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Dear Councillor

EXECUTIVE - MONDAY, 7 NOVEMBER, 2022

Please find attached updated the appendices related to the Financial Performance Monitoring Item Monday, 7 November, 2022 meeting of the Executive, forwarded to Members under separate cover.

Agenda No	Item
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6	<u>FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2022/23 AND MEDIUM TERM FINANCIAL PLAN 2023/24 - 2026/27 (Pages 1 - 58)</u>
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
7 NOVEMBER 2022

**FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2022/23 AND MEDIUM TERM
FINANCIAL PLAN 2023/24 – 2026/27**

1. Introduction

- 1.1 Over the 12-year period 2011/12 – 2022/23 cumulative Revenue Budget savings amounting to £194.6m have been required to be made by Blackpool Council. This is greater than the Council's current annual Net Requirement Budget of £160m and even more starkly the compound effect over the same period amounts to nearly £1.4bn 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.
- 1.2 The principles of the Medium-Term Financial Sustainability Strategies 2016/17-21/22 and 2021/22-26/27 have been used to successfully keep apace with and deliver budget savings plans year after year. However, in tandem the soaring demand for child protection services and adult social care provision plus the rising costs of providing care are still creating a burden that current levels of local taxation and Government funding struggle to meet. In addition, the financial consequences of Covid have been immense (£3.16m in 2020/21 and £2.59m in 2021/22 both net of Government grants) with little prospect now of any further Government financial support.
- 1.3 The last 12 years has seen unprecedented volatility within local government finance: 9 years of successive central government funding cuts between 2011/12 – 19/20 were followed by the United Kingdom's exit from the European Union, 2 years of a global pandemic with ongoing consequences and now a war within the European continent. This has all conspired to produce a perfect storm of labour and supply shortages, pay demands and spiralling inflation and rising interest rates in an attempt to stem the pressure. During this period the Council has continued to i) deliver its annual budget in line with statutory requirements; ii) maintain its reserves and balances at stable and appropriate levels that reflect the risk environment; iii) consistently fund and deliver the ambitions of successive administrations; and iv) deliver for the people of Blackpool. However, here in the present, sector experts and economic commentators cannot agree how and when these key drivers of the economy will land, which makes medium-term financial planning and financial management extremely challenging.

2. Report Format

- 2.1 This report sets out the summary revenue budget position for the Council and its individual directorates for the first 5 months of 2022/23, i.e. the period to 31st August 2022, 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. The report also includes an update on the Medium Term Financial Plan 2023/24 – 2026/27.
- 2.2 Separate reports have been prepared for each of the Council's core areas of responsibility:
- Appendix 2a - Chief Executive
 - Appendix 2b - Governance and Partnership Services
 - Appendix 2b/c - Ward Budgets
 - Appendix 2d - Resources
 - Appendix 2e - Communications and Regeneration
 - Appendix 2f - Strategic Leisure Assets
 - Appendix 2g - Growth and Prosperity
 - Appendix 2h - Community and Environmental Services
 - Appendix 2i - Adult Services
 - Appendix 2j - Children's Services
 - Appendix 2k - Public Health
 - Appendix 2l - Budgets Outside the Cash Limit
 - Appendix 2m - 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 2022/23. 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.

- 2.3 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. 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.

3. Budget Performance

- 3.1 The adverse full-year forecast budget variance as at the end of month 5 of 2022/23 is exceptionally high and can be summarised as follows, categorised as either locally-managed pressures which colleagues are working hard to mitigate or externally-imposed pressures which inevitably will require some central intervention to resolve:

	£m	£m	
Children's Social Care	4.5		} Locally-managed pressures
Education Transport	0.6		
Adults' Social Care	0.3		
Other Service Pressures	(0.2)		
		5.2	
Pay Award 2.5% budgeted -> 6.1% (net of Better Care Fund) based on National Pay Bargaining	3.0		} Externally-imposed pressures
Non-pay Inflation, in particular Energy & Utilities	1.2		
Impact of rising Interest Rates on Treasury Management	2.0		
		6.2	
		11.4	

The 54% that are externally-imposed pressures is mirrored without exception by the experiences of other peer unitary authorities that have been contacted recently via the Society of Unitary Treasurers. This has been further highlighted in the press and media in recent days by the Institute for Fiscal Studies, *The Municipal Journal* and *Public Finance*.

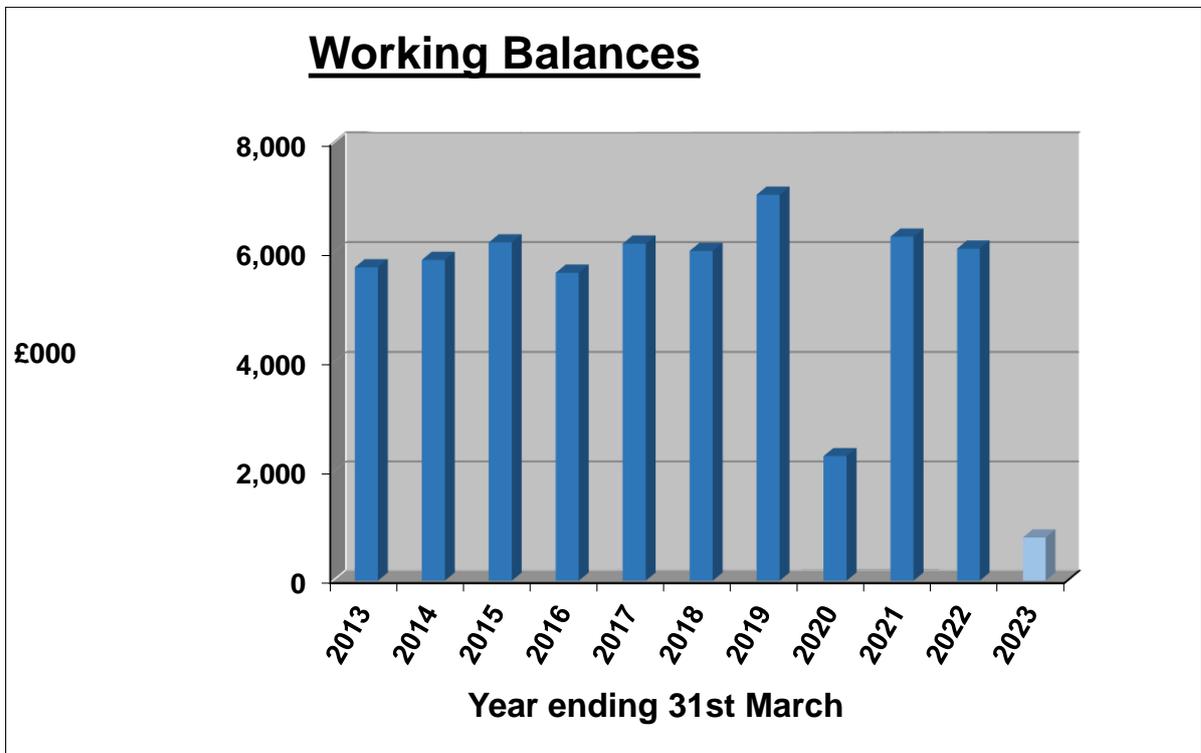
- 3.2 At its meeting on 8 November 2021 the Executive approved the Medium Term Financial Sustainability Strategy for 2021/22 to 2026/27. As part of the Strategy it was agreed that due to the current level of financial risk and volatility the roll forward of the service budget under and overspends is suspended in order that finances can be managed more strategically at corporate level. The exception to this is that the underspending of £71k in respect of the scheme commitments on Ward Budgets will be carried forward to 2022/23 in full and this will be reflected in Summary financial statements.
- 3.3 The full-year forecast position at this stage of 2022/23 shows a deterioration in the Council's financial standing when compared with the estimated draft unaudited position as at the close of 2021/22 which show working balances of £6,075k. Working balances are expected to fall to a surplus of £795k by the end of 2022/23 after taking account of the budgeted transfer of £6,138k to working balances. However, this is early in the financial year and plans are still being developed to address the 2022/23 savings targets and also the in-year pressures identified in this report.
- 3.4 The Council's Revenue Budget for 2022/23 set a target level of General Fund working balances of around £6m. It is deemed appropriate to maintain this target level of £6m for working balances for the medium term.
- 3.5 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 5 forecast overspend of **£11,418k** for 2022/23 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £5,147k is forecast. Children's Social Care is forecasting an overspend of £4,543k due to increased costs of external placements, agency staff and the demand for social care. By August 2022 LAC numbers stand at 582 which is a reduction of 21 compared to the previous month with early indications that this positive trajectory is set to continue. There is expected to be an overspend in Education of £640k. £566k of this is partly due to demand pressures in Transport Services and partly due to a historical savings target that was not achieved and other variances within the service of £74k relating to some one-off spend on a commissioning contract. Early Help for Children is expected to underspend by £34k due to vacant posts across the service.	5,147
Contingencies and Reserves	The original Contingencies approved Cash Limited Budget was £10,260k. Movements out of Contingencies since the beginning of the financial year have been reflected in Services Cash Limited Budgets and the remaining Contingency budget is now £3,601k. At month 5 there is a forecast pressure of £3,962k in Contingencies relating to an assumption that pay will increase by 6.1% (compared to the 2.5% currently allocated) at an additional cost of £2,971k (net of Better Care Fund) based on National Pay Bargaining, an early estimate that non-pay inflationary costs (covering gas, electricity and street lighting energy) will exceed the current allocation by £1,198k and a saving of £207k due to the reversal of the Health and Social Care Levy.	3,962
Budgets Outside the Cash Limit	An overspend of £1,950k is forecast. Treasury Management is forecasting an overspend of £1,974k including £742k savings target that will not be met in 2022/23. The Council is currently using temporary and long-term borrowing to finance prudentially-funded capital expenditure. With interest rates currently rising and in order to mitigate the impacts of any future interest rate rises, the Council has taken out £125m of long-term borrowing from the Public Works Loan Board. This long-term borrowing will replace the temporary borrowing when it is repaid. The Business Loans Fund has a savings target of £3,309k and is forecasting a pressure of £1,419k due to increases in interest rates and slippage in business loans awarded. Following a review of the Minimum Revenue Provision (MRP), which was approved by the Executive on 8 th February 2021, a total of £6.7m of saving has been forecast to be achieved in 2022/23. Parking Services is forecasting an overspend of £134k for 2022/23. This is as a consequence of lost parking spaces due to regeneration projects, with the effect reduced by an	1,950

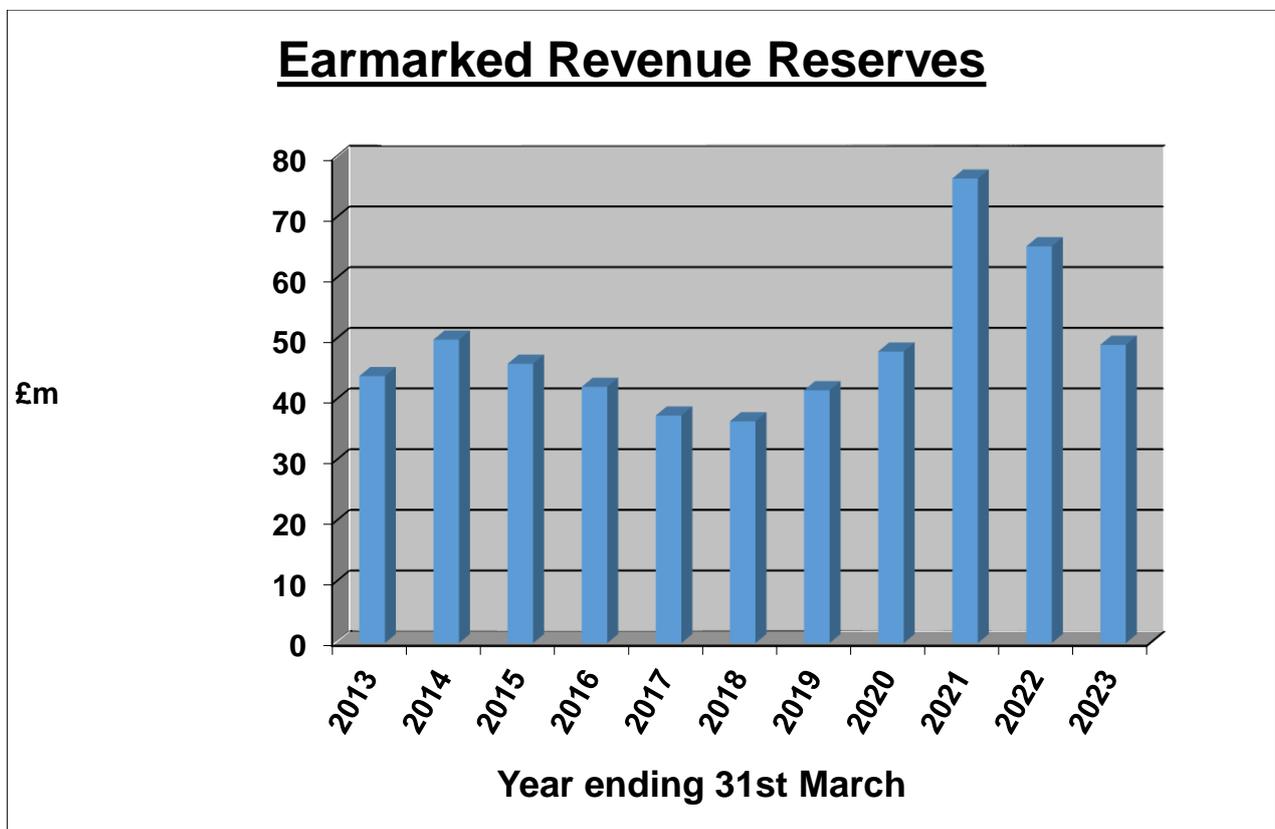
	increase in charges. Concessionary Fares is forecasting an underspend of £140k based on paying the compensation rate as per Department for Transport (DFT) guidance till March 2023. Land Charges is expected to have a £18k underspend due to increased income.	
Adult Services	An overspend of £332k is forecast. Adult Commissioning Placements is forecasting a £335k overspend on a £50m gross expenditure budget. Forecasted pressures within Complex Cases, Residential placements and Nursing placements are being partly offset by Discharge to Assess (D2A) recharges to the Clinical Commissioning Group (CCG) for the first 6 months of the year and savings on Homecare packages. Care and Support is forecasting an overspend of £22k due to staffing pressures. Adults Safeguarding is forecasting an overspend of £19k due to pressures on the Deprivation of Liberties (DoLS) assessments. Adult Social Care is forecasting an underspend of £44K due to slippage on vacant posts.	332
Communications and Regeneration	An overspend of £159k is forecast. Economic Development and Cultural Services is currently forecasting an overspend of £124k relating to the 2% Directorate saving target towards which no savings have been identified. Visit Blackpool is expecting a pressure of £74k pressure relating to increased marketing costs for which there is no expected increase in income. Planning is expecting an underspend of £39k due to increased income and vacant posts.	159
Governance and Partnership Services	An overspend of £65k is forecast. Corporate Legal Services is expecting a £100k overspend in Children's Legal Services due to the large number of complex cases. A net underspend of £35k relates to legal costs offset by additional income and savings in staffing. Ward budgets are expected to break-even.	65
Growth and Prosperity	A break-even position is forecast. The Executive at its meeting on 8 th November 2021 agreed to the approach to transition out the Growth and Prosperity net revenue budget target over a 2-year period, 2022/23-23/24, with any proceeds subsequently realised from the existing work programme being directed to bolstering reserves and any new proceeds being retained by Growth and Prosperity for their re-investment.	Nil
Chief Executive	A break-even position is forecast.	Nil
Strategic Leisure Assets	Strategic Leisure Assets is forecasting a pressure of £714k due to increased borrowing and marketing costs and revised income forecasts. In accordance with the original decision for this programme by the Executive on 7 th February 2011 the projected overspend on Strategic	Nil

	Leisure Assets of £714k (excluding Covid costs) will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31 st March 2023 is £11,432k after accounting adjustments in 2021/22. The Leisure Assets medium-term financial plan currently expects the service to break-even, in-year, in 2025/26.	
Community and Environmental Services	A break-even position is forecast. The Leisure and Catering service is forecasting a pressure of £200k. Leisure Centres are reporting income pressures of £460k; this, however, is reduced by £260k due to savings within staffing, additional grant income and increased income within the Learn to Swim scheme offset by a small pressure within the Parks service, due to reduced football pitch income. Highways and Traffic Management Services are forecasting an underspend of £45k due to staff vacancies. Waste Services are reporting an underspend of £75k as a result of Trade Waste forecasting increased income of £100k, partially offset by a forecast pressure of £25k within Public Conveniences relating to an inflationary uplift applied to the contract, which is not within the budget. Public Protection is currently forecasting a saving of £80k due to staff vacancies.	Nil
Public Health	A break-even position is forecast. The Public Health team are supporting the vaccination programme delivery, aiming to get the most vulnerable people in Blackpool fully vaccinated. The spend relating to this work is estimated to be £1,024k in 2022/23 and is being funded through a ring-fenced Test and Trace service support grant and Contain Outbreak Management Fund from the Department of Health and Social Care, and therefore has no financial impact on the budgetary position for the directorate. There has been reduced activity against some Payment By Results contracts as a result of Covid impacting our providers' ability to offer routine treatments and these savings have offset a shortfall in income generation for the directorate.	Nil
Resources	An underspend of £197k is forecast. Property Services are forecasting an underspend of £167k against a gross budget of £12.18m which is an improvement due to new lease agreements. £30k net savings relate to vacancy savings across services, a restructure in Accountancy and additional income generation.	(197)
Total		11,418

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



3.7 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 2023, is shown below:



3.8 Earmarked Revenue Reserves (ERR)

Provisional Available Earmarked Reserves

	£m
Provisional Balance at 1 st April 2022	65.382
Less: Strategic Leisure Assets non-Covid element of overspend	(0.714)
Less: Contributions to/from Reserves on Budget Book summary	(3.614)
Less: Ward budget underspend 2021/22	(0.071)
Less: Growth & Prosperity recovery of 2021/22 overspend	0
Less: Transfers from ERR in months 1, 2, 3, 4 and 5	(6.406)
Plus: Pension BTS clawback	0.200
Plus: Enterprise Zone per budget	0.347
Plus: Contingency Contribution to Reserves	<u>1.801</u>
Forecast Available Earmarked Revenue Reserves as at Month 5 2022/23	56.925
Less: estimated net movement in Other Reserves Mths 6-12	<u>(7.772)</u>
Forecast Available Earmarked Revenue Reserves as at 31 st March 2023	<u>49.153</u>

Provisional Other Earmarked Reserves

Balance at 1 st April 2022	8.400
Less: Use to fund NNDR deficit in 2022/23	<u>(8.400)</u>
Forecast Balance at 31 st March 2023	<u>Nil</u>

4.0 Covid-19

- 4.1 The current forecast effect on the Council's 2022/23 outturn due to the effects of Covid stands at £1,024k gross. It has been assumed that this will be met from the Contain Outbreak Management fund.

5.0 Budget Savings

- 5.1 Appendix 3 comprises a summary schedule showing the progress made by directorates in achieving their revenue budget savings targets for 2022/23 which total £8,629k. As at 31st August 2022 50% of the 2022/23 savings target has already been delivered. The full-year forecast predicts that 91% will be achieved by the year-end. However, £1,003k of the saving is yet to be found recurrently from 2023/24 and this is being reviewed as part of the budget process. 92% of the non-recurrent saving has been delivered and it is expected that 100% of the non-recurrent saving will be achieved by the year-end.

The areas involved are as follows:–

Communications & Regeneration	61k	Prudential borrowing removal of service budget following end of schemes
Strategic Leisure Assets	200k	Marketing budget one-off contribution
Treasury Management	742k	Interest rate re-assessment

6.0 Collection Rates

6.1 Council Tax

At the end of month 5 the amount collected for Council Tax (excluding Police and Fire precepts) was £27.4m and the collection rate was **42.2%**. This compares to £26.1m and 41.8% at the same point in 2021/22. The amount collected has risen by £1.3m which is mainly due to increases in both the Council Tax rate and base.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme the target collection rate is still 97.5% over a 4-year collection period as approved on 28th January 2022 as part of the setting of the Council Tax Base for 2022/23.

6.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1st April 2013. It is approved annually to ensure that a local Council Tax Reduction Scheme is in place by the start of the following financial year thereby avoiding the financial risks associated with the Government imposed default Scheme. The 2022/23 scheme was approved by the Executive on 6th December 2021. 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. In recent years the scheme has been amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. In addition, amendments have been made to provide additional support for certain low income groups of claimants or partners so that they would also have the 27.11% reduced to 13.56%. Other claimants will continue to have a 27.11% reduction applied to their award and all applicants who were protected and paid 13.56% under the previous scheme will continue to pay 13.56% when they move to Universal Credit. These have the effect of reducing the amount to be collected.

At the end of month 5 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS either for the first time or in addition to a proportion of their Council Tax was £1.3m and the collection rate was **31.5%**. This compares to £1.4m and 31.2% at the same point in 2021/22.

The likely impact for 2022/23 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2021/22 due to accumulated arrears, limits on the amount that can be recovered from Attachment of Benefits, the impact of Covid and the ending of both furlough payments and the temporary £20 uplift to Universal Credit in 2021/22.

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 increased to 75% and authorities in the pool 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 to 31st March 2020 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 5 the amount collected for Business Rates was £18.8m and the collection rate was **43.7%**. This compares to £9.9m and 31.0% at the same point in 2021/22. 2021/22 excludes the significant s31 'Extended Retail/Nurseries etc.' relief provided by central government which provided 3 months' relief (April 2021 to June 2021) at 100% and 9 months' relief (July 2021 to March 2022) at 66%. This relief reduces to 50% in 2022/23. This will impact on future collection rates.

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. 1,107 business rate summonses were issued in the 5 months to the end of August 2022.

Subject to audit, the Business Rate cumulative deficit as at 31st March 2021 was £28,578k. The Council's share of this deficit is £13,687k (£1,293k surplus @ 73.5% + £29,871k deficit @ 49%). The 2020/21 deficit has been offset by the s31 'Extended Retail/Nurseries etc.' relief provided by central government.

In 2020/21 s31 grants for Business Rate Reliefs totalling £14.599m were received which have been applied in 2021/22 to the Collection Fund. This caused Earmarked Revenue Reserves to be overstated at year-end.

Subject to audit, the Business Rate cumulative deficit as at 31st March 2022 was £14,049k. The Council's share of this deficit is £6,884k (49% of deficit). The 2021/22 deficit will be offset by the s31 'Extended Retail/Nurseries etc.' relief provided by central government.

In 2021/22 s31 grants for Business Rate Reliefs totalling £8,400k were received which are to be applied in 2022/23 to the Collection Fund. This has been treated as a separate Earmarked Revenue Reserve in 2021/22.

7. Capital Monitoring Performance

- 7.1 All active capital schemes have been included within Appendix 4. The purpose is to present the overall position of capital spend. The schemes are shown individually where total scheme budget is greater than £500k and grouped as "other schemes" otherwise. As in previous financial years the emphasis regarding capital monitoring will be on scheme variance rather than in-year progress since many schemes cross financial years such as the major housing developments. Therefore, some degree of flexibility for the management of slippage is necessary in order to balance the overall capital programme each year to the funding allocations available.
- 7.2 The report includes the capital programme as approved by the Executive in February 2022. The month 5 report includes this data for comparative purposes. Future reports may show further changes in the capital programme, representing schemes that were approved after submission of the 2022/23 capital programme.

- 7.3 As at month 5 an overspend of £1.8m on capital schemes is anticipated. Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, had gone into administration, the Council worked with the appointed administrators, PwC, and partners to develop options for the completion of the Foxhall Village scheme. The reported overspend of £1.8m reflects the current optimistic estimate which is subject to ongoing negotiations with partners including Homes England. The £135k funding gap, as a result of inflation, for the Library/Grundy Art Galley roof will be met by additional surplus top-slice funding.
- 7.4 The current economic climate is the most challenging of recent times. High inflation, rising interest rates, supply chain issues (particularly in relation to steel) and a lack of labour are leading to increased costs, primarily on capital schemes that are likely to span a number of years. A full review of capital schemes is therefore to be undertaken to establish any schemes where approved budgets may become insufficient, and potential overspends identified. Despite the pressures, all schemes are assumed to proceed.

8. Summary Cash Flow Statement

- 8.1 As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 5. This provides a comparison of the actual cash receipts and payments compared to forecast for 2022/23.
- 8.2 During the first 5 months of the year the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances due to the receipt of up-front grant income in the new financial year. The Council fixed £125m of temporary loans in August 2022, which resulted in an increase in investment balances and over the next few months, short-term borrowing will be repaid using the fixed-term borrowing taken.

9. Summary Balance Sheet

- 9.1 In order to provide a complete picture of the Council's financial performance Appendix 6 provides a snapshot of the General Fund balance sheet as at the end of month 5. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.
- 9.2 There is currently a consultation underway regarding the accounting treatment of infrastructure assets which has meant that the 2020/21 accounts have still not been signed off by the Council's external auditors. As soon as the consultation is complete the 2020/21 accounts will require amendment which will in turn affect the 2021/22 and 2022/23 balance sheet, therefore the figures should be treated as draft and will be subject to change.
- 9.3 Over the 5-month period there has been an increase in Property, Plant and Equipment of £18m due to capital expenditure which is in line with the Council's approved capital programme for 2022/23. Due to low interest rates the Council has been using temporary borrowing to finance prudentially-funded capital expenditure. With interest rates currently rising and in order to mitigate the impacts of any future interest rate rises, the Council has taken out £125m of long-term borrowing from the Public Works Loan Board. This long-term borrowing will replace the temporary borrowing when it is repaid and is the reason for the increases in long-term borrowing of £125m, Cash and Cash equivalents of £78.6m and a decrease in short-term borrowing of £60.9m.

10. Medium Term Financial Plan Update and Earmarked Reserves Forecast

10.1 The 6-year Medium Term Financial Sustainability Strategy (MTFSS) covering 2021/22 – 2026/27 was approved by the Executive on 8th November 2021 and whilst the principles still stand the current economic climate has had a significant impact on the supporting Medium Term Financial Plan (MTFP).

10.2 The continuing impact of Covid-19 on Council services through additional expenditure and reducing income, alongside inflationary pressures on both pay and prices not seen since the 1970s due at least in part to the war in Ukraine, and the effect of the cost of living crisis on demand for Council services have now altered the outlook for the worse, and created a great deal of additional uncertainty. Recent years have also seen a significant growth in demand for Children’s Social Care nationally which has also been experienced in Blackpool. Challenges in recruitment and retention, and pressures in adult social care are also contributing to a situation in which Council finances are under considerable strain.

10.3 Following a detailed refresh of the MTFP the table below illustrates the impact the current conditions have had on the annual forecast budget gaps:

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
MTFP - Oct 2021	11.29	4.08	2.89	5.79
MTFP - Sep 2022	35.11	7.90	6.93	7.82
Variance	23.82	3.82	4.04	2.03
Treasury Management	10.39	2.32	1.60	1.55
Pay	2.59	(0.30)	0.03	0.15
Non-Pay Inflation	1.00	(1.83)	(0.05)	0.01
Externally-Imposed Pressures	13.98	0.19	1.58	1.71
Children's Social Care	7.85	5.10	2.61	0.52
Adults Social Care	7.55	0.50	1.78	1.83
Funding Assumptions	(5.90)	(1.92)	(1.93)	(2.03)
Other	0.34	(0.05)	0.00	0.00
Locally-Managed Pressures	9.84	3.63	2.46	0.32
Total	23.82	3.82	4.04	2.03

10.4 These financial pressures are compounded by repeated delays to Government reforms of Local Government finance such as business rates reset and Fair Funding formula review implementation, which are expected to result in additional funding for Blackpool. Failure to implement these measures has resulted in further financial pressures above those that would otherwise have been the case.

- 10.5 Despite consistently delivering a balanced budget in previous years, the factors outlined within this report have created a forecast budget gap that the Council will struggle to address without significant funding.
- 10.6 The revised MTFP identifies for planning purposes a financial gap of c£35m in 2023/24 reducing to c£8m in 2024/25, c£7m in 2025/26 and £8m in 2026/27. Given the level of uncertainty, a number of assumptions have had to be made, and these will need to be revised throughout the budget planning process, and in advance of setting the budget at Council in February 2023. In view of the level of volatility, it is intended that the MTFP will be reported each month.
- 10.7 As part of this budget planning process a detailed exercise has also been undertaken on Earmarked Revenue Reserves to check the validity of amounts held and a forecast of when funds will be drawn down covering the same period as the latest MTFSS. A summary table is shown below:

Reserves Summary						
Directorate	Draft 31/03/22 £m	Est Balance 31/3/23 £m	Est Balance 31/3/24 £m	Est Balance 31/3/25 £m	Est Balance 31/3/26 £m	Est Balance 31/3/27 £m
Total	(65.4)	(49.2)	(44.7)	(42.6)	(42.0)	(41.6)

11. Conclusions and Recommendations

- 11.1 The Council's Revenue Budget for 2022/23 set a target level of General Fund working balances of around £6m. However, given the current economic climate it is recommended that this is increased to £8.0m from 2023/24 being 5% of the net requirement. Earmarked revenue reserves at the start of the financial year stood at £65.4m, though with known in-year commitments against this the balance will fall to an estimated £49.2m by the end of the year. This is still 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 2m).
- 11.2 If the 2022/23 forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution the forecast revenue outturn 2022/23 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).

However, these are still unprecedented times for the whole of the local government sector and in the context of relatively healthy levels of Earmarked Revenue Reserves per CIPFA's Financial Resilience Index and with 7 months of the financial year still remaining officers are working continuously to improve the position - revised service and financial plans are being developed including the review of technical accounting treatments, freezing of non-essential spend, delays to filling non-front line vacancies and the prospective redesignation of earmarked reserves should they need to be used.

11.3 The Executive is asked:

1. To note the report.
2. To require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services, Treasury Management and Growth and Prosperity.
3. To prompt the Scrutiny Leadership Board to continue to independently review the financial and operational performances of the services listed in 2.2.
4. To continue to lobby central government (Department for Levelling Up, Housing and Communities, Department for Health and Social Care 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 burdens and demands presenting as a result of exceptional inflationary pressures and demographic demands upon statutory services.
5. To continue to work towards increased target working balances of £8m from £6m with formal effect from the start of financial year 2023/24.

Steve Thompson
Director of Resources
6th October 2022

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL													
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2023													
SUMMARY													
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND B/FWD	VARIANCE					
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2022/23 PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19				
							£000	£000	GROSS £000	DIRECT SERVICE GRANTS £000	CGG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
2(a)	CHIEF EXECUTIVE	1,593	(991)	2,584	1,593	-	-	-	-	-	-	-	-
2(b)	GOVERNANCE & PARTNERSHIP SERVICES	1,883	597	1,351	1,948	65	-	65	-	-	-	-	-
2(b/c)	WARD BUDGETS	361	(12)	373	361	-	(71)	-	-	-	-	-	-
2(d)	RESOURCES	1,896	(8,587)	10,286	1,699	(197)	-	(197)	-	-	-	-	-
2(e)	COMMUNICATIONS AND REGENERATION	3,508	2,330	1,337	3,667	159	-	159	-	-	-	-	-
2(f)	STRATEGIC LEISURE ASSETS	1,992	414	2,292	2,706	714	-	714	-	-	-	-	-
	STRATEGIC LEISURE ASSETS - TRANSFER FROM RESERVES	-	-	(714)	(714)	(714)	-	(714)	-	-	-	-	-
2(g)	GROWTH & PROSPERITY	(6,007)	(247)	(5,760)	(6,007)	-	-	-	-	-	-	-	-
	GROWTH & PROSPERITY - TRANSFER FROM RESERVES	-	-	-	-	-	-	-	-	-	-	-	-
2(h)	COMMUNITY & ENVIRONMENTAL SERVICES	45,826	7,965	37,861	45,826	-	-	-	-	-	-	-	-
2(i)	ADULT SERVICES	65,153	25,555	39,930	65,485	332	-	332	-	-	-	-	-
2(j)	CHILDREN'S SERVICES	64,820	22,529	47,438	69,967	5,147	-	5,147	-	-	-	-	-
2(k)	PUBLIC HEALTH	6	(25,679)	25,685	6	-	-	1,024	(1,024)	-	-	-	-
2(l)	BUDGETS OUTSIDE THE CASH LIMIT	1,923	285	3,588	3,873	1,950	-	1,950	-	-	-	-	-
	CAPITAL CHARGES	(29,589)	(12,329)	(17,260)	(29,589)	-	-	-	-	-	-	-	-
	NET COST OF SERVICES:	153,365	11,830	148,991	160,821	7,456	(71)	7,456	1,024	(1,024)	-	-	-
	CONTRIBUTIONS:												
	- TO / (FROM) RESERVES	(3,614)	-	(3,614)	(3,614)	-	-	-	-	-	-	-	-
	- 2021/22 SERVICE OVER/(UNDERSPENDS)	(71)	-	(71)	(71)	-	-	-	-	-	-	-	-
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	400	-	400	400	-	-	-	-	-	-	-	-
	- CLINICAL COMMISSIONING GROUP	-	-	-	-	-	-	-	-	-	-	-	-
	- SALES, FEES & CHARGES - COVID COMPENSATION	-	-	-	-	-	-	-	-	-	-	-	-
	CONTINGENCIES	3,601	-	7,563	7,563	3,962	-	3,962	-	-	-	-	-
	LEVIES	457	-	457	457	-	-	-	-	-	-	-	-
	CONTRIBUTIONS, etc.	773	-	4,735	4,735	3,962	-	3,962	-	-	-	-	-
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	154,138	11,830	153,726	165,556	11,418	-	11,418	1,024	(1,024)	-	-	-
	ADDED TO/(TAKEN FROM) BALANCES	6,138	-	(5,280)	(5,280)	(11,418)	-	(11,418)	(1,024)	1,024	-	-	-
	NET REQUIREMENT AFTER WORKING BALANCES	160,276	11,830	148,446	160,276	-	-	-	-	-	-	-	-
	GENERAL BALANCES AS AT 1st APRIL 2022 PER UNAUDITED STATEMENT OF ACCOUNTS 2021/22						6,075	6,075	-	-	-	-	-
	Budgeted In-year (reduction in) / addition to General Fund Working Balances						6,138	6,138	-	-	-	-	-
	Forecast In-year (reduction in) / addition to General Fund Working Balances						(11,418)	(11,418)	(1,024)	1,024	-	-	-
	ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2023						795	795	(1,024)	1,024	-	-	-

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR-AUG £000	2022/23		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19				
			PROJECTED SPEND £000	FORECAST OUTTURN £000			£000	GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
CHIEF EXECUTIVE												
NET EXPENDITURE												
CHIEF EXECUTIVE	647	330	317	647	-	-	-	-	-	-	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	65	(835)	900	65	-	-	-	-	-	-	-	-
CHIEF EXECUTIVE TOTAL	712	(505)	1,217	712	-	-	-	-	-	-	-	-
CORPORATE DELIVERY UNIT	176	(1,160)	1,336	176	-	-	-	-	-	-	-	-
HOUSING	705	674	31	705	-	-	-	-	-	-	-	-
ASSISTANT CHIEF EXECUTIVE	881	(486)	1,367	881	-	-	-	-	-	-	-	-
TOTALS	1,593	(991)	2,584	1,593	-	-	-	-	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within the Chief Executive's Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Chief Executive

This service is currently forecasting a break-even position.

Human Resources, Organisation and Workforce Development

This service is currently forecasting a break-even position.

Corporate Delivery Unit

This service is currently forecasting a break-even position.

Housing

This service is currently forecasting a break-even position.

Budget Holder – Mr N Jack, Chief Executive

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Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR-AUG £000	2022/23		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19			
			PROJECTED SPEND £000	FORECAST OUTTURN £000			GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
GOVERNANCE & PARTNERSHIP SERVICES											
NET EXPENDITURE											
DEMOCRATIC GOVERNANCE	2,192	1,656	506	2,162	(30)	-	(30)	-	-	-	-
CORPORATE LEGAL SERVICES	46	(921)	1,067	146	100	-	100	-	-	-	-
INFORMATION GOVERNANCE	21	(139)	135	(4)	(25)	-	(25)	-	-	-	-
LIFE EVENTS & CUSTOMER CARE	(376)	1	(357)	(356)	20	-	20	-	-	-	-
GOVERNANCE & PARTNERSHIP SERVICES	1,883	597	1,351	1,948	65	-	65	-	-	-	-
WARDS	361	(12)	373	361	-	(71)	-	-	-	-	-
TOTALS	2,244	585	1,724	2,309	65	(71)	65	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Governance and Partnership Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Democratic Governance Service

The Democratic Governance Service is currently forecasting an underspend of £30k. This is due to staff vacancies and additional income.

Corporate Legal Services

This service is forecasting an overspend of £100k. This relates to an expected overspend in Children's legal services due to the large number of complex cases.

Information Governance

This service is currently forecasting an underspend of £25k due to some extra additional income and savings in staffing.

Life Events & Customer Care

This service is forecasting a £20k overspend. This is due to legal costs.

Ward Budgets

The underspend from 2021/22 of £71k has been brought forward as per the Executive decision of the 13th June 2022. Ward budgets are expected to break-even in 2022/23.

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

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Blackpool Council
Ward Budgets
2022/23
Month 5

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2022-23 Budget	2022-23 Budget Committed to Approved Schemes	Remaining 2022-23 Budget
Anchorsholme Ward BC1001/BC1101	Cllr. Galley Cllr. A Williams	0 0	0 0	0 0	0 0	£10,000.00 £9,999.99	£0.00 £0.00	£10,000.00 £9,999.99
Bispham Ward BC1002/BC1102	Cllr. Clapham Cllr. Wilshaw	2 2	2 2	0 0	1 1	£7,538.38 £7,538.38	£3,350.00 £3,350.00	£4,188.38 £4,188.38
Bloomfield Ward BC1003/BC1103	Cllr. Cain Cllr. Hobson	1 7	1 7	0 0	1 7	£9,102.68 £10,000.00	£395.00 £1,810.00	£8,707.68 £8,190.00
Brunswick Ward BC1004/BC1104	Cllr. Blackburn Cllr. G Coleman	2 1	2 1	0 0	2 1	£10,000.00 £10,000.00	£9,923.85 £1,650.00	£76.15 £8,350.00
Claremont Ward BC1005/BC1105	Cllr. Taylor Cllr. L Williams	4 4	4 4	0 0	3 3	£8,503.80 £9,483.81	£946.25 £946.25	£7,557.55 £8,537.56
Clifton Ward BC1006/BC1106	Cllr. Burdess Cllr. Hutton	4 1	4 1	0 0	2 1	£7,856.75 £9,056.76	£2,587.50 £1,000.00	£5,269.25 £8,056.76
Greenlands Ward BC1007/BC1107	Cllr. R Scott	1 1	1 1	0 0	1 1	£8,338.68 £8,338.69	£494.33 £494.33	£7,844.35 £7,844.36
Hawes Side Ward BC1008/BC1108	Cllr. Brookes Cllr. Critchley	1 1	1 1	0 0	1 1	£7,985.04 £9,570.05	£2,769.60 £2,769.60	£5,215.44 £6,800.45
Highfield Ward BC1009/BC1109	Cllr. Hunter Cllr. B Mitchell	1 0	1 0	0 0	1 0	£9,720.93 £10,000.00	£200.00 £0.00	£9,520.93 £10,000.00
Inghthorpe Ward BC1010/BC1110	Cllr. Cross Cllr. Farrell	1 1	1 1	0 0	1 1	£9,690.97 £9,500.87	£118.75 £118.76	£9,572.22 £9,382.11
Layton Ward BC1011/BC1111	Cllr. Mrs Benson Cllr. M Mitchell	4 2	4 2	0 0	4 2	£9,271.36 £7,741.36	£1,430.00 £500.00	£7,841.36 £7,241.36
Marton Ward BC1012/BC1112	Cllr. D Coleman Cllr. Stansfield	0 0	0 0	0 0	0 0	£9,926.93 £9,926.93	£0.00 £0.00	£9,926.93 £9,926.93
Norbreck Ward BC1013/BC1113	Cllr. Mrs Callow Cllr. Sloman	1 1	1 1	0 0	1 1	£10,000.00 £10,000.00	£100.00 £100.00	£9,900.00 £9,900.00
Park Ward BC1014/BC1114	Cllr. Campbell Cllr. Kirkland	2 2	2 2	0 0	2 2	£9,978.72 £9,978.72	£962.28 £962.28	£9,016.44 £9,016.44
Squires Gate Ward BC1015/BC1115	Cllr. Cox Cllr. Walsh	1 1	1 1	0 0	1 1	£8,228.65 £8,228.65	£712.50 £712.50	£7,516.15 £7,516.15
Stanley Ward BC1016/BC1116	Cllr. Baker Cllr. Roberts	0 0	0 0	0 0	0 0	£10,000.00 £10,000.00	£0.00 £0.00	£10,000.00 £10,000.00
Talbot Ward BC1017/BC1117	Cllr. Hugo Cllr. Smith	4 4	4 4	0 0	2 2	£8,352.72 £8,352.71	£2,347.69 £2,347.69	£6,005.03 £6,005.02
Tyldesley Ward BC1018/BC1118	Cllr. Collett Cllr. Matthews	0 0	0 0	0 0	0 0	£10,000.00 £10,000.00	£0.00 £0.00	£10,000.00 £10,000.00
Victoria Ward BC1019/BC1119	Cllr. Jackson Cllr. Owen	6 3	6 3	0 0	4 3	£8,597.46 £8,777.47	£1,582.27 £442.99	£7,015.19 £8,334.48
Warbreck Ward BC1020/BC1120	Cllr. D Scott Cllr. Mrs M Scott	0 0	0 0	0 0	0 0	£8,340.30 £8,340.30	£0.00 £0.00	£8,340.30 £8,340.30
Waterloo Ward BC1021/BC1121	Cllr. O'Hara Cllr. Robertson BEM	0 0	0 0	0 0	0 0	£10,000.00 £10,000.00	£0.00 £0.00	£10,000.00 £10,000.00

Ward Totals	66	66	0	54	£386,268.06	£45,124.42	£341,143.64
Unallocated Budget	-	-	-	-	(£25,000.00)	£0.00	(£25,000.00)
Income Budget	-	-	-	-	£0.00	£0.00	£0.00
Area Ward Totals	66	66	0	54	£361,268.06	£45,124.42	£316,143.64

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID £000	COVID-19				
								GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
RESOURCES												
NET EXPENDITURE												
PROCUREMENT & EXCHEQUER SERVICES	56	(389)	420	31	(25)	-	(25)	-	-	-	-	-
BENEFITS	(1,368)	(2,612)	1,244	(1,368)	-	-	-	-	-	-	-	-
REVENUES SERVICES	1,604	1,257	347	1,604	-	-	-	-	-	-	-	-
CUSTOMER FIRST	(18)	(506)	502	(4)	14	-	14	-	-	-	-	-
ICT SERVICES	19	(2,213)	2,232	19	-	-	-	-	-	-	-	-
ACCOUNTANCY	131	(587)	634	47	(84)	-	(84)	-	-	-	-	-
RISK SERVICES	(24)	(417)	444	27	51	-	51	-	-	-	-	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	1,419	(3,129)	4,381	1,252	(167)	-	(167)	-	-	-	-	-
EQUALITY AND DIVERSITY	77	9	82	91	14	-	14	-	-	-	-	-
TOTALS	1,896	(8,587)	10,286	1,699	(197)	-	(197)	-	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Resources against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 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 Exchequer Services

Procurement and Exchequer Services are forecasting an underspend of £25k due to additional income in relation to; Town Deal, Opportunity Area and Practical Support (PH) and staff vacancy savings.

Benefits

The Benefits Service is forecasting a break-even position. Monthly Housing Benefit new claims processing figures for August was 18 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 8 days.

Revenue Services

Revenue Services are forecasting a break-even position on a gross budget of £2.37m.

Customer First

Customer First is forecasting an overspend of £14k against a gross budget of £1.01m. This is due to unachieved vacancy savings within the service.

ICT Services

ICT is forecasting a break-even position on a gross budget of £6.05m.

Accountancy

Accountancy is forecasting an underspend of £84k. Savings have been achieved through vacancy savings and a restructure of the service.

Risk Services

Risk Services are forecasting an overspend of £51k against a gross budget of £1.04m. This is due to unachieved vacancy savings within the service.

Property Services (incl. Investment Portfolio)

Property Services are forecasting an underspend of £167k against a gross budget of £12.18m. An improvement due to new lease agreements. The potential lease to be agreed for Flagstaff Garden food court will now be 2023/24.

Equality and Diversity

Equality and Diversity are forecasting an overspend of £14k. This is due to unachieved savings within the service.

Summary of the revenue forecast

After 5 months of the financial year Resources are forecasting a £197k underspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

Budget Holder - Mr S Thompson, Director of Resources

Blackpool Council – Communications & Regeneration

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND £000	VARIANCE					
	ADJUSTED CASH LIMITED BUDGET £000	2022/23			F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19				
		EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000			GROSS	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000	
COMMUNICATIONS & REGENERATION												
NET EXPENDITURE												
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	63	229	(42)	187	124	-	124	-	-	-	-	-
PLANNING	537	307	191	498	(39)	-	(39)	-	-	-	-	-
TOURISM AND COMMUNICATIONS	2,908	1,794	1,188	2,982	74	-	74	-	-	-	-	-
TOTALS	3,508	2,330	1,337	3,667	159	-	159	-	-	-	-	-

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 £159k overspend is based upon actual financial performance for the first 5 months of 2022/23 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Economic Development and Cultural Services

This service is currently forecasting an overspend of £124k. The £124k is the 2% Directorate saving target towards which no savings have been identified.

Planning

This service is expecting to underspend by £39k. This is due to increased income and vacant posts.

Tourism & Communications

There is an expected pressure in this area of £74k.

As at month 5 there a £74k pressure in the Visit Blackpool service which relates to increased marketing costs for which there is no expected increase in income.

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

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2022/23		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19			
			PROJECTED SPEND £000	FORECAST OUTTURN £000			GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
STRATEGIC LEISURE ASSETS											
NET EXPENDITURE											
STRATEGIC LEISURE ASSETS	1,992	414	2,292	2,706	714	-	714	-	-	-	-
TOTALS	1,992	414	2,292	2,706	714	-	714	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 5 months of 2022/23 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

Strategic Leisure Assets are now reporting an in-year pressure of £714k. Increased borrowing and marketing costs and revised income forecasts have caused an increased pressure to be forecast in month 5.

In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets of £714k (i.e. excluding Covid costs) will be carried forward and transferred to Earmarked Reserves. This brings the expected cumulative deficit as at 2022/23 to £11,432k after accounting adjustments in 2021/22.

The latest Leisure Assets medium-term financial plan currently expects the service to break-even, in-year, in 2025/26.

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	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19			
							GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
GROWTH & PROSPERITY											
NET EXPENDITURE											
GROWTH & PROSPERITY	(6,007)	(247)	(5,760)	(6,007)	-	-	-	-	-	-	-
TOTALS	(6,007)	(247)	(5,760)	(6,007)	-	-	-	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 5 months of 2022/23 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

As at month 5, the service is forecasting a break-even position.

The Executive, at its meeting on 8th November 2021, agreed to the approach to transition out the Growth and Prosperity net revenue budget target over a 2-year period, 2022/23-23/24, with any proceeds subsequently realised from the existing work programme being directed to bolstering reserves and any new proceeds being retained by Growth and Prosperity for their re-investment.

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	2021/22 (UNDER)/OVER SPEND B/FWD	VARIANCE					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2022/23		F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID £000	COVID-19				
			PROJECTED SPEND £000	FORECAST OUTTURN £000				GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
COMMUNITY & ENVIRONMENTAL SERVICES												
NET EXPENDITURE												
BUSINESS SERVICES	(749)	273	(1,022)	(749)	-	-	-	-	-	-	-	-
LEISURE AND CATERING	4,483	4,326	357	4,683	200	-	200	-	-	-	-	-
PUBLIC PROTECTION	1,038	683	275	958	(80)	-	(80)	-	-	-	-	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	17,483	(2,544)	19,982	17,438	(45)	-	(45)	-	-	-	-	-
STREET CLEANSING AND WASTE	18,319	2,432	15,812	18,244	(75)	-	(75)	-	-	-	-	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,098	2,230	1,868	4,098	-	-	-	-	-	-	-	-
INTEGRATED TRANSPORT	1,154	565	589	1,154	-	-	-	-	-	-	-	-
TOTALS	45,826	7,965	37,861	45,826	-	-	-	-	-	-	-	-

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 break-even outturn is based upon actual financial performance for the first 5 months of 2022/23 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Business Services

This service is currently forecasting a break-even position.

Leisure and Catering

Leisure and Catering is currently forecasting a pressure of £200k. Leisure Centres are reporting income pressures of £460k, this, however, is reduced by £260k due to savings within staffing, additional grant income and increased income within the Learn to Swim scheme. There is a small pressure of £7.5k within the Parks service, due to reduced football pitch income.

Public Protection

The service is currently forecasting a saving of £80k due to staff vacancies within Public Protection.

Highways and Traffic Management Services

This service is currently forecasting an underspend of £45k due to staff vacancies within Highways & Engineering.

Street Cleansing and Waste

Waste Services are reporting an underspend of £75k. Trade Waste is forecasting an increase in income of £100k, but there is a forecast pressure of £25k within Public Conveniences, where an inflationary uplift has been applied to the contract, which is not within the budget.

Coastal and Environmental Partnerships

This service is currently forecasting a break-even position.

Integrated Transport

This service is currently forecasting a break-even position.

Conclusion – Community and Environmental Services financial position

At the end of August 2022, the Community and Environmental Services Directorate is forecasting a break-even position. There are pressures within the Leisure service, but savings have been identified within the Directorate to mitigate this pressure.

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	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	2022/23		FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID	COVID-19			
		EXPENDITURE APR - AUG £000	PROJECTED SPEND £000				GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
ADULT SERVICES											
NET EXPENDITURE											
ADULT SOCIAL CARE	8,903	4,324	4,535	8,859	(44)	-	(44)	-	-	-	-
CARE & SUPPORT	5,676	3,234	2,464	5,698	22	-	22	-	-	-	-
ADULT COMMISSIONING PLACEMENTS	50,419	18,042	32,712	50,754	335	-	335	-	-	-	-
ADULT SAFEGUARDING	155	(45)	219	174	19	-	19	-	-	-	-
TOTALS	65,153	25,555	39,930	65,485	332	-	332	-	-	-	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual service within the Adult Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 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 Social Care

Adult Social Care is forecasting an underspend of £44K due to slippage on vacant posts.

Adult Commissioning Placements (Social Care Packages)

The Adult Commissioning Placements budget is forecasting a £335k overspend on a £50m gross expenditure budget. Forecasted pressures within Complex Cases, Residential placements and Nursing placements are being partly offset by Discharge to Assess (D2A) recharges to the Clinical Commissioning Group (CCG) for the first 6 months of the year and savings on Homecare packages.

Care and Support

Care and Support is forecasting an overspend of £22k due to staffing pressures in terms of back-dated regrades/additional duty payments and shortfalls on Nibbles Cafés income targets.

Adults Safeguarding

Adults safeguarding is forecasting an overspend of £19k due to pressures on the Deprivation of Liberties (DOLS) assessments.

Summary of the Adult Services financial position

As at the end of August 2022 the Adult Services Directorate is forecasting an overall overspend of £332k for the financial year to March 2023 on a gross budget of £65m.

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	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	NON-COVID £000		COVID-19				
								GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000
CHILDREN'S SERVICES												
NET EXPENDITURE												
LOCAL SCHOOLS BUDGET - ISB	20,938	8,543	12,395	20,938	-	-	-	-	-	-	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	276	97	114	211	(65)	(65)	-	-	-	-	-	-
EDUCATION	23,960	6,801	17,978	24,779	819	819	-	-	-	-	-	-
EARLY HELP FOR CHILDREN AND FAMILIES	182	76	106	182	-	-	-	-	-	-	-	-
BUSINESS SUPPORT AND RESOURCES	8,760	3,867	4,893	8,760	-	-	-	-	-	-	-	-
DEDICATED SCHOOL GRANT	(55,721)	(24,661)	(31,010)	(55,671)	50	50	-	-	-	-	-	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	1,605	-	801	801	(804)	(804)	-	-	-	-	-	-
TOTAL DSG FUNDED SERVICES	-	(5,277)	5,277	-	-	-	-	-	-	-	-	-
CHILDREN'S SERVICES DEPRECIATION	2,203	-	2,203	2,203	-	-	-	-	-	-	-	-
EDUCATION	3,332	2,381	1,591	3,972	640	640	-	-	-	-	-	-
EARLY HELP FOR CHILDREN AND FAMILIES	5,427	1,529	3,864	5,393	(34)	(34)	-	-	-	-	-	-
CHILDREN'S SOCIAL CARE	53,025	22,623	34,945	57,568	4,543	4,543	-	-	-	-	-	-
BUSINESS SUPPORT AND RESOURCES	1,017	1,273	(258)	1,015	(2)	(2)	-	-	-	-	-	-
LOCAL SERVICES SUPPORT GRANT	(18)	-	(18)	(18)	-	-	-	-	-	-	-	-
SCHOOL IMPROVEMENT GRANT	(166)	-	(166)	(166)	-	-	-	-	-	-	-	-
TOTAL COUNCIL FUNDED SERVICES	64,820	27,806	42,161	69,967	5,147	-	5,147	-	-	-	-	-
TOTALS	64,820	22,529	47,438	69,967	5,147	-	5,147	-	-	-	-	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 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 2020/21 budget setting and 31st May 2020 and also to develop the placements market and increase the capacity within internal fostering. The CSMTFS aimed to reverse the current trend and this investment alongside other service improvements aimed to ensure the service can pay back the budget increase by 2026/27.

However, Children’s Social Care Placements had a worsening position since May 2020 of £2,979k, mainly due to the additional support required following the breakdown of high cost placements and New to Care Placements offsetting the work to step Children down coming in at a greater pace than expected. There is an intention to review the assumptions within the CSMTFS as both the numbers and unit costs have diverted from the original plan. There was also an additional target to bring savings forward of £500k and if the current agency employees remain in post for the full financial year, this will add £1,064k to the forecast.

Dedicated Schools Grant Funded Services

The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspend against services funded by the DSG will be carried forward to 2023/24 and, in the case of overspend, become the first call on the grant in that year.

Education

There is expected to be an overspend of £566k against Children's Transport Service partly due to demand pressures and partly due to a historical savings target that wasn't achieved and other variances within the service of £74k relating to some one-off spend on a commissioning contract.

Early Help

The Early Help Service is expected to underspend by £34k mainly due to vacant posts across the service.

Summary of the Children's Services financial position

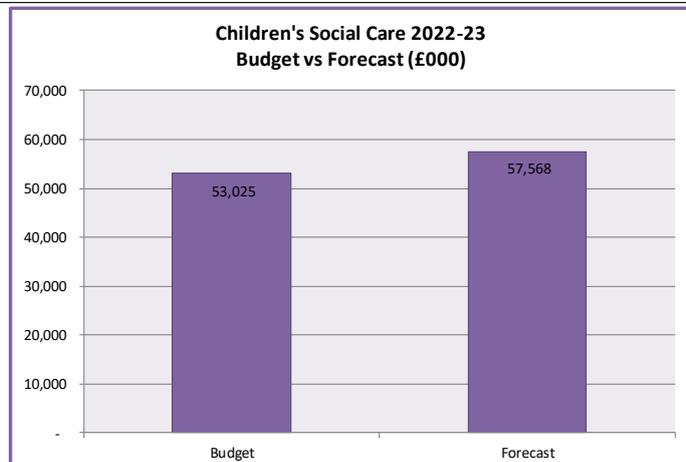
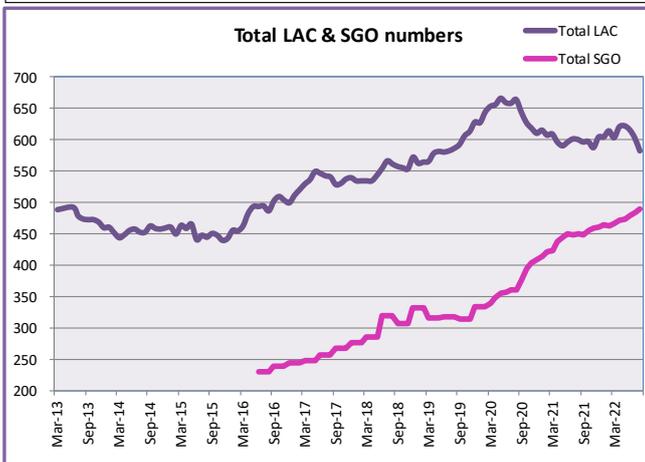
As at the end of August 2022 the Children's Services Directorate is forecasting an overspend of £5,147k for the financial year to March 2023.

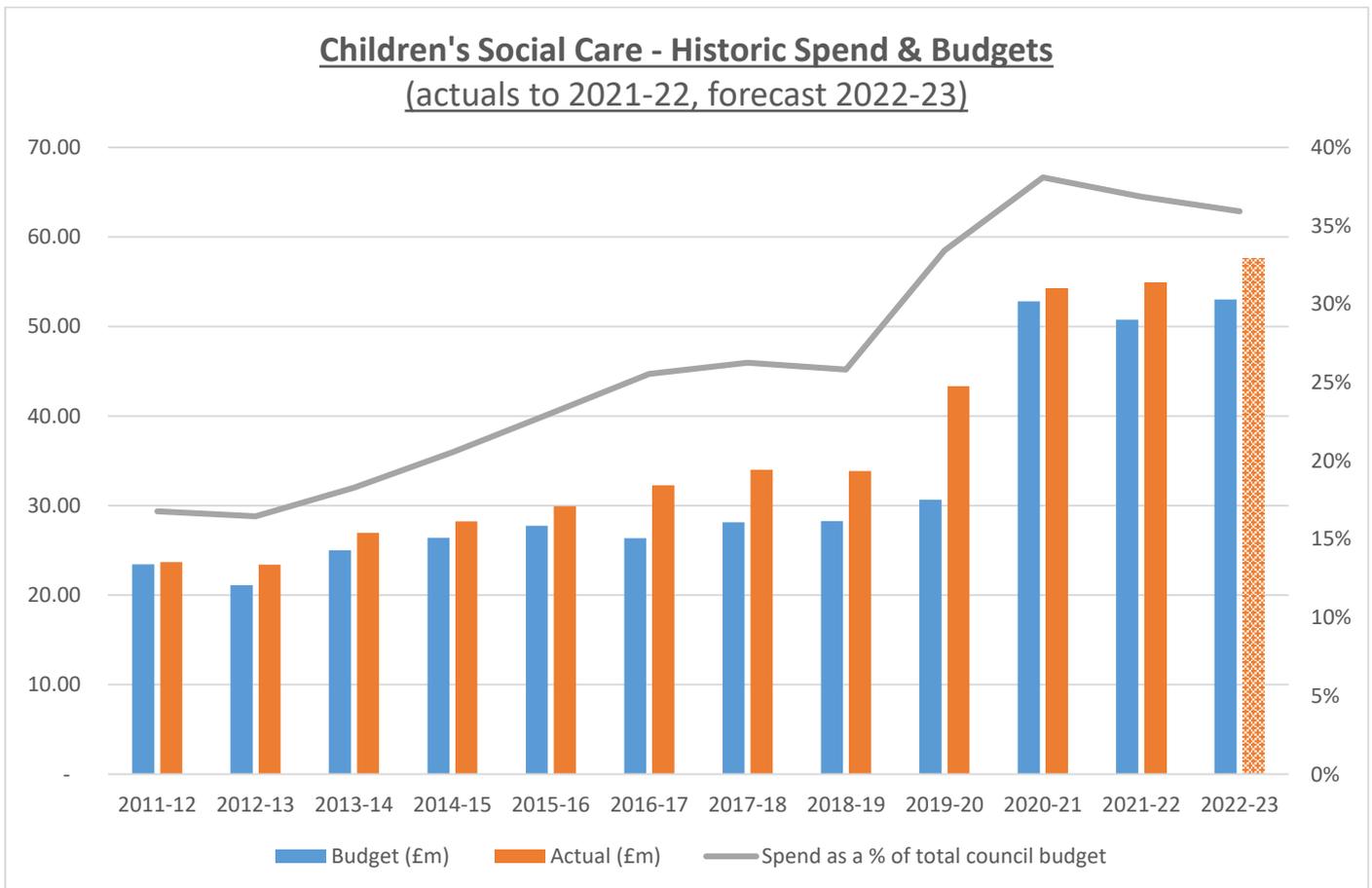
Budget Holder – Victoria Gent, Director of Children's Services

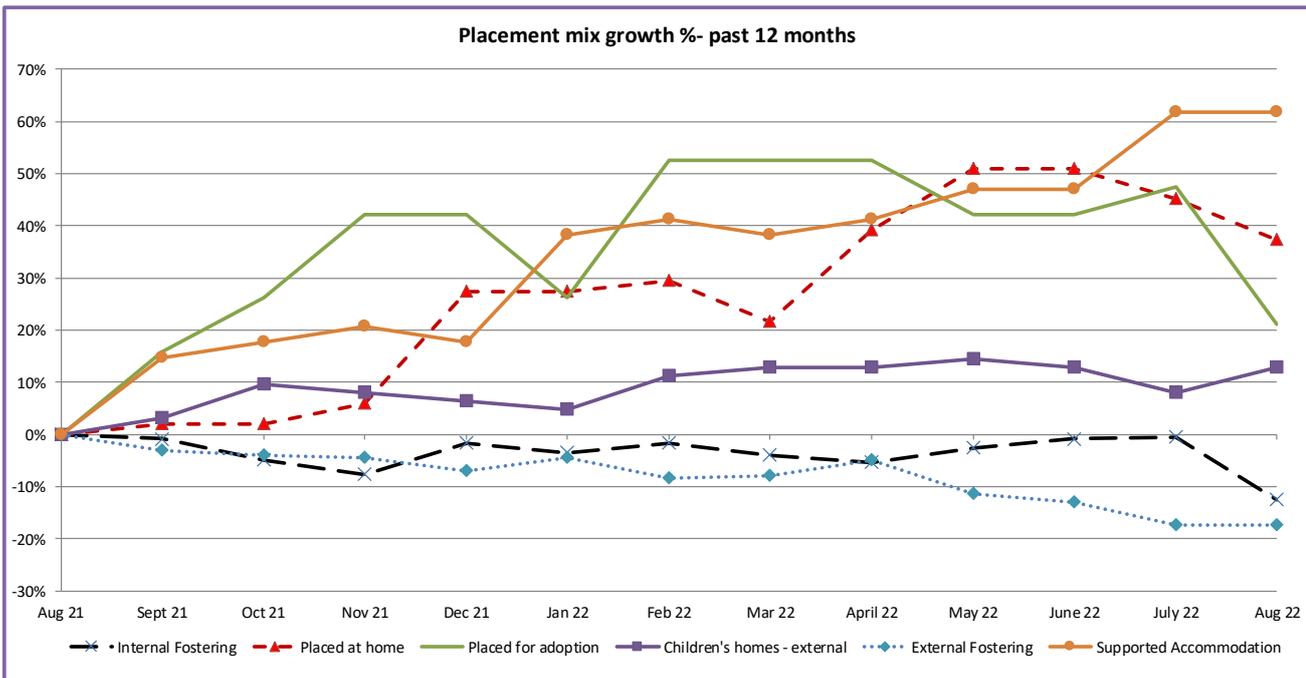
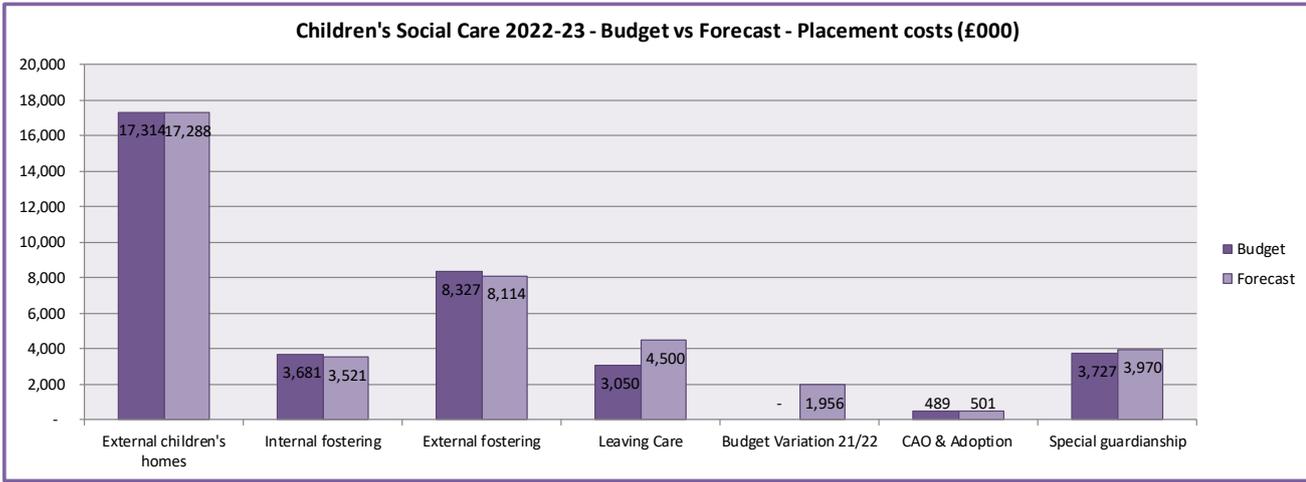
Children's Social Care Trends

Date	External Placements Projection						Internal Fostering			Supported Accommodation			LAC number	SGO	
	Residential			Fostering inc M&B			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	41	8%	111,596	72	15%	36,202	263	53%	11,887	16	3%	no data	492		no data
Sep-13	33	7%	111,523	66	14%	35,667	272	58%	11,908	17	4%	no data	472		no data
Dec-13	30	7%	117,073	69	15%	36,560	260	57%	11,828	17	4%	no data	459		no data
Mar-14	27	6%	118,473	64	14%	34,058	248	56%	11,757	15	3%	no data	443		no data
Jun-14	25	5%	102,561	74	16%	35,928	250	55%	12,833	18	4%	no data	457		no data
Sep-14	21	5%	121,210	75	16%	37,655	237	51%	12,570	27	6%	no data	462		no data
Dec-14	18	4%	124,281	70	15%	38,760	243	53%	12,474	23	5%	no data	459		no data
Mar-15	23	5%	128,868	73	16%	40,155	244	53%	12,374	19	4%	no data	463		no data
Jun-15	25	6%	147,777	74	17%	40,625	219	50%	12,541	20	5%	no data	440		no data
Sep-15	25	6%	142,934	73	16%	40,400	225	50%	12,549	16	4%	no data	450		no data
Dec-15	27	6%	145,196	70	16%	41,243	217	49%	12,428	17	4%	no data	442		no data
Mar-16	29	6%	146,120	69	15%	42,215	257	56%	12,453	22	5%	no data	462		no data
Jun-16	34	7%	157,136	77	16%	42,145	259	53%	12,630	28	6%	38,608	493	230	5,472
Sep-16	32	6%	169,996	84	17%	42,750	254	51%	12,688	27	5%	41,376	502	240	5,582
Dec-16	36	7%	175,954	89	18%	43,038	258	52%	12,857	28	6%	41,037	499	245	5,562
Mar-17	44	8%	179,669	103	19%	43,502	269	51%	12,872	26	5%	42,416	529	249	5,555
Jun-17	49	9%	151,450	100	18%	40,933	272	50%	13,227	26	5%	60,946	546	258	5,576
Sep-17	35	7%	161,487	95	18%	40,991	270	51%	13,213	36	7%	57,928	528	267	5,383
Dec-17	43	8%	162,623	103	19%	41,277	272	50%	13,169	36	7%	58,358	539	277	5,281
Mar-18	44	8%	165,935	98	18%	41,099	273	51%	13,116	30	6%	55,728	534	286	5,109
Jun-18	45	8%	164,794	97	18%	40,083	297	54%	13,403	24	4%	48,006	554	320	5,512
Sep-18	45	8%	159,388	97	17%	40,425	302	54%	13,441	28	5%	46,073	557	308	5,294
Dec-18	47	8%	169,287	99	17%	40,227	305	53%	13,430	33	6%	46,167	572	332	5,175
Mar-19	53	9%	177,477	94	17%	39,536	306	54%	13,289	23	4%	45,845	565	317	5,238
Jun-19	53	9%	172,929	107	18%	42,426	305	53%	13,014	26	4%	68,367	580	318	5,988
Sep-19	58	10%	180,014	116	20%	43,981	294	50%	12,649	32	5%	56,148	592	315	5,693
Dec-19	62	10%	184,396	145	23%	45,812	300	48%	12,854	31	5%	60,289	628	334	5,670
Mar-20	65	10%	183,892	167	26%	45,201	292	45%	13,166	33	5%	61,076	653	339	5,624
Jun-20	69	10%	207,288	175	27%	47,565	284	43%	12,877	32	5%	92,575	659	357	5,882
Sep-20	75	12%	211,328	173	27%	47,125	277	43%	12,979	30	5%	97,225	644	376	6,056
Dec-20	72	12%	209,062	178	29%	47,361	248	41%	14,343	32	5%	105,274	610	410	6,551
Mar-21	72	12%	209,953	189	31%	47,883	230	38%	14,234	25	4%	107,561	609	424	6,685
Jun-21	68	11%	225,246	200	34%	45,809	213	36%	16,619	26	4%	78,324	596	450	7,650
Sep-21	64	11%	229,272	194	33%	47,303	221	37%	17,059	39	7%	70,834	596	448	7,752
Dec-21	66	11%	238,266	186	31%	47,535	219	36%	17,064	40	7%	68,328	604	461	7,884
Mar-22	70	12%	247,935	184	30%	47,718	214	35%	17,348	47	8%	68,576	608	467	8,076
Jun-22	69	11%	251,588	174	28%	50,006	221	36%	17,030	50	8%	74,397	616	479	8,093
Aug-22	70	12%	251,715	165	28%	48,371	195	34%	16,931	55	9%	72,882	582	489	8,215

Note:
The variance between the current total number of Looked After Children (582) and the total internal fostering and external placement numbers (485) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs. SGO = Special Guardianship Order.







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Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET		EXPENDITURE		VARIANCE		2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE						
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	2022/23		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	NON-COVID £000		COVID-19						
			PROJECTED SPEND £000	FORECAST OUTTURN £000				GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000	NET £000		
PUBLIC HEALTH														
NET EXPENDITURE														
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	1,015	(9,043)	10,058	1,015	-	-	-	-	-	-	-	-	-	-
NHS HEALTH CHECKS - MANDATED	100	26	74	100	-	-	-	-	-	-	-	-	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	619	270	349	619	-	-	-	-	-	-	-	-	-	-
CHILDREN'S 0-5 SERVICES	2,520	1,018	1,502	2,520	-	-	-	-	-	-	-	-	-	-
TOBACCO CONTROL	374	166	208	374	-	-	-	-	-	-	-	-	-	-
MENTAL HEALTH AND WELLBEING	15	(120)	135	15	-	-	-	-	-	-	-	-	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,845	266	1,579	1,845	-	-	-	-	-	-	-	-	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,606	935	1,671	2,606	-	-	-	-	-	-	-	-	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	773	459	314	773	-	-	-	-	-	-	-	-	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	118	86	32	118	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	9,252	(19,747)	28,999	9,252	-	-	-	1,024	(1,024)	-	-	-	-	-
COMMUNITY ENGAGEMENT & CORPORATE ENGAGEMENT	-	5	(5)	-	-	-	-	-	-	-	-	-	-	-
GRANT	(19,231)	-	(19,231)	(19,231)	-	-	-	-	-	-	-	-	-	-
TOTALS	6	(25,679)	25,685	6	-	-	-	1,024	(1,024)	-	-	-	-	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual scheme against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 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, £19,231,130, for the financial year to March 2023.

Payment by Results (PbR)/ Activity-based Commissioning

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

Summary of the Public Health Directorate financial position

As at the end of August 2022, the Public Health Directorate are forecasting a break-even position for the financial year to March 2023.

Since March 2020 Public Health has been responding to the outbreak of Covid to protect the population of Blackpool. A single point of contact has been established to respond to calls/e-mails actioned by appropriately qualified and informed Public Health staff. A Public Health Duty Desk has been set up to respond to incident and outbreaks offering specialist guidance, advice and support. During the pandemic, the team have developed Community Hubs, including supporting the homeless population, to ensure that those left vulnerable from Covid receive the support they need, for example food, welfare checks, medication, accommodation, etc.

The Public Health team opted to support the Government's NHS Test and Trace service by contact tracing and providing support for all positive cases in Blackpool. More recently the Public Health team are supporting with the vaccination programme delivery, aiming to get the most vulnerable people in Blackpool fully vaccinated.

The spend relating to this work is estimated to be £1,024k in 2022/23 and is being funded through a ring-fenced Test and Trace service support grant and Contain Outbreak Management Fund 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 Payment by Results (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	2021/22 (UNDER)/OVER SPEND B/FWD £000	VARIANCE				
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000		NON-COVID £000	COVID-19			
								GROSS £000	DIRECT SERVICE GRANTS £000	CCG CONTRIBUTION £000	SALES, FEES & CHARGES £000
BUDGETS OUTSIDE THE CASH LIMIT											
NET EXPENDITURE											
TREASURY MANAGEMENT	2,564	1,891	2,647	4,538	1,974	-	1,974	-	-	-	-
PARKING SERVICES	(5,974)	(2,573)	(3,267)	(5,840)	134	-	134	-	-	-	-
CORPORATE SUBSCRIPTIONS	135	88	47	135	-	-	-	-	-	-	-
HOUSING BENEFITS	1,458	610	848	1,458	-	-	-	-	-	-	-
COUNCIL TAX & NDR COST OF COLLECTION	1,105	461	644	1,105	-	-	-	-	-	-	-
SUBSIDIARY COMPANIES	(954)	(419)	(535)	(954)	-	-	-	-	-	-	-
LAND CHARGES	(51)	(36)	(33)	(69)	(18)	-	(18)	-	-	-	-
CONCESSIONARY FARES	3,734	320	3,274	3,594	(140)	-	(140)	-	-	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	117	49	68	117	-	-	-	-	-	-	-
NEW HOMES BONUS	(211)	(106)	(105)	(211)	-	-	-	-	-	-	-
TOTALS	1,923	285	3,588	3,873	1,950	-	1,950	-	-	-	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the latest outturn projection for each individual service categorised as falling 'outside the cash limit' and thereby exempt from the cash limited budget regime. Forecast outturns are based upon actual financial performance for the first 5 months of 2022/23 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

Treasury Management

Treasury Management is forecasting an overspend of £1,974k including £742k savings target that will not be met in 2022/23. The Council is currently using temporary and long-term borrowing to finance prudentially-funded capital expenditure. With interest rates currently rising and in order to mitigate the impacts of any future interest rate rises, the Council has taken out £125m of long-term borrowing from the Public Works Loan Board. This long-term borrowing will replace the temporary borrowing when it is repaid.

The Business Loans Fund has a savings target of £3,309k and is forecasting a pressure of £1,419k due to increases in interest rates and slippage in business loans awarded.

Following a review of the Minimum Revenue Provision (MRP), which was approved by the Executive on 8th February 2021, a total of £6.7m of saving has been forecast to be achieved in 2022/23.

Parking Services

Parking Services is forecasting a shortfall of income of £134k for 2022/23. This is as a consequence of lost parking spaces due to regeneration projects, with the effect reduced by an increase in charges.

As at Week 26 (w/e 18th September) parking income is at £3.3m with patronage at 649,245. Car Park patronage is down by 30,275 but up on income by £155k on 2021/22. On-Street Pay and Display patronage is down by 26,733 and income is down by £19k.

The graphs below show, for comparison, the patronage and income figures for 2019/20, 2021/22 and 2022/23. 2020/21 is excluded as figures distorted due to Covid.

Housing Benefit

This service is forecasting a break-even position.

Council Tax and NNDR Cost of Collection

This service is forecasting a break-even position.

Subsidiary Companies

This service is expected to break-even.

Land Charges

This service is expected to have a £18k underspend due to increased income.

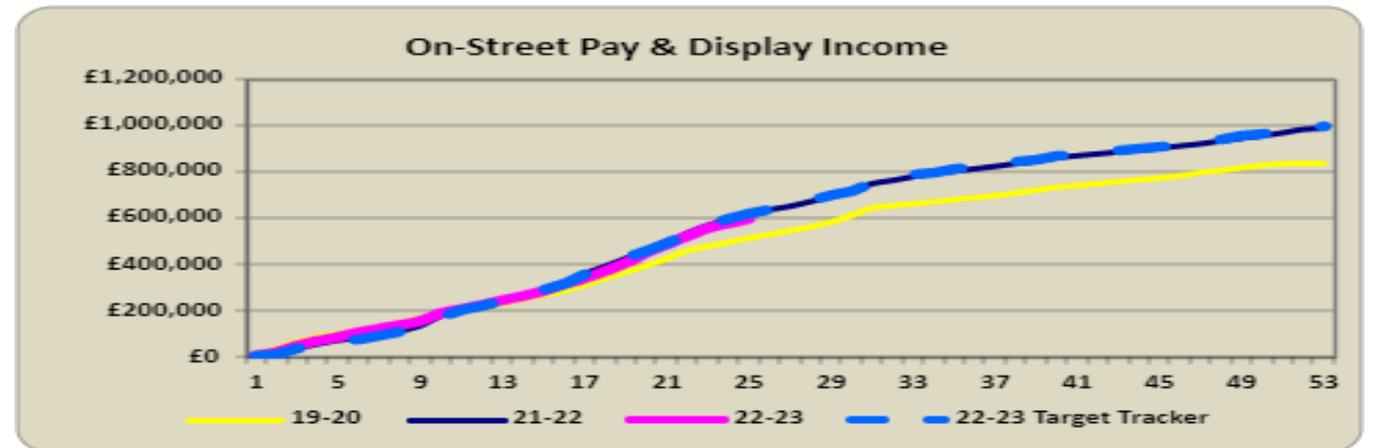
Concessionary Fares

There is a £140k underspend expected in Concessionary Fares based on paying the compensation rate as per Department for Transport (DFT) guidance till March 2023.

Summary of the revenue forecasts

After 5 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £1,950k overspend.

Car Parking Trends



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Blackpool Council

Wholly-Owned Companies

Covid Support to Council Wholly-Owned Companies

The Coronavirus pandemic led to a number of Council Wholly-Owned Companies (WOCs) facing significant income losses as a result of lockdown and subsequent social distancing restrictions. This impacted both company profitability and cashflow. It looked likely that without Council support some would not be able to recover within a reasonable timeframe, which could leave the Council without an operator for assets of significant financial value and importance to the town and its tourist economy.

In November 2020 the Executive approved the establishment of a £24m Covid Recovery Fund (PH46/2020), £20m plus a 20% contingency, ringfenced for WOCs only, from within the existing Business Loans Fund.

To be eligible to access the Covid Recovery Fund facility companies needed to produce a 5-year Covid recovery plan (2020/21 year + 4) and to demonstrate a cumulative break-even income and expenditure position by the end of year 5 of their recovery plan, or as close as possible to this term.

Loans were offered at a fixed rate over 5 years, thereby providing the WOCs with certainty over future repayments requirements and were tailored to the individual circumstances of the company and its recovery plan, offers being made on either an interest-only basis with balloon principal repayment or with monthly repayments of interest and principal.

To date there have been loan approvals of £16.11m against that facility of which £9.12m has been drawn down. £1.45m of this has subsequently been repaid. The Council's Business Loans Fund Panel monitors progress against the WOCs' respective recovery plans on a regular basis.

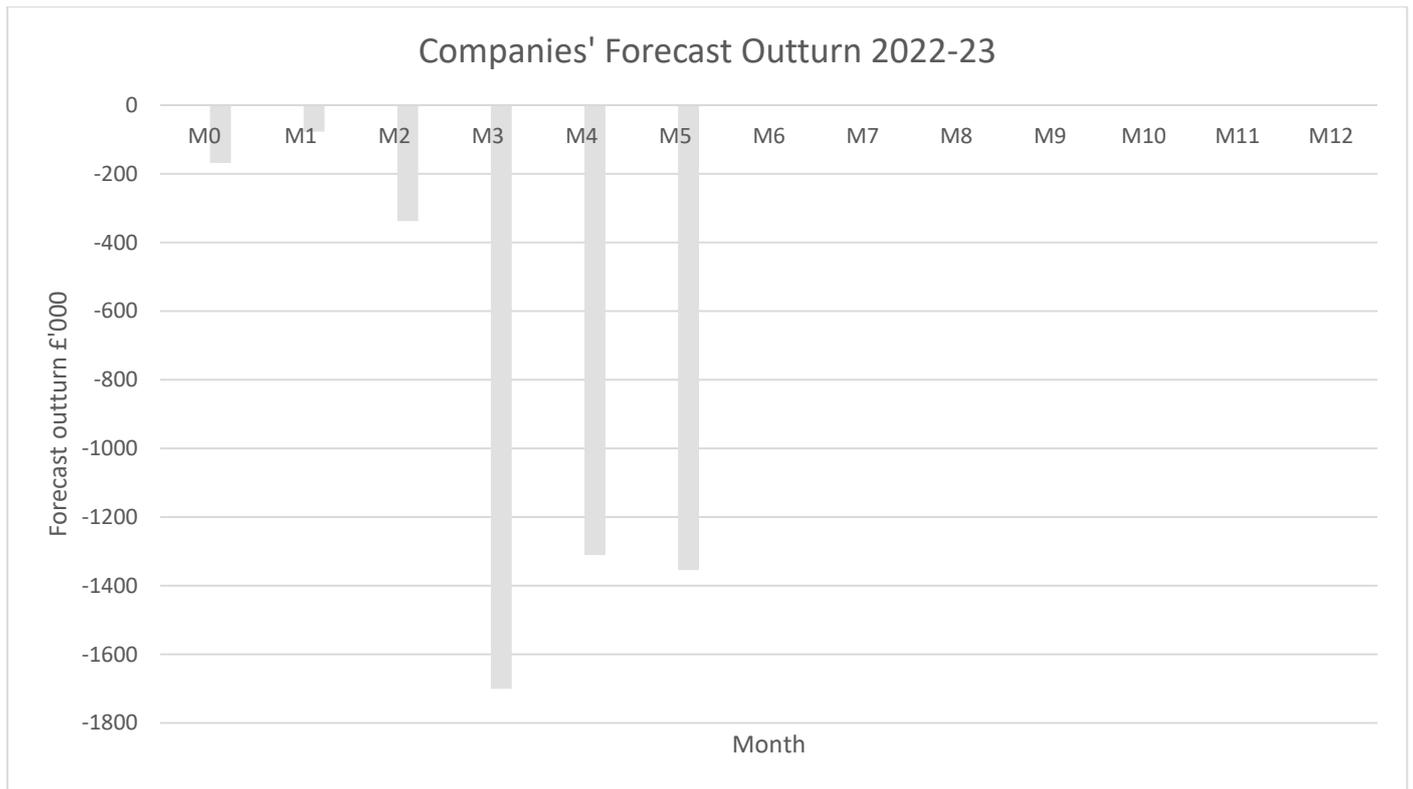
Non Covid-related loan support to WOCs

The Council also supports its WOCs' capital spending (capex) requirements where there is a robust business case demonstrating either a valid 'Spend to Save' initiative or an opportunity to spend to generate income. The Council's exposure to principal and capitalised interest in respect of such WOC capex loans is currently £42.26m.

There are currently no short-term cash flow loans outstanding in respect of Council Wholly-owned companies.

Wholly-owned companies financial performance as at Month 5 2022/23

The consolidated forecast financial position of the Council's wholly-owned subsidiary companies is a loss of £1.35m based on their individual Month 5 financial monitoring reports. This represents a deterioration of £0.04m from the position at Month 4 largely as a result of inflationary pressures, including fuel costs, utilities and wage pressures, coupled with reduced customer receipts resulting from patronage reductions, offset by improved income forecasts.



There has been a change to the Council's group structure with effect from 1 April 2022 with the transfer of Lancashire Management Operations Limited from the Council's direct ownership to become a subsidiary of Blackpool Housing Company Limited.

The Council has taken advice from CIPFA regarding the proper accounting treatment in respect of company forecast losses. CIPFA has advised that the Council does not need to include the forecast losses in its forecast revenue out-turn; the company losses will be included in the Council's consolidated financial position.

Blackpool Council

Budget Savings Target 2022/23

Summary of progress as at 31st August 2022.

	Target	Achieved	Not yet achieved	To be achieved before year-end	Not able to be achieved	Amount of saving not yet found recurrently
	£000	£000	£000	£000	£000	£000
<u>Recurrent Savings</u>						
Corporate Services	419	(419)	0	0	0	0
Adult Services	1,051	(1,051)	0	0	0	0
Chief Executive	53	(53)	0	0	0	0
Children's Services	137	(87)	50	(50)	0	0
Governance & Partnership Services	128	(25)	103	(78)	25	0
Community & Environmental Services	622	(150)	472	(472)	0	0
Outside Cash Limit	4,759	(1,336)	3,423	(2,681)	742	742
Public Health	0	0	0	0	0	0
Communications & Regeneration	585	(480)	105	(105)	0	61
Strategic Leisure Assets	200	(100)	100	(100)	0	200
Resources	675	(640)	35	(35)	0	0
Recurrent Saving	8,629	(4,341)	4,288	(3,521)	767	1,003

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**2022/23 CAPITAL MONITORING
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/22	Budget Brought Forward 2021/22	Capital Programme 2022/23	Total Available Budget 2022/23	Spend to Date April - Aug	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	38,142	2,290	-	2,290	-	-	-	
ICT Refresh	5,579	4,655	-	924	924	72	852	-	
Core CCTV Replacement	2,000	14	1,986	-	1,986	452	1,534	-	
Finance, HR, Payroll System	2,722	1,470	-	1,252	1,252	290	962	-	
Other Resources Schemes	1,899	1,099	255	545	800	111	689	-	see note 2
Total Resources	52,632	45,380	4,531	2,721	7,252	925	4,037	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	9,945	7,959	-	1,986	1,986	546	1,440	-	
LD Respite Centre - Colton House	1,695	1,695	-	-	-	(15)	15	-	
I-Switch	3,154	3,029	125	-	125	-	125	-	
Other Adult Services Schemes	1,665	508	599	558	1,157	69	1,088	-	
Total Adult Services	16,459	13,191	724	2,544	3,268	600	2,668	-	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	30,966	26,075	4,891	-	4,891	444	(553)	-	
Coastal Protection Strategy 2021-2025	9,000	-	-	9,000	9,000	-	3,000	-	
Coastal Protection Studies	4,423	2,202	540	1,681	2,221	130	2,091	-	
Others	213	-	-	213	213	213	-	-	
Total Community and Environmental Services	44,602	28,277	5,431	10,894	16,325	787	4,538	-	

**2022/23 CAPITAL MONITORING
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/22	Budget Brought Forward 2021/22	Capital Programme 2022/23	Total Available Budget 2022/23	Spend to Date April - Aug	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Chief Executive									
Housing									
Foxhall Village	12,797	13,452	(655)	-	(655)	8	(663)	1,800	
Work towards Decent Homes Standard	7,243	-	-	7,243	7,243	1,918	5,325	-	
Queens Park Redevelopment Ph2	13,427	13,427	-	-	-	2	(2)	-	
Troutbeck Redevelopment	11,970	10,926	-	1,044	1,044	394	650	-	
Grange Park	13,565	1,315	-	12,250	12,250	2,101	10,149	-	
Dunsop Court	1,233	756	-	477	477	147	330	-	
Feasibility/ Infill site	2,620	189	2,301	130	2,431	2	126	-	
Haweside Masterplan	562	82	480	-	480	-	480	-	
Garstang Road West	2,547	2,547	-	-	-	307	(307)	-	
Acquisition and Refurbishment	4,871	941	1,499	2,431	3,930	232	2,266	-	
Total Chief Executive	70,835	43,635	3,625	23,575	27,200	5,111	18,354	1,800	
Director Responsible for Communications and Regeneration									
Regeneration									
College Relocation/Illumination Depot	13,305	13,924	(619)	-	(619)	-	-	-	
Leisure Assets	66,279	65,094	1,185	-	1,185	166	1,019	-	
Conference Centre	30,562	30,685	(123)	-	(123)	263	(386)	-	
CBD Phase 2 - Hotel	24,500	14,902	9,598	-	9,598	2,960	6,638	-	
CBD Phase 3	99,750	7,038	(7,038)	25,000	17,962	1,786	16,176	-	
Land Release Fund	3,204	769	2,435	-	2,435	41	2,394	-	
Enterprise Zone	13,000	10,389	2,611	-	2,611	1,200	1,411	-	
Town Centre Parking Strategy	16,000	3,029	12,971	-	12,971	(1,469)	1,250	-	
Museum	7,894	3,359	4,535	-	4,535	2,258	2,277	-	
Abingdon Street Market	3,600	3,134	466	-	466	(121)	587	-	
HoundsHill Ph2	20,190	6,000	14,190	-	14,190	2,564	11,626	-	
Heritage Action Zone	1,091	475	616	-	616	86	530	-	
Devonshire Road Hospital Land	1,425	1,252	173	-	173	-	173	-	
Town Deal	59,250	2,302	(2,302)	18,714	16,412	1,169	15,243	-	
Land Acqn Alfred, Leopold & Adelaide Streets	1,790	81	(81)	1,790	1,709	1,600	109	-	
South King Street Car Park	597	-	-	597	597	-	597	-	
Other	166	166	-	-	-	11	(11)	-	
Transport									
Local Transport Plan 2021/22	2,630	1,835	795	-	795	197	598	-	
Local Transport Plan Project 30 2021/22	283	283	-	-	-	-	-	-	
Local Transport Plan 2022/23	2,302	-	-	2,302	2,302	23	2,279	-	
Local Transport Plan Project 30 2022/23	223	-	-	223	223	-	223	-	
Blackpool/Fleetwood Tramway	99,990	99,990	-	-	-	-	-	-	
Tramway Extension	16,400	16,404	(4)	-	(4)	20	(24)	-	
Tramway Refurbishment	1,053	713	340	-	340	-	340	-	
Total Communications and Regeneration	485,484	281,824	39,748	48,626	88,374	12,754	63,049	-	

**2022/23 CAPITAL MONITORING
MONTH 5**

	Total Scheme Budget	Spend as at 31/3/22	Budget Brought Forward 2021/22	Capital Programme 2022/23	Total Available Budget 2022/23	Spend to Date April - Aug	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	846	607	239	-	239	26	213	-	
Park Expansion	610	412	198	-	198	-	198	-	
Basic Need	1,553	3	1,050	500	1,550	-	1,550	-	
Condition	1,372	24	845	503	1,348	152	1,196	-	
Pegasus Expansion	800	-	-	800	800	9	791	-	
Others	673	356	302	15	317	16	301	-	
Total Children's Services	5,854	1,402	2,634	1,818	4,452	203	4,249	-	
CAPITAL TOTAL	675,866	413,709	56,693	90,178	146,871	20,380	96,895	1,800	

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Notes

(1) Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, had gone into administration, the Council worked with the appointed administrators, PwC, and partners to develop options for the completion of the Foxhall Village scheme. The reported overspend of £1.8m reflects the current optimistic estimate which is subject to ongoing negotiations with partners including Homes England.

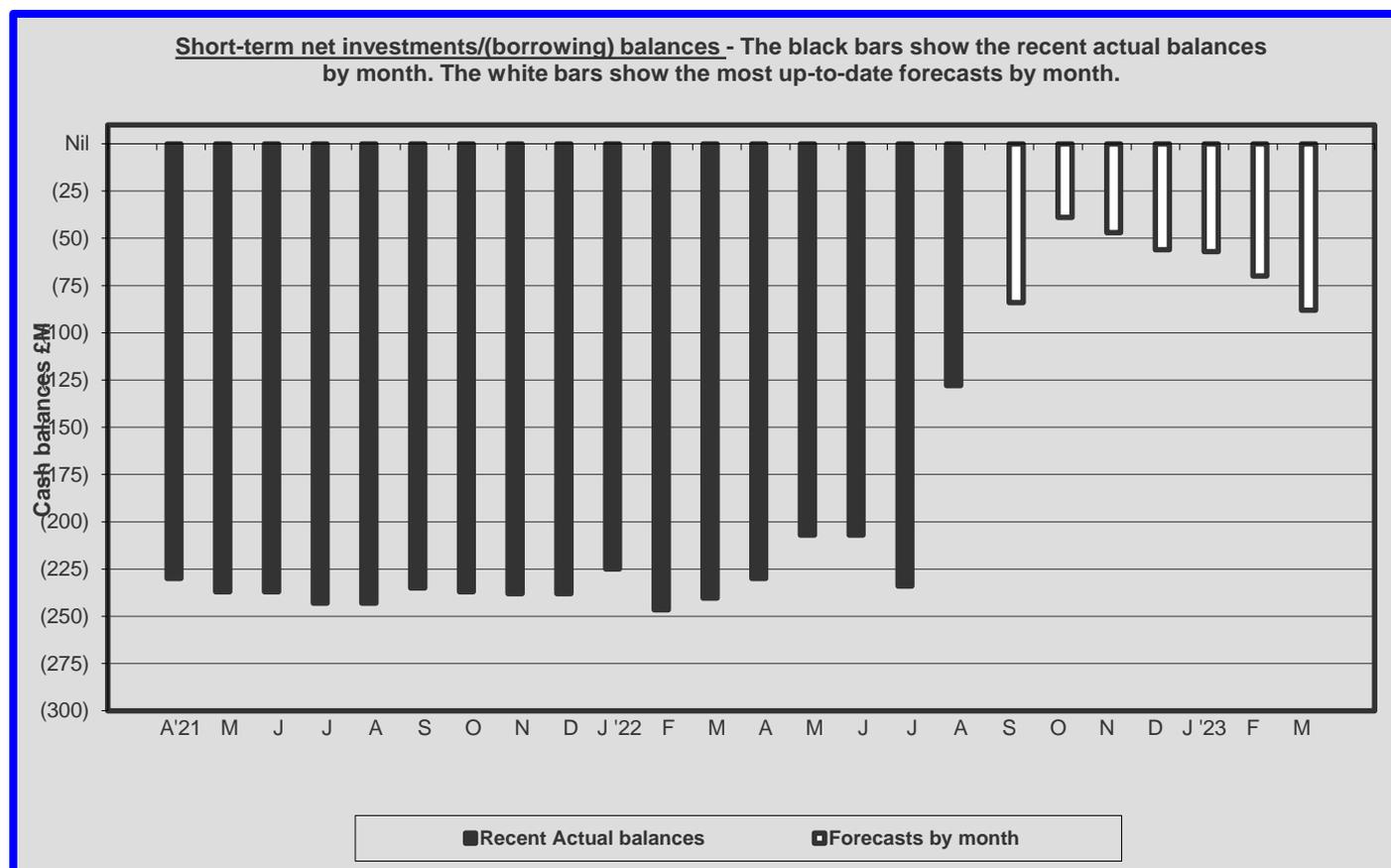
(2) £135k funding gap, as a result of inflation, for the Library/Grundy Art Galley roof (Other Resources Schemes) will be met by additional surplus top-slice funding.

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Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 22/23							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-AUG CASH FLOW ORIGINAL BUDGET (*)	APR-AUG CASH FLOW ACTUAL	SEP - MAR CASH FLOW FORECAST	(*) THE CASH FLOW BUDGET IS CONSISTENT WITH THE REVENUE BUDGET AND THE CAPITAL PROGRAMME IN TOTAL. THE BUDGETED CASH FLOW PHASING IS BASED ON DETAILED EXPECTATIONS AND PAST EXPERIENCE	APR-AUG MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	SEP - MAR MORE / (LESS) CASH FORECAST vs ORIGINAL BUDGET	FULL YEAR MORE / (LESS) AS NOW FORECAST vs ORIGINAL BUDGET
£M	£M	£M	£M		£M	£M	£M
				RECEIPTS			
45	19	17	25	Housing Benefit & Subsidy	(2)	(1)	(3)
65	27	45	61	Council tax and NNDR	18	23	41
15	6	7	11	VAT	1	2	3
32	13	18	17	RSG & BRR	5	(2)	3
108	44	112	77	Other Grants	68	13	81
81	34	198	86	Other Income	164	39	203
-	-	-	-	Money Market Transactions Received	-	-	-
37	37	362	107	Receipt of Loans	325	107	432
383	180	759	384	RECEIPTS - NORMAL ACTIVITIES	579	181	760
				PAYMENTS			
12	5	5	7	Police & Fire	-	-	-
327	135	197	243	General Creditors	(62)	(51)	(113)
-	-	-	-	RSG & BRR	-	-	-
110	46	44	58	Salaries & wages	2	6	8
44	18	14	26	Housing Benefits	4	-	4
283	175	499	154	Money Market Transactions Paid Out	(324)	(46)	(370)
776	379	759	488	PAYMENTS - NORMAL ACTIVITIES	(380)	(91)	(471)
(393)	(199)	-	(104)	NET CASH FLOW IN/(OUT)	199	90	289
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 five months of the year, the Council's net cashflow resulted in fluctuations in short-term net investment/borrowing balances due to the receipt of up-front grant income in the new financial year. The Council fixed £125m of temporary loans in August 2022, which resulted in an increase in investment balances and over the next few months, short-term borrowing will be repaid using the fixed-term borrowing taken.

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 2023.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2022/23				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft 31 Mar 22		31 Aug 22 Actual	Movement since 31 Mar 22	31 Mar 23 Forecast
£000s		£000s	£000s	£000s
853,513	Property, Plant and Equipment	871,521	18,008	968,416
115,794	Long-term Assets	113,967	(1,827)	115,000
	Current Assets			
62,573	Debtors	59,500	(3,073)	60,000
601	Inventories	478	(123)	450
1,300	Short-term loans	1,300	-	-
39,503	Cash and cash equivalents	118,115	78,612	15,000
1,073,284	Total Assets	1,164,881	91,597	1,158,866
	Current Liabilities			
(282,947)	Borrowing Repayable within 12 months	(222,000)	60,947	(77,000)
(97,379)	Creditors	(95,450)	1,929	(96,000)
	Long-term Liabilities			
(75,534)	Borrowing Repayable in excess of 12 months	(200,534)	(125,000)	(200,500)
(94,914)	Long Term Creditors	(94,914)	-	(91,814)
(40,982)	Capital Grants in Advance	(40,982)	-	(14,000)
(10,157)	Provisions	(9,683)	474	(9,200)
(221,457)	Other Long-term Liabilities	(221,457)	-	(220,000)
249,914	Total Assets less Liabilities	279,861	29,947	450,352
(107,589)	Usable Reserves	(85,452)	22,137	(74,038)
(142,325)	Unusable Reserves	(194,409)	(52,084)	(376,314)
(249,914)	Total Reserves	(279,861)	(29,947)	(450,352)

Commentary on the key issues:

In order to provide a complete picture of the Council's financial performance, the above table provides a snapshot of the General Fund balance sheet as at the end of month 5. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRSs). Temporary investments are included within cash and cash equivalents along with bank balance and cash in hand. Usable reserves include unallocated General Fund reserves and 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.

There is currently a consultation underway regarding the accounting treatment of infrastructure assets which has meant the 2020/21 accounts have not been signed off by the Council's external auditors. As soon as the consultation is complete the 2020/21 accounts will require amendment which will in turn affect the 2021/22 and 2022/23 balance sheet therefore the figures above should be treated as draft and will be subject to change.

Over the 5-month period there has been an increase in Property, Plant and Equipment of £18m due to capital expenditure which is in line with the Council's approved capital programme for 2022/23. Due to low interest rates the Council has been using temporary borrowing to finance prudentially-funded capital expenditure. With interest rates currently rising and in order to mitigate the impacts of any future interest rate rises, the Council has taken out £125m of long-term borrowing from the Public Works Loan Board. This long-term borrowing will replace the temporary borrowing when it is repaid and is the reason for the increases in long-term borrowing of £125m, Cash and Cash equivalents of £78.6m and a decrease in short-term borrowing of £60.9m.