>	<b>25</b>

### Commentary on the key issues:

#### Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn of £3,719k overspend is based upon actual financial performance for the first 5 months of 2020/21 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. Of the £3,719k overspend, £3,694k is attributable to Covid-19.

#### Business Services

This service is currently forecasting a break-even position.

#### Leisure and Catering

This service is currently forecasting a pressure of £2,773k. Leisure Services are reporting a pressure of £2,162k as there has been no income forecast for the financial year due to uncertainty surrounding membership levels and general patronage after the leisure centres re-opened. Parks are forecasting a pressure of £106k due to lost sports income and potential bad debt from rental invoices. Catering Services are facing a pressure of £505k due to reduced income for school meals. All of the pressures facing the service are related to the Covid-19 pandemic, and both Leisure and Catering Services are looking at options to reduce this pressure.

#### Public Protection

This service is currently forecasting a break-even position.

**Highways and Traffic Management Services**

This service is currently forecasting a pressure of £103k. There is an anticipated shortfall in Road and Street Works Act (RASWA) income of £162k due to work being halted during the Covid-19 lockdown and the expectation that this income will be slow to resume, so will not be at the same levels as previous years. Highways & Engineering is forecast to save £59k, due to staffing vacancies and increased scheme income, which will help to off-set some of the Covid-19 related pressures within the service.

**Street Cleansing and Waste**

Waste Services are reporting a pressure of £523k due to a reduction in forecast income within Trade Waste and the HWRC where income has been reduced significantly due to the pandemic. The service is continuing to monitor the situation and is working hard to alleviate the pressure.

**Coastal and Environmental Partnerships**

This service is currently forecasting a break-even position.

**Integrated Transport**

This service is forecasting a pressure of £320k. £250k is mainly due to the loss of Rideability income during lockdown and reduced income in the future due to social distancing measures reducing the capacity of the service. There is a target saving of £60k for school crossing patrols, but this will not be met and the re-opening of schools will lead to an additional staff cost pressure of £20k, due to the need for variable starts, so more requirement for crossing patrols. There are, however, one-off small savings identified within other areas, but the pressure within Travel and Road Safety will still amount to £70k. Other savings have helped to mitigate the pressures overall.

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

At the end of August 2020, the Community and Environmental Services Directorate is forecasting a £3,719k pressure. £3,694k of this pressure relates to Covid-19. The pressures within Leisure, Catering, and Waste are entirely due to the Covid-19 pandemic, and it is hoped that when these services can fully resume operations this pressure will be reduced. Some Leisure services have resumed operations, but the income generated is low and will need time to build up. Within the other services, there are Covid-19 related pressures of £376k and other pressures/savings unrelated to the pandemic totalling £47k.

**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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
			PROJECTED SPEND £000	FORECAST OUTTURN £000				
ADULT SERVICES								
NET EXPENDITURE								
ADULT SOCIAL CARE	7,307	3,046	4,261	7,307	-	-	-	-
CARE & SUPPORT	5,862	1,825	4,168	5,993	131	-	101	30
ADULT COMMISSIONING PLACEMENTS	42,493	15,284	34,751	50,035	7,542	-	7,395	147
ADULT SAFEGUARDING	676	58	617	675	(1)	-	-	(1)
TOTALS	56,338	20,213	43,797	64,010	7,672	-	7,496	176

### 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 5 months of 2020/21 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 £7,542k overspend on a £62m gross expenditure budget. There are £7,395k pressures caused by Covid-19. The main reasons relate to £2,472k in respect of a 10% provider rate up-lift for a period of 6 months and £1,764k for Personal Protective Equipment (PPE). In addition, at August 2020, Enhanced Hospital Discharges are estimated to cost £2,810k which is to be offset by an equivalent contribution from Blackpool Clinical Commissioning Group (CCG). Additional pressures sit within Complex Cases.

#### Care and Support

Care and Support is forecasting an overspend of £131k of which £101k is due to Covid-19 pressures. The balance of £30k is due to a pressure in the Vitaline service as a result of handing back the hostels SLA to Blackpool Coastal Housing.

#### Summary of the Adult Services financial position

As at the end of August 2020 the Adult Services Directorate is forecasting an overall overspend of £7,672k for the financial year to March 2021 on a gross budget of £84m. This includes Covid-19 pressures amounting to £7,496k.

#### 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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	2020/21						COVID-19 £000	NON-COVID £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000			
<b>CHILDREN'S SERVICES</b>								
<b>NET EXPENDITURE</b>								
LOCAL SCHOOLS BUDGET - ISB	18,999	5,162	13,837	18,999	-	-	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED EDUCATION	1,178	203	1,013	1,216	38	-	-	38
EDUCATION	20,012	8,521	12,278	20,799	787	-	360	427
EARLY HELP FOR CHILDREN AND FAMILIES	982	409	(160)	249	(733)	-	-	(733)
BUSINESS SUPPORT AND RESOURCES	8,752	3,427	5,338	8,765	13	-	13	-
DEDICATED SCHOOL GRANT	(48,692)	(21,446)	(27,386)	(48,832)	(140)	-	-	(140)
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(1,231)	-	(1,196)	(1,196)	35	-	(373)	408
<b>TOTAL DSG FUNDED SERVICES</b>	-	(3,724)	3,724	-	-	-	-	-
CHILDREN'S SERVICES DEPRECIATION	2,213	-	2,213	2,213	-	-	-	-
EDUCATION	3,425	1,566	3,046	4,612	1,187	-	532	655
EARLY HELP FOR CHILDREN AND FAMILIES	5,481	776	4,777	5,553	72	-	353	(281)
CHILDREN'S SOCIAL CARE	51,077	19,024	35,636	54,660	3,583	-	1,909	1,674
BUSINESS SUPPORT AND RESOURCES	1,053	1,253	(200)	1,053	-	-	-	-
LOCAL SERVICES SUPPORT GRANT	(18)	-	(18)	(18)	-	-	-	-
SCHOOL IMPROVEMENT GRANT	(161)	-	(161)	(161)	-	-	-	-
<b>TOTAL COUNCIL FUNDED SERVICES</b>	<b>63,070</b>	<b>22,619</b>	<b>45,293</b>	<b>67,912</b>	<b>4,842</b>	-	2,794	2,048
<b>TOTALS</b>	<b>63,070</b>	<b>18,895</b>	<b>49,017</b>	<b>67,912</b>	<b>4,842</b>	-	2,794	2,048

### 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 5 months of 2020/21 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 budget was increased by £8.173m in August 2020 following the approval of the refreshed Children’s Services Medium Term Financial Strategy (CSMTFS). The additional investment was required to cover the increase in numbers and unit costs of Looked After Children (LAC) between budget setting and 31<sup>st</sup> May 2020 and also to develop the placements market and increase the capacity within internal fostering. The CSMTFS aims to reverse the current trend and this investment alongside other service improvements should ensure the service can live within the current budget by 2022/23.

However, the Children’s Social Care division is still forecasting an in-year overspend due to the worsening position since May 2020 (£1.674m) and the impact of Covid (£1.909m). Nationally, there is an expected increase in demand for children’s social care services post Covid that could see an additional pressure.

## **Dedicated Schools Grant Funded Services**

The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2021/22 and, in the case of overspends, become the first call on the grant in that year.

## **Education**

The £655k 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 a historical savings target that wasn't achieved.

There is also a £532k pressure due to Coronavirus as Transport Services is expected to spend an additional £200k, £130k income targets for Music Services and Courts & Licensing are unable to be achieved and additional summer holiday scheme spend of £100k. There is also expected to be an additional cost of £68k as some baseline Literacy, Numeracy, Emotional & Social Health assessments will now be on paper rather than digital.

## **Early Help**

The Early Help Service is expected to overspend on Coronavirus by £353k, mainly due to an unachievable Troubled Families income target. This is being offset by a staffing underspend of £281k due to vacant posts across the service.

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

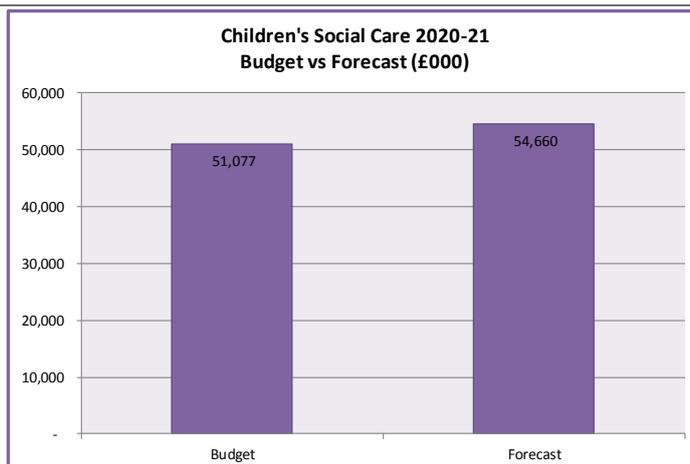
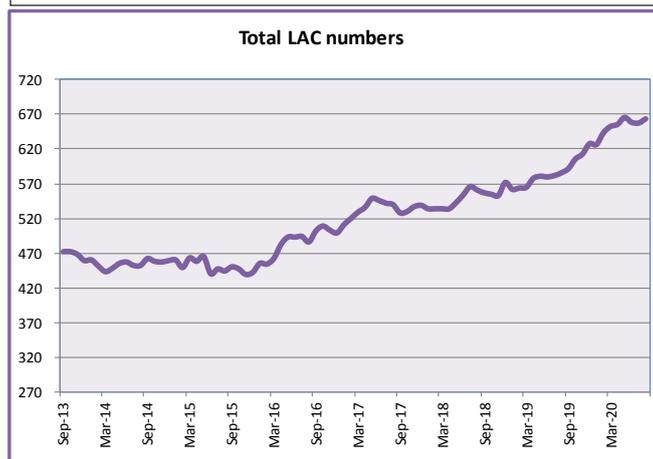
As at the end of August 2020 the Children's Services Directorate is forecasting an overspend of £4.842m for the financial year to March 2021. This includes Covid pressures amounting to £2.794m.

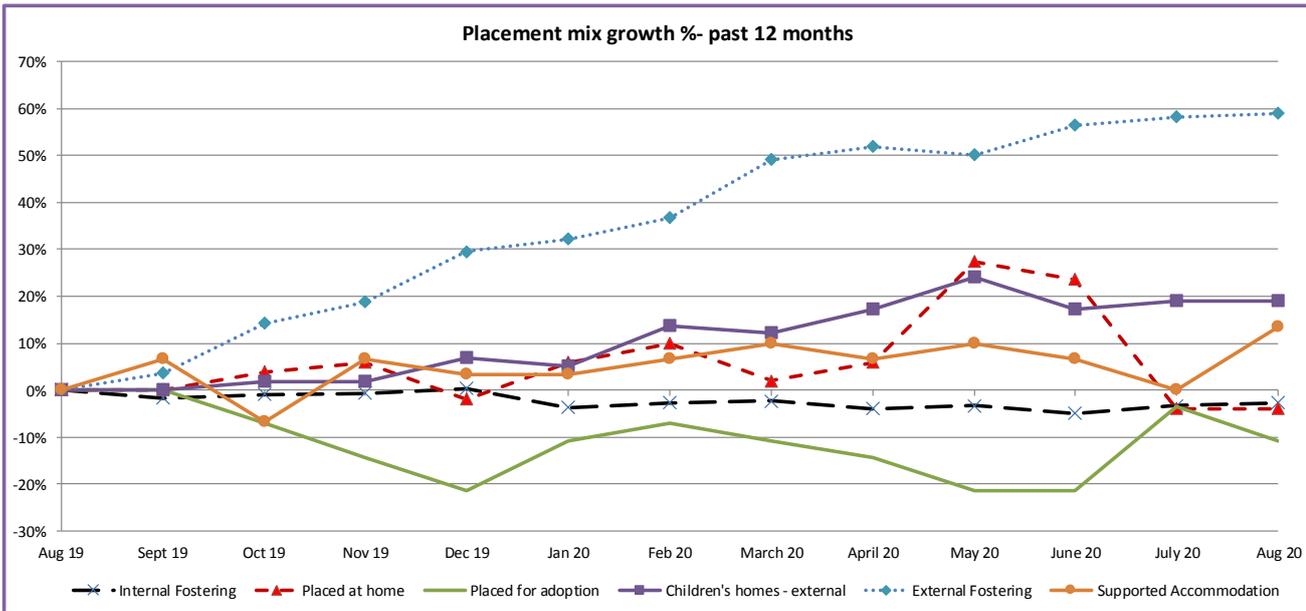
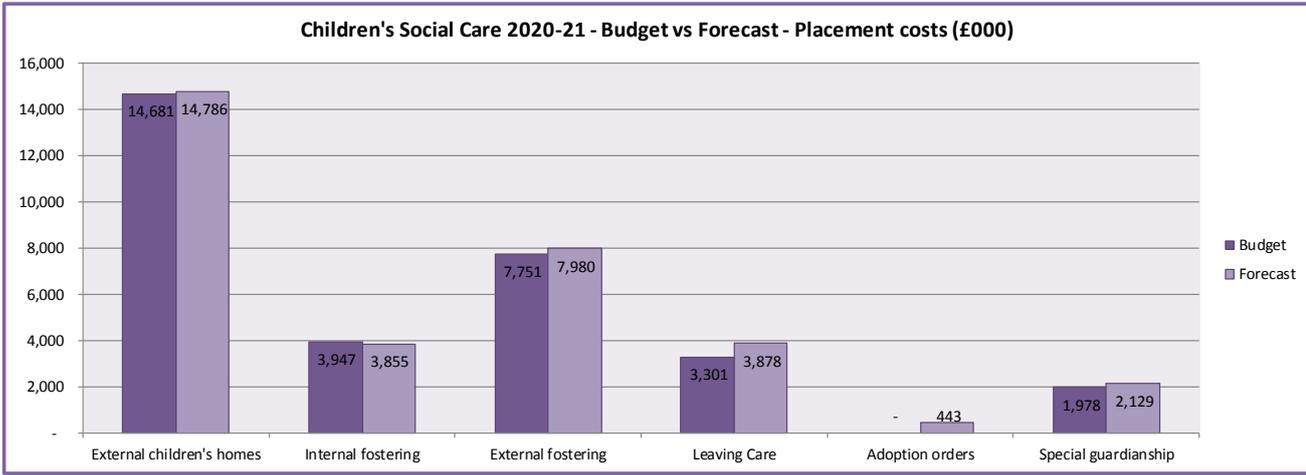
## **Budget Holder – Mrs D Booth, Director of Children's Services**

Children's Social Care Trends

Date	External Placements Projection						Supported Accommodation			Internal Fostering			LAC number	SGO	
	Fostering			Residential			Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	No.	Number	£ per placement
	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		no data
Sep-13	66	14%	35,667	33	7%	111,523	17	4%	no data	272	58%	11,908	472		no data
Dec-13	69	15%	36,560	30	7%	117,073	17	4%	no data	260	57%	11,828	459		no data
Mar-14	64	14%	34,058	27	6%	118,473	15	3%	no data	248	56%	11,757	443		no data
Jun-14	74	16%	35,928	25	5%	102,561	18	4%	no data	250	55%	12,833	457		no data
Sep-14	75	16%	37,655	21	5%	121,210	27	6%	no data	237	51%	12,570	462		no data
Dec-14	70	15%	38,760	18	4%	124,281	23	5%	no data	243	53%	12,474	459		no data
Mar-15	73	16%	40,155	23	5%	128,868	19	4%	no data	244	53%	12,374	463		no data
Jun-15	74	17%	40,625	25	6%	147,777	20	5%	no data	219	50%	12,541	440		no data
Sep-15	73	16%	40,040	25	6%	142,934	16	4%	no data	225	50%	12,549	450		no data
Dec-15	70	16%	41,243	27	6%	145,196	17	4%	no data	217	49%	12,428	442		no data
Mar-16	69	15%	42,215	29	6%	146,120	22	5%	no data	257	56%	12,453	462		no data
Jun-16	77	16%	42,145	34	7%	157,136	28	6%	38,608	259	53%	12,630	493	230	5,472
Sep-16	84	17%	42,750	32	6%	169,996	27	5%	41,376	254	51%	12,688	502	240	5,582
Dec-16	89	18%	43,038	36	7%	175,954	28	6%	41,037	258	52%	12,857	499	245	5,562
Mar-17	103	19%	43,502	44	8%	179,669	26	5%	42,416	269	51%	12,872	529	249	5,555
Jun-17	100	18%	40,933	49	9%	151,450	26	5%	60,946	272	50%	13,227	546	258	5,576
Sep-17	95	18%	40,991	35	7%	161,487	36	7%	57,928	270	51%	13,213	528	267	5,383
Dec-17	103	19%	41,277	43	8%	162,623	36	7%	58,358	272	50%	13,169	539	277	5,281
Mar-18	98	18%	41,099	44	8%	165,935	30	6%	55,728	273	51%	13,116	534	286	5,109
Jun-18	97	18%	40,083	45	8%	164,794	24	4%	48,006	297	54%	13,403	554	320	5,512
Sep-18	97	17%	40,425	45	8%	159,388	28	5%	46,073	302	54%	13,441	557	308	5,294
Dec-18	99	17%	40,227	47	8%	169,287	33	6%	46,167	305	53%	13,430	572	332	5,175
Mar-19	94	17%	39,536	53	9%	177,477	23	4%	45,845	306	54%	13,289	565	317	5,238
Jun-19	107	18%	42,426	53	9%	172,929	26	4%	68,367	305	53%	13,014	580	318	5,988
Sep-19	116	20%	43,981	58	10%	180,014	32	5%	56,148	294	50%	12,649	592	315	5,693
Dec-19	145	23%	45,812	62	10%	184,396	31	5%	60,289	300	48%	12,854	628	334	5,670
Mar-20	167	26%	45,201	65	10%	183,892	33	5%	61,076	292	45%	13,166	653	339	5,624
Jun-20	175	27%	47,565	68	10%	207,288	32	5%	92,575	284	43%	12,877	659	357	5,882
Jul-20	177	27%	46,629	69	10%	208,424	30	5%	93,653	289	44%	12,834	658	361	5,953
Aug-20	178	27%	46,816	69	10%	209,763	34	5%	101,383	291	44%	12,775	664	360	6,045

**Note:**  
The variance between the current total number of Looked After Children (664) and the total internal fostering and external placement numbers (572) 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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
<b>PUBLIC HEALTH</b>								
<b>NET EXPENDITURE</b>								
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	1,024	409	615	1,024	-	-	-	-
NHS HEALTH CHECKS - MANDATED	100	21	79	100	-	-	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	600	250	350	600	-	-	-	-
CHILDREN'S 0-5 SERVICES	2,410	995	1,415	2,410	-	-	-	-
TOBACCO CONTROL	354	(30)	384	354	-	-	-	-
MENTAL HEALTH AND WELLBEING	15	-	15	15	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,785	663	1,122	1,785	-	-	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,675	1,042	1,633	2,675	-	-	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	824	218	606	824	-	-	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	117	84	33	117	-	-	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,607	(3,654)	12,342	8,688	81	-	81	-
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	26	82	(56)	26	-	-	-	-
GRANT	(18,512)	(9,281)	(9,231)	(18,512)	-	-	-	-
<b>TOTALS</b>	<b>25</b>	<b>(9,201)</b>	<b>9,307</b>	<b>106</b>	<b>81</b>	<b>-</b>	<b>81</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 5 months of 2020/21 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 grant conditions require quarterly financial reporting of spend against a prescribed set of headings and spend of the grant must link explicitly to the Health and Wellbeing Strategy, Public Health Outcomes Framework and Joint Strategic Needs Assessment.

The Public Health Directorate are forecasting an overall spend of the full grant, £18,511,785, for the financial year to March 2021.

#### 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 August 2020, the Public Health Directorate are forecasting an overspend of £81k for the financial year to March 2021.

This relates to additional spend incurred by the Public Health team as a result of the Covid-19 response. Since March Public Health has been responding to the outbreak of Covid-19 to protect the population of Blackpool. The team have developed Community Hubs, including the homeless population, to ensure that those left vulnerable from Covid-19 receive the support they need, for example food, welfare checks, medication, accommodation, etc.

More recently the Public Health team has been supporting the Government's NHS Test and Trace service with contact tracing and support for complex local outbreak management. This required a single point of contact to be established, monitored and calls/e-mails actioned by appropriately qualified and informed staff. The spend relating to this work is not included in the table above as this is being funded through a ring-fenced £1.7m Test and Trace service support grant from the Department of Health and Social Care, and therefore has no financial impact on the budgetary position for the directorate.

**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	2019/20 (UNDER)/OVER SPEND B/FWD £000	VARIANCE	
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
<b>BUDGETS OUTSIDE THE CASH LIMIT</b>								
<b>NET EXPENDITURE</b>								
TREASURY MANAGEMENT	10,361	4,164	5,831	9,995	(366)	-	-	(366)
PARKING SERVICES	(4,806)	(286)	(2,391)	(2,677)	2,129	-	2,165	(36)
CORPORATE SUBSCRIPTIONS	137	84	53	137	-	-	-	-
HOUSING BENEFITS	1,570	893	916	1,809	239	-	239	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,104	420	684	1,104	-	-	-	-
SUBSIDIARY COMPANIES	(1,170)	215	(49)	166	1,336	-	1,377	(41)
LAND CHARGES	(51)	(24)	(27)	(51)	-	-	-	-
CONCESSIONARY FARES	4,433	476	3,808	4,284	(149)	-	(149)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	1,297	540	757	1,297	-	-	-	-
NEW HOMES BONUS	(266)	(133)	(133)	(266)	-	-	-	-
<b>TOTALS</b>	<b>12,609</b>	<b>6,349</b>	<b>9,449</b>	<b>15,798</b>	<b>3,189</b>	<b>-</b>	<b>3,632</b>	<b>(443)</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 5 months of 2020/21 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

#### Treasury Management

Treasury Management is forecasting a favourable variance of £366k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low, the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. The Business Loans Fund now has a savings target of £3,309k and there is some slippage in the loans being made to date.

#### Parking Services

Parking Services is forecasting a shortfall on income of £2,129k for 2020/21. £2,165k of this shortfall relates to the expected loss of income due to Covid-19 restrictions against budget. A small saving has been generated due to savings in staffing.

As at Week 25 (w/e 20th September) parking income is at £1.8m with patronage at 351,361. Car park patronage is down by 174,913 and income is down by £919k on 2019/20. On-Street Pay and Display patronage is down by 165,437 and income is down by £124k.

### **Housing Benefit**

This service is forecasting an overspend of £239k due to Covid-19. This relates to a reduction in the amount of overpayments recovered during the pandemic.

### **Council Tax and NNDR Cost of Collection**

This service is forecasting a break-even position.

### **Subsidiary Companies**

There is a pressure of £1,336k in subsidiary companies. £1,377k of this pressure is due to the current restrictions relating to Covid-19. The current forecast assumes no dividend is received from Blackpool Transport Services (BTS) or Blackpool Operating Company Limited (BOCL). There is, however, expected to be a saving of £41k due to an expected reduction in charges, mainly relating to debt management.

### **Land Charges**

This service is expected to break-even.

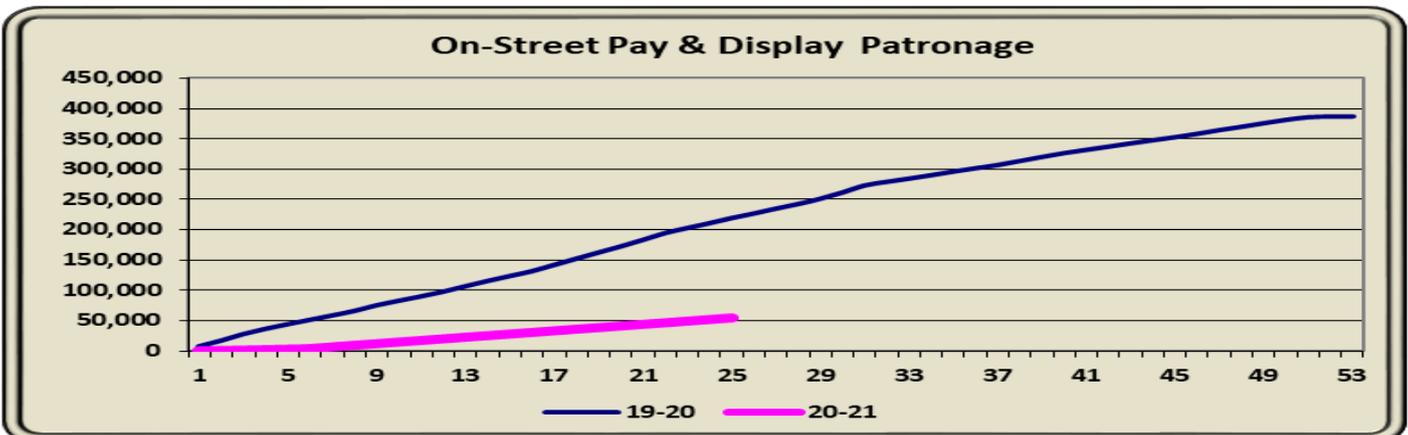
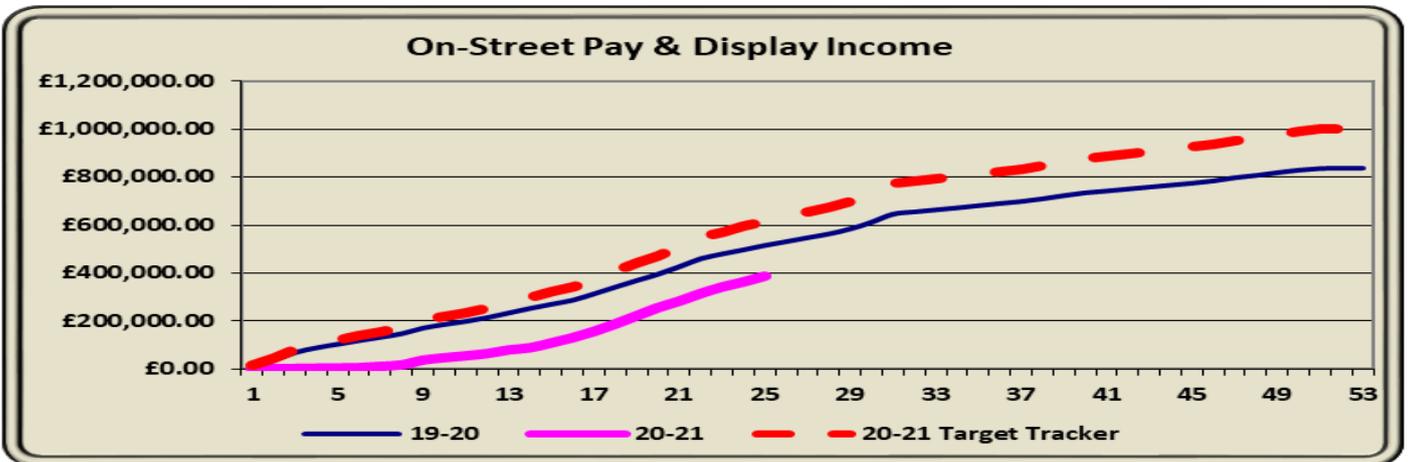
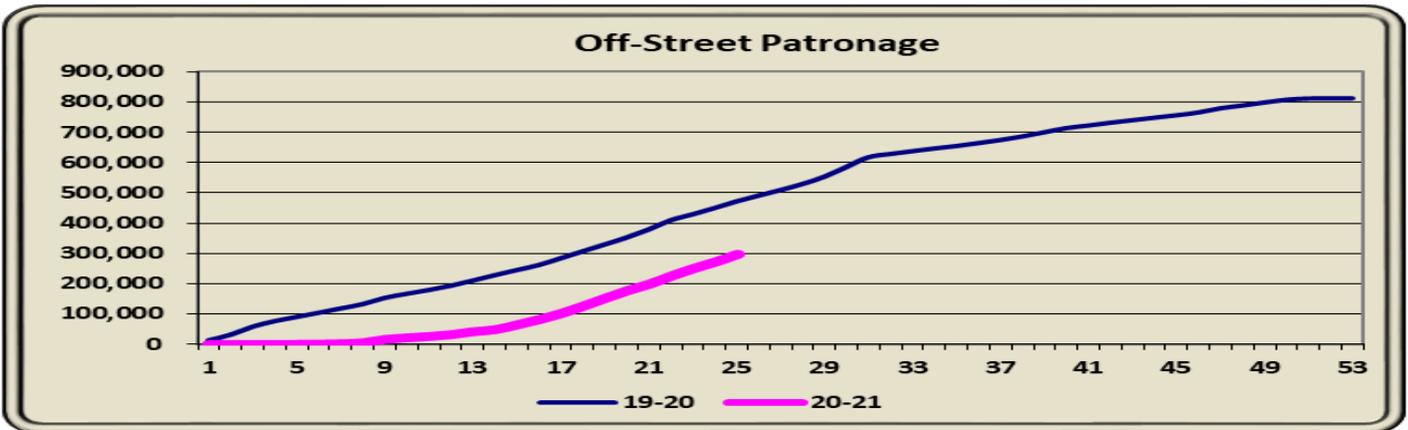
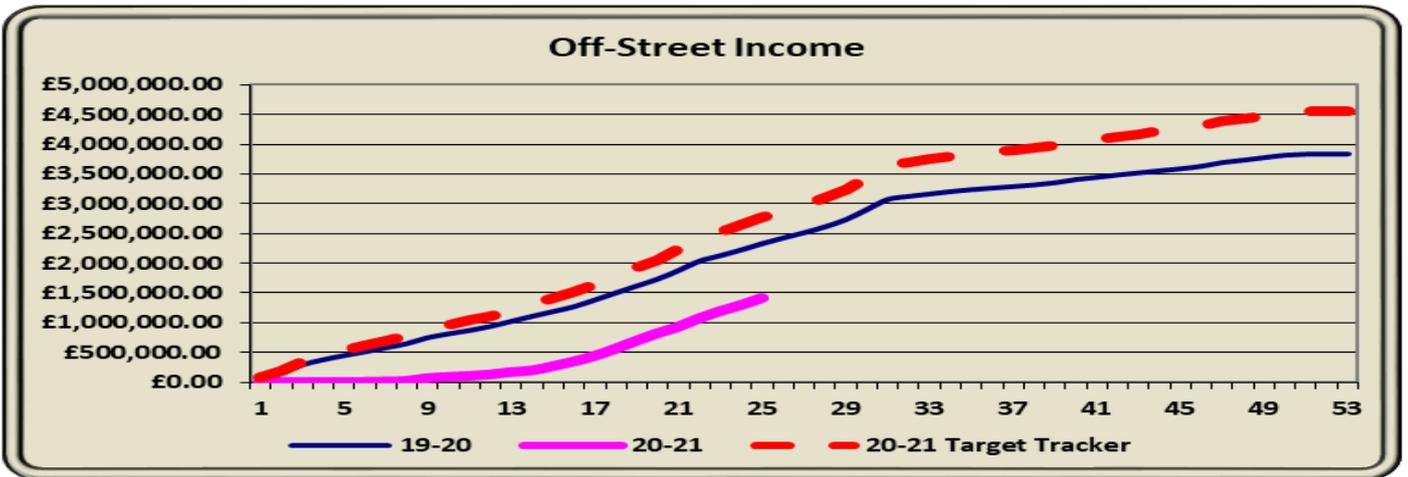
### **Concessionary Fares**

Concessionary Fares is forecasting an underspend of £149k which is due to Covid-19. The full year estimate is based on payments to October 2020 using an average of 4 specific periods in 2019/20 together with forecast figures provided by BTS to the end of the year.

### **Summary of the revenue forecasts**

After 5 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £3,189k overspend. This includes £3,632k Covid-19 related costs.

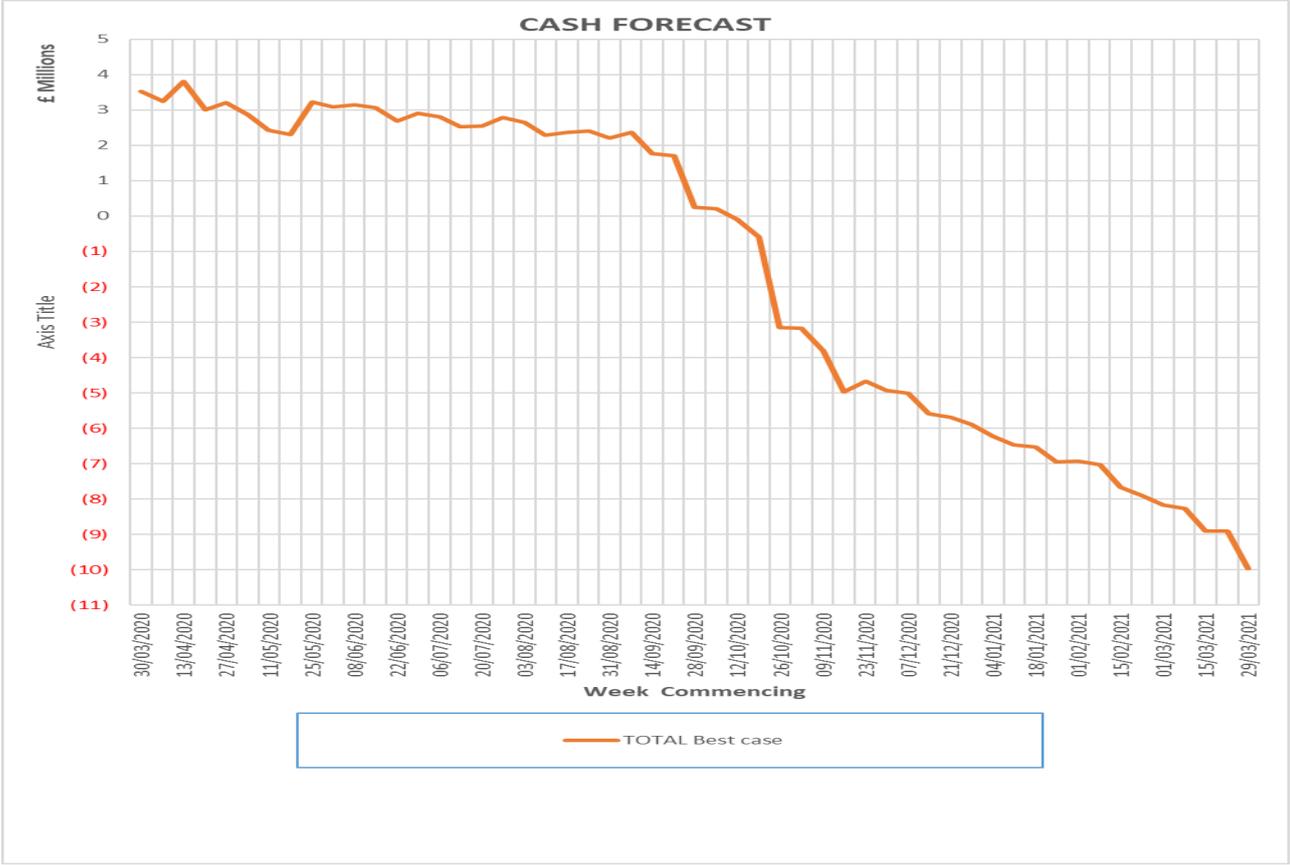
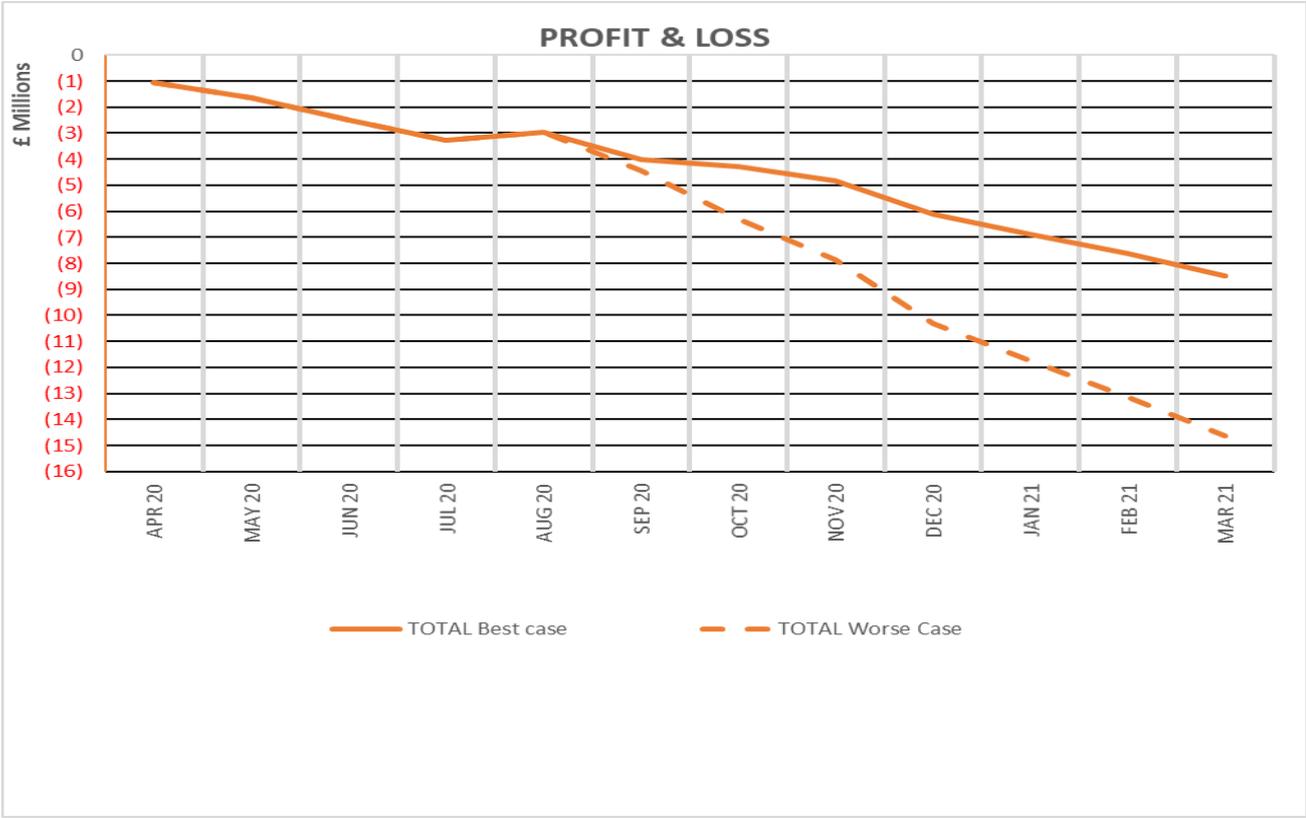
Car Parking Trends



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# Blackpool Council

## Wholly Owned Companies – Impact of Covid-19



A financial modelling exercise has been undertaken in order to identify the Council's exposure to potential wholly-owned subsidiary company losses and their need for cash injections during the 2020/21 financial year.

The graphs demonstrate the aggregated profitability and cash forecasts of the 8 Council wholly-owned subsidiary companies of which the 3 that are facing the biggest impact from the Covid-19 pandemic are Blackpool Transport Services (BTS), Blackpool Entertainment Company Limited (BECL) and Blackpool Operating Company Limited (BOCL).

For each of the companies a current best and worst case financial scenario has been modelled in order to identify a range of potential losses. At the outset of this modelling exercise, a series of dynamic "trigger point" scenarios was modelled: points where one or more of the companies would move from one financial scenario to another, for example, from closure to re-opening or a reduction from 2m social distancing requirements to 1m. However, as government restrictions have been relaxed and social distancing requirements clarified, several scenarios are either no longer viable or have become outdated. Hence companies have reduced the range of scenarios they are reporting to their respective Boards. Consequently, at Month 5 only best and worst case scenarios are being reported. However, should circumstances change or government restrictions tighten again, further scenarios will be introduced and reported.

As at month 5 the Council faces forecast aggregated losses in 2020/21 in the range of £8m to £15m and these are shown in the Profit and Loss graph. This is a slight improvement on month 4.

The second Cash Forecast graph forecasts the pressure on cash balances within the companies and indicates the timing and scale of potential cash injections. The purpose of this graph is to give the Council an early indication as to when cash may be required to shore up the companies in order to enable it to most effectively exercise its Treasury Management functions.

On the basis of this information a plan is being finalised with the wholly-owned companies that i) will enable them all to continue to operate as a going concern, ii) will evidence that they will all be restored to cumulative surplus within the 5-year medium term (unless a previously agreed longer term recovery plan was already in place), iii) will provide cashflow support rather than direct grant subsidy and comply with State Aid rules and iv) takes advantage of the positive strength of the Council's balance sheet which currently exceeds £0.25 billion in value.

## Blackpool Council

**Budget Savings Target 2020/21**

	Target	Achieved	Not yet achieved	To be achieved before year-end	Not able to be achieved	New pressures	New savings	Budget over / (under) spending
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	12,674.0	12,058.0	<b>616.0</b>	116.0	<b>500.0</b>	668.0	0.0	<b>1,168.0</b>
Adult Services	2,840.0	0.0	<b>2,840.0</b>	2,840.0	<b>0.0</b>	7,672.0	0.0	<b>7,672.0</b>
Chief Executive	445.0	320.0	<b>125.0</b>	125.0	<b>0.0</b>	456.0	0.0	<b>456.0</b>
Children's Services	359.0	195.0	<b>164.0</b>	144.0	<b>20.0</b>	13,296.0	(8,474.0)	<b>4,842.0</b>
Governance & Partnership Services	100.0	7.0	<b>93.0</b>	32.0	<b>61.0</b>	1,122.0	(309.0)	<b>874.0</b>
Community & Environmental Services	591.0	30.0	<b>561.0</b>	325.0	<b>236.0</b>	3,643.0	(160.0)	<b>3,719.0</b>
Outside Cash Limit	750.0	0.0	<b>750.0</b>	0.0	<b>750.0</b>	3,866.0	(1,427.0)	<b>3,189.0</b>
Public Health	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>	81.0	0.0	<b>81.0</b>
Communications & Regeneration	180.0	130.0	<b>50.0</b>	50.0	<b>0.0</b>	1,054.0	(276.0)	<b>778.0</b>
Growth & Prosperity	1,200.0	0.0	<b>1,200.0</b>	0.0	<b>1,200.0</b>	12,535.0	(11,335.0)	<b>2,400.0</b>
Strategic Leisure Assets	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>	7,434.0	0.0	<b>7,434.0</b>
Resources	510.0	505.0	<b>5.0</b>	0.0	<b>5.0</b>	69.0	(64.0)	<b>10.0</b>
Reserves & Contingencies	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.0	(13,024.0)	<b>(13,024.0)</b>
Sales, Fees & Charges Covid compensation	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.0	(7,917.0)	<b>(7,917.0)</b>
Contribution from Clinical Commissioning Group	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>	0.0	(2,810.0)	<b>(2,810.0)</b>
<b>Per Appendices</b>	<b>19,649.0</b>	<b>13,245.0</b>	<b>6,404.0</b>	<b>3,632.0</b>	<b>2,772.0</b>	<b>51,896.0</b>	<b>(45,796.0)</b>	<b>8,872.0</b>

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**2020/21 CAPITAL MONITORING  
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/20	Budget Brought Forward 2019/20	Capital Programme 2020/21	Total Available Budget 2020/21	Spend to Date April - Aug	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	40,432	38,120	2,312	-	2,312	23	2,289	-	
ICT Refresh	3,055	2,982	74	-	74	-	74	-	
CLC Remodelling scheme	859	847	12	-	12	-	12	-	
Local Full Fibre Network	3,147	2,130	1,017	-	1,017	868	149	-	
Finance,HR,Payroll System	1,200	34	(34)	-	(34)	15	170	-	
Other Resources Schemes	1,443	1,161	282	255	537	39	498	-	
<b>Total Resources</b>	<b>50,136</b>	<b>45,274</b>	<b>3,663</b>	<b>255</b>	<b>3,918</b>	<b>945</b>	<b>3,192</b>	<b>-</b>	
<b>Director Responsible for Adult Services</b>									
Support to Vulnerable Adults - Grants	9,642	7,959	(67)	1,750	1,683	290	1,393	-	
Other Adult Services Schemes	5,838	4,925	422	491	913	135	778	-	
<b>Total Adult Services</b>	<b>15,480</b>	<b>12,884</b>	<b>355</b>	<b>2,241</b>	<b>2,596</b>	<b>425</b>	<b>2,171</b>	<b>-</b>	
<b>Director Responsible for Community and Environmental Services</b>									
Anchorsholme Seawall	27,515	25,610	1,905	-	1,905	6	1,899	-	
Coastal Protection Studies	1,759	1,646	113	-	113	-	113	-	
Refuse Vehicles	4,054	2,985	1,069	-	1,069	-	1,069	-	
Layton Depot Refuse Work	750	815	(65)	-	(65)	2	(67)	-	
Stanley Park All Weather Pitch	458	349	109	-	109	-	109	-	
Yeadon Way Access Route	2,645	1,662	983	-	983	1,047	(64)	-	
Leisure Refurbishment	500	101	398	-	398	-	398	-	
Others	255	279	(24)	-	(24)	-	(24)	-	
<b>Total Community and Environmental Services</b>	<b>37,936</b>	<b>33,447</b>	<b>4,488</b>	<b>-</b>	<b>4,488</b>	<b>1,055</b>	<b>3,433</b>	<b>-</b>	

**2020/21 CAPITAL MONITORING  
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/20	Budget Brought Forward 2019/20	Capital Programme 2020/21	Total Available Budget 2020/21	Spend to Date April - Aug	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Governance &amp; Partnership Services</b>									
Carleton Crematorium Works 2018-20	2,792	2,247	(80)	625	545	341	204	-	
Carleton Burial Plots	1,161	19	1,142	-	1,142	-	1,142	-	
<b>Total Governance &amp; Partnership Services</b>	<b>3,953</b>	<b>2,266</b>	<b>1,062</b>	<b>625</b>	<b>1,687</b>	<b>341</b>	<b>1,346</b>	<b>-</b>	
<b>Chief Executive</b>									
<b>Housing</b>									
Foxhall Village	12,798	13,289	(491)	-	(491)	(2)	115	1,800	
Work towards Decent Homes Standard	10,337	-	-	10,337	10,337	980	9,357	-	
Queens Park Redevelopment Ph2	13,241	13,376	(135)	-	(135)	(5)	(130)	-	
Troutbeck Redevelopment	9,200	2,386	-	4,860	4,860	744	4,116	-	
Hoyle Redevelopment	2,324	2,294	30	-	30	(30)	60	-	
Dunsop Court	510	113	-	510	510	-	510	-	
Feasibility/ Infill site	2,490	30	-	2,460	2,460	15	2,445	-	
Others	4,210	64	47	4,069	4,116	18	4,098	-	
<b>Total Chief Executive</b>	<b>55,110</b>	<b>31,552</b>	<b>(549)</b>	<b>22,236</b>	<b>21,687</b>	<b>1,720</b>	<b>20,571</b>	<b>1,800</b>	

**2020/21 CAPITAL MONITORING  
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/20	Budget Brought Forward 2019/20	Capital Programme 2020/21	Total Available Budget 2020/21	Spend to Date April - Aug	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Communications and Regeneration</b>									
<b>Regeneration</b>									
College Relocation/Illumination Depot	13,105	13,924	(819)	-	(819)	-	-	-	
Leisure Assets	62,099	62,268	(169)	-	(169)	408	(577)	-	
Conference Centre	28,471	16,331	10,269	-	10,269	857	9,412	-	
Leopold Grove	557	503	54	-	54	-	-	-	
Spanish Hall roof & façade	1,995	1,647	348	-	348	43	305	-	
CBD Phase 2 - Hotel	24,500	2,181	22,319	-	22,319	816	21,503	-	
Land Release Fund	3,150	313	2,837	-	2,837	22	2,815	-	
Town Centre Investment	3,200	3,001	199	-	199	-	199	-	
Enterprise Zone	13,000	1,220	11,780	-	11,780	2,306	5,000	-	
Town Centre Parking Strategy	16,000	1,049	14,951	-	14,951	2,694	1,500	-	
Town Centre Investments	50,000	50,637	(637)	-	(637)	110	(747)	-	
Museum	7,894	134	7,760	-	7,760	137	7,623	-	
Other	448	478	(30)	-	(30)	184	-	-	
<b>Transport</b>									
Local Transport Plan 2017/18	1,357	1,367	-	-	-	-	-	-	
Local Transport Plan Project 30 2017/18	577	583	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2017/18	140	140	-	-	-	-	-	-	
Local Transport Plan 2018/19	1,862	1,616	230	-	230	48	182	-	
Local Transport Plan Project 30 2018/19	463	463	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2018/19	203	203	-	-	-	-	-	-	
Local Transport Plan 2019/20	1,842	1,560	282	-	282	83	199	-	
Local Transport Plan Project 30 2019/20	403	403	-	-	-	-	-	-	
Local Transport Plan Quality Corridor 2019/20	283	107	176	-	176	-	176	-	
Local Transport Plan 2020/21	2,183	-	-	2,183	2,183	388	1,795	-	
Local Transport Plan Project 30 2020/21	343	-	-	343	343	-	343	-	
Quality Corridor	6,600	6,087	-	1,127	1,127	100	27	-	
Topping Street	-	993	(993)	-	(993)	1,077	2,000	-	
Blackpool/Fleetwood Tramway	99,990	99,990	-	-	-	-	-	-	
Tramway Extension	16,400	13,269	3,131	-	3,131	1,284	1,847	-	
Tramway Refurbishment	1,052	313	(313)	605	292	-	292	-	
Sintropher	1,903	2,780	(877)	-	(877)	-	-	-	
<b>Total Communications and Regeneration</b>	<b>360,020</b>	<b>283,560</b>	<b>70,498</b>	<b>4,258</b>	<b>74,756</b>	<b>10,557</b>	<b>53,894</b>	<b>-</b>	

**2020/21 CAPITAL MONITORING  
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/20	Budget Brought Forward 2019/20	Capital Programme 2020/21	Total Available Budget 2020/21	Spend to Date April - Aug	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Director Responsible for Children's Services</b>									
Devolved Capital to Schools	645	492	153	-	153	1	152	-	
Woodlands Development Scheme	2,255	2,176	79	-	79	-	-	-	
Demolition Aspire	440	409	31	-	31	(11)	42	-	
Park Expansion	610	201	409	-	409	211	198	-	
Lotus School	5,083	2,885	719	1,479	2,198	1,649	-	-	
Pegasus Expansion	810	793	17	-	17	-	-	-	
Basic Need	1,371	167	1,202	-	1,202	-	1,000	-	
Condition	1,294	979	315	-	315	11	304	-	
<b>Total Children's Services</b>	<b>12,508</b>	<b>8,102</b>	<b>2,925</b>	<b>1,479</b>	<b>4,404</b>	<b>1,861</b>	<b>1,696</b>	<b>-</b>	
<b>CAPITAL TOTAL</b>	<b>535,143</b>	<b>417,085</b>	<b>82,442</b>	<b>31,094</b>	<b>113,536</b>	<b>16,904</b>	<b>86,303</b>	<b>1,800</b>	

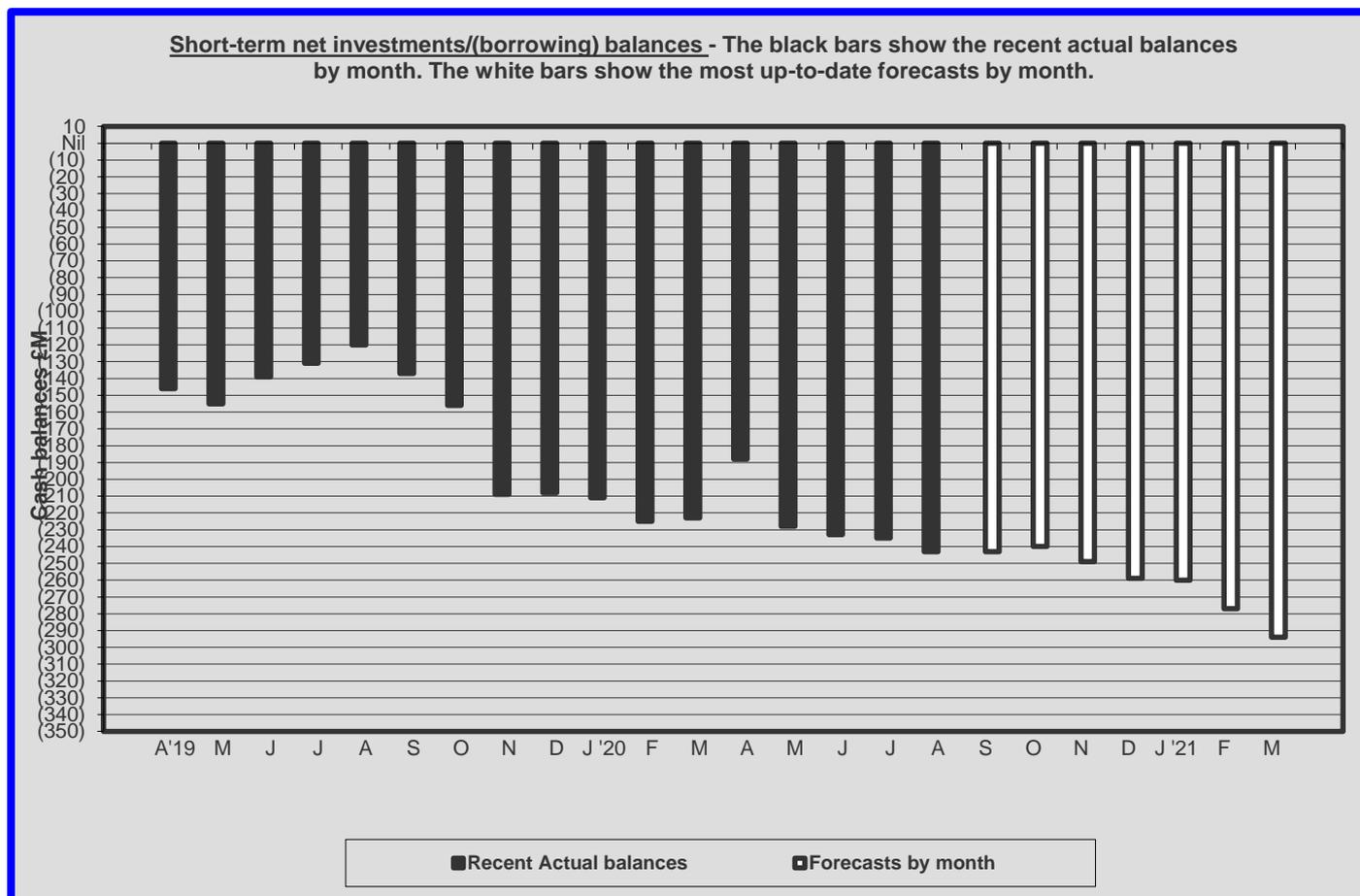
(1) Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.8m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

# Blackpool Council

## Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 20/21							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR - AUG CASH FLOW ORIGINAL BUDGET (*)	APR - AUG CASH FLOW ACTUAL	SEP - 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 - AUG MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	SEP - 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
56	23	19	33	<b>RECEIPTS</b>	(4)	-	(4)
109	48	29	57	Housing Benefit & Subsidy	(19)	(4)	(23)
20	8	5	12	Council tax and NNDR	(3)	-	(3)
33	14	22	22	VAT	8	3	11
101	44	143	49	RSG & BRR	99	(8)	91
114	48	40	75	Other Grants	(8)	9	1
-	-	314	12	Other Income	314	12	326
-	-	258	103	Money Market Transactions Received	258	103	361
433	185	830	363	Receipt of Loans	645	115	760
				<b>RECEIPTS - NORMAL ACTIVITIES</b>			
9	4	4	6	<b>PAYMENTS</b>	-	(1)	(1)
338	137	214	199	Police & Fire	(77)	2	(75)
-	-	-	-	General Creditors	-	-	-
123	51	42	70	RSG & BRR	9	2	11
52	22	19	30	Salaries & wages	3	-	3
106	98	551	224	Housing Benefits	(453)	(216)	(669)
628	312	830	529	Money Market Transactions Paid Out	(518)	(213)	(731)
				<b>PAYMENTS - NORMAL ACTIVITIES</b>			
(195)	(127)	-	(166)	<b>NET CASH FLOW IN/(OUT)</b>	127	(98)	29
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 5 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. This is as a result of the receipt of the £59m business rates grant that was received in April 2020. 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 uptake from the Business Loans Fund is expected to continue steadily during 2020/21.

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 2021.

## Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2020/2021				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft 31 Mar 20		31 Aug 20 Actual	Movement since 31 Mar 20	31 Mar 21 Forecast
£000s		£000s	£000s	£000s
800,657	Property, Plant and Equipment	817,561	16,904	886,960
105,683	Long-term Assets	107,796	2,113	110,000
Current Assets				
57,026	Debtors	54,350	(2,676)	60,000
642	Inventories	335	(307)	600
774	Short-term loans	1,374	600	800
19,504	Cash and cash equivalents	3,357	(16,147)	5,000
<b>984,286</b>	<b>Total Assets</b>	<b>984,773</b>	<b>487</b>	<b>1,063,360</b>
Current Liabilities				
(245,184)	Borrowing Repayable within 12 months	(245,000)	184	(250,000)
(70,976)	Creditors	(58,550)	12,426	(70,000)
Long-term Liabilities				
(87,460)	Borrowing Repayable in excess of 12 months	(87,460)	-	(81,276)
(12,611)	Capital Grants in Advance	(12,611)	-	(12,000)
(12,591)	Provisions	(12,553)	38	(12,500)
(328,305)	Other Long-term Liabilities	(328,305)	-	(320,000)
<b>227,159</b>	<b>Total Assets less Liabilities</b>	<b>240,294</b>	<b>13,135</b>	<b>317,584</b>
(68,970)	Usable Reserves	(38,359)	30,611	(33,721)
(158,189)	Unusable Reserves	(201,935)	(43,746)	(283,863)
<b>(227,159)</b>	<b>Total Reserves</b>	<b>(240,294)</b>	<b>(13,135)</b>	<b>(317,584)</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 5. 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 5-month period there has been a decrease in cash and cash equivalents of £16.1m due to an increase in capital expenditure on Property, Plant and Equipment of £16.9m in line with the Council's approved capital programme for 2020/21.

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