

Public Document Pack

Dear Councillor

EXECUTIVE - MONDAY, 8 FEBRUARY, 2021

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 8 February, 2021 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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2	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2020/2021 (Pages 1 - 62)</u>
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
8TH FEBRUARY 2021

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 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 9 months of 2020/21, i.e. the period to 31st December 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 9 forecast overspend of **£8,461k** for 2020/21 are summarised below:-

Directorate	Service	Forecast Variance £000
Growth & Prosperity	An overspend of £8,832k 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 £8,832k pressure. This pressure has increased due to the complex nature of these projects, delays have arisen which are now predicted to result in an in-year overspend. Whilst this is disappointing, it is not a result of a failure of projects or even an unexpected shortfall in income, but rather a question of timing. All projects that were to contribute to the target are still proceeding well and should deliver beyond the target if taken over the 3 year period from 2019/20 to 2021/22. It is intended that the 2020/21 pressure will be funded from Earmarked Reserves in 2020/21 and the schemes slipped to 2021/22 plans which will be reflected in month 10 financial monitoring.	8,832
Adult Services	An overspend of £8,589k is forecast including £10,361k relating directly to Covid. Adult Commissioning Placements is forecast to overspend by £8,782k. There are £10,163k pressures caused by Covid and the main reasons relate to £4,531k 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 December 2020 Enhanced Hospital Discharges are estimated to cost £3,635k 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 £32k due to Covid pressures of £198k partly offset by vacancies.	8,589
Children's Services	An overspend of £5,162k is forecast including £3,022k Covid costs. The Children's Social Care budget was increased by £8.173m in August 2020 following the approval of the refreshed Children's Services Medium Term Financial Strategy (CSMTFS). The additional investment was required to cover the increase in numbers and unit costs of Looked After Children (LAC) between budget setting and 31 st 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	5,162

	<p>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 (£1.759m) mainly due to the additional support required following the break-down of high cost placements. An additional work stream is expected to be set up to review, understand the issues and mitigate against the additional costs, wherever possible. This time last year there were 54 placements over £3k, with an average cost of £4,194 per week. The current number of placements over £3k is 71, with an average cost of £4,688 per week. That’s a 31% increase in numbers and a 12% increase in average cost. The impact of Covid is £2.018m. Nationally, there is an expected increase in demand for children’s social care services post-Covid that could see an additional pressure. By December 2020 LAC numbers stand at 610 which is a reduction of 34 on September 2020. There is an overspend in Education of £618k, primarily relating to the Special Educational Needs (SEN) Transport Service which is partly due to demand pressures and partly due to a historical savings target that was not achieved. There is also a £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>	
Strategic Leisure Assets	<p>Strategic Leisure Assets is forecasting a £6,534k pressure. £4,792k 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 improvements to the Job Retention Scheme. 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 £20,075k. 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</p>	4,792

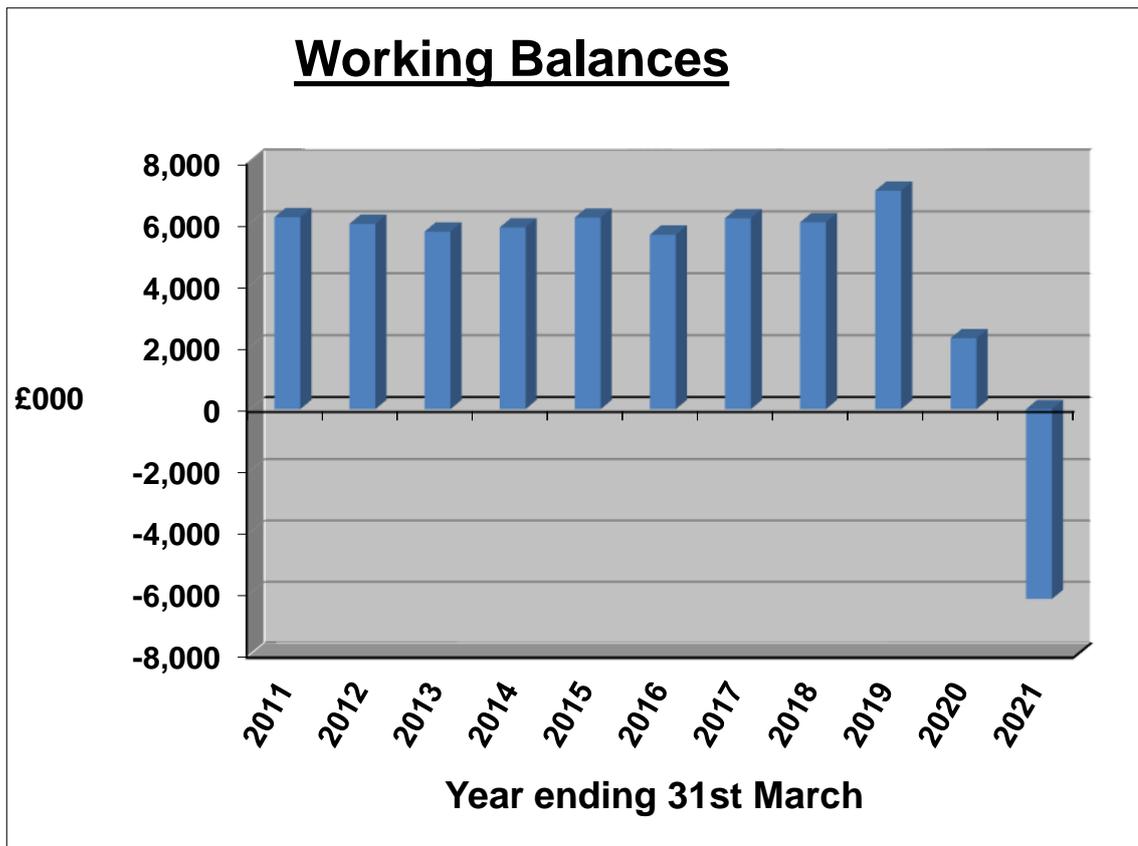
	mainly due to an assumption around the longer lasting impact of Covid.	
Budgets Outside the Cash Limit	<p>An overspend of £3,468k is forecast including £8,154k Covid costs. Parking Services is forecasting a shortfall on income of £3,707k for 2020/21. £3,758k of this shortfall relates to the expected 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 £1,068k 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 savings of £309k 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 £1,092k. 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 £454k. This includes £2,780k pressure due to the current restrictions relating to Covid. The full year estimate is based on payments to the end of the financial year using an average of 4 specific periods in 2019/20. After the government announcement of further restrictions, the compensation scheme in use till October has been extended until the end of the financial year and the effect of this is shown in the revised figure.</p>	3,468
Community and Environmental Services	<p>An overspend of £3,023k is forecast of which £3,157k is attributable to Covid. Leisure Services are reporting a pressure of £1,730k as there has been no future income forecast for the financial year due to continued uncertainty surrounding the future operation of leisure centres. Future income will be recognised on receipt. Catering Services are facing a pressure of £561k due to reduced income for school meals. Parks are forecasting a pressure of £12k due to lost sports income. 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</p>	3,023

	<p>Traffic Management Services is currently forecasting a pressure of £36k. There is an anticipated shortfall in Road and Street Works Act (RASWA) income of £50k due to work being halted during the Covid lockdown and the expectation that this income will not be at the same levels as previous years. There has also been additional Covid related pressures of £75k within Highways and Transport. Highways & Engineering is forecast to save £94k, due to staffing vacancies and increased scheme income, which will help to offset the £14k Covid-related pressures within the service. Waste Services are reporting a pressure of £608k 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. Integrated Transport is forecasting a pressure of £124k. £116k 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. 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. Other savings have helped to mitigate the pressures overall. 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.</p>	
<p>Governance and Partnership Services</p>	<p>An overspend of £942k is forecast of which £466k is attributable to Covid. Corporate Legal Services is expecting a £839k overspend including £787k 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. The overspend has risen sharply this month, despite the transfer of the disbursement budget to Children's Services, due to Counsel costs currently exceeding previously forecast spend in part due to a few exceptional, complex cases. Life Events and Customer Care is forecasting a pressure of £397k. 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 underspend of £17k in Life Events relates to continuing pressures in Coroners and Burials offset by increased income in cremations and public funerals. These are offset by a forecast underspend on Ward budgets of £300k.</p>	<p>942</p>

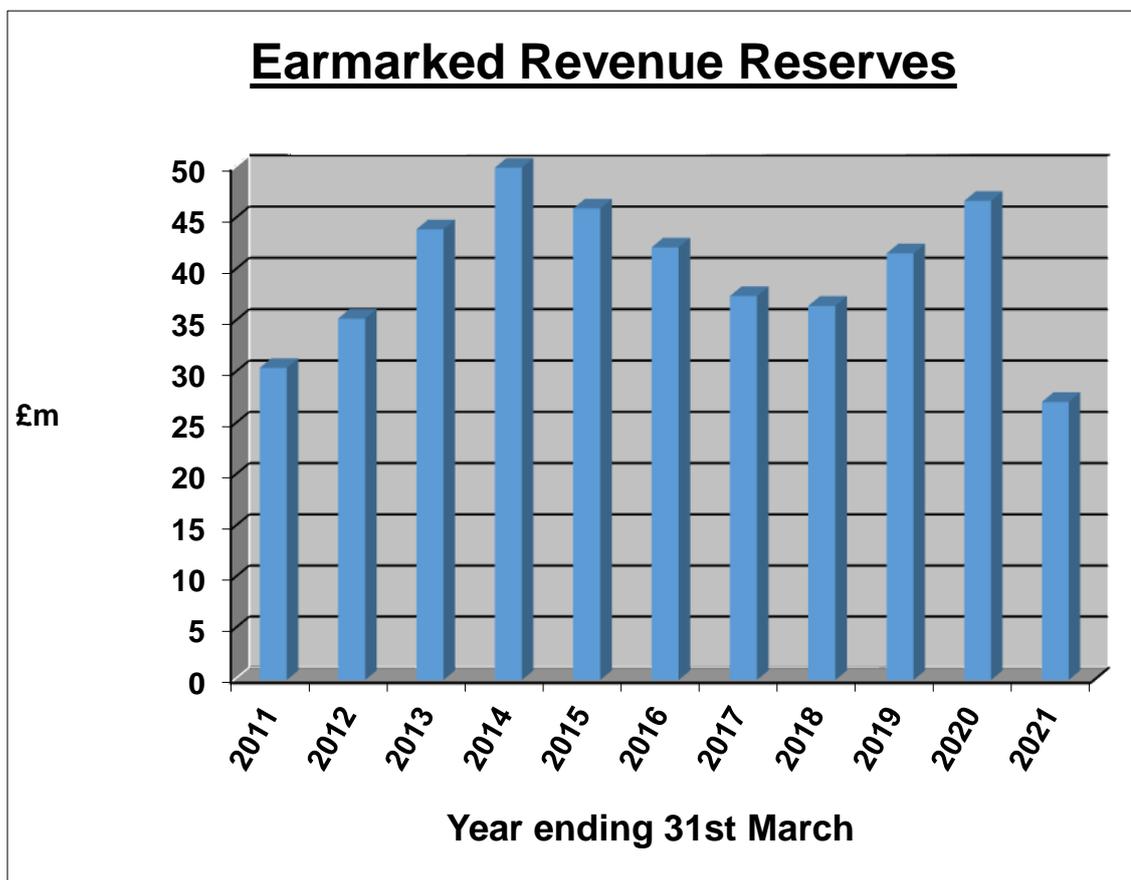
Communications and Regeneration	An overspend of £783k is forecast including £911k Covid costs. Tourism & Communications is expecting a pressure of £640k of which £708k relates to Covid. Planning is expecting a pressure of £80k of which £120k relates to Covid. This has been offset in part due to staff savings and better than budgeted income in Building Control. Economic Development is expecting a pressure of £63k of which £83k relates to Covid. There remains a pressure of £30k 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. Increased income in Communications and savings on vacant posts as well as on supplies and services expenditure means that previous pressures in Visit Blackpool have been met. The service, excluding Covid costs, is now making a saving of £58k. There is also a £33k saving in Libraries due to the release of some reserves and savings on staffing, savings of £17k 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.	783
Chief Executive	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.	459
Public Health	An overspend of £81k is forecast. This relates to additional spend incurred by the Public Health team as a result of the Covid response. Since March Public Health has been responding to the outbreak of Covid to protect the population of Blackpool. The team has been working on the development of Community Hubs, including the homeless population, to ensure that those left vulnerable from Covid receive the support they need, for example food, welfare checks, medication, accommodation, etc. More recently the Public Health team has been supporting the Government's NHS Test and Trace service with contact tracing and support for complex local outbreak management. This required a single point of contact to be established, monitored and calls/e-mails actioned by appropriately qualified and informed staff. The spend relating to this work is not included in the above as this is being funded through a ring-fenced £1.7m Test and Trace service support grant from the Department of Health and Social Care, and therefore has no financial impact on the budgetary position for the directorate. There has been reduced activity against some Payment By Results contracts as a result of COVID	81

	impacting our provider's ability to offer routine treatments and these savings have offset a shortfall in income generation for the directorate.	
Resources	An underspend of £250k is forecast including an overspend of £323k 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 an underspend of £96k taking into account £278k 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. Pressures against income generation have been offset by vacancy savings and utilities & maintenance savings as a result of occupancy of Council buildings being reduced due to Covid. The Procurement and Projects Service is forecasting an underspend of £78k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend. Saving of £43k in Risk Services and £37k in Customer First 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 £323k to date. This additional pressure has been offset mainly by savings as a result of staff vacancies and additional income generation.	(250)
Contingencies and Reserves	There is a £1m freezing of non-essential and/or deferrable spend to deliver a saving of which £500k still needs to be allocated across services. As such, this is showing as a pressure for 2020/21. There are also savings from prior years that have not yet been met recurrently and these are currently showing a pressure of £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 £3,635k 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 £8,961k in the full year.	(27,420)
Total		8,461

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 on the next page:



3.5 Earmarked Revenue Reserves (ERR)

	£m
Provisional Earmarked Revenue Reserves as at 1 st April 2020	48.04
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, 7, 8 and 9	(1.13)
Less Children’s Services CSMTFS funded from ERR	(8.17)
Less Other movements	<u>(0.56)</u>
Forecast Earmarked Revenue Reserves as at 31 st December 2020	<u>32.45</u>
Forecast Earmarked Revenue Reserves as at 31 st March 2021	<u>27.18</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 £31,726k 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 £3,635k is anticipated from Blackpool CCG for Enhanced Hospital Discharges. In addition, it is estimated that £8,961k will be received from MHCLG in respect of the Sales, Fees & Charges compensation scheme. These leave a residual pressure to the Council of £3,246k. (This is consistent 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
Return of Over-assessed Business Support Grants	(11,704,000)	
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)	3,486,420	
Sales, Fees & Charges – compensation scheme 1 (1st August 20 to 30th November 20)	4,066,935	
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	266,120	

Blackpool Transport Services)		May
TOTAL	121,402,772	

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. A further bid in the sum of £4,067k covering the period 1st August 2020 – 30th November 2020 was submitted to MHCLG on 15th December 2020. A bid will be submitted in due course to meet the MHCLG deadline. It is estimated that the full-year effect will be £8,961k.

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 December 2020 83% 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 57% 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 9 the amount collected for Council Tax (excluding Police and Fire precepts) was £45.1m and the collection rate was **75.0%**. This compares to £43.9m and 77.3% at the same point in 2019/20. The amount collected has risen by £1.2m 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 9 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 £1.63m and the collection rate was **56.6%**. This compares to £2.05m and 56.4% 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 9 the amount collected for Business Rates was £12.8m and the collection rate was **69.2%**. This excludes the significant s31 'Extended Retail/Nurseries etc' relief provided by central government. This compares to £36.3m and 74.4% 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 9 months to the end of December 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 9 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 9 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 optimistic 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 9 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 and additional COVID grants received over the past three months including further business support grants. 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 9. 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 9-month period there has been an increase in Property, Plant and Equipment of £29.7m due to capital expenditure which is 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 9 of 2020/21 shows a marked deterioration in the Council's financial standing when compared with the draft unaudited position as at the close of 2019/20. Working balances are expected to fall by the current forecast overspend of £8,461k although £3,246k 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 £48,041k, though with known in-year commitments against this the balance will fall to an estimated £27,182k 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 financial 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 3 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 Growth & Prosperity, Children's Services and Strategic Leisure Assets 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).
- iv) to agree that the 2020/21 pressure of £8,832k relating to Growth & Prosperity will be funded from Earmarked Reserves in 2020/21 and the schemes slipped to 2021/22 plans which will be reflected in month 10 financial monitoring and is consistent with the General Fund Budget Report 2021/22 to be reported to the Executive on 8th February 2021.

Steve Thompson
Director of Resources
27th January 2021

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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 8/FWD	VARIANCE	
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR-DEC £000	2020/21 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	2,262	(1,749)	513	459	-	459	-
3(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,330	3,819	(1,247)	2,572	1,242	-	466	776
3(b/c)	WARD BUDGETS	521	88	133	221	(300)	(206)	-	(300)
3(d)	RESOURCES	2,706	3,515	(1,059)	2,456	(250)	-	323	(573)
3(e)	COMMUNICATIONS AND REGENERATION	3,728	(2,700)	7,211	4,511	783	-	911	(128)
3(f)	STRATEGIC LEISURE ASSETS	559	1,953	5,140	7,093	6,534	-	4,792	1,742
3(g)	GROWTH & PROSPERITY	(11,855)	(2,701)	(322)	(3,023)	8,832	4,183	-	8,832
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	45,238	6,631	41,630	48,261	3,023	-	3,157	(134)
3(i)	ADULT SERVICES	56,526	39,325	25,790	65,115	8,589	-	10,361	(1,772)
3(j)	CHILDREN'S SERVICES	63,525	29,675	39,012	68,687	5,162	-	3,022	2,140
3(k)	PUBLIC HEALTH	25	(724)	830	106	81	-	81	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	12,961	10,459	5,970	16,429	3,468	-	8,154	(4,686)
	CAPITAL CHARGES	(27,708)	(20,781)	(6,927)	(27,708)	-	-	-	-
	NET COST OF SERVICES:	147,610	70,821	114,412	185,233	37,623	3,977	31,726	5,897
	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	-	-	(3,635)	(3,635)	(3,635)	-	(3,635)	-
	- SALES, FEES & CHARGES - COVID COMPENSATION	-	-	(8,961)	(8,961)	(8,961)	-	(8,961)	-
	CONTINGENCIES	167	-	(8,952)	(8,952)	(9,119)	-	(10,179)	1,060
	LEVIES	455	-	455	455	-	-	-	-
	CONTRIBUTIONS, etc.	(5,526)	-	(34,688)	(34,688)	(29,162)		(28,480)	(682)
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	142,084	70,821	79,724	150,545	8,461		3,246	5,215
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(8,461)	(8,461)	(8,461)		(3,246)	(5,215)
	NET REQUIREMENT AFTER WORKING BALANCES	142,084	70,821	71,263	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						(8,461)	(3,246)	(5,215)
	ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2021						(6,169)	(3,246)	(2,923)

Note

Once the total allocation of Covid-19 grants for 2020/21 has been finalised these will be re-allocated to Services as part of the 2020/21 year-end process.

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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	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	
8				£000												
9																
10																
11	GROWTH & PROSPERITY	GROWTH & PROSPERITY		4,397	4,183	4,183			812	812	2,400	1,725	1,725	8,832	8,832	
12	ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS							9,636	7,163	7,542	10,047	9,898	9,356	8,782	
13	STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		4,040	4,970	4,970			7,434	7,434	7,434	6,834	6,834	6,534	6,534	
14	CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE		11,605	12,555	12,555			10,607	10,939	3,583	3,880	3,805	4,131	3,901	
15	COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING			148	148			2,811	2,768	2,773	2,642	2,642	2,303	2,303	
16	CHILDREN'S SERVICES	EDUCATION		749	739	739			1,152	1,274	1,187	1,260	1,268	1,260	1,260	
17	GOVERNANCE & PARTNERSHIP SERVICES	CORPORATE LEGAL SERVICES		289	314	314			269	726	726	726	774	839	839	
18	COMMUNICATIONS & REGENERATION	TOURISM AND COMMUNICATIONS		327	542	542			626	574	630	616	616	640	640	
19	COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE							515	515	523	554	554	608	608	
20	PUBLIC HEALTH	MISCELLANEOUS PUBLIC HEALTH SERVICES							81	81	81	81	469	399	485	
21	CHIEF EXECUTIVE	HOUSING							358	358	456	459	459	459	459	
22	GOVERNANCE & PARTNERSHIP SERVICES	LIFE EVENTS & CUSTOMER CARE		264	93	93			510	454	450	424	424	397	397	
23	COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT							294	314	320	320	320	124	124	
24	COMMUNICATIONS & REGENERATION	PLANNING							122	122	79	79	79	80	80	
25	ADULT SERVICES	CARE & SUPPORT							211	156	131	101	83	75	-	
26	COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES							107	105	103	102	102	-	-	
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					-	-	
62																
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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 - DEC £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	734	439	295	734	-	-	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(9)	804	(813)	(9)	-	-	-	-
CHIEF EXECUTIVE TOTAL	725	1,243	(518)	725	-	-	-	-
CORPORATE DELIVERY UNIT	(56)	296	(352)	(56)	-	-	-	-
HOUSING	(615)	723	(879)	(156)	459	-	459	-
ASSISTANT CHIEF EXECUTIVE	(671)	1,019	(1,231)	(212)	459	-	459	-
TOTALS	54	2,262	(1,749)	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 9 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 - DEC £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	2,282	1,811	467	2,278	(4)	-	-	(4)
CORPORATE LEGAL SERVICES	(594)	1,901	(1,656)	245	839	-	52	787
INFORMATION GOVERNANCE	(3)	93	(86)	7	10	-	-	10
LIFE EVENTS & CUSTOMER CARE	(355)	14	28	42	397	-	414	(17)
GOVERNANCE & PARTNERSHIP SERVICES	1,330	3,819	(1,247)	2,572	1,242	-	466	776
WARDS	521	88	133	221	(300)	(206)	-	(300)
TOTALS	1,851	3,907	(1,114)	2,793	942	(206)	466	476

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 9 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 £942k pressure £466k is attributable to Covid. £524k of disbursement budget previously in Legal Services and associated actual costs have now transferred to Children's Services.

Democratic Governance Service

The Democratic Governance Service is currently forecasting an underspend of £4k. This position has changed slightly due to reduced income forecast.

Corporate Legal Services

This service is now forecasting an overspend of £839k of which £52k is due to Covid (additional spend and lost income). The majority of the remaining overspend of £787k relates to increased spend in Children's Legal. This overspend is to cover the need for additional staff and legal fees due to the increased caseload. The overspend has risen sharply this month, despite the transfer of the disbursement budget to Children's Services, due to Counsel costs currently exceeding previously forecast spend in part due to a few exceptional, complex cases. 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 £10k pressure due to a loss of income from Academies. This pressure has been reduced by some savings on staffing.

Life Events & Customer Care

This service is forecasting a pressure of £397k. 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 now forecasting a saving of £17k which relates to continuing pressures in Coroners and Burials that is offset by increased income in cremations and from public funerals.

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 9**

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	3	3	0	1	£24,079.79	£2,425.00	£21,654.79
Bispham Ward BC1002	Cllr. Clapham Cllr. Wilshaw	1	0	1	0	£27,479.76	£0.00	£27,479.76
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	8	8	0	4	£29,160.68	£12,500.00	£16,660.68
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	12	£15,261.77	£8,959.88	£6,301.89
Clifton Ward BC1006	Cllr. Hutton Cllr. P. Burdess	6	6	0	3	£23,526.22	£9,268.00	£14,258.22
Greenlands Ward BC1007	Cllr. Scott Cllr. Wing	6	6	0	4	£23,095.75	£10,601.10	£12,494.65
Hawes Side Ward BC1008	Cllr. Brookes Cllr. Critchley	6	6	0	3	£16,322.79	£4,106.20	£12,216.59
Highfield Ward BC1009	Cllr. Hunter	8	8	0	5	£28,434.35	£8,936.50	£19,497.85
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	9	9	0	8	£19,366.11	£7,897.39	£11,468.72
Marton Ward BC1012	Cllr. D Coleman Cllr. Stansfield	3	3	0	0	£27,479.86	£2,120.00	£25,359.86
Norbreck Ward BC1013	Cllr. Mrs Callow	4	4	0	1	£15,127.26	£7,160.81	£7,966.45
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	5	5	0	3	£18,180.73	£14,220.46	£3,960.27
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	5	5	0	3	£25,118.87	£5,880.00	£19,238.87
Warbreck Ward BC1020	Cllr. Scott Cllr. Mrs Scott	5	5	0	5	£20,908.62	£9,525.80	£11,382.82
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	4	4	0	3	£30,643.14	£12,770.00	£17,873.14
Ward Totals		103	102	1	64	£517,051.87	£148,021.94	£369,029.93
Unallocated Budget		-	-	-	-	£4,587.40	£0.00	£4,587.40
Income Budget		-	-	-	-	£0.00	£0.00	£0.00
Area Ward Totals		103	102	1	64	£521,639.27	£148,021.94	£373,617.33

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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 - DEC £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	933	(1,003)	(70)	(78)	-	-	(78)
BENEFITS	(872)	(1,245)	373	(872)	-	-	1	(1)
REVENUES SERVICES	1,729	822	907	1,729	-	-	22	(22)
CUSTOMER FIRST	17	674	(694)	(20)	(37)	-	8	(45)
ICT SERVICES	23	1,582	(1,559)	23	-	-	-	-
ACCOUNTANCY & EXCHEQUER SERVICES	53	1,750	(1,693)	57	4	-	12	(8)
RISK SERVICES	21	561	(583)	(22)	(43)	-	2	(45)
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	1,727	(1,562)	3,193	1,631	(96)	-	278	(374)
TOTALS	2,706	3,515	(1,059)	2,456	(250)	-	323	(573)

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 9 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 £78k. 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 December was 11 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications was 6 days. It is anticipated that there will be a further significant increase in new claims for Council Tax Reduction over the coming months.

Revenue Services

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

Customer First

Customer First is forecasting an underspend of £37k 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 £4k. Accountancy are forecasting an underspend of £16K. Additional expenses incurred by extending the Finance Contract with Advanced until March 2023 has added pressure to the budget, however these have been offset by vacancy savings within the team. Transactional Services are forecasting an overspend of £9k due to upgrades to the CIVICA system. Payroll is forecasting an overspend of £11k due to a reduction in SLA income.

Risk Services

Risk Services are forecasting an underspend of £43k 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 an underspend of £96k against 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. Pressures against income generation have been offset by vacancy savings and utilities & maintenance savings as a result of occupancy of Council buildings being reduced due to Covid.

Summary of the revenue forecast

After 9 months of the financial year Resources are forecasting a £250K 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 £323k 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 - DEC £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	184	(6,279)	6,526	247	63	-	83	(20)
PLANNING	455	435	100	535	80	-	120	(40)
TOURISM AND COMMUNICATIONS	3,089	3,144	585	3,729	640	-	708	(68)
TOTALS	3,728	(2,700)	7,211	4,511	783	-	911	(128)

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 £783k overspend is based upon actual financial performance for the first 9 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 £783k overspend, £911k is attributable to Covid.

Economic Development and Cultural Services

There is an expected pressure in this area of £63k of which £83k relates to Covid. There remains a pressure of £30k 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 £33k saving in Libraries due to the release of some reserves and savings on vacant staffing posts. There are savings of £17k 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 £80k 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 £640k of which £708k relates to Covid. Increased income in Communications and savings on vacant posts as well as on supplies and services expenditure means that previous pressures in Visit Blackpool have been met. The service, excluding Covid costs, is now making a saving of £58k. 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. Illuminations is still predicting a saving 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 - DEC £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	559	1,953	5,140	7,093	6,534	-	4,792	1,742
TOTALS	559	1,953	5,140	7,093	6,534	-	4,792	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 9 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 £6,534k, bringing the expected cumulative deficit as at 2020/21 to £20,075k. £4,792k 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 improvements to the Job Retention Scheme. 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 - DEC £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	(11,855)	(2,701)	(322)	(3,023)	8,832	4,183	-	8,832
TOTALS	(11,855)	(2,701)	(322)	(3,023)	8,832	4,183	-	8,832

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 9 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 £8,832k pressure. This pressure has increased due to the complex nature of these projects, delays have arisen which are now predicted to result in an in-year overspend. Whilst this is disappointing, it is not a result of a failure of projects or even an unexpected shortfall in income, but rather a question of timing.

All projects that were to contribute to the target are still proceeding well and should deliver beyond the target if taken over the 3 year period from 2019/20 to 2021/22. It is intended that the 2020/21 pressure will be funded from Earmarked Reserves in 2020/21 and the schemes slipped to 2021/22 plans. This is consistent with the General Fund Budget Report 2021/22 to be reported to the Executive on 8th February 2021.

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 - DEC £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	456	1,259	(803)	456	-	-	-	-
LEISURE AND CATERING	3,329	1,758	3,874	5,632	2,303	-	2,303	-
PUBLIC PROTECTION	703	(862)	1,517	655	(48)	-	14	(62)
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	16,873	(5,523)	22,432	16,909	36	-	139	(103)
STREET CLEANSING AND WASTE	18,458	7,139	11,927	19,066	608	-	565	43
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,711	2,556	2,155	4,711	-	-	-	-
INTEGRATED TRANSPORT	708	304	528	832	124	-	136	(12)
TOTALS	45,238	6,631	41,630	48,261	3,023	-	3,157	(134)

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 £3,023k overspend is based upon actual financial performance for the first 9 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 £3,023k overspend, £3,157 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 £2,303k. Leisure Services are reporting a pressure of £1,730k. There has been no future income forecast for the financial year due to continued uncertainty surrounding the future operation of leisure centres. Future income will be recognised on receipt. Parks are forecasting a pressure of £12k due to lost sports income. Catering Services are facing a pressure of £561k 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 surplus of £48k, due to vacancies within the service. There is, however, a small pressure of £14k related to Covid.

Highways and Traffic Management Services

This service is currently forecasting a pressure of £36k. There is an anticipated shortfall in Road and Street Works Act (RASWA) income of £50k due to work being halted during the Covid lockdown. There is still an expectation that this income will not be at the same levels as previous years. There has also been additional Covid related pressures of £75k within Highways and Transport. Highways & Engineering is forecast to save £94k, due to staffing vacancies and increased scheme income, which will off-set the £14k of Covid related pressures within the service.

Street Cleansing and Waste

Waste Services are reporting a pressure of £608k 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 £124k. £116k 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. The re-opening of schools has led 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 which have helped to mitigate the pressures overall.

Conclusion – Community and Environmental Services financial position

At the end of December 2020, the Community and Environmental Services Directorate is forecasting a £3,023k pressure. £3,157k 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 £289k, but savings, unrelated to the pandemic, totalling £134k have been identified.

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 - DEC £000	2020/21		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		COVID-19 £000	NON-COVID £000
			PROJECTED SPEND £000	FORECAST OUTTURN £000				
ADULT SERVICES								
NET EXPENDITURE								
ADULT SOCIAL CARE	7,407	5,536	1,669	7,205	(202)	-	-	(202)
CARE & SUPPORT	5,927	2,096	3,863	5,959	32	-	198	(166)
ADULT COMMISSIONING PLACEMENTS	42,513	31,478	19,817	51,295	8,782	-	10,163	(1,381)
ADULT SAFEGUARDING	679	215	441	656	(23)	-	-	(23)
TOTALS	56,526	39,325	25,790	65,115	8,589	-	10,361	(1,772)

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 9 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 £8,782k overspend on a £62m gross expenditure budget. There are £10,163k pressures caused by Covid. The main reasons relate to £4,531k 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 December 2020, Enhanced Hospital Discharges are estimated to cost £3,635k 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 £32k. Covid pressures are £198k which are partly offset by vacancies within the service.

Adult Social Care

Adult Social Care is forecasting an underspend of £202k due to vacancies within the service.

Summary of the Adult Services financial position

As at the end of December 2020 the Adult Services Directorate is forecasting an overall overspend of £8,589k for the financial year to March 2021 on a gross budget of £84m. This includes Covid pressures amounting to £10,361k.

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 - DEC £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	11,890	7,109	18,999	-	-	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	1,178	269	978	1,247	69	-	-	69
EDUCATION	20,012	14,427	7,187	21,614	1,602	-	639	963
EARLY HELP FOR CHILDREN AND FAMILIES	982	737	(488)	249	(733)	-	-	(733)
BUSINESS SUPPORT AND RESOURCES	8,752	5,912	2,853	8,765	13	-	13	-
DEDICATED SCHOOL GRANT	(48,692)	(37,384)	(11,448)	(48,832)	(140)	-	-	(140)
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	(1,231)	-	(2,042)	(2,042)	(811)	-	(652)	(159)
TOTAL DSG FUNDED SERVICES	-	(4,149)	4,149	-	-	-	-	-
CHILDREN'S SERVICES DEPRECIATION	2,213	-	2,213	2,213	-	-	-	-
EDUCATION	3,445	(247)	4,952	4,705	1,260	-	642	618
EARLY HELP FOR CHILDREN AND FAMILIES	6,172	1,859	4,314	6,173	1	-	362	(361)
CHILDREN'S SOCIAL CARE	50,785	31,205	23,481	54,686	3,901	-	2,018	1,883
BUSINESS SUPPORT AND RESOURCES	1,089	1,007	82	1,089	-	-	-	-
LOCAL SERVICES SUPPORT GRANT	(18)	-	(18)	(18)	-	-	-	-
SCHOOL IMPROVEMENT GRANT	(161)	-	(161)	(161)	-	-	-	-
TOTAL COUNCIL FUNDED SERVICES	63,525	33,824	34,863	68,687	5,162	-	3,022	2,140
TOTALS	63,525	29,675	39,012	68,687	5,162	-	3,022	2,140

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 9 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 of £1.759m, mainly due to the additional support required following the break-down of high cost placements. An additional work stream is expected to be set up to review, understand the issues and mitigate against the additional costs, wherever possible. This time last year there were 54 placements over £3k, with an average cost of £4,194 per week. The current number of placements over £3k is 71, with an average cost of £4,688 per week. That’s a 31% increase in Numbers and a 12% increase in average cost.

The impact of Covid is £2.018m. Nationally, there is an expected increase in demand for children's social care services post Covid that could see an additional pressure.

The External Legal Fees budget has also been transferred from Governance & Partnership Services to Children's Social Care, including an overspend of £124k.

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 £618k 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

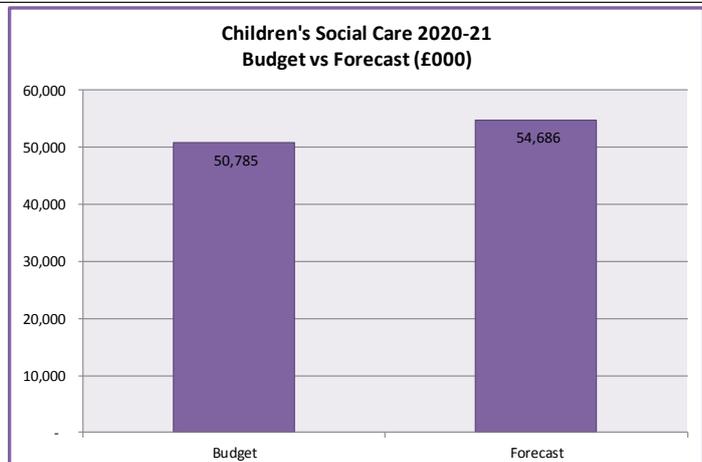
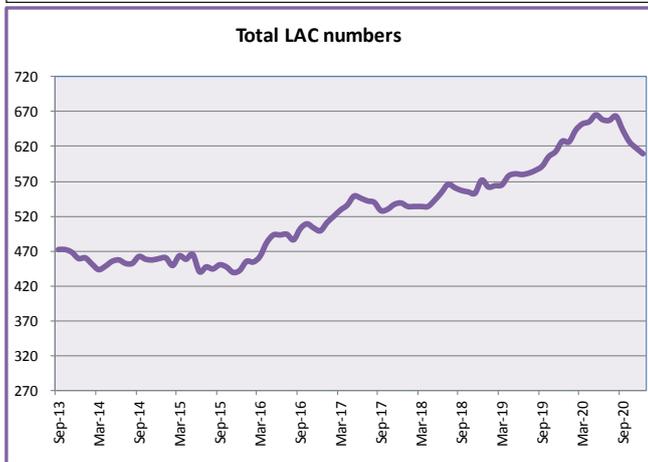
As at the end of December 2020 the Children's Services Directorate is forecasting an overspend of £5.162m for the financial year to March 2021. This includes Covid pressures amounting to £3.022m.

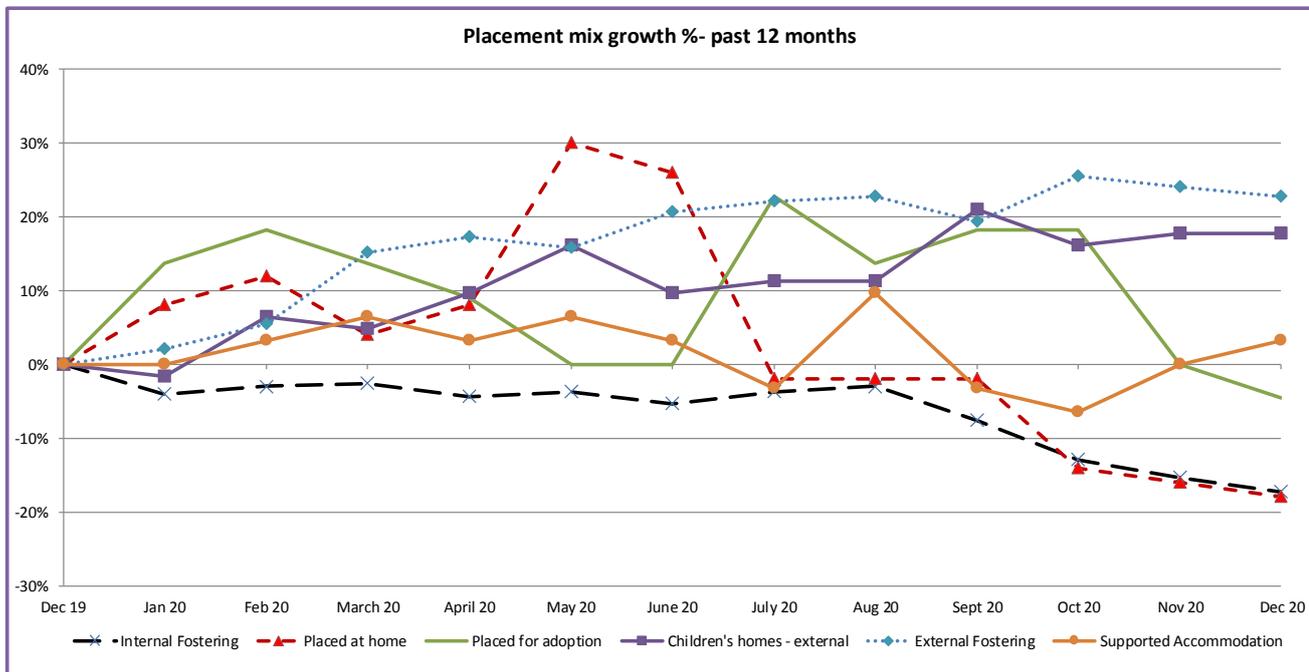
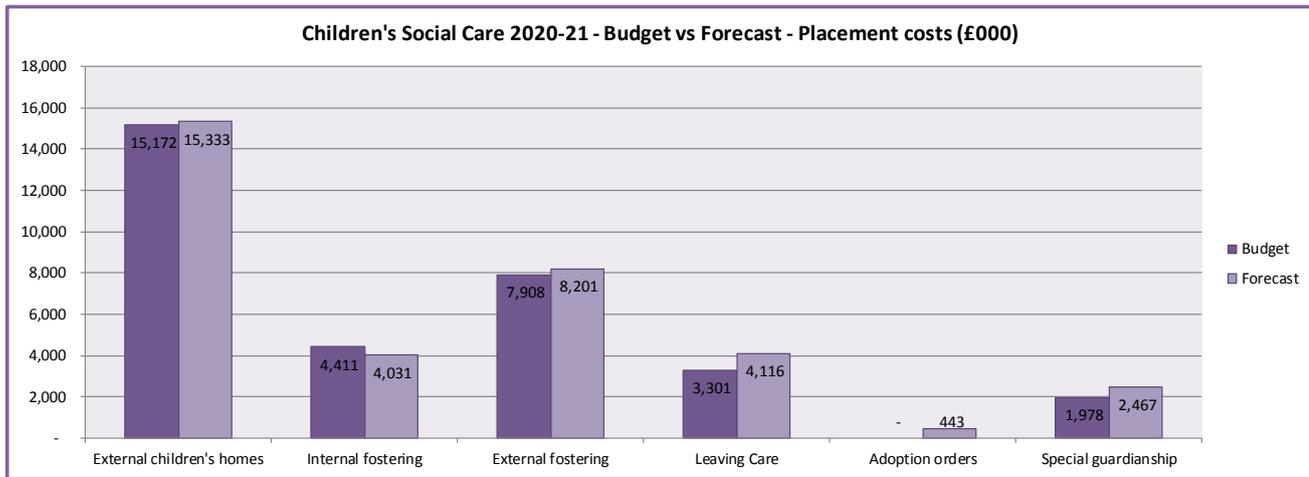
Budget Holder – Mrs D Booth, Director of Children's Services

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
Sep-13	66	14%	35,667	33	7%	111,523	17	4%	no data	272	58%	11,908	472		no data
Dec-13	69	15%	36,560	30	7%	117,073	17	4%	no data	260	57%	11,828	459		no data
Mar-14	64	14%	34,058	27	6%	118,473	15	3%	no data	248	56%	11,757	443		no data
Jun-14	74	16%	35,928	25	5%	102,561	18	4%	no data	250	55%	12,833	457		no data
Sep-14	75	16%	37,655	21	5%	121,210	27	6%	no data	237	51%	12,570	462		no data
Dec-14	70	15%	38,760	18	4%	124,281	23	5%	no data	243	53%	12,474	459		no data
Mar-15	73	16%	40,155	23	5%	128,868	19	4%	no data	244	53%	12,374	463		no data
Jun-15	74	17%	40,625	25	6%	147,777	20	5%	no data	219	50%	12,541	440		no data
Sep-15	73	16%	40,040	25	6%	142,934	16	4%	no data	225	50%	12,549	450		no data
Dec-15	70	16%	41,243	27	6%	145,196	17	4%	no data	217	49%	12,428	442		no data
Mar-16	69	15%	42,215	29	6%	146,120	22	5%	no data	257	56%	12,453	462		no data
Jun-16	77	16%	42,145	34	7%	157,136	28	6%	38,608	259	53%	12,630	493	230	5,472
Sep-16	84	17%	42,750	32	6%	169,996	27	5%	41,376	254	51%	12,688	502	240	5,582
Dec-16	89	18%	43,038	36	7%	175,954	28	6%	41,037	258	52%	12,857	499	245	5,562
Mar-17	103	19%	43,502	44	8%	179,669	26	5%	42,416	269	51%	12,872	529	249	5,555
Jun-17	100	18%	40,933	49	9%	151,450	26	5%	60,946	272	50%	13,227	546	258	5,576
Sep-17	95	18%	40,991	35	7%	161,487	36	7%	57,928	270	51%	13,213	528	267	5,383
Dec-17	103	19%	41,277	43	8%	162,623	36	7%	58,358	272	50%	13,169	539	277	5,281
Mar-18	98	18%	41,099	44	8%	165,935	30	6%	55,728	273	51%	13,116	534	286	5,109
Jun-18	97	18%	40,083	45	8%	164,794	24	4%	48,006	297	54%	13,403	554	320	5,512
Sep-18	97	17%	40,425	45	8%	159,388	28	5%	46,073	302	54%	13,441	557	308	5,294
Dec-18	99	17%	40,227	47	8%	169,287	33	6%	46,167	305	53%	13,430	572	332	5,175
Mar-19	94	17%	39,536	53	9%	177,477	23	4%	45,845	306	54%	13,289	565	317	5,238
Jun-19	107	18%	42,426	53	9%	172,929	26	4%	68,367	305	53%	13,014	580	318	5,988
Sep-19	116	20%	43,981	58	10%	180,014	32	5%	56,148	294	50%	12,649	592	315	5,693
Dec-19	145	23%	45,812	62	10%	184,396	31	5%	60,289	300	48%	12,854	628	334	5,670
Mar-20	167	26%	45,201	65	10%	183,892	33	5%	61,076	292	45%	13,166	653	339	5,624
Jun-20	175	27%	47,565	69	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
Dec-20	178	29%	47,361	72	12%	209,062	32	5%	105,274	248	41%	14,343	610	410	6,551

Note:
The variance between the current total number of Looked After Children (610) and the total internal fostering and external placement numbers (530) 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 - DEC £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	694	275	969	-	-	-	-
NHS HEALTH CHECKS - MANDATED	100	28	36	64	(36)	-	-	(36)
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	629	450	179	629	-	-	-	-
CHILDREN'S 0-5 SERVICES	2,534	1,792	721	2,513	(21)	-	-	(21)
TOBACCO CONTROL	354	(46)	152	106	(248)	-	-	(248)
MENTAL HEALTH AND WELLBEING	15	15	-	15	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,861	1,188	547	1,735	(126)	-	-	(126)
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,675	1,907	792	2,699	24	-	-	24
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	824	693	131	824	-	-	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	117	117	-	117	-	-	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	8,433	6,246	2,672	8,918	485	-	81	404
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	26	101	(72)	29	3	-	-	3
GRANT	(18,512)	(13,909)	(4,603)	(18,512)	-	-	-	-
TOTALS	25	(724)	830	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 9 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 December 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 - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000			
BUDGETS OUTSIDE THE CASH LIMIT								
NET EXPENDITURE								
TREASURY MANAGEMENT	10,424	6,999	2,333	9,332	(1,092)	-	-	(1,092)
PARKING SERVICES	(4,783)	(1,642)	566	(1,076)	3,707	-	3,758	(51)
CORPORATE SUBSCRIPTIONS	137	120	17	137	-	-	-	-
HOUSING BENEFITS	1,570	1,416	393	1,809	239	-	239	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,104	828	276	1,104	-	-	-	-
SUBSIDIARY COMPANIES	(904)	(327)	491	164	1,068	-	1,377	(309)
LAND CHARGES	(51)	(53)	2	(51)	-	-	-	-
CONCESSIONARY FARES	4,433	2,345	1,634	3,979	(454)	-	2,780	(3,234)
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	1,297	973	324	1,297	-	-	-	-
NEW HOMES BONUS	(266)	(200)	(66)	(266)	-	-	-	-
TOTALS	12,961	10,459	5,970	16,429	3,468	-	8,154	(4,686)

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 9 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 £1,092k. 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 £3,707k for 2020/21. £3,758k 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 40 (w/e 3rd January) parking income is at £2.5m with patronage at 651,234. Car park patronage is down by 287,860 and income is down by £1,455k on 2019/20. On-Street Pay and display patronage is down by 101,597 and income is down by £197k.

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 £1,068k 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 savings of £309k (an additional £268k from month 7) due to an expected reduction in charges, mainly relating to debt management.

Land Charges

This service is expected to break-even.

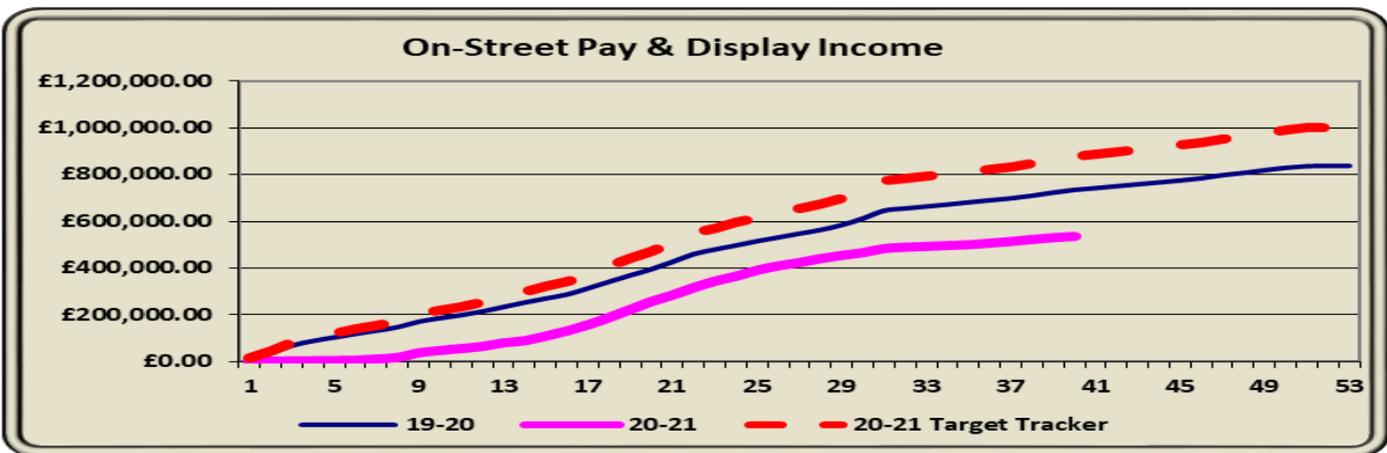
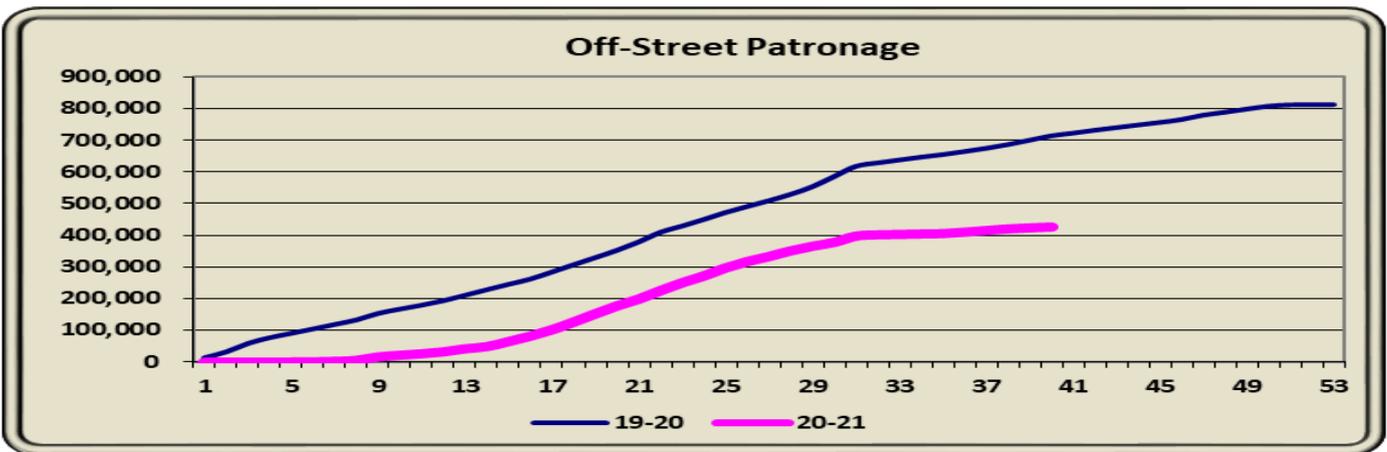
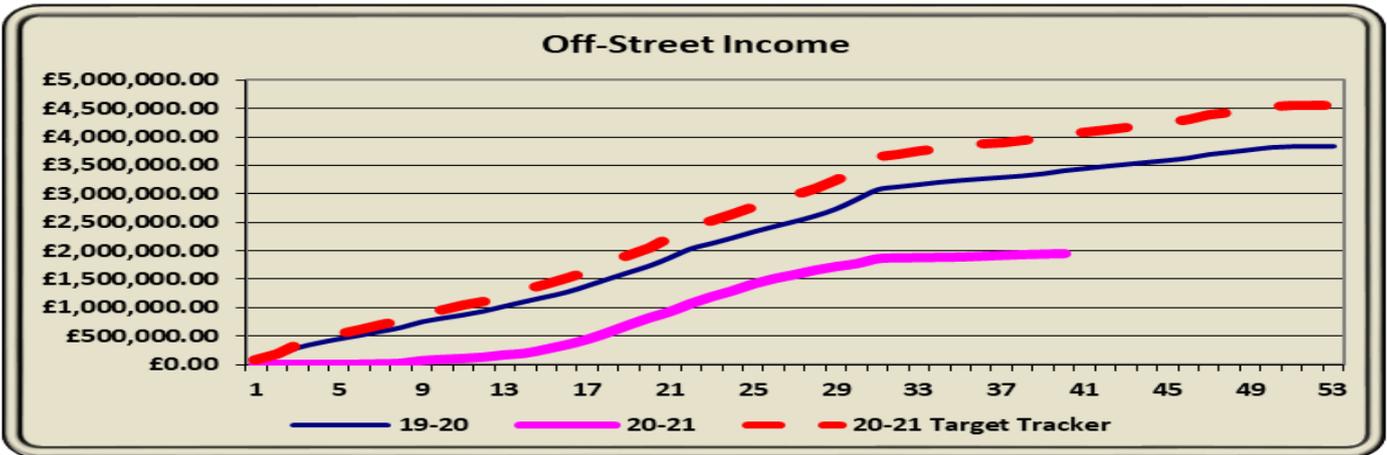
Concessionary Fares

Concessionary Fares is forecasting an underspend of £454k. This includes £2,780k pressure due to the current restrictions relating to Covid. The full year estimate is based on payments to the end of the financial year using an average of 4 specific periods in 2019/20. After the government announcement of further restrictions, the compensation scheme in use till October has been extended until the end of the financial year and the effect of this is shown in the revised figure.

Summary of the revenue forecasts

After 9 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £3,468k overspend. This includes £8,154k Covid related costs.

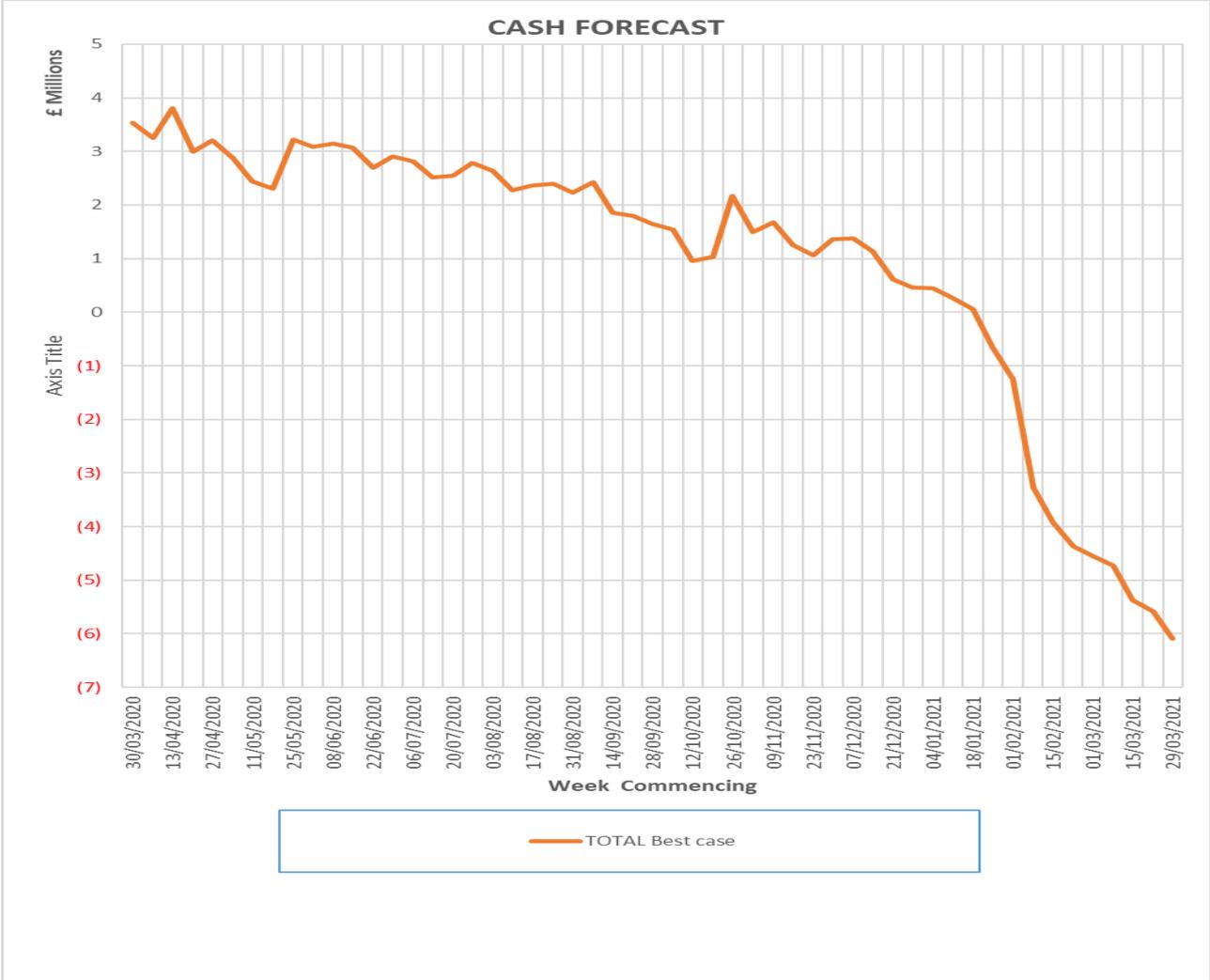
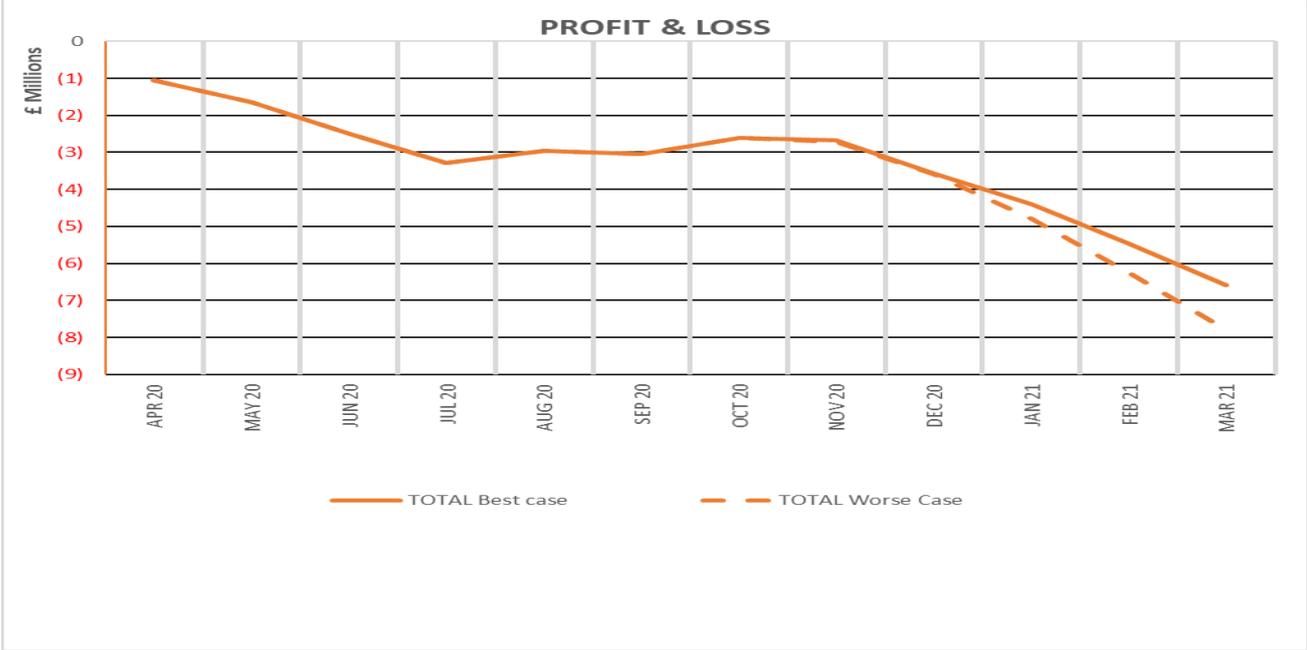
Car Parking Trends



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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).

Initially, for each of the companies a best and worst case financial scenario was 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 the year has progressed and government restrictions have been relaxed and then subsequently re-introduced, 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 9 a limited range of scenarios is being reported.

As at month 9, the Council faces forecast aggregated losses in 2020/21 in the range of £7m to £8m and these are shown in the Profit and Loss graph. The third national lockdown was announced after some of the companies had produced their Month 9 financial reporting scenarios, hence some of the forecasts reflect the forecast impact of the re-introduction of national lockdown on 5th January 2021, whilst others do not. Companies will continue to update their forecast out-turns and cash requirements as the year progresses.

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	2,840.0	0.0	0.0	0.0	8,589.0	0.0	8,589.0
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	0.0	164.0	13,696.0	(8,698.0)	5,162.0
Governance & Partnership Services	100.0	7.0	93.0	32.0	61.0	1,208.0	(327.0)	942.0
Community & Environmental Services	591.0	30.0	561.0	459.0	102.0	3,177.0	(256.0)	3,023.0
Outside Cash Limit	750.0	59.0	691.0	0.0	691.0	5,374.0	(2,597.0)	3,468.0
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	1,061.0	(278.0)	783.0
Growth & Prosperity	1,200.0	0.0	1,200.0	0.0	1,200.0	12,315.0	(4,683.0)	8,832.0
Strategic Leisure Assets	0.0	0.0	0.0	0.0	0.0	6,534.0	0.0	6,534.0
Resources	510.0	505.0	5.0	0.0	5.0	0.0	(255.0)	(250.0)
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	(8,961.0)	(8,961.0)
Contribution from Clinical Commissioning Group	0.0	0.0	0.0	0.0	0.0	0.0	(3,635.0)	(3,635.0)
Per Appendices	19,649.0	16,229.0	3,420.0	697.0	2,723.0	53,054.0	(47,316.0)	8,461.0

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**2020/21 CAPITAL MONITORING
MONTH 9**

	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 - Dec	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	289	-	
ICT Refresh	3,055	2,981	74	-	74	41	33	-	
CLC Remodelling scheme	859	847	12	-	12	-	12	-	
Local Full Fibre Network	3,147	2,130	1,017	-	1,017	1,223	(206)	-	
Finance, HR, Payroll System	1,200	34	(34)	1,200	1,166	78	170	-	
Other Resources Schemes	1,698	1,161	282	255	537	127	410	-	
Total Resources	50,391	45,273	3,663	1,455	5,118	1,492	708	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	9,642	7,959	(67)	1,750	1,683	839	844	-	
Other Adult Services Schemes	5,838	4,925	422	491	913	168	745	-	
Total Adult Services	15,480	12,884	355	2,241	2,596	1,007	1,589	-	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	27,515	25,610	1,905	-	1,905	7	898	-	
Coastal Protection Studies	1,759	1,646	113	-	113	74	39	-	
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	994	(11)	-	
Leisure Refurbishment	500	101	399	-	399	109	290	-	
Others	255	279	(24)	-	(24)	13	(37)	-	
Total Community and Environmental Services	37,936	33,447	4,489	-	4,489	1,199	2,290	-	

**2020/21 CAPITAL MONITORING
MONTH 9**

	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 - Dec	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	655	(110)	-	
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	665	1,022	-	
Chief Executive									
Housing									
Foxhall Village	12,798	13,289	(491)	-	(491)	77	50	1,800	
Work towards Decent Homes Standard	10,337	-	-	10,337	10,337	2,418	5,919	-	
Queens Park Redevelopment Ph2	13,241	13,376	(135)	-	(135)	16	(151)	-	
Troutbeck Redevelopment	10,819	2,386	-	4,860	4,860	2,305	1,714	-	
Hoyle Redevelopment	2,324	2,294	30	-	30	(30)	60	-	
Dunsop Court	510	114	-	396	396	76	320	-	
Feasibility/ Infill site	2,490	30	-	2,460	2,460	34	426	-	
Others	4,210	66	-	4,106	4,106	29	-	-	
Total Chief Executive	56,729	31,555	(596)	22,159	21,563	4,925	8,338	1,800	

**2020/21 CAPITAL MONITORING
MONTH 9**

	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 - Dec	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	13,205	13,924	(819)	100	(719)	-	-	-	
Leisure Assets	62,744	62,268	(169)	645	476	427	49	-	
Conference Centre	28,471	16,331	12,140	-	12,140	2,168	4,972	-	
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	2,774	9,545	-	
Land Release Fund	3,150	313	2,837	-	2,837	41	2,796	-	
Town Centre Investment	3,200	3,001	199	-	199	-	199	-	
Enterprise Zone	13,000	1,220	11,780	-	11,780	3,135	5,000	-	
Town Centre Parking Strategy	16,000	1,049	14,951	-	14,951	2,788	1,500	-	
Town Centre Investments	50,000	50,637	(637)	-	(637)	150	(787)	-	
Museum	7,894	134	7,760	-	7,760	211	3,549	-	
Abingdon Street Market	3,600	-	-	3,600	3,600	1,253	2,347	-	
Other	598	478	(30)	150	120	498	-	-	
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	161	121	-	
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	697	1,486	-	
Local Transport Plan Project 30 2020/21	343	-	-	343	343	343	-	-	
Quality Corridor	7,050	6,087	-	963	963	165	498	-	
Topping Street	-	993	(993)	-	(993)	932	1,000	-	
Blackpool/Fleetwood Tramway	99,990	99,990	-	-	-	-	-	-	
Tramway Extension	16,400	13,269	3,131	-	3,131	1,583	1,548	-	
Tramway Refurbishment	1,052	313	(313)	605	292	-	292	-	
Sintropher	1,903	2,780	(877)	-	(877)	-	-	-	
Total Communications and Regeneration	364,965	283,560	72,369	8,589	80,958	17,776	34,419	-	

**2020/21 CAPITAL MONITORING
MONTH 9**

	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 - Dec	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	9	144	-	
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	1,837	-	-	
Pegasus Expansion	810	793	17	-	17	-	-	-	
Special Educational needs	849	-	-	849	849	129	720	-	
Basic Need	1,369	167	1,202	-	1,202	50	1,000	-	
Condition	1,294	979	315	-	315	7	308	-	
Other	715	364	89	262	351	416	(65)	-	
Total Children's Services	14,070	8,466	3,014	2,590	5,604	2,648	2,347	-	
CAPITAL TOTAL	543,524	417,451	84,356	37,659	122,015	29,712	50,713	1,800	

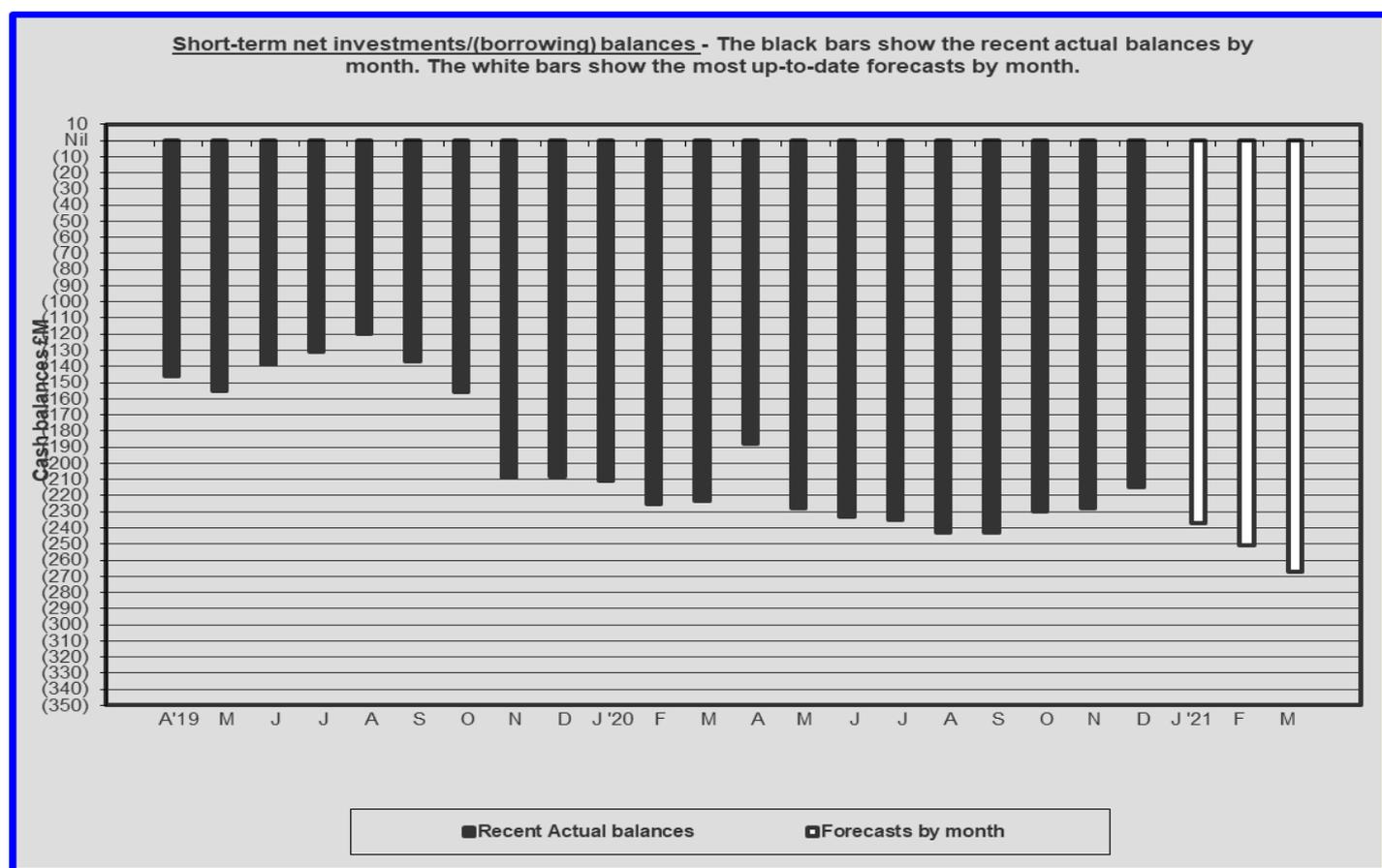
Notes

(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 optimistic 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 - DEC CASH FLOW ORIGINAL BUDGET (*)	APR - DEC CASH FLOW ACTUAL	JAN - 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 - DEC MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	JAN - 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	42	38	14	Housing Benefit & Subsidy	(4)	-	(4)
109	88	57	18	Council tax and NNDR	(31)	(3)	(34)
20	15	10	3	VAT	(5)	(2)	(7)
33	25	38	9	RSG & BRR	13	1	14
101	75	224	27	Other Grants	149	1	150
114	86	88	32	Other Income	2	4	6
-	-	362	2	Money Market Transactions Received	362	2	364
-	-	425	15	Receipt of Loans	425	15	440
433	331	1,242	120	RECEIPTS - NORMAL ACTIVITIES	911	18	929
				PAYMENTS			
9	6	7	3	Police & Fire	(1)	-	(1)
338	253	337	100	General Creditors	(84)	(15)	(99)
-	-	-	-	RSG & BRR	-	-	-
123	92	78	31	Salaries & wages	14	-	14
52	39	33	12	Housing Benefits	6	1	7
106	106	776	95	Money Market Transactions Paid Out	(670)	(95)	(765)
628	496	1,231	241	PAYMENTS - NORMAL ACTIVITIES	(735)	(109)	(844)
(195)	(165)	11	(121)	NET CASH FLOW IN/(OUT)	176	(91)	85
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 9 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 and additional Covid grants received over the past three months including further business support grants. 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 Dec 20 Actual	Movement since 31 Mar 20	31 Mar 21 Forecast
£000s		£000s	£000s	£000s
802,344	Property, Plant and Equipment	832,056	29,712	851,370
105,683	Long-term Assets	111,858	6,175	120,000
Current Assets				
57,333	Debtors	56,500	(833)	60,000
642	Inventories	359	(283)	600
774	Short-term loans	-	(774)	800
19,504	Cash and cash equivalents	19,590	86	5,000
986,280	Total Assets	1,020,363	34,083	1,037,770
Current Liabilities				
(245,184)	Borrowing Repayable within 12 months	(250,000)	(4,816)	(250,000)
(71,767)	Creditors	(69,400)	2,367	(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)
(13,123)	Provisions	(12,553)	570	(12,500)
(327,360)	Other Long-term Liabilities	(327,360)	-	(320,000)
228,775	Total Assets less Liabilities	261,440	32,665	291,994
(68,970)	Usable Reserves	(39,766)	29,204	(35,128)
(159,805)	Unusable Reserves	(221,674)	(61,869)	(256,866)
(228,775)	Total Reserves	(261,440)	(32,665)	(291,994)

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 9. 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 9-month period there has been an increase in Property, Plant and Equipment of £29.7m due to capital expenditure which is in line with the Council's approved capital programme for 2020/21.

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