

Public Document Pack

Dear Councillor

EXECUTIVE - MONDAY, 7TH DECEMBER, 2020

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 7th December, 2020 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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8	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2020/21 (Pages 1 - 60)</u>
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
7TH DECEMBER 2020

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2020/21

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 7 months of 2020/21, i.e. the period to 31st October 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 15th 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 10th 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 7 forecast overspend of **£5,064k** for 2020/21 are summarised below:-

Directorate	Service	Forecast Variance £000
Adult Services	An overspend of £9,954k is forecast including £9,847k	9,954

	<p>relating directly to Covid. Adult Commissioning Placements is forecast to overspend by £9,898k. There are £9,643k pressures caused by Covid and the main reasons relate to £4,477k in respect of a 10% provider rate up-lift for a period of 12 months and £1,741k for Personal Protective Equipment (PPE). In addition, at October 2020 Enhanced Hospital Discharges are estimated to cost £3,249k which is to be offset by an equivalent contribution from Blackpool Clinical Commissioning Group (CCG). Additional pressures sit within Complex Cases and Supported Living. Care and Support is forecasting an overspend of £83k due to Covid pressures of £204k partly offset by vacancies.</p>	
Strategic Leisure Assets	<p>Strategic Leisure Assets is forecasting a £6,834k pressure. £5,092k of this deficit is due to a loss of income caused by Covid. This has reduced due to a revised forecast from Blackpool Entertainment Company Ltd (BECL) due to being awarded a Cultural Recovery grant. In accordance with the original decision for this programme by the Executive on 7th 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 31st March 2021 is £20,375k. 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.</p>	5,092
Children's Services	<p>An overspend of £5,074k is forecast including £2,913k 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 31st 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 (£1.896m) 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. By October 2020 LAC numbers stand at 627 which is a reduction of 17 on September 2020. There is an overspend in Education of £626k, primarily relating to the Special Educational Needs (SEN)</p>	5,074

	<p>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 £642k pressure due to Covid as Transport Services is expected to spend an additional £200k, £155k 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 for Children is expected to overspend by £362k due to Covid costs, which is mainly due to an unachievable Troubled Families income target. However, this is offset by a staffing underspend of £361k due to vacant posts across the service.</p>	
<p>Community and Environmental Services</p>	<p>An overspend of £3,618k is forecast of which £3,581k is attributable to Covid. Leisure Services are reporting a pressure of £2,059k as there has been no future income forecast for the financial year due to continued uncertainty surrounding the future operation of leisure centres and when they will be able to re-open, future income will be recognised on receipt. Parks are forecasting a pressure of £60k due to lost sports income and potential bad debt from rental invoices. Catering Services are facing a pressure of £523k 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 £102k. 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 & Engineering is forecast to save £60k, 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 £554k 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 £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,</p>	<p>3,618</p>

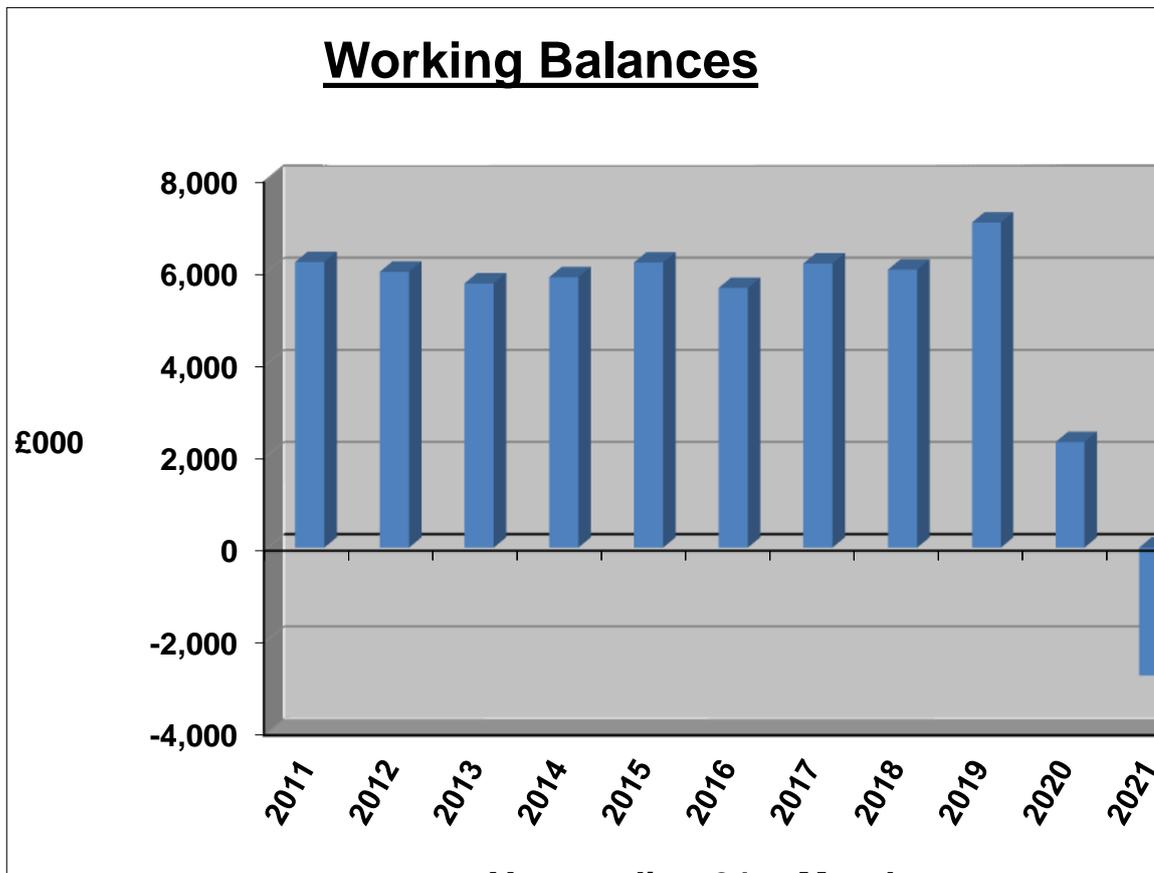
	<p>however, one-off small savings identified within other areas, but the pressure within Travel and Road Safety will still amount to £70k. Other savings have helped to mitigate the pressures overall.</p>	
<p>Budgets Outside the Cash Limit</p>	<p>An overspend of £3,447k is forecast including £4,210k Covid costs. Parking Services is forecasting a shortfall on income of £2,933k for 2020/21. £2,963k 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 and other services. 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 £692k. 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 £369k 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. After the government announcement of further restrictions, the compensation scheme in use till October has been increased for a further two months and the effect of this is shown in this revised figure.</p>	<p>3,447</p>
<p>Growth & Prosperity</p>	<p>An overspend of £1,725k 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 £1,725k pressure. £1,803k of this relates to loss of income due to the Covid restrictions to</p>	<p>1,725</p>

	<p>the end of the financial year. This pressure no longer includes £700k of expenditure relating to the Enterprise Zone, as this is not likely to materialise by the end of the year. In addition, there is a saving of £78k due to £533k of additional income over target less additional costs relating to regeneration projects.</p>	
Governance and Partnership Services	<p>An overspend of £905k is forecast of which £466k is attributable to Covid. Corporate Legal Services is expecting a £774k 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 £52k due to Covid. Life Events and Customer Care is forecasting a pressure of £424k. Of this pressure £414k 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 £10k in Life Events relates to continuing pressures in Coroners and Burials offset by increased income in cremations. These are offset by a forecast underspend on Ward budgets of £300k.</p>	905
Communications and Regeneration	<p>An overspend of £774k is forecast including £792k Covid costs. Tourism & Communications is expecting a pressure of £616k of which £595k relates to Covid. Of the remaining pressure, £31k 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 £46k being made towards the £77k additional sponsorship costs. Planning is expecting a pressure of £79k of which £120k 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 £79k of which £77k relates to Covid. There remains a pressure of £38k 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 keep being reduced during the year. There is also a £22k saving in Libraries due to the release of some reserves and savings on staffing, savings of £14k in Economic Development due to some additional income and small savings elsewhere in the budget and a saving in Illuminations of £17k due to staff savings that had previously been covering an expected sponsorship shortfall that is now not likely to materialise.</p>	774
Chief Executive	<p>An overspend of £459k 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>	459
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</p>	81

	<p>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. There has been reduced activity against some Payment By Results contracts as a result of COVID impacting our provider's ability to offer routine treatments and these savings have offset a shortfall in income generation for the directorate.</p>	
Resources	<p>An underspend of £75k is forecast including an overspend of £296k 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 £261k 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 £75k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend. Saving of £30k in Customer First and £16k in Risk Services are due to staff vacancies and additional income. There has been an impact on services such as ICT, Revenues, Property Services, Benefits & Customer First as a result of Covid totalling £296k to date. This additional cost has been offset mainly by savings as a result of staff vacancies and additional income generation.</p>	(75)
Contingencies and Reserves	<p>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</p>	(25,990)

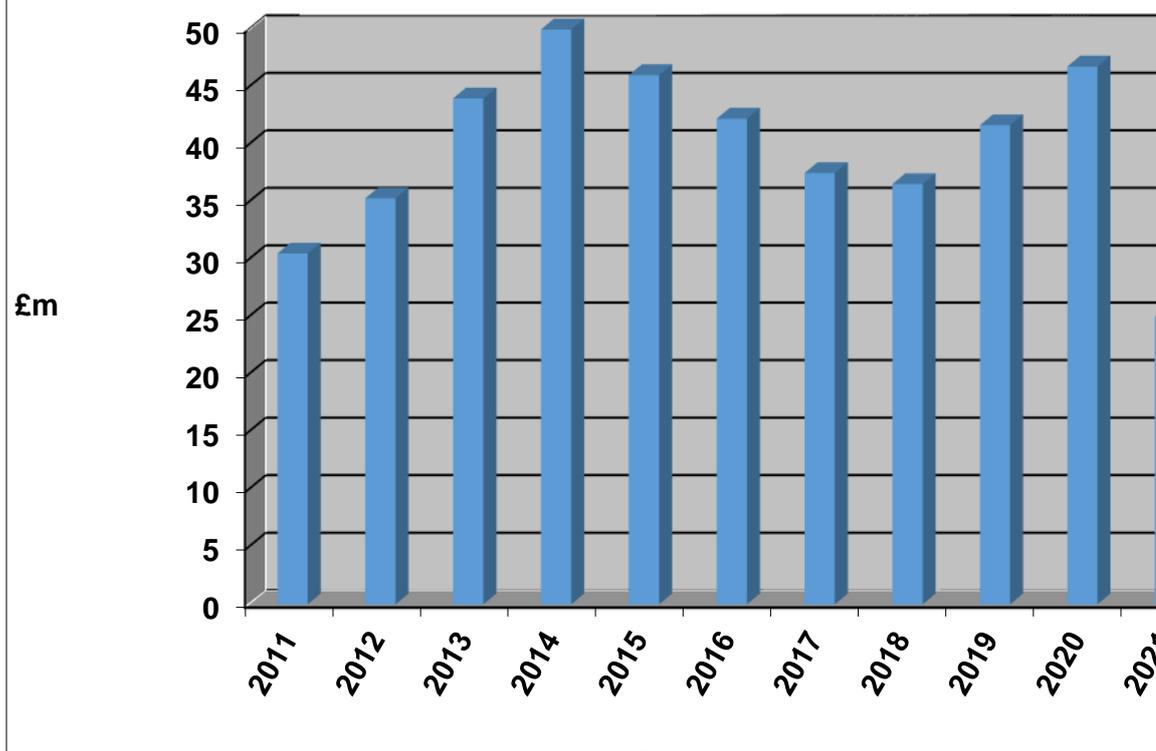
	recurrently and these are currently showing a pressure of £560k, primarily procurement savings. Funding of £15,884k has so far been received from MHCLG net of £380k attributable to the 2019/20 financial year and a contribution of £3,249k is anticipated from Blackpool CCG for Enhanced Hospital Discharges. A MHCLG compensation scheme for non-commercial income lost due to Covid is estimated to provide an additional £7,917k in the full year.	
Total		5,064

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 31st March 2021, is shown below:

Earmarked Revenue Reserves



3.5 Earmarked Revenue Reserves (ERR)

	£m
Provisional Earmarked Revenue Reserves as at 1 st 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, 5, 6 and 7	(3.38)
Less Children’s Services CSMTFS funded from ERR	(8.17)
Less Other movements	<u>(0.56)</u>
Forecast Earmarked Revenue Reserves as at 31 st October 2020	<u>28.93</u>
Forecast Earmarked Revenue Reserves as at 31 st March 2021	<u>24.94</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 £29,540k gross. Funding of £15,884k has so far been received from MHCLG net of £380k attributable to the 2019/20 financial year and a contribution of £3,249k 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 £2,490k. (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:

Grant	Amount (£)	Announced
Business Support Grants	59,124,000	March + subsequent announcements including ringfencing of £2,422k for the Discretionary Grants Fund
Business Support Grants (Tier 2, Tier 3 and National Lockdown)	£10,884,473	November – Outside the General Fund and any underspend will be repaid to Central Government
Business Rate Reliefs #1	28,521,908	March
Business Rate Reliefs #2	422,335	October
Covid support funding #1	6,084,606	March
Covid support funding #2	3,810,835	April
Covid support funding #3	1,767,168	August
Covid support funding #4	4,601,334	October
Hardship Fund	2,803,101	March
Homeless top-up	11,250	March
Re-open High Streets	122,772	May
Infection Prevention and Control #1	2,193,612	May
Infection Prevention and Control #2	2,208,304	October
Test and Trace	1,693,874	May
£63m for local authorities to assist those struggling to afford food and other essentials	261,158	June
Sales, Fees & Charges – compensation scheme #1 (1st April 20 to 31st July 20)	3,486,000	
Covid Enforcement Funding	113,687	September
Wellbeing for Education Return Grant	22,850	August
Home to School Transport Funding #1	107,580	August
Home to School Transport Funding #2	202,898	October
£25m to provide for £500 self-isolation payments.	185,442	August
Covid Bus Services Support Grant (re Rideability) #1	29,880	April
Covid Bus Services Support Grant (re Rideability) #2	21,882	April
Covid Bus Services Support Grant (re Rideability) #3	14,348	April
Emergency Active Travel (part of £0.52m allocation) tranche #1	78,000	May
Light Rail Restart (100% passported to Blackpool Transport Services)	266,120	May
TOTAL	129,039,417	

- 4.2 The Government 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 1st April 2020 – 31st July 2020, 1st August 2020 – 30th November 2020 and 1st December 2020 – 31st March 2021. A bid was submitted to

MHCLG on 30th September 2020 in respect of the impact on Sales, Fees and Charges of Covid in the sum of £3,486k covering the period 1st April 2020 – 31st 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 31st October 2020 68% 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 74% 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 7 the amount collected for Council Tax (excluding Police and Fire precepts) was £35.1m and the collection rate was **58.4%**. This compares to £34.4m and 60.6% at the same point in 2019/20. The amount collected has risen by £0.7m 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 30th 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 1st April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means-tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided. From 1st April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. The scheme was also amended from 1st April 2018 to provide additional support for low income groups of claimants (in receipt of Income Support, Income-Based Jobseekers Allowance or Income Related Employment Support Allowance) by amending the percentage reduction applied to their award from 27.11% to 13.56%. From 1st April 2019 the scheme was further amended. 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 20th 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 7 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 £1.24m and the collection rate was **45.5%**. This compares to £1.62m and 45.5% 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 1st April 2013 Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1st April 2013 to 31st March 2019 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.

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

From 1st 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 7 the amount collected for Business Rates was £9.7m and the collection rate was **51.9%**. This excludes the significant s31 'Extended Retail/Nurseries etc' relief provided by central government. This compares to £29.1m and 59.2% 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 7 months to the end of October 2020.

Subject to audit, the Business Rate cumulative surplus as at 31st 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 7 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 7 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 7 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 Support 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 7. 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 7-month period there has been a decrease in cash and cash equivalents of £9.9m partly due to an increase in capital expenditure on Property, Plant and Equipment of £19.5m 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 pace with and deliver budget savings plans year after year. However, in tandem the soaring demand for child protection services and the rising costs of providing care for looked after children are 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 7 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 £5,064k although £2,490k 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 £24,939k 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 5 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 pandemic these being Blackpool Transport Services (BTS), Blackpool Entertainment Company Limited (BECL) and Blackpool Operating Company Limited (BOCL).

Steve Thompson
Director of Resources
19th November 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-OCT £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	54	2,453	(1,940)	513	459	-	459	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,846	3,076	(25)	3,051	1,205	-	466	739
3(b/c)	WARD BUDGETS	521	52	169	221	(300)	(206)	-	(300)
3(d)	RESOURCES	2,455	92	2,288	2,380	(75)	-	296	(371)
3(e)	COMMUNICATIONS AND REGENERATION	4,198	518	4,454	4,972	774	-	792	(18)
3(f)	STRATEGIC LEISURE ASSETS	381	(3,519)	10,734	7,215	6,834	-	5,092	1,742
3(g)	GROWTH & PROSPERITY	(11,008)	(2,265)	(7,018)	(9,283)	1,725	4,183	1,803	(78)
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	45,073	8,390	40,301	48,691	3,618	-	3,581	37
3(i)	ADULT SERVICES	56,468	27,948	38,474	66,422	9,954	-	9,847	107
3(j)	CHILDREN'S SERVICES	63,199	26,888	41,385	68,273	5,074	-	2,913	2,161
3(k)	PUBLIC HEALTH	25	(11,860)	11,966	106	81	-	81	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	12,612	7,743	8,316	16,059	3,447	-	4,210	(763)
	CAPITAL CHARGES	(27,708)	(16,163)	(11,545)	(27,708)	-	-	-	-
	NET COST OF SERVICES:	148,116	43,353	137,559	180,912	32,796	3,977	29,540	3,256
	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	-	-	(3,249)	(3,249)	(3,249)		(3,249)	-
	- SALES, FEES & CHARGES - COVID COMPENSATION	-	-	(7,917)	(7,917)	(7,917)		(7,917)	-
	CONTINGENCIES	(339)	-	(9,458)	(9,458)	(9,119)		(10,179)	1,060
	LEVIES	455	-	455	455	-		-	-
	CONTRIBUTIONS, etc.	(6,032)	-	(33,764)	(33,764)	(27,732)		(27,050)	(682)
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	142,084	43,353	103,795	147,148	5,064		2,490	2,574
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(5,064)	(5,064)	(5,064)		(2,490)	(2,574)
	NET REQUIREMENT AFTER WORKING BALANCES	142,084	43,353	98,731	142,084	-		-	-
	GENERAL BALANCES AS AT 1st APRIL 2020 PER UNAUDITED STATEMENT OF ACCOUNTS 2019/20						2,292	-	2,292
	In-year (reduction in) / addition to General Fund Working Balances						(5,064)	(2,490)	(2,574)
	ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2021						(2,772)	(2,490)	(282)

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Blackpool Council															
2																
3	Schedule of Service forecast annual overspendings over the last 12 months															
4																
5																
6																
7	Directorate	Service	Scrutiny Committee Report		Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020
8					£000											
9																
10																
11	ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS										9,636	7,163	7,542	10,047	9,898
12	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS			2,909	2,909	4,040	4,970	4,970			7,434	7,434	7,434	6,834	6,834
13	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE			10,635	11,400	11,605	12,555	12,555			10,607	10,939	3,583	3,880	3,805
14	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING						148	148			2,811	2,768	2,773	2,642	2,642
15	GROWTH & PROSPERITY	GROWTH & PROSPERITY					4,397	4,183	4,183			812	812	2,400	1,725	1,725
16	CHILDREN'S SERVICES	EDUCATION			544	580	749	739	739			1,152	1,274	1,187	1,260	1,268
17	GOVERNANCE & PARTNERSHIP SERVICES	CORPORATE LEGAL SERVICES			95	150	289	314	314			269	726	726	726	774
18	COMMUNICATIONS & REGENERATION	TOURISM AND COMMUNICATIONS			315	315	327	542	542			626	574	630	616	616
19	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE										515	515	523	554	554
20	PUBLIC HEALTH	MISCELLANEOUS PUBLIC HEALTH SERVICES										81	81	81	81	469
21	CHIEF EXECUTIVE	HOUSING										358	358	456	459	459
22	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE			297	297	264	93	93			510	454	450	424	424
23	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT										294	314	320	320	320
24	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES										107	105	103	102	102
25	ADULT SERVICES	CARE & SUPPORT										211	156	131	101	83
26	COMMUNICATIONS & REGENERATION	PLANNING										122	122	79	79	79
27	COMMUNICATIONS & REGENERATION	ECONOMIC DEVELOPMENT & CULTURAL SERVICES										84	76		79	79
28	CHILDREN'S SERVICES	EARLY HELP FOR CHILDREN AND FAMILIES										178	125			-
29	ADULT SERVICES	ADULT SOCIAL CARE										114				-
67																
68		Sub Total			14,795	15,651	21,671	23,544	23,544	-	-	35,921	33,996	28,418	29,929	30,131
69																
70		Transfer to Earmarked Reserves (note 3)			(2,909)	(2,909)	(8,437)	(9,153)	(9,153)	-	-	(1,742)	(1,742)	(1,742)	(1,742)	(1,742)
71																
72		Other General Fund (under) / overspends			(3,720)	(3,984)	(6,224)	(8,626)	(8,626)	-	-	(8,837)	(7,847)	(17,804)	(18,494)	(23,325)
73																
74		Total			8,166	8,758	7,010	5,765	5,765	-	-	25,342	24,407	8,872	9,693	5,064
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 - OCT £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	733	335	398	733	-	-	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(9)	551	(560)	(9)	-	-	-	-
CHIEF EXECUTIVE TOTAL	724	886	(162)	724	-	-	-	-
CORPORATE DELIVERY UNIT	(56)	750	(806)	(56)	-	-	-	-
HOUSING	(614)	817	(972)	(155)	459	-	459	-
ASSISTANT CHIEF EXECUTIVE	(670)	1,567	(1,778)	(211)	459	-	459	-
TOTALS	54	2,453	(1,940)	513	459	-	459	-

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 7 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 £459k 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.

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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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
GOVERNANCE & PARTNERSHIP SERVICES								
NET EXPENDITURE								
DEMOCRATIC GOVERNANCE	2,279	1,478	792	2,270	(9)	-	-	(9)
CORPORATE LEGAL SERVICES	(73)	1,627	(926)	701	774	-	52	722
INFORMATION GOVERNANCE	(3)	41	(28)	13	16	-	-	16
LIFE EVENTS & CUSTOMER CARE	(357)	(70)	137	67	424	-	414	10
GOVERNANCE & PARTNERSHIP SERVICES	1,846	3,076	(25)	3,051	1,205	-	466	739
WARDS	521	52	169	221	(300)	(206)	-	(300)
TOTALS	2,367	3,128	144	3,272	905	(206)	466	439

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 7 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 £905k pressure £466k is attributable to Covid.

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 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 £774k of which £52k is due to Covid (additional spend and lost income). 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 £16k pressure due to a loss of income from Academies.

Life Events & Customer Care

This service is forecasting a pressure of £424k. Of this pressure £414k relates to Covid 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 £10k which relates to continuing pressures in Coroners and Burials that is offset by increased income in cremations.

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 7**

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	6	6	0	3	£29,160.68	£8,850.00	£20,310.68
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	13	13	0	11	£15,261.77	£8,959.88	£6,301.89
Clifton Ward BC1006	Cllr. Hutton Cllr. P. Burdess	5	5	0	1	£23,526.22	£8,268.00	£15,258.22
Greenlands Ward BC1007	Cllr. Scott Cllr. Wing	5	5	0	3	£23,095.75	£9,321.10	£13,774.65
Hawes Side Ward BC1008	Cllr. Brookes Cllr. Critchley	5	5	0	2	£16,322.79	£1,106.20	£15,216.59
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	4	4	0	2	£28,434.35	£2,240.00	£26,194.35
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Farrell	3	3	0	2	£23,532.72	£3,816.80	£19,715.92
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	8	8	0	6	£19,366.11	£6,397.39	£12,968.72
Marton Ward BC1012	Cllr. D Coleman Cllr. Stansfield	2	2	0	0	£27,479.86	£530.00	£26,949.86
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	3	3	0	0	£15,127.26	£5,038.25	£10,089.01
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	4	4	0	3	£18,811.04	£7,119.00	£11,692.04
Squires Gate Ward BC1015	Cllr. Cox Cllr. Walsh	2	2	0	1	£22,991.95	£3,180.00	£19,811.95
Stanley Ward BC1016	Cllr. Roberts Cllr. Baker	3	3	0	0	£45,000.00	£2,865.00	£42,135.00
Talbot Ward BC1017	Cllr. Hugo Cllr. Smith	4	4	0	2	£18,180.73	£8,809.00	£9,371.73
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	4	4	0	2	£36,689.86	£7,670.00	£29,019.86
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	4	4	0	2	£25,118.87	£2,880.00	£22,238.87
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	3	3	0	1	£30,643.14	£9,770.00	£20,873.14

Ward Totals	81	81	0	44	£517,051.87	£104,020.62	£413,031.25
Unallocated Budget	-	-	-	-	£4,587.40	£0.00	£4,587.40
Income Budget	-	-	-	-	£0.00	£0.00	£0.00
Area Ward Totals	81	81	0	44	£521,639.27	£104,020.62	£417,618.65

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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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
			PROJECTED SPEND £000	FORECAST OUTTURN £000				
RESOURCES								
NET EXPENDITURE								
PROCUREMENT & PROJECTS	8	712	(779)	(67)	(75)	-	-	(75)
BENEFITS	(886)	(1,671)	785	(886)	-	-	1	(1)
REVENUES SERVICES	1,645	761	884	1,645	-	-	22	(22)
CUSTOMER FIRST	17	550	(563)	(13)	(30)	-	8	(38)
ICT SERVICES	21	1,193	(1,172)	21	-	-	-	-
ACCOUNTANCY & EXCHEQUER SERVICES	19	1,323	(1,258)	65	46	-	2	44
RISK SERVICES	13	432	(435)	(3)	(16)	-	2	(18)
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	1,618	(3,208)	4,826	1,618	-	-	261	(261)
TOTALS	2,455	92	2,288	2,380	(75)	-	296	(371)

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 7 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 £75k. 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 October 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 7 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 an underspend of £30k against a gross budget of £1.2m. This is due to vacancy savings within the service.

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 £46k. Accountancy are forecasting an overspend of £24K, 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 £24k due to upgrades to the CIVICA system.

Risk Services

Risk Services are forecasting an underspend of £16k against a gross budget of £1.1m. This is due to additional income generation during the year.

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 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 7 months of the financial year Resources are forecasting a £75K underspend. 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 totalling £296k to date. This additional pressure has been offset mainly by savings as a result of staff vacancies and additional income generation.

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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
			PROJECTED SPEND £000	FORECAST OUTTURN £000				
COMMUNICATIONS & REGENERATION								
NET EXPENDITURE								
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	716	(2,746)	3,541	795	79	-	77	2
PLANNING	462	462	79	541	79	-	120	(41)
TOURISM AND COMMUNICATIONS	3,020	2,802	834	3,636	616	-	595	21
TOTALS	4,198	518	4,454	4,972	774	-	792	(18)

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 £774k overspend is based upon actual financial performance for the first 7 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 £774k overspend, £792k is attributable to Covid.

Economic Development and Cultural Services

There is an expected pressure in this area of £79k of which £77k relates to Covid. There remains a pressure of £38k 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 £22k saving in Libraries due to the release of some reserves and savings on staffing. There are savings of £14k 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 £120k relates to Covid. 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 £616k of which £595k relates to Covid. Of the remaining pressure £31k 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 £46k being made towards the £77k additional sponsorship costs. This contribution has decreased from last month due to higher than expected spend on the Virtual Switch- On. Print Services is once again expecting a small pressure of £7k other than for Covid costs as it is looking less likely the additional building costs will be covered by additional income this year. There is now expected to be a saving in Illuminations of £17k due to staff savings that had previously been covering an expected sponsorship shortfall that is now not likely to materialise.

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

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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
STRATEGIC LEISURE ASSETS								
NET EXPENDITURE								
STRATEGIC LEISURE ASSETS	381	(3,519)	10,734	7,215	6,834	-	5,092	1,742
TOTALS	381	(3,519)	10,734	7,215	6,834	-	5,092	1,742

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 7 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 £6,834k, bringing the expected cumulative deficit as at 2020/21 to £20,375k. £5,092k of this deficit is due to Covid caused loss of income. This has reduced due to a revised forecast from Blackpool Entertainment Company Ltd (BECL) due to being awarded a Cultural Recovery grant. 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 7th 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 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.

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 - OCT £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	(11,008)	(2,265)	(7,018)	(9,283)	1,725	4,183	1,803	(78)
TOTALS	(11,008)	(2,265)	(7,018)	(9,283)	1,725	4,183	1,803	(78)

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 7 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 £1,725k pressure. £1,803k of this relates to loss of income due to the Covid restrictions to the end of the financial year. This pressure no longer includes the £700k of expenditure relating to the Enterprise Zone, as this is now not likely to materialise by the end of the year. In addition, there is now a saving of £78k due to £533k of additional income over target less additional increasing 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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
COMMUNITY & ENVIRONMENTAL SERVICES								
NET EXPENDITURE								
BUSINESS SERVICES	438	602	(164)	438	-	-	-	
LEISURE AND CATERING	3,275	3,896	2,021	5,917	2,642	-	2,642	
PUBLIC PROTECTION	781	424	357	781	-	(1)	1	
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	16,786	(4,740)	21,628	16,888	102	-	182	
STREET CLEANSING AND WASTE	18,319	5,724	13,149	18,873	554	-	9	
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,766	1,843	2,923	4,766	-	-	-	
INTEGRATED TRANSPORT	708	641	387	1,028	320	-	107	
TOTALS	45,073	8,390	40,301	48,691	3,618	-	3,581	
							37	

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 £3,618k overspend is based upon actual financial performance for the first 7 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 £3,618k overspend, £3,581k is attributable to Covid.

Business Services

This service is currently forecasting a break-even position.

Leisure and Catering

This service is currently forecasting a pressure of £2,642k. Leisure Services are reporting a pressure of £2,059k. There has been no future income forecast for the financial year due to continued uncertainty surrounding the future operation of leisure centres and when they will be able to re-open. Future income will be recognised on receipt. Parks are forecasting a pressure of £60k due to lost sports income and potential bad debt from rental invoices. Catering Services are facing a pressure of £523k 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.

Public Protection

This service is currently forecasting a break-even position.

Highways and Traffic Management Services

This service is currently forecasting a pressure of £102k. 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 & Engineering is forecast to save £60k, due to staffing vacancies and increased scheme income, which will help to off-set some of the Covid related pressures within the service.

Street Cleansing and Waste

Waste Services are reporting a pressure of £554k 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 October 2020, the Community and Environmental Services Directorate is forecasting a £3,618k pressure. £3,581k of this pressure relates to Covid. The pressures within Leisure, Catering, and Waste are entirely due to the Covid pandemic, and it is hoped that when these services can fully resume operations this pressure will be reduced. The recent lockdown has halted the upturn in Leisure services and when operations are resumed, any income generated will be low and will need time to build up. Within the other services, there are Covid related pressures of £394k and other pressures/savings unrelated to the pandemic totalling £28k.

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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
ADULT SERVICES								
NET EXPENDITURE								
ADULT SOCIAL CARE	7,365	4,171	3,194	7,365	-	-	-	-
CARE & SUPPORT	5,927	1,560	4,450	6,010	83	-	204	(121)
ADULT COMMISSIONING PLACEMENTS	42,497	22,103	30,292	52,395	9,898	-	9,643	255
ADULT SAFEGUARDING	679	114	538	652	(27)	-	-	(27)
TOTALS	56,468	27,948	38,474	66,422	9,954	-	9,847	107

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 7 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 £9,898k overspend on a £62m gross expenditure budget. There are £9,643k pressures caused by Covid. The main reasons relate to £4,477k in respect of a 10% provider rate up-lift for a period of 12 months and £1,741k for Personal Protective Equipment (PPE). In addition, at October 2020, Enhanced Hospital Discharges are estimated to cost £3,249k which is to be offset by an equivalent contribution from Blackpool Clinical Commissioning Group (CCG). Additional pressures sit within Complex Cases and Supported Living.

Care and Support

Care and Support is forecasting an overspend of £83k. Covid pressures are £204k which are partly offset by vacancies within the service.

Summary of the Adult Services financial position

As at the end of October 2020 the Adult Services Directorate is forecasting an overall overspend of £9,954k for the financial year to March 2021 on a gross budget of £84m. This includes Covid pressures amounting to £9,847k.

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 - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000			
CHILDREN'S SERVICES								
NET EXPENDITURE								
LOCAL SCHOOLS BUDGET - ISB	18,999	7,685	11,314	18,999	-	-	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	1,178	236	1,011	1,247	69	-	-	69
EDUCATION	20,012	11,038	10,672	21,710	1,698	-	639	1,059
EARLY HELP FOR CHILDREN AND FAMILIES	982	573	(324)	249	(733)	-	-	(733)
BUSINESS SUPPORT AND RESOURCES	8,752	4,636	4,129	8,765	13	-	13	-
DEDICATED SCHOOL GRANT	(48,692)	(29,594)	(19,238)	(48,832)	(140)	-	-	(140)
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(1,231)	-	(2,138)	(2,138)	(907)	-	(652)	(255)
TOTAL DSG FUNDED SERVICES	-	(5,426)	5,426	-	-	-	-	-
CHILDREN'S SERVICES DEPRECIATION	2,213	-	2,213	2,213	-	-	-	-
EDUCATION	3,445	1,956	2,757	4,713	1,268	-	642	626
EARLY HELP FOR CHILDREN AND FAMILIES	6,172	2,051	4,122	6,173	1	-	362	(361)
CHILDREN'S SOCIAL CARE	50,492	27,577	26,720	54,297	3,805	-	1,909	1,896
BUSINESS SUPPORT AND RESOURCES	1,056	730	326	1,056	-	-	-	-
LOCAL SERVICES SUPPORT GRANT	(18)	-	(18)	(18)	-	-	-	-
SCHOOL IMPROVEMENT GRANT	(161)	-	(161)	(161)	-	-	-	-
TOTAL COUNCIL FUNDED SERVICES	63,199	32,314	35,959	68,273	5,074	-	2,913	2,161
TOTALS	63,199	26,888	41,385	68,273	5,074	-	2,913	2,161

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 7 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 31st 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 (£1.896m) 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 £626k 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 £642k pressure due to Coronavirus as Transport Services is expected to spend an additional £200k, £155k 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 £362k, mainly due to an unachievable Troubled Families income target. This is being offset by a staffing underspend of £361k due to vacant posts across the service.

Summary of the Children's Services financial position

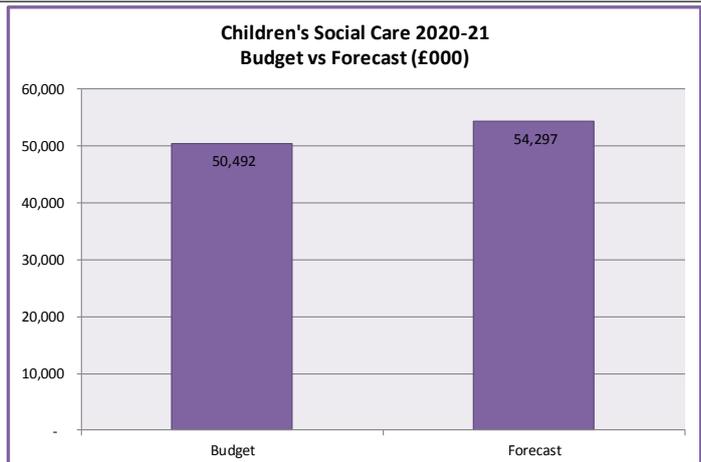
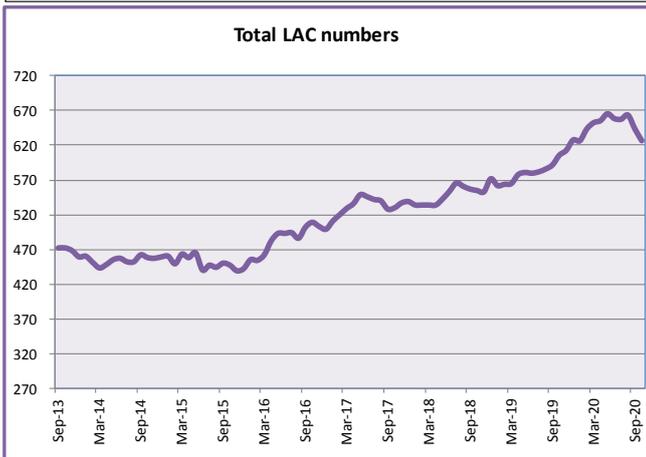
As at the end of October 2020 the Children's Services Directorate is forecasting an overspend of £5.074m for the financial year to March 2021. This includes Covid pressures amounting to £2.913m.

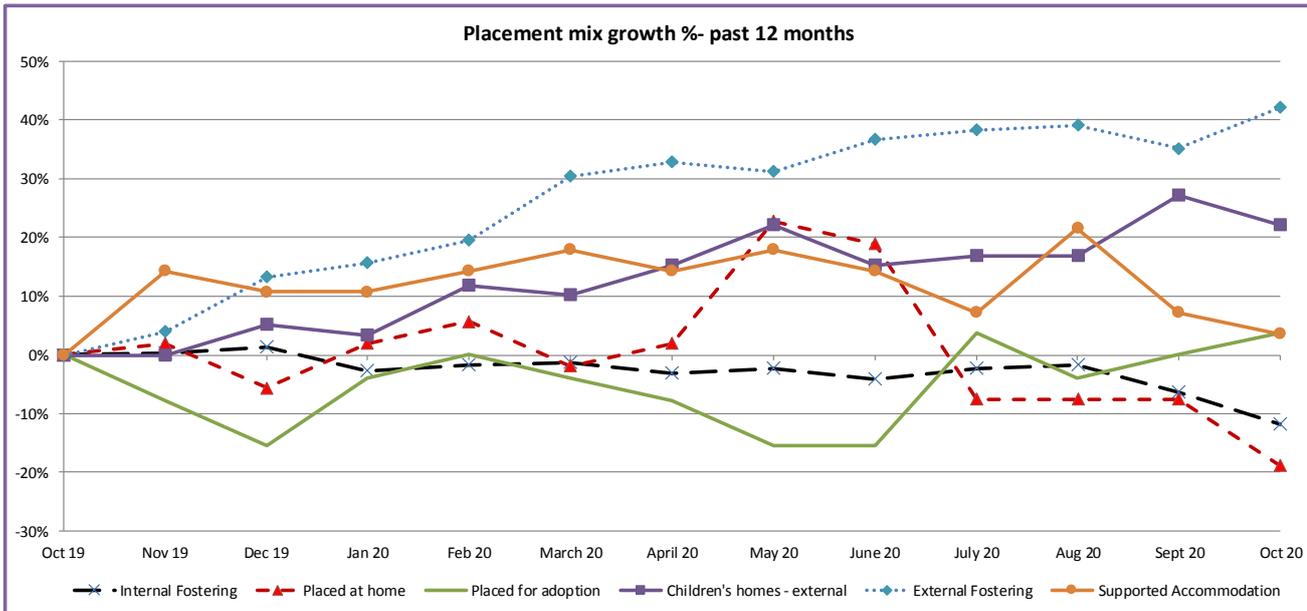
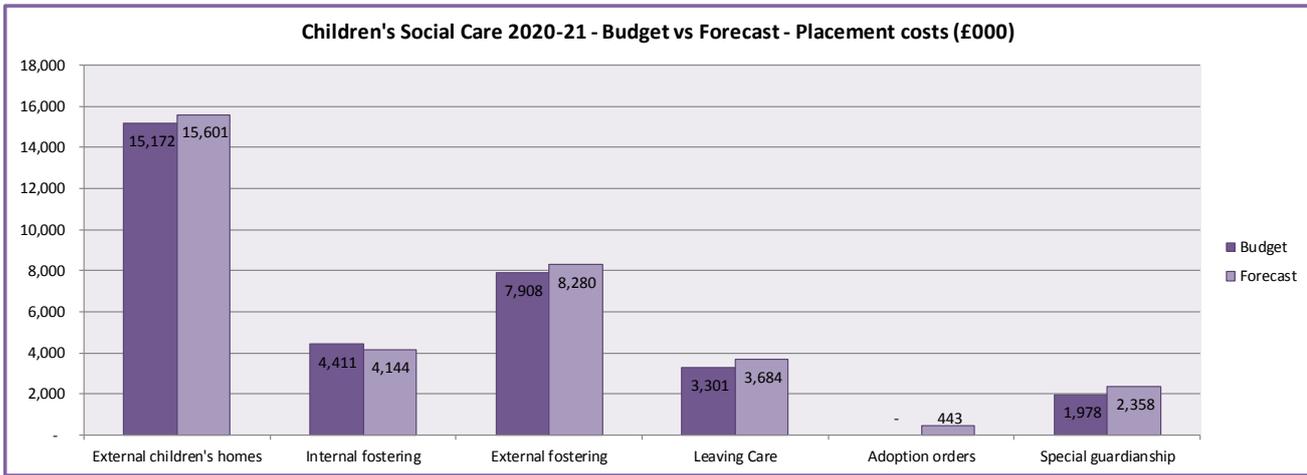
Budget Holder – Mrs D Booth, Director of Children's Services

Children's Social Care Trends

Date	External Placements Projection						Supported Accommodation			Internal Fostering			LAC number	SGO	
	Fostering inc M&B			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	no data
Sep-13	66	14%	35,667	33	7%	111,523	17	4%	no data	272	58%	11,908	472	no data	no data
Dec-13	69	15%	36,560	30	7%	117,073	17	4%	no data	260	57%	11,828	459	no data	no data
Mar-14	64	14%	34,058	27	6%	118,473	15	3%	no data	248	56%	11,757	443	no data	no data
Jun-14	74	16%	35,928	25	5%	102,561	18	4%	no data	250	55%	12,833	457	no data	no data
Sep-14	75	16%	37,655	21	5%	121,210	27	6%	no data	237	51%	12,570	462	no data	no data
Dec-14	70	15%	38,760	18	4%	124,281	23	5%	no data	243	53%	12,474	459	no data	no data
Mar-15	73	16%	40,155	23	5%	128,868	19	4%	no data	244	53%	12,374	463	no data	no data
Jun-15	74	17%	40,625	25	6%	147,777	20	5%	no data	219	50%	12,541	440	no data	no data
Sep-15	73	16%	40,040	25	6%	142,934	16	4%	no data	225	50%	12,549	450	no data	no data
Dec-15	70	16%	41,243	27	6%	145,196	17	4%	no data	217	49%	12,428	442	no data	no data
Mar-16	69	15%	42,215	29	6%	146,120	22	5%	no data	257	56%	12,453	462	no data	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
Sep-20	173	27%	47,125	75	12%	211,328	30	5%	97,225	277	43%	12,979	644	376	6,056
Oct-20	179	29%	47,218	72	11%	209,141	29	5%	96,547	261	42%	14,466	627	394	6,356

Note:
The variance between the current total number of Looked After Children (627) and the total internal fostering and external placement numbers (541) 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 - OCT £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19	NON-COVID
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	£000
PUBLIC HEALTH								
NET EXPENDITURE								
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	969	576	387	963	(6)	-	-	(6)
NHS HEALTH CHECKS - MANDATED	100	24	42	66	(34)	-	-	(34)
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	629	350	279	629	-	-	-	-
CHILDREN'S 0-5 SERVICES	2,534	1,394	1,140	2,534	-	-	-	-
TOBACCO CONTROL	354	(34)	150	116	(238)	-	-	(238)
MENTAL HEALTH AND WELLBEING	15	-	15	15	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,861	909	818	1,727	(134)	-	-	(134)
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,675	1,472	1,227	2,699	24	-	-	24
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	824	306	518	824	-	-	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	117	84	33	117	-	-	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,433	(3,124)	12,026	8,902	469	-	81	388
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	26	92	(66)	26	-	-	-	-
GRANT	(18,512)	(13,909)	(4,603)	(18,512)	-	-	-	-
TOTALS	25	(11,860)	11,966	106	81	-	81	-

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 7 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 October 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 response. Since March Public Health has been responding to the outbreak of Covid to protect the population of Blackpool. The team have developed 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 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.

There has been reduced activity against some of our PbR contracts as a result of COVID impacting our provider's ability to offer routine treatments. These savings have offset a shortfall in income generation 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	
	2020/21						COVID-19 £000	NON-COVID £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - OCT £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000			
BUDGETS OUTSIDE THE CASH LIMIT								
NET EXPENDITURE								
TREASURY MANAGEMENT	10,361	5,640	4,029	9,669	(692)	-	-	(692)
PARKING SERVICES	(4,803)	(1,304)	(566)	(1,870)	2,933	-	2,963	(30)
CORPORATE SUBSCRIPTIONS	137	84	53	137	-	-	-	-
HOUSING BENEFITS	1,570	920	889	1,809	239	-	239	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,104	645	459	1,104	-	-	-	-
SUBSIDIARY COMPANIES	(1,170)	5	161	166	1,336	-	1,377	(41)
LAND CHARGES	(51)	(43)	(8)	(51)	-	-	-	-
CONCESSIONARY FARES	4,433	1,172	2,892	4,064	(369)	-	(369)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	1,297	757	540	1,297	-	-	-	-
NEW HOMES BONUS	(266)	(133)	(133)	(266)	-	-	-	-
TOTALS	12,612	7,743	8,316	16,059	3,447	-	4,210	(763)

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 7 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 £692k. 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 £2,933k for 2020/21. £2,963k 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 and other services.

As at Week 32 (w/e 8th November) parking income is at £2.4m with patronage at 596,299. Car park patronage is down by 227,030 and income is down by £1,246k on 2019/20. On-Street Pay and Display patronage is down by 84,692 and income is down by £164k.

Housing Benefit

This service is forecasting an overspend of £239k due to Covid. 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. 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.

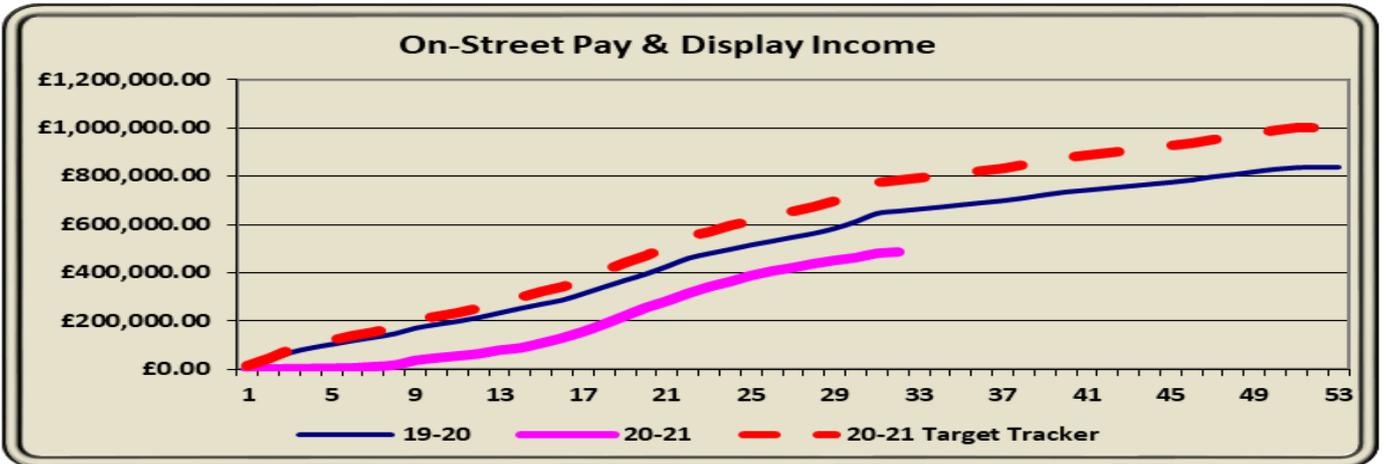
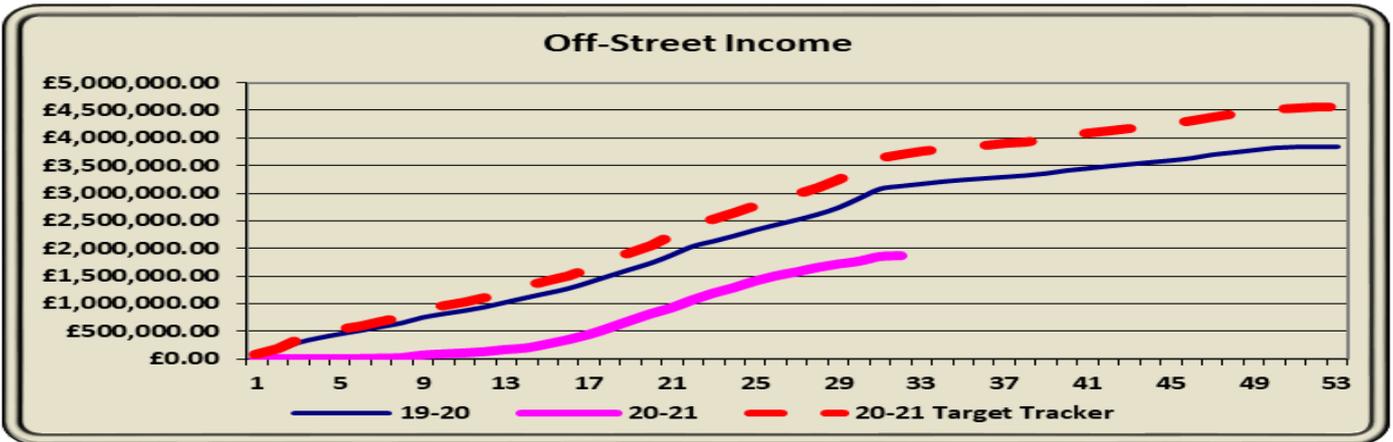
Concessionary Fares

Concessionary Fares is forecasting an underspend of £369k 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. After the government announcement of further restrictions, the compensation scheme in use till October has been increased for a further two months and the effect of this is shown in this revised figure.

Summary of the revenue forecasts

After 7 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £3,447k overspend. This includes £4,210k Covid related costs.

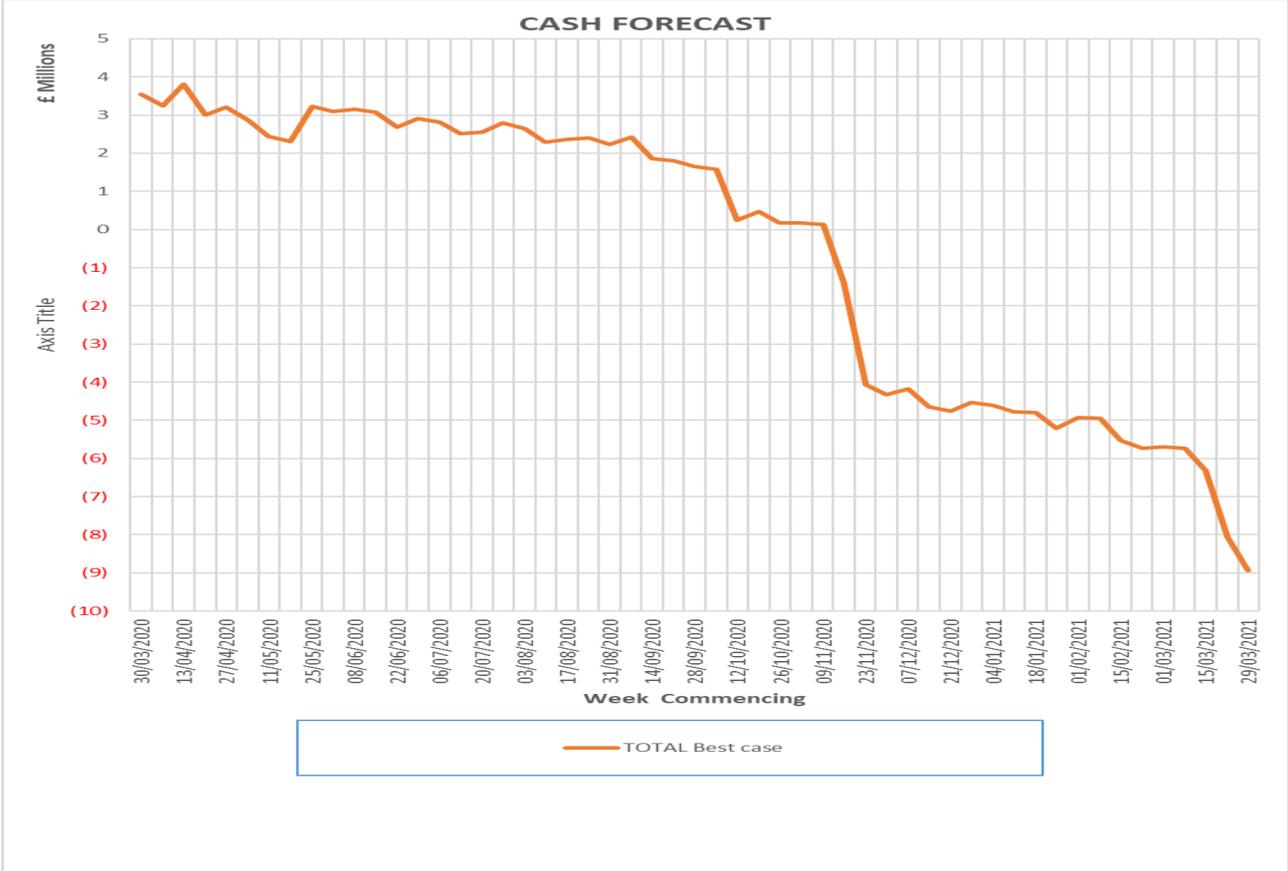
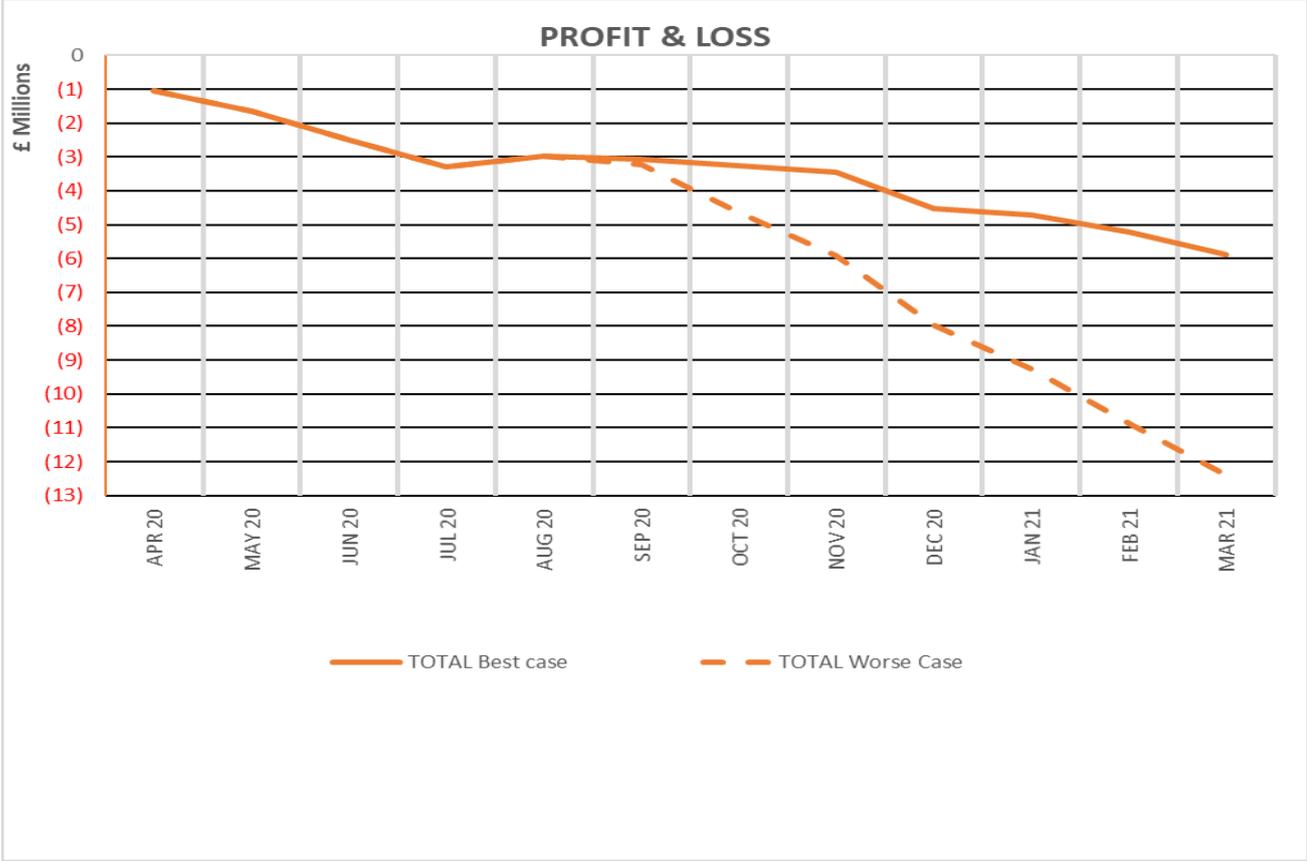
Car Parking Trends



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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 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 7 only best and worst case scenarios are being reported. However, should circumstances change or government restrictions tighten again, further scenarios may be introduced and reported.

As at month 7 the Council faces forecast aggregated losses in 2020/21 in the range of £6m to £12m and these are shown in the Profit and Loss graph. The forecasts reported at Month 7 have not been updated from those reported at Month 6. Given the introduction of local Tier 3 restrictions on 17th October 2020 and the re-introduction of national lockdown on 5th November 2020, the companies are currently updating their forecast out-turns and cash requirements, and the expected deterioration will be reported at Month 8.

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	616.0	116.0	500.0	560.0	0.0	1,060.0
Adult Services	2,840.0	0.0	2,840.0	2,840.0	0.0	9,954.0	0.0	9,954.0
Chief Executive	445.0	375.0	70.0	70.0	0.0	459.0	0.0	459.0
Children's Services	359.0	195.0	164.0	44.0	120.0	13,589.0	(8,635.0)	5,074.0
Governance & Partnership Services	100.0	7.0	93.0	32.0	61.0	1,153.0	(309.0)	905.0
Community & Environmental Services	591.0	30.0	561.0	325.0	236.0	3,544.0	(162.0)	3,618.0
Outside Cash Limit	750.0	11.0	739.0	0.0	739.0	4,579.0	(1,871.0)	3,447.0
Public Health	0.0	0.0	0.0	0.0	0.0	81.0	0.0	81.0
Communications & Regeneration	180.0	160.0	20.0	20.0	0.0	948.0	(174.0)	774.0
Growth & Prosperity	1,200.0	0.0	1,200.0	0.0	1,200.0	12,560.0	(12,035.0)	1,725.0
Strategic Leisure Assets	0.0	0.0	0.0	0.0	0.0	6,834.0	0.0	6,834.0
Resources	510.0	505.0	5.0	0.0	5.0	41.0	(121.0)	(75.0)
Reserves & Contingencies	0.0	0.0	0.0	0.0	0.0	0.0	(17,626.0)	(17,626.0)
Sales, Fees & Charges Covid compensation	0.0	0.0	0.0	0.0	0.0	0.0	(7,917.0)	(7,917.0)
Contribution from Clinical Commissioning Group	0.0	0.0	0.0	0.0	0.0	0.0	(3,249.0)	(3,249.0)
Per Appendices	19,649.0	13,341.0	6,308.0	3,447.0	2,861.0	54,302.0	(52,099.0)	5,064.0

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**2020/21 CAPITAL MONITORING
MONTH 7**

	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 - Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Resources									
Property and Asset Management									
Central Business District Phase 1	40,432	38,120	2,312	-	2,312	23	2,289	-	
ICT Refresh	3,055	2,982	74	-	74	36	38	-	
CLC Remodelling scheme	859	847	12	-	12	-	12	-	
Local Full Fibre Network	3,147	2,130	1,017	-	1,017	928	89	-	
Finance, HR, Payroll System	1,200	34	(34)	-	(34)	22	170	-	
Other Resources Schemes	1,698	1,161	282	255	537	77	460	-	
Total Resources	50,391	45,274	3,663	255	3,918	1,086	3,058	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	9,642	7,959	(67)	1,750	1,683	454	1,229	-	
Other Adult Services Schemes	5,838	4,925	422	491	913	139	774	-	
Total Adult Services	15,480	12,884	355	2,241	2,596	593	2,003	-	
Director Responsible for Community and Environmental Services									
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	993	(10)	-	
Leisure Refurbishment	500	101	398	-	398	95	303	-	
Others	255	279	(24)	-	(24)	1	(25)	-	
Total Community and Environmental Services	37,936	33,447	4,488	-	4,488	1,097	3,391	-	

**2020/21 CAPITAL MONITORING
MONTH 7**

	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 - Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Governance & Partnership Services									
Carleton Crematorium Works 2018-20	2,792	2,247	(80)	625	545	561	(16)	-	
Carleton Burial Plots	1,161	19	1,142	-	1,142	10	1,132	-	
Total Governance & Partnership Services	3,953	2,266	1,062	625	1,687	571	1,116	-	
Chief Executive									
Housing									
Foxhall Village	12,798	13,289	(491)	-	(491)	12	115	1,800	
Work towards Decent Homes Standard	10,337	-	-	10,337	10,337	1,271	9,066	-	
Queens Park Redevelopment Ph2	13,241	13,376	(135)	-	(135)	6	(141)	-	
Troutbeck Redevelopment	9,200	2,386	-	4,860	4,860	1,213	3,647	-	
Hoyle Redevelopment	2,324	2,294	30	-	30	(30)	60	-	
Dunsop Court	510	113	-	510	510	13	497	-	
Feasibility/ Infill site	2,490	30	-	2,460	2,460	15	2,445	-	
Others	4,210	64	-	4,066	4,066	18	4,048	-	
Total Chief Executive	55,110	31,552	(596)	22,233	21,637	2,518	19,737	1,800	

**2020/21 CAPITAL MONITORING
MONTH 7**

	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 - Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Communications and Regeneration									
Regeneration									
College Relocation/Illumination Depot	13,105	13,924	(819)	-	(819)	-	-	-	
Leisure Assets	62,099	62,268	(169)	-	(169)	427	(596)	-	
Conference Centre	28,471	16,331	12,140	-	12,140	902	11,238	-	
Leopold Grove	557	503	54	-	54	-	-	-	
Spanish Hall roof & façade	1,995	1,647	348	-	348	44	304	-	
CBD Phase 2 - Hotel	24,500	2,181	22,319	-	22,319	1,241	21,078	-	
Land Release Fund	3,150	313	2,837	-	2,837	27	2,810	-	
Town Centre Investment	3,200	3,001	199	-	199	-	199	-	
Enterprise Zone	13,000	1,220	11,780	-	11,780	2,357	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)	150	(787)	-	
Museum	7,894	134	7,760	-	7,760	141	7,619	-	
Other	448	478	(30)	-	(30)	351	-	-	
Transport									
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	230	-	-	
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	(163)	445	-	
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	535	1,648	-	
Local Transport Plan Project 30 2020/21	343	-	-	343	343	-	343	-	
Quality Corridor	7,050	6,087	-	963	963	(45)	8	-	
Topping Street	-	993	(993)	-	(993)	920	2,000	-	
Blackpool/Fleetwood Tramway	99,990	99,990	-	-	-	-	-	-	
Tramway Extension	16,400	13,269	3,131	-	3,131	1,362	1,769	-	
Tramway Refurbishment	1,052	313	(313)	605	292	-	292	-	
Sintropher	1,903	2,780	(877)	-	(877)	-	-	-	
Total Communications and Regeneration	360,470	283,560	72,369	4,094	76,463	11,349	54,870	-	

**2020/21 CAPITAL MONITORING
MONTH 7**

	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 - Oct	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Children's Services									
Devolved Capital to Schools	645	492	153	-	153	3	150	-	
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	1,660	-	-	
Pegasus Expansion	810	793	17	-	17	-	-	-	
Special Educational needs	849	-	-	849	849	110	739	-	
Basic Need	1,371	167	1,202	-	1,202	-	1,000	-	
Condition	1,294	979	315	-	315	45	270	-	
Other	712	361	-	351	351	252	99	-	
Total Children's Services	14,069	8,463	2,925	2,679	5,604	2,270	2,498	-	
CAPITAL TOTAL	537,409	417,446	84,266	32,127	116,393	19,484	86,673	1,800	

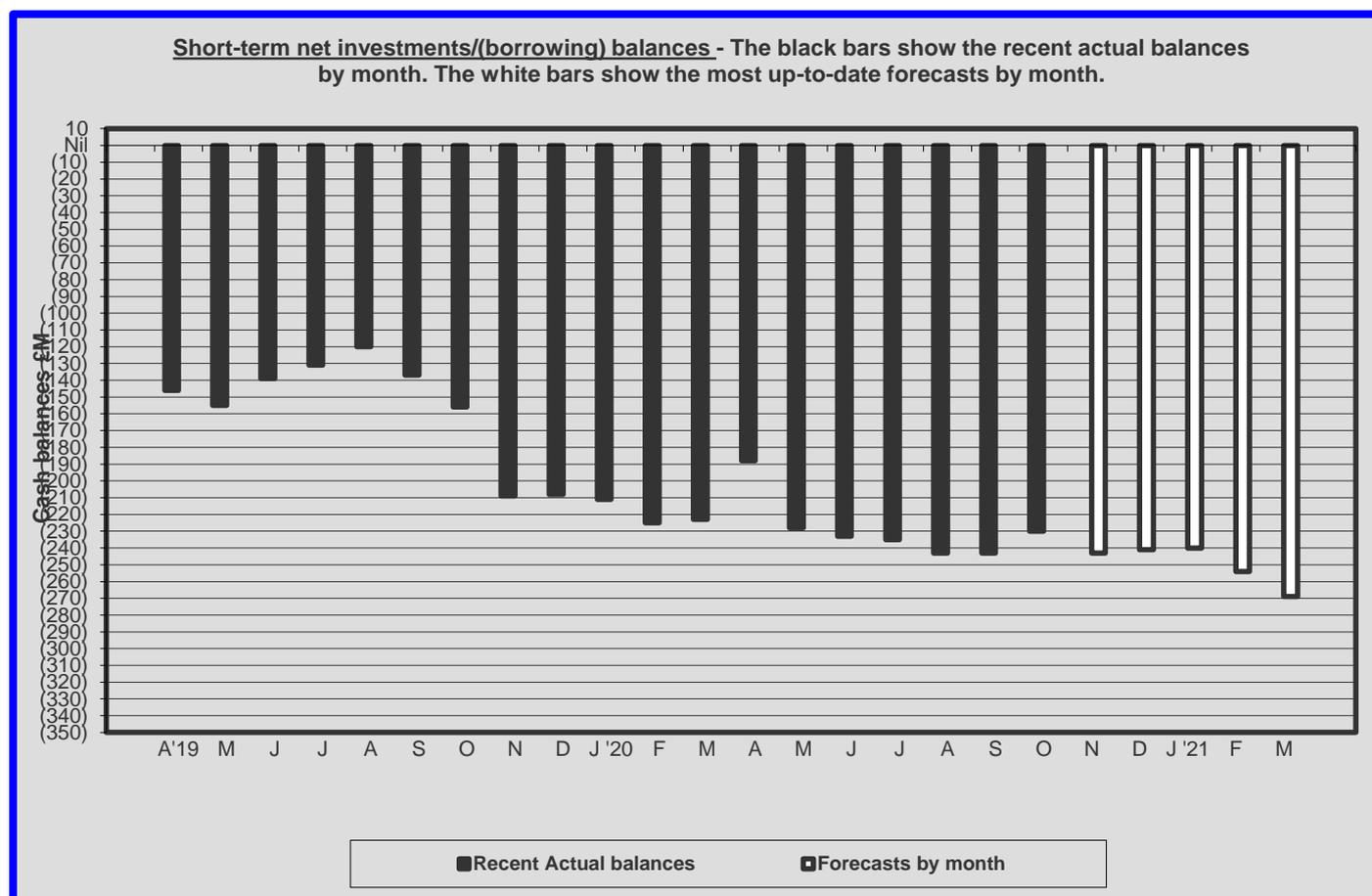
Notes

(1) Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.8m reflects the current best 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 - OCT CASH FLOW ORIGINAL BUDGET (*)	APR - OCT CASH FLOW ACTUAL	NOV - 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 - OCT MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	NOV - 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
				RECEIPTS			
56	33	29	23	Housing Benefit & Subsidy	(4)	-	(4)
109	70	42	38	Council tax and NNDR	(28)	(1)	(29)
20	12	8	7	VAT	(4)	(1)	(5)
33	19	30	10	RSG & BRR	11	(4)	7
101	62	183	62	Other Grants	121	23	144
114	67	67	47	Other Income	-	-	-
-	-	356	13	Money Market Transactions Received	356	13	369
-	-	344	35	Receipt of Loans	344	35	379
433	263	1,059	235	RECEIPTS - NORMAL ACTIVITIES	796	65	861
				PAYMENTS			
9	6	5	4	Police & Fire	1	(1)	-
338	196	241	183	General Creditors	(45)	(41)	(86)
-	-	-	-	RSG & BRR	-	-	-
123	72	50	51	Salaries & wages	22	-	22
52	31	22	21	Housing Benefits	9	-	9
106	106	630	146	Money Market Transactions Paid Out	(524)	(146)	(670)
628	411	948	405	PAYMENTS - NORMAL ACTIVITIES	(537)	(188)	(725)
(195)	(148)	111	(170)	NET CASH FLOW IN/(OUT)	259	(123)	136
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 7 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 Support 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 31st 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 Oct 20 Actual	Movement since 31 Mar 20	31 Mar 21 Forecast
£000s		£000s	£000s	£000s
800,657	Property, Plant and Equipment	820,141	19,484	887,330
105,683	Long-term Assets	107,527	1,844	110,000
Current Assets				
57,026	Debtors	52,600	(4,426)	60,000
642	Inventories	380	(262)	600
774	Short-term loans	1,374	600	800
19,504	Cash and cash equivalents	9,588	(9,916)	5,000
984,286	Total Assets	991,610	7,324	1,063,730
Current Liabilities				
(245,184)	Borrowing Repayable within 12 months	(238,000)	7,184	(250,000)
(70,976)	Creditors	(53,500)	17,476	(70,000)
Long-term Liabilities				
(87,460)	Borrowing Repayable in excess of 12 months	(86,999)	461	(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)
227,159	Total Assets less Liabilities	259,642	32,483	317,954
(68,970)	Usable Reserves	(40,920)	28,050	(36,282)
(158,189)	Unusable Reserves	(218,722)	(60,533)	(281,672)
(227,159)	Total Reserves	(259,642)	(32,483)	(317,954)

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 7. 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 7-month period there has been a decrease in cash and cash equivalents of £9.9m partly due to a £19.5m increase in capital expenditure on Property, Plant and Equipment in line with the Council's approved capital programme for 2020/21.

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