

Public Document Pack

Dear Councillor

FINANCE AND AUDIT COMMITTEE - THURSDAY, 18TH SEPTEMBER, 2014

Please find attached updated the appendices related to the Financial Performance Monitoring Item Thursday, 18th September, 2014 meeting of the Finance and Audit Committee, forwarded to Members under separate cover.

Agenda No	Item
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7	<u>FINANCIAL MONITORING AS AT MONTH 3 2014-2015</u> (Pages 1 - 48)
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Yours sincerely

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
8TH SEPTEMBER 2014

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2014/2015

1. Introduction

- 1.1 This report is the first of the standard monthly financial performance monitoring reports for 2014/2015 and sets out the summary revenue budget position for the Council and its individual directorates for the first 3 months of 2014/2015, ie. the period to June 2014, together with an outlook for the remainder of the year. The report is complemented with an assessment of progress to date against the Council's latest capital programme.

2. Report Format

- 2.1 Separate reports have been prepared for each of the Council's core areas of responsibility:

- Appendix 3a - Chief Executive
- Appendix 3b - Deputy Chief Executive
- Appendix 3c - Governance and Regulatory Services
- Appendix 3d - Area Forum and Ward Budgets
- Appendix 3e - Resources
- Appendix 3f - Places
- Appendix 3g - Strategic Leisure Assets
- Appendix 3h - Community and Environmental Services
- Appendix 3i - Adult Services
- Appendix 3j - Children's Services
- Appendix 3k - Public Health
- Appendix 3l - Budgets Outside the Cash Limit

These incorporate summary financial which continue to be prepared on a full accruals basis and focus on the forecast revenue and capital outturns for 2014/15. 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. Also included is a graph which shows the monthly progress of cumulative net revenue expenditure against the approved budget.

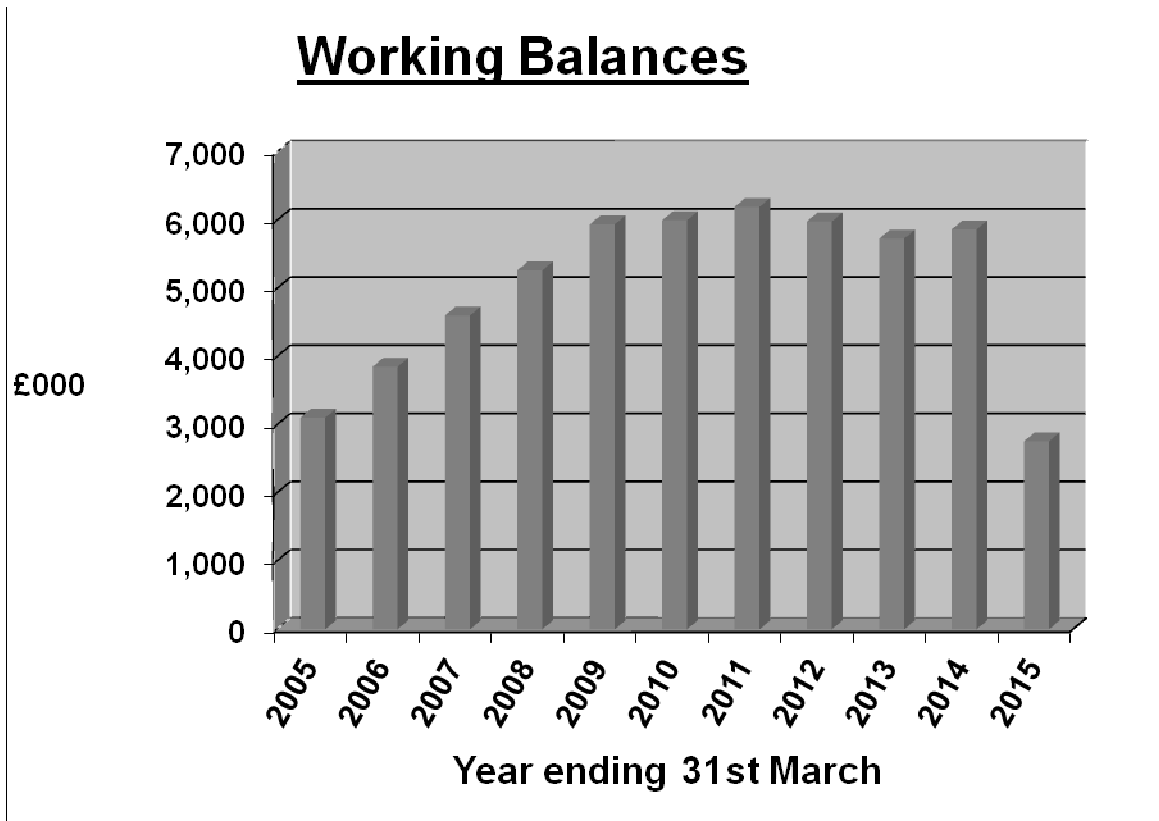
- 2.2 The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council's Revenue Budget Book as restructured. This summary allows proactive month-on-month monitoring of the Council's forecast working balances to be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

3. Directorates' Budget Performance

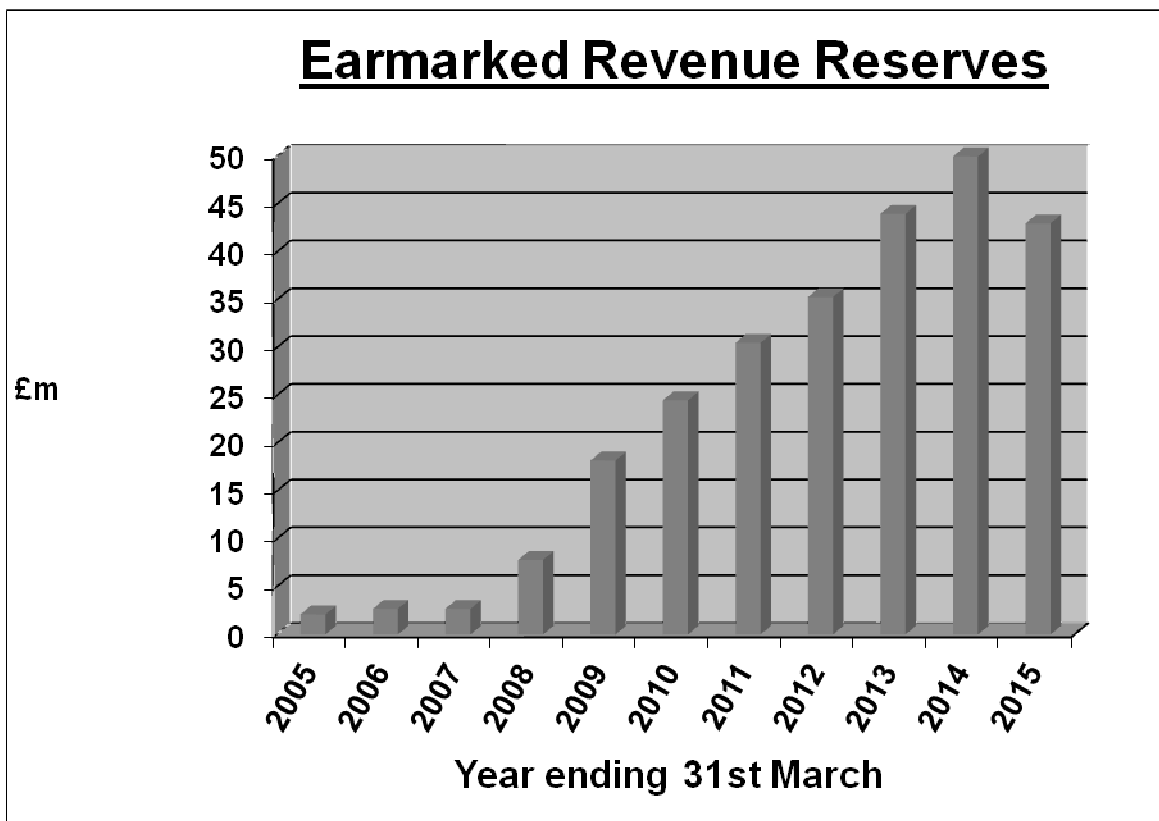
3.1 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 3 forecast overspend of £3,109k for 2014/15 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	Within the £1,842k overspend Children's Social Care is forecast to overspend by £932k, particularly because the reduction in the number of Looked After Children is not meeting plan. An imbalance between the reduced Education Services Grant and the commitments against it (£688k pressure) is to be dealt with based on a plan which is being prepared by the Deputy Director of Children's Services. Further pressures are also predicted, in particular in Early Help for Children and Families (£191k).	1,842
Adult Services	Adult Commissioning Placements are forecasting an overspend of £1,218k. Safeguarding is forecasting a £400k overspend following recent Deprivation of Liberty (DoL) cases, partially mitigated by £54k staff savings. More work is needed to identify recurrent savings in this directorate.	1,545
Community and Environmental Services	With Project 30 pressures being underwritten by Local Transport Plan funding, the remaining financial pressures are: Travel & Road Safety (£352k) which is awaiting management action, Building Services (£192k) which is being reviewed, and Building Cleaning (£131k) where savings are lower than anticipated.	675
Governance and Regulatory Services	The Directorate's pressure of £125k has arisen in Cemeteries and Crematorium, which temporarily has reduced capacity.	125
Places	The Directorate's pressure of £114k mainly comprises £100k which is the remaining balance of the brought forward overspend by Visit Blackpool, for which a recovery plan is in place.	114
Resources	Property and Asset Management is forecasting a £162k pressure, particularly from the leisure centres. Legal Services is forecasting an overspend of £103k and Customer First £83k. These have been mitigated by other savings within the directorate.	99
Contingencies / Reserves, Strategic Leisure Assets	This favourable position is due to the release of uncommitted prior year Public Health funding (£300k) and the adjustment to reserves to cover the net 2013/14 overspend. Current trading within Strategic Leisure Assets is breaking even.	(155)
Area Forum and Ward Budgets	The forecast underspend of £500k is based on previous years' spend patterns.	(500)
Budgets Outside Cash Limit	Parking Services is £959k down on its income target. The Investment Portfolio will overspend by £88k as a consequence of the delay in demolishing the Syndicate building. Treasury Management has a £1,688k favourable position due to the continuing temporary windfall on low interest rates payable.	(636)
Total		3,109

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



3.3 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 new Localised Business Rate system. In order to present a complete picture of the Council's strong financial standing an equivalent graph to the above is shown below:



4. Directorate Budget Savings Performance and In-year Budget Balancing

- 4.1 As at 30th June 64% of the 2014/2015 savings target of £15.8m had already been delivered and this increases to 92% when extrapolating the full-year effect. This is a very encouraging position after only 3 months.
- 4.2 The in-year target of £15.8m included an assumption that £1,616k would be met from an increment freeze to staff's terms and conditions. Following subsequent extensive consultation, full Council agreed on 25th June 2014 to replace this proposal with a pay freeze (£1,016k) together with chief officer / senior officer disestablishments (£150k) and procurement savings (£450k), the latter resulting from the deed of variation to the existing Joint Working Agreement relating to the Lancashire Municipal Waste Private Finance Initiative as approved by Executive on 21st July.

Extensive consultation was undertaken on the proposal for a pay freeze and following representations made by staff and unions it was agreed to consider alternative ways of funding the pay award in 2014/2015. As at the date of this report no formal agreement to a national pay offer to local government employees has been made, but assuming that this will eventually materialise and at the expected 1.0% then the current year's Revenue Budget would have an imbalance of £1,016k.

Having reviewed the aforementioned Earmarked Reserves in the context of current information, it is the recommendation of the Director of Resources that this in-year gap be met by the following:

- £852k, the latest estimate of the cost of a 1.0% pay award, from the Earmarked Reserve for Potential Pay Liabilities (a reserve established to meet the costs of redundancies, pension strain, restructures and equal pay claims) on the basis that settlement has recently been reached with the 2 main legal firms dealing with first generation Equal Pay claims; and
 - the balance of £164k from Contingencies.
- 4.3 2015/2016 is the 3rd year of the Council's current 3-year Revenue Budget. The planning, preparation and finessing of next year's Budget will be commencing this month. The previous budget gap for that year as reported in February 2014 was £19.8m. Funding the 2014/2015 pay award by the method proposed will create a further pressure in 2015/16, which, along with other adverse announcements such as changes to the Better Care Fund and removal of the local welfare assistance grant, reinforce the importance of ensuring that this year's Budget is managed appropriately.

5. Collection Rates

5.1 Council Tax

At the end of month 3 the collection rate for Council Tax was 26.4%. This compares to 26.8% at the same point in 2013/14.

In the context of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme, the target collection rate is now 98% over a 5-year collection period.

5.2 Council Tax Reduction Scheme (CTRS)

Council Tax Reduction Scheme was introduced on 1st April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided.

At the end of month 3 the collection rate for those who have to pay Council Tax Reduction Scheme, either for the first time or in addition to a proportion of their Council Tax, is

18.2%. This compares to 17.9% at the same point in 2013/2014.

There is a possibility that for 2014/2015 the underlying rate of collection of Council Tax Reduction Scheme will be lower than 2013/2014 due to accumulated arrears.

5.3 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 the Business Rate 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.

At the end of month 3 the collection rate for Business Rates was 24.9%. This compares to 26.4% at the same point in 2013/14.

The estimated Business Rate deficit for 2013/14 was £2.82m. The Council's share of this is £1.38m (49%) and provision was included in the 2013/14 revenue accounts.

6. Capital Monitoring Performance

6.1 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.

6.2 As at month 3 an overall nil variance on capital schemes is anticipated.

7. Summary Cash Flow Statement

7.1 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 2014/15.

7.2 During the first 3 months of the year the Council's net cashflow has resulted in a decrease in the level of temporary borrowing due to the receipt of front-loaded Government Grants. While temporary borrowing rates and temporary investment rates are low, the Treasury Team will continue to delay taking any new long-term borrowing to fund planned capital expenditure. Similarly the interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result of these 2 measures a favourable credit variance is once again forecast for 2014/2015.

8. Summary Balance Sheet

8.1 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 the quarter. 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.

8.2 Over the 3-month period there has been an increase in Property, Plant and Equipment of £14.5m, a decrease in short-term borrowing of £12.1m and a decrease in creditors of £8.9m, which in the main reflect the aforementioned front-loading of Government Grants.

9. Conclusion and Recommendations

- 9.1 This is the first formal financial performance monitoring report of the 2014/2015 financial year. Although an improvement upon the internally-reported forecasts as at months 1 and 2, which are typically too early in the year to make any precise assessment, the Council is still predicting a significant deterioration in its financial standing in comparison with Budget. Working balances are estimated to fall by £3,109k against the budgeted position over the year. This fall is in the context of working balances at the start of the year of £5,869k, an erosion of 53%.
- 9.2 If this forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution the two specific conditions that excess spending does not:
- exceed 1% (ie. £1.4m) of the Authority's net revenue expenditure; and
 - have the effect of reducing the Authority's reserves and working balances below 50% of their normal projected level (ie. £3.0m)
- would be contravened. However, with 7 months of the financial year remaining there should still be sufficient time to redress this position, though this will inevitably require a bringing forward of budget savings plans from next year.
- 9.3 As a supportive measure it is the recommendation of the Director of Resources that the Executive reconsiders its previous decision of 16th June 2014 that underspending services in 2013/2014 could carry forward their budget surpluses into 2014/2015 and instead that these underspends (with the exception of Area Forum and Ward Budgets) totalling £462,000 be redirected to bolster working balances. This would at least have the effect of taking forecast working balances to £3.2m and above 50% of their normal projected level.
- 9.4 The Executive is asked to:
- i) To note the report and require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, particularly in Children's Services, Adult Services, Parking Services and Community and Environmental Services;
 - ii) To recommend to Council that that the in-year budget gap explained at paragraph 4.2 be met by transferring £852,000 from the Earmarked Reserve for Potential Pay Liabilities and the balance of £164,000 from Contingencies; and
 - iii) To reconsider its previous decision of 16th June 2014 that underspending services in 2013/2014 could carry forward their budget surpluses into 2014/2015 and accept the Director of Resources' recommendation that these underspends (with the exception of Area Forum and Ward Budgets) totalling £462,000 be redirected to bolster working balances.

Steve Thompson
Director of Resources

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2015							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE		VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000	
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	2014/15			F/CAST FULL YEAR VAR. (UNDER) / OVER £000
				PROJECTED SPEND £000	FORECAST OUTTURN £000		
3(a)	CHIEF EXECUTIVE	602	127	475	602	(95)	
3(b)	DEPUTY CHIEF EXECUTIVE'S DIRECTORATE	(204)	1286	(1490)	(204)	(1)	
3(c)	GOVERNANCE & REGULATORY SERVICES	127	237	105	1252	(48)	
3(d)	AREA FORUM & WARD BUDGETS	1067	130	437	567	(639)	
3(e)	RESOURCES	3,151	(2,532)	5,782	3,250	(314)	
3(f)	PLACES	9,820	1,039	8,895	9,934	274	
3(g)	STRATEGIC LEISURE ASSETS	(1,523)	463	779	1,242	2,765	
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	46,872	(206)	47,753	47,547	(4)	
3(i)	ADULT SERVICES	45,608	4,048	43,105	47,153	81	
3(j)	CHILDREN'S SERVICES	38,365	(771)	40,978	40,207	-	
3(k)	PUBLIC HEALTH	-	1480	(1480)	-	-	
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	18,924	4,801	13,487	18,288	-	
	CAPITAL CHARGES	(27,959)	(6,990)	(20,969)	(27,959)	-	
	NET COST OF SERVICES:	135,850	3,112	138,767	141,879	2,019	
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	2,019	-	(601)	(601)	(2,620)	
	- DSO RESERVE	-	-	-	-	-	
	- RENEWALS AND REPAIRS RESERVE	-	-	-	-	-	
	- REVENUE CONSEQUENCES OF CAPITAL	150	-	150	150	-	
	CONTINGENCIES	2,974	(500)	3,174	2,674	(300)	
	NWREGIONAL FLOOD DEFENCE LEVY	65	-	65	65	-	
	CONTRIBUTIONS, etc.	5,208	(500)	2,788	2,288	(2,920)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	141,058	2,612	141,555	144,167	3,109	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(3,109)	(3,109)	(3,109)	
	NET REQUIREMENT AFTER WORKING BALANCES	141,058	2,612	138,446	141,058	-	
GENERAL BALANCES AS AT 1st APRIL 2014 PER UNAUDITED STATEMENT OF ACCOUNTS 2013/14						5,869	
In-year (reduction in) / addition to General Fund Working Balances						(3,109)	
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2015						2,760	

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Blackpool Council

Schedule of Service forecast annual overspendings over the last 12 months

Service	Audit Committee Report	July 2013 £000	Aug 2013 £000	Sept 2013 £000	Oct 2013 £000	Nov 2013 £000	Dec 2013 £000	Jan 2014 £000	Feb 2014 £000	Mar 2014 £000	Apr 2014 £000	May 2014 £000	Jun 2014 £000
Strategic Leisure Assets		3,261	3,261	3,261	3,295	3,295	3,295	3,299	2,765	2,765		2,765	2,765
Adult Commissioning Placements		1,421	781	825	910	906	974	996	940	940		1,620	1,218
Children's Social Care	18/04/13	1,246	1,462	1,813	1,796	2,127	2,127	2,035	1,962	1,962		896	932
Education Services Grant		242	260	260	260	260	260	240	237	237		763	688
Highways (Neighbourhood - Engineering)								303				588	
Travel and Road Safety (Transportation)												389	352
Adult Safeguarding												450	346
Building Services		200	200	200	200	150	150	98				183	192
Community Early Help for Children and Families												253	191
Property & Estates Management (Asset and Estates) (Note 2)				183	183				155	155		240	162
Building Cleaning (Property & Facilities Management)									143	143		125	131
Cemeteries & Crematorium												91	125
Visitor Economy (Visit Blackpool / Marketing company)						288	288	300	309	309		100	114
Legal Services				85								95	103
Customer First												78	83
Local Services Support Grant - Children's												82	82
Children's Safeguarding												92	
Local Welfare Assistance Scheme									147	147			
Beach Patrol									89	89			
Dedicated Schools Grant								499					
Learning, Access and Inclusion			96	101	101	94	113						
Sub Total		6,370	6,060	6,728	6,745	7,120	7,207	7,770	6,747	6,747	-	8,810	7,484
Other General Fund (under) / overspends		(4,079)	(4,157)	(5,019)	(5,748)	(6,134)	(6,300)	(6,815)	(7,718)	(7,718)	-	(4,485)	(4,375)
Total		2,291	1,903	1,709	997	986	907	955	(971)	(971)	-	4,325	3,109

Notes:

- The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where the controllable budget exceeds £5m are required to be highlighted within this monthly budgetary control report. They are required to develop and submit a recovery plan over a period not exceeding 3 years which is to be approved by the respective Cabinet Member. The services tripping this threshold are listed above together with their respective financial performance over a 12-month rolling basis for comparison of progress being made.

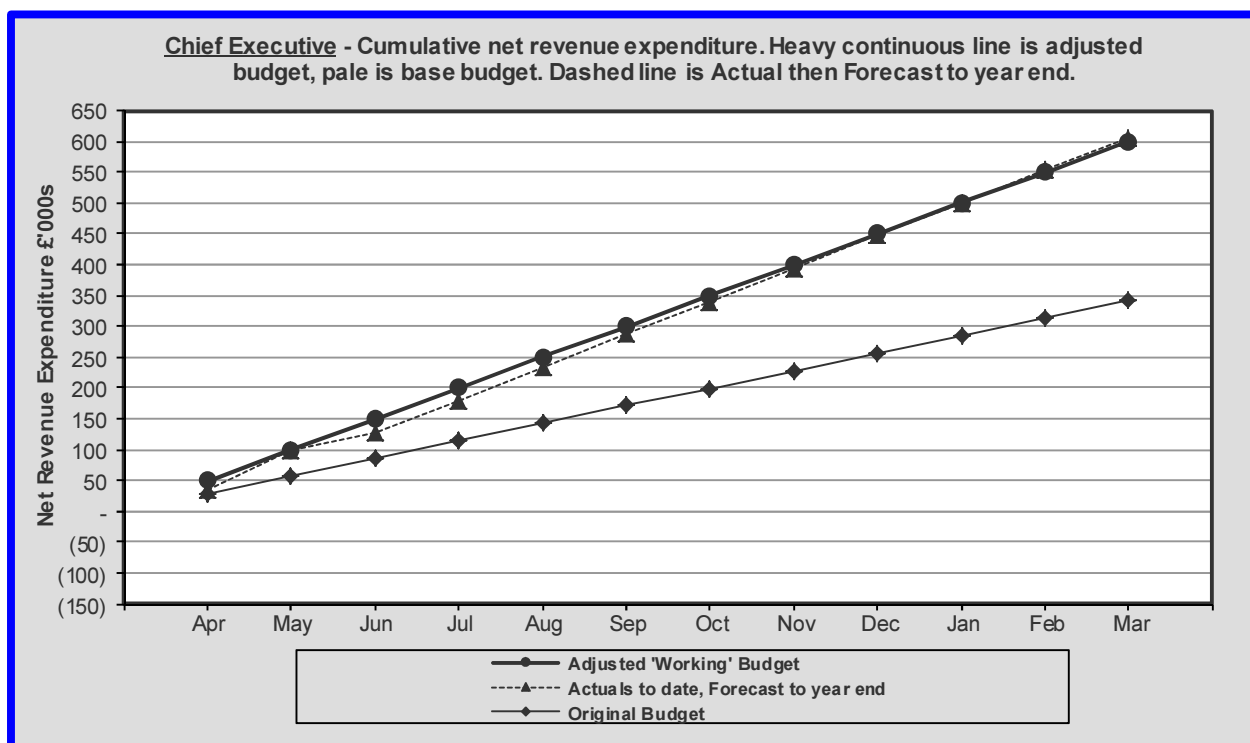
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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
NET EXPENDITURE CHIEF EXECUTIVE	602	127	475	602	-	(95)
TOTALS	602	127	475	602	-	(95)

Directorate revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

The Revenue summary (above) lists the outturn projection for the service against its respective, currently approved, revenue budget. The adjusted budget includes the approved 2013/2014 underspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/2015 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

The department is forecasting a break even position for 2014/2015.

Budget Holder – Mr N Jack, Chief Executive

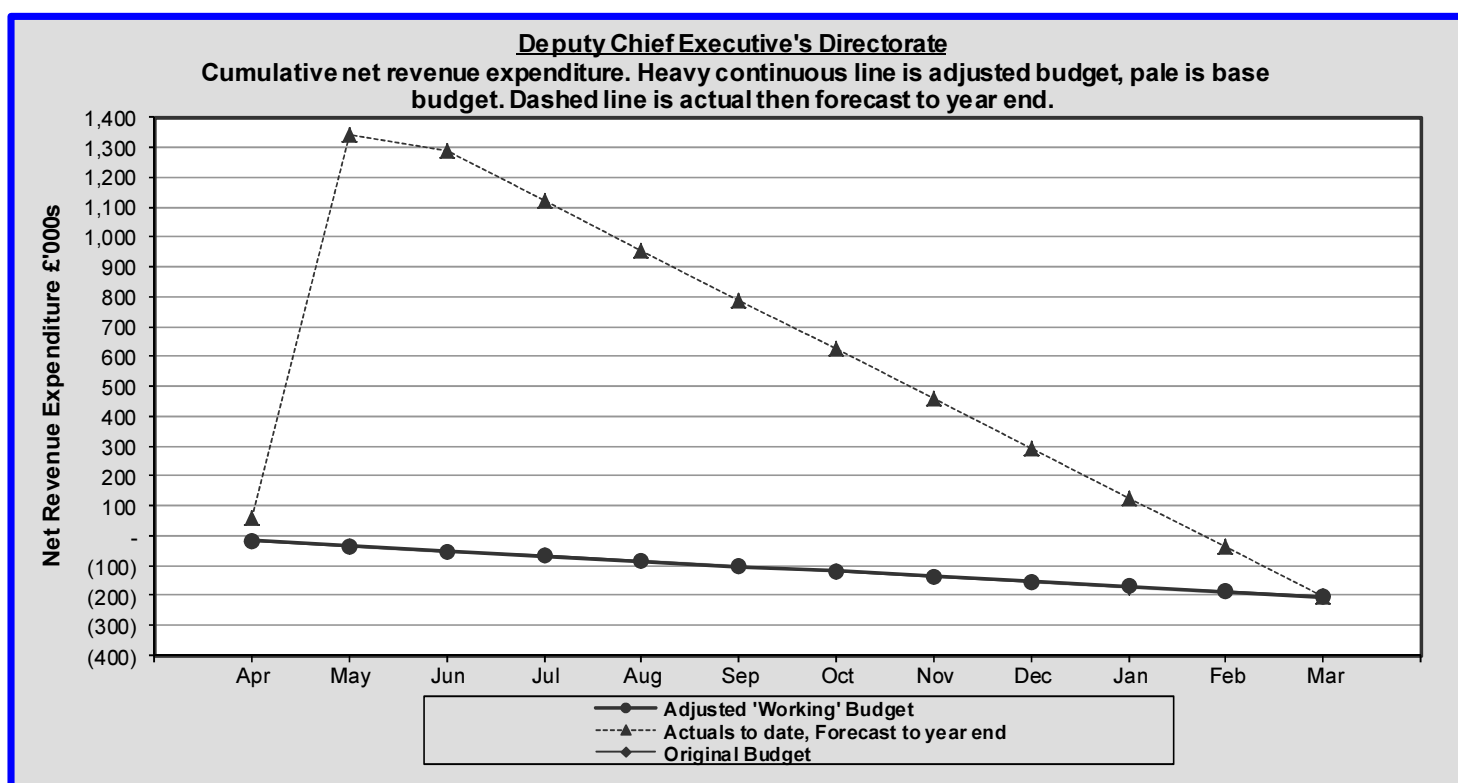
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Blackpool Council – Deputy Chief Executive’s Directorate

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUNE £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
DEPUTY CHIEF EXECUTIVE'S DIRECTORATE						
NET EXPENDITURE						
HUMAN RESOURCES, COMMUNICATION & ENGAGEMENT	(247)	568	(815)	(247)	-	-
ICT	43	718	(675)	43	-	(1)
TOTALS	(204)	1,286	(1,490)	(204)	-	(1)

Department revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

Directorate Summary – basis

The revenue summary lists the outturn projection for the Directorate against its currently approved revenue budget. The adjusted budget includes approved 2013/14 underspends carried forward.

Human Resources, Communication and Engagement

After 3 months of the financial year the Human Resources, Communication and Engagement divisions are forecasting a breakeven position for the year. The department are holding vacancies as they arise which will help to meet the 2015/2016 savings requirements, and are looking at various invest to save opportunities to help the department meet savings targets going forward.

The service is forecast to meet its savings requirement in 2014/2015.

Information and Communication Technology

After 3 months of the financial year the Information and Communication Technology division is forecasting a breakeven position for the year.

The service is forecast to meet its savings requirement in 2014/2015.

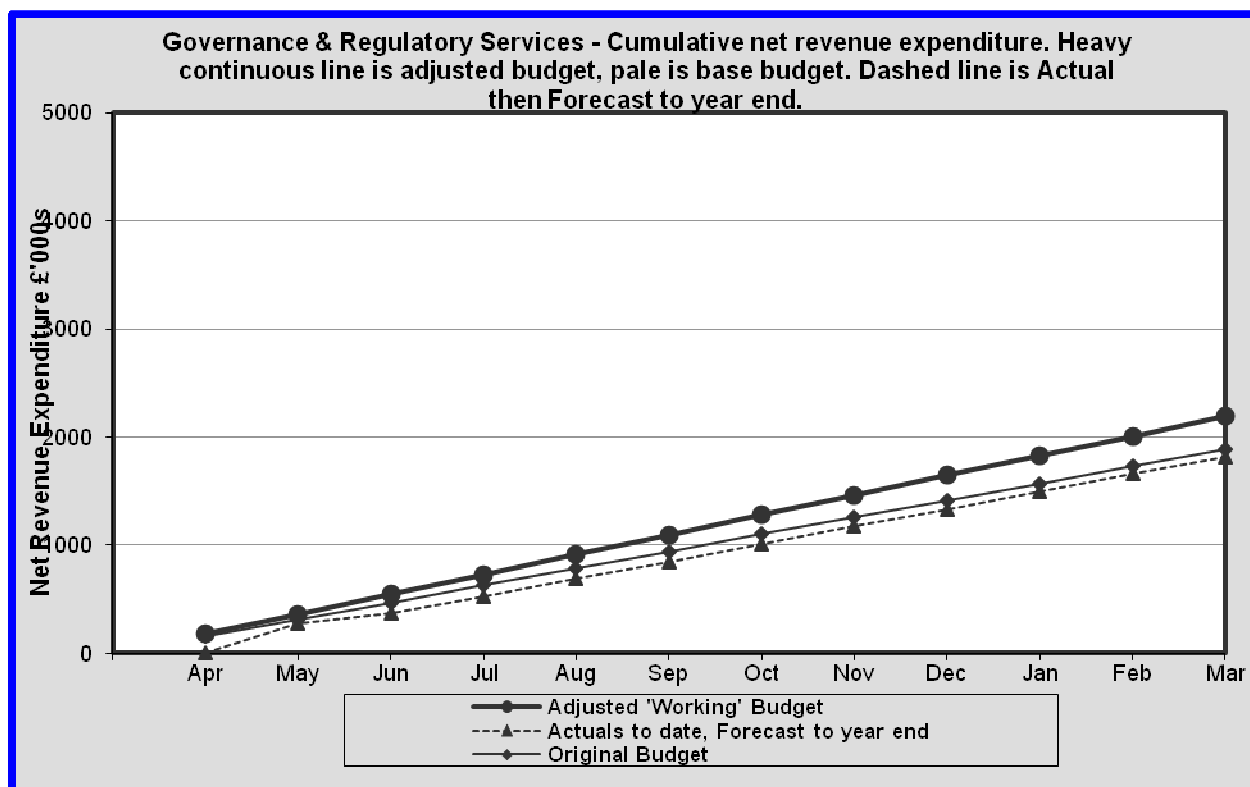
Budget Holder – Mrs C McKeogh, Deputy Chief Executive –Deputy Chief Executive’s Directorate

Blackpool Council – Governance and Regulatory Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & REGULATORY SERVICES						
NET EXPENDITURE						
GOVERNANCE & REGULATORY SERVICES	2,334	414	1,920	2,334	-	(48)
LICENSING	(386)	(44)	(342)	(386)	-	-
CEMETERIES & CREMATORIUM	(821)	(133)	(563)	(696)	125	-
GOVERNANCE & REGULATORY SERVICES	1,127	237	1,015	1,252	125	(48)
AREA FORUMS AND WARDS	1,067	130	437	567	(500)	(639)
TOTALS	2,194	367	1,452	1,819	(375)	(687)

Directorate revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

Directorate Summary

- The Revenue summary on the previous page lists the outturn projection for Governance and Regulatory Services against its currently approved, revenue budget. The adjusted budget includes the approved 2013/2014 underspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/2015 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.

Governance and Regulatory Services

- Governance and Regulatory Services is forecasting a breakeven position for 2014/15. Pressures are anticipated in the Coroners and Mortuary Service due to changes in the way the Coroner operates following the implementation of the Coroners Act 2009 (which came into force on 1 July 2013) and the charge to Lancashire County Council. These are currently being looked at.
- Licensing is forecasting a breakeven position for 2014/2015.
- Cemeteries and Crematorium is forecasting a pressure of £125k due to further delays in the completion of the remedial works at the Crematorium. This has reduced the capacity of the service and it is anticipated that the works will be completed by the end of December 2014.
- Area Forums and Ward Budgets are forecasting a £500k underspend for based on previous spend patterns. 2014/2015

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

Blackpool Council
Area Forum and Ward Budgets
2014/2015
Month 3

Area Forums

Area Forum	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2014-15 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2014-15 Budget
Sandhurst Area Forum BC2008	2	2	0	0	£36,230.27	£7,500.00	£28,730.27
Beacon Area Forum BC2009	3	3	0	0	£37,743.46	£5,850.00	£31,893.46
The Gateway Area Forum BC2010	6	6	0	0	£37,817.52	£5,625.00	£32,192.52
Parklands Area Forum BC2011	5	5	0	0	£25,464.89	£10,300.00	£15,164.89
Revoe Area Forum BC2012	7	7	0	0	£37,176.28	£18,874.00	£18,302.28
Cherry Tree Area Forum BC2013	5	5	0	2	£40,370.86	£16,908.58	£23,462.28
South Shore Area Forum BC2014	5	5	0	2	£31,072.94	£14,178.94	£16,894.00
Area Forum Totals	33	33	0	4	£245,876.22	£79,236.52	£166,639.70

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2014-15 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2014-15 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. Williams	1	1	0	1	£36,374.95	£2,600.00	£33,774.95
Bispham Ward BC1002	Cllr. Clapham Cllr. H Mitchell	4	4	0	0	£15,457.57	£1,495.00	£13,962.57
Bloomfield Ward BC1003	Cllr. Cain Cllr. Jones	8	8	0	3	£42,586.48	£10,412.52	£32,173.96
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	3	3	0	2	£25,232.99	£6,004.00	£19,228.99
Claremont Ward BC1005	Cllr. I Taylor Cllr. Mrs Taylor	7	7	0	1	£43,537.95	£24,500.83	£19,037.12
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	4	4	0	3	£27,147.09	£5,675.00	£21,472.09
Greenlands Ward BC1007	Cllr. Ryan Cllr. Wright	3	3	0	2	£45,841.90	£841.90	£45,000.00
Hawes Side Ward BC1008	Cllr. Mrs Jackson Cllr. Mrs Haynes	11	11	0	6	£28,957.02	£24,544.00	£4,413.02
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	2	2	0	1	£36,934.68	£1,345.00	£35,589.68
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	5	5	0	5	£54,455.53	£29,311.44	£25,144.09
Layton Ward BC1011	Cllr. Mrs Benson Cllr. M Mitchell	5	5	0	3	£34,798.90	£18,037.38	£16,761.52
Marton Ward BC1012	Cllr. D Coleman Cllr. Elmes	2	2	0	1	£32,303.91	£2,379.83	£29,924.08
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	2	2	0	0	£37,695.41	£21,250.00	£16,445.41
Park Ward BC1014	Cllr. Campbell Cllr. Doherty	4	4	0	1	£45,090.58	£4,565.39	£40,525.19
Squires Gate Ward BC1015	Cllr. Cox Cllr. Green	5	5	0	3	£58,466.91	£27,260.00	£31,206.91
Stanley Ward BC1016	Cllr. Evans Cllr. Stansfield	2	2	0	1	£47,901.81	£5,020.00	£42,881.81
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	4	4	0	2	£26,479.31	£6,638.01	£19,841.30
Tyldesley Ward BC1018	Cllr. Collett Cllr. Matthews	2	2	0	1	£62,389.82	£29,870.00	£32,519.82
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	7	7	0	2	£42,229.04	£17,625.00	£24,604.04
Warbreck Ward BC1020	Cllr. Brown Cllr. Mrs Delves	6	6	0	1	£58,343.64	£20,305.00	£38,038.64
Waterloo Ward BC2021	Cllr. O'Hara	7	7	0	4	£29,397.22	£8,350.00	£21,047.22
Ward Totals		94	94	0	43	£831,622.71	£268,030.30	£563,592.41
Unallocated Budget		-	-	-	-	£33,864.40	£0.00	£33,864.40
Income Budget		-	-	-	-	-£45,000.00	£0.00	-£45,000.00
Area Forum and Ward Totals		127	127	0	47	£1,066,363.33	£347,266.82	£719,096.51

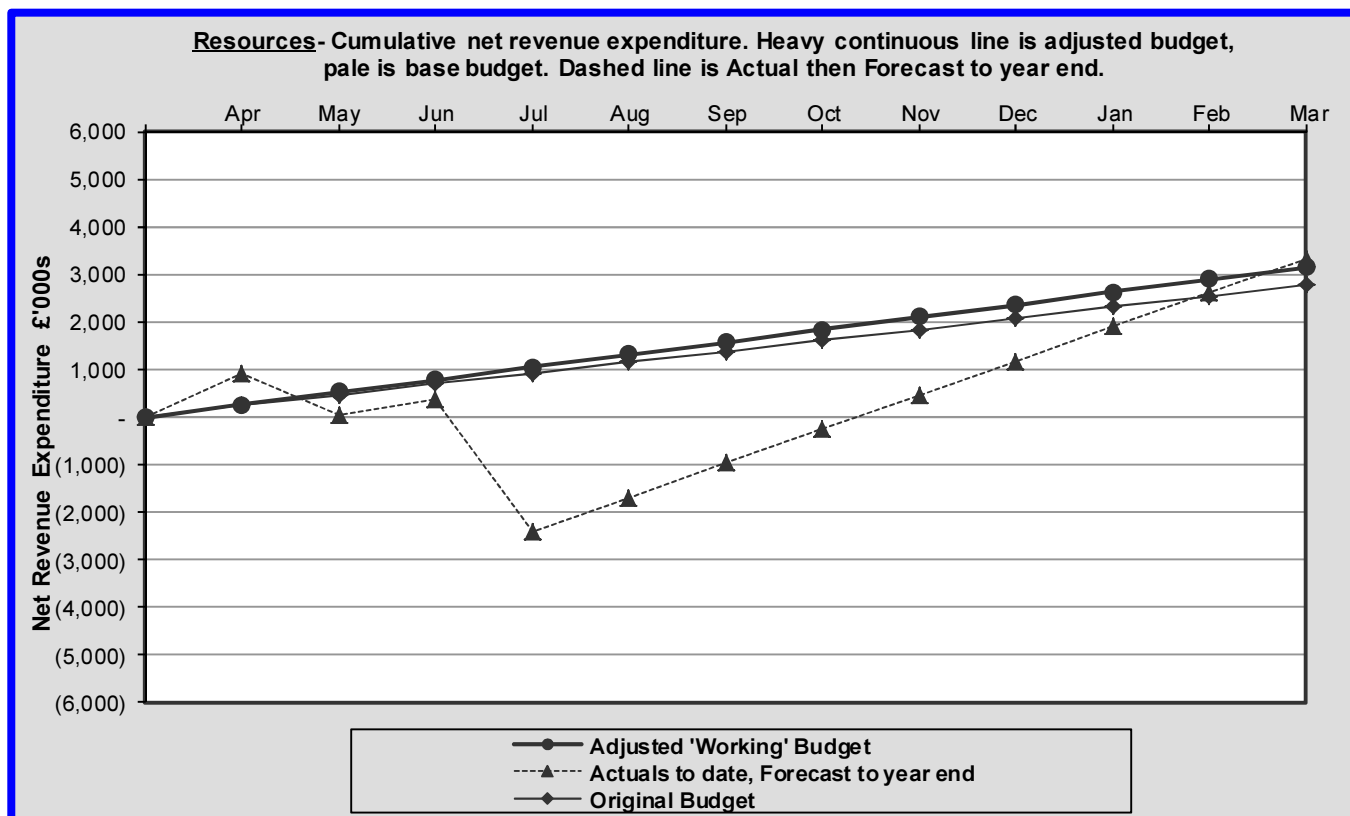
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Blackpool Council - Resources

Resources summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	2014/15			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & DEVELOPMENT	53	(99)	119	20	(33)	(96)
REVENUES, BENEFITS & TRANSACTIONAL	(755)	(2,954)	1,960	(994)	(239)	(204)
LEGAL SERVICES	(43)	252	(192)	60	103	(9)
CUSTOMER FIRST	(429)	187	(533)	(346)	83	(100)
ACCOUNTANCY	13	352	(303)	49	36	(33)
RISK SERVICES	5	19	(27)	(8)	(13)	(27)
PROPERTY & ASSET MANAGEMENT	4,307	(289)	4,758	4,469	162	155
TOTALS	3,151	(2,532)	5,782	3,250	99	(314)

Directorate revenue summary graph - budget, actual and forecast:



Commentary on the key issues:**Directorate Summary**

- The Revenue summary on the previous page lists the outturn projection for each individual service within Resources against their respective, currently approved, revenue budget. The adjusted budget includes the approved 2013/2014 underspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/2015 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 & Development

- The favourable variance of £33k is due to one-off staff savings and unprogrammed income generation streams which will be achieved in year.

Revenues, Benefits & Transactional Services

- The service is forecast to meet its savings requirement in 2014/2015. This service projects a £239,000 favourable position in 2014/15. Additional income has been received in-year from Department for Work and Pensions and Department for Communities and Local Government for welfare reform and implementation of the Council Tax Reduction Scheme. This extra income is to provide the funding to assist Councils in their statutory duty to administer and process extra workload Housing Benefit/Council Tax Benefit during the economic downturn, implementation of welfare reforms (Local Housing Allowance changes, Bedroom Tax, Benefits Cap) and implementation of Council Tax Reduction Scheme.

This additional funding has been used in part for software changes, process changes, additional staff and equipment due to the increased caseload. The head of service is managing this extra workload by using existing employees and overtime with some filling of posts on a temporary basis.

- The Local Discretionary Support Scheme is forecast to break even in-year.

Legal Services

- Legal Services is forecasting an £103k overspend for 2014/15, which is partially due to pressures on staffing costs as a result of some increased salaries during 2012/13 due to the pay review process. Pressures are also forecast on computer licence costs relating to the Iken system, the Techniforce system contract exit fee and postage costs.

Customer First

- Customer First is forecasting a £83k pressure in 2014/15. The majority of this pressure falls within the staffing budget due to the need to keep as many staff as possible answering the phones and the extra duties involved while staff are migrating to Bickerstaffe House. It is hoped that some income will be received in year to mitigate some of these costs.

Accountancy

- Accountancy is forecasting a £36k overspent position in month 3 due to an income pressure.

Risk Services

- Risk Services is forecasting £13k underspend position due to employee costs relating to temporary staffing being off-set by income generation and a staff saving within investigations.

Property and Asset Management

- Property and Asset Management is forecasting an overspend of £162k. This is due to a worsening income forecast in the Facilities directorate.

Summary of the revenue forecast

After three months of the financial year, Resources is forecasting £99k overspend. 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.

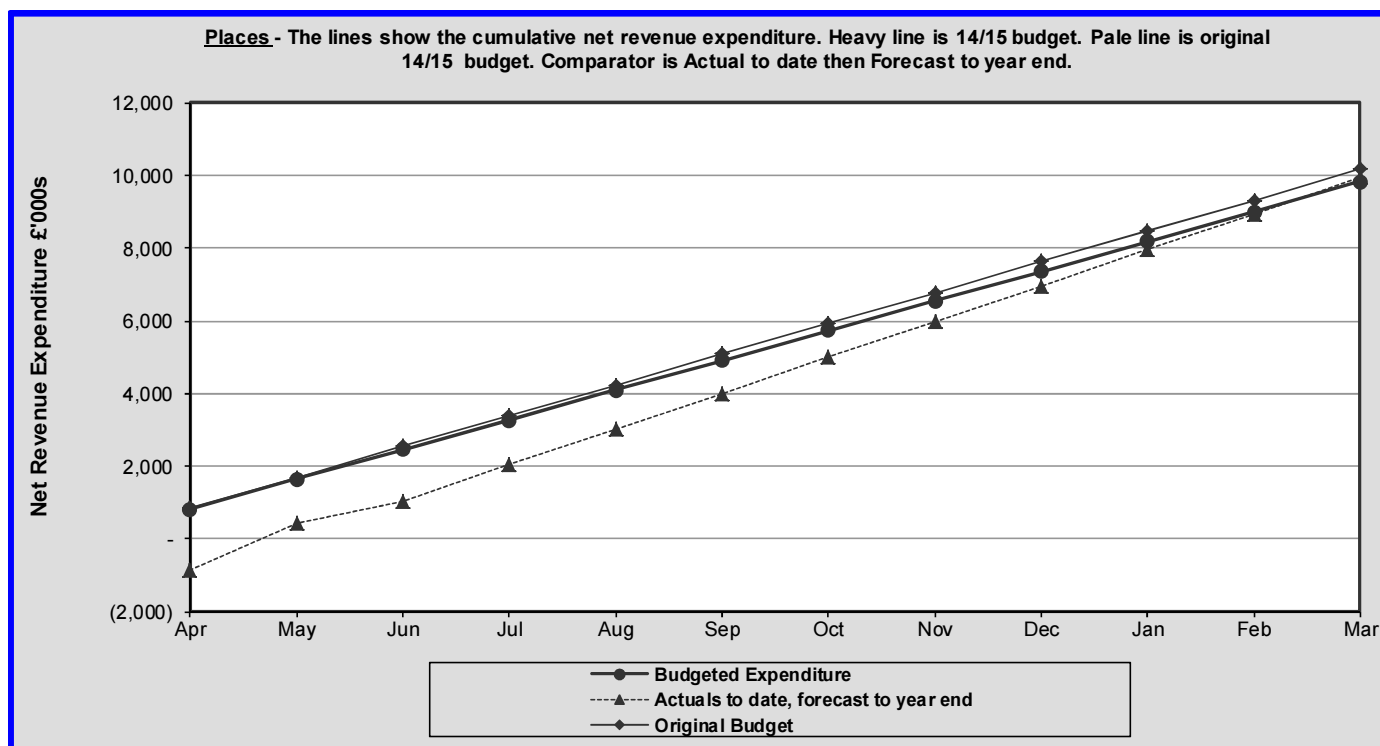
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Blackpool Council - Places

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED	EXPENDITURE	PROJECTED	FORECAST	F/CAST FULL	
	BUDGET £000	APR - JUNE £000	SPEND £000	OUTTURN £000	YEAR VAR. (UNDER) / OVER £000	
PLACES						
ECONOMIC DEVELOPMENT	669	37	632	669	-	274
VISITOR ECONOMY	5,433	971	4,576	5,547	114	
ARTS & HERITAGE	520	(587)	1,107	520	-	
LIBRARY SERVICES	2,158	342	1,816	2,158	-	
HOUSING	660	102	558	660	-	
PLANNING	380	174	206	380	-	
TOTALS	9,820	1,039	8,895	9,934	114	274

Revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

Directorate Summary

- The Revenue summary above lists the outturn projection for each individual service within the Places directorate against their respective, currently approved, revenue budget. The adjusted Budget includes the approved 2013/2014 overspend carried forward. The forecast outturn of £114k overspend is based upon actual financial performance for the first 3 months of 2014/2015 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.
- The Places Directorate is newly constituted following the recent Council restructure, and comprises elements of the old Regeneration, Tourism and Culture department, Housing, Planning and Beach Patrol from the

former Built Environment department, and Corporate Print Services, inherited from the former Leisure and Operational Services department.

Visitor Economy

- Visitor Economy comprises: Illuminations, Visit Blackpool, Partnerships and Business Development, Beach Patrol and Corporate Print Services.
- The £114k overspend is made up of £14k in Corporate Print Services due to a predicted short fall of income and £100k being the remaining balance of 2013/2014 overspend in Visit Blackpool. A recovery plan is already in place to address this overspend.

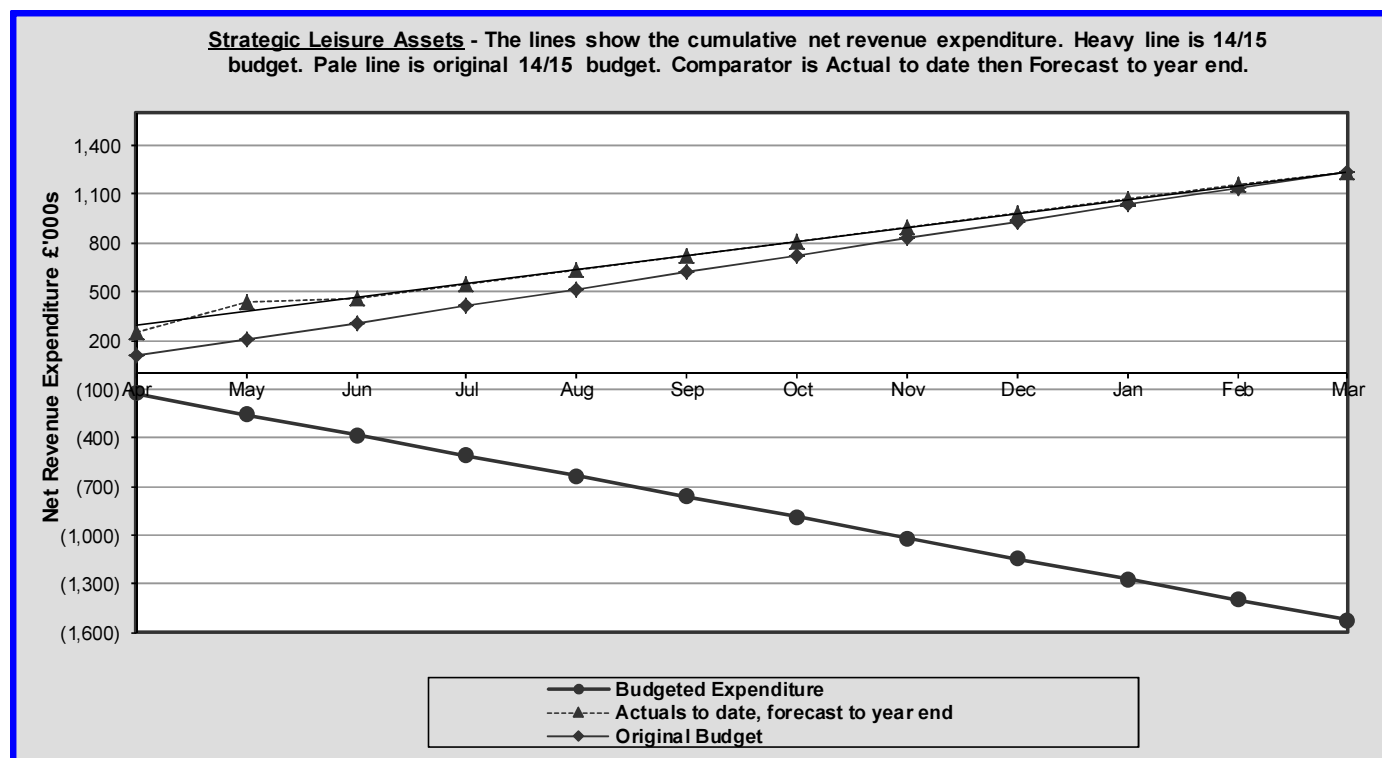
Budget Holder – Mr A Cavill, Director of Place

Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED	EXPENDITURE	PROJECTED	FORECAST	F/CAST FULL	
	BUDGET £000	APR - JUNE £000	SPEND £000	OUTTURN £000	YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
STRATEGIC LEISURE ASSETS	(1,523)	463	779	1,242	2,765	2,765
TOTALS	(1,523)	463	779	1,242	2,765	2,765

Revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

Directorate Summary

- The Revenue summary above lists the outturn projection for Strategic Leisure Assets against its currently approved, revenue budget. The adjusted budget includes the approved 2013/14 overspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/15 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the Head of Service.

Key Issues

The overall Leisure Assets portfolio financial position is £2,765k. This is the balance brought forward from 2013/2014.

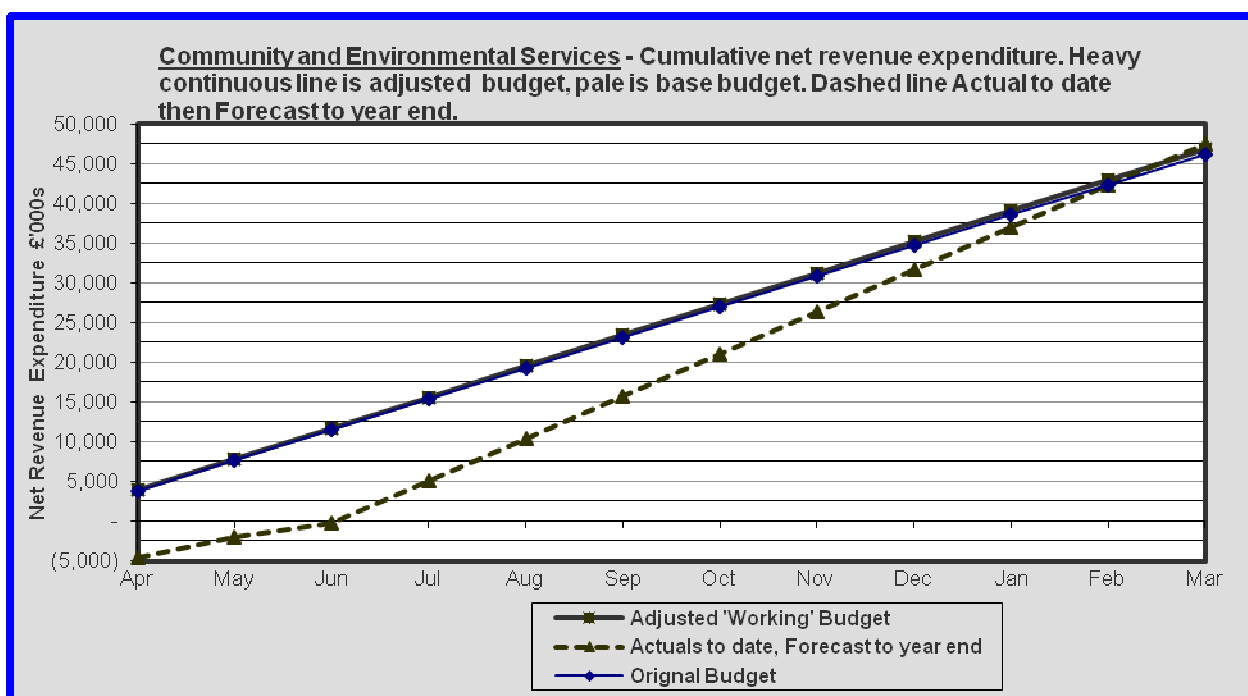
Budget Holder – Mr A Cavill, Director of Place

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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	2014/15			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JUNE £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUILDING SERVICES	287	380	99	479	192	151
BUILDING CLEANING	(138)	125	(132)	(7)	131	(8)
CONVENIENCES	1092	265	827	1092	-	5
SECURITY & CCTV	(63)	52	(15)	(63)	-	(45)
CAPITAL PROJECTS	(6)	93	(99)	(6)	-	21
HIGHWAYS	15,112	228	14,884	15,112	-	(98)
TRANSPORT	616	(376)	992	616	-	54
STREET LIGHT PFI & COASTAL PARTNERSHIP	4,072	(434)	4,506	4,072	-	(1)
ENFORCEMENT AND QUALITY STANDARDS	1716	(203)	1919	1716	-	(3)
CVMU	62	15	(53)	62	-	2
INTEGRATED TRANSPORT SERVICES	87	(246)	333	87	-	(7)
TRAVEL AND ROAD SAFETY	237	103	486	589	352	-
WASTE MANAGEMENT	16,191	(16)	16,207	16,191	-	(191)
STREET CLEANSING AND LEAF	3,033	585	2,448	3,033	-	9
PARKS	1617	(152)	1,769	1,617	-	(20)
CATERING SERVICES	255	7	248	255	-	4
LEISURE FACILITIES & SPORT DEVELOPMENT	1026	(246)	1272	1026	-	(8)
BUSINESS SERVICES	1676	(486)	2,162	1,676	-	131
TOTALS	46,872	(206)	47,753	47,547	675	(4)



Commentary on the key issues:

Community and Environmental Services - Department Summary

Community and Environmental Services is a new Directorate in Period 3. The Directorate is constituted from the majority of services that were in Leisure and Operational Services and has inherited services from Neighbourhoods, Transportation and Quality from Built Environment.

The Revenue summary on the previous page lists the outturn projection for each individual service within Community and Environmental Services against their respective, currently approved, revenue budget. The adjusted budget includes the approved 2013/14 underspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/15 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

Building Services is a trading account and is not meeting its target for Day to Day income. The service has reduced core staffing to reduce overheads and a formal review of the service and its viability going forward is being carried out in June/July. The current position reflects an income pressure of £192k.

Building Cleaning has a pressure of £131k. The service has a CSR target of £100k in relation to the drop from 5 to 3 days cleaning and building closures. These savings have not materialised to the level anticipated in the CSR as savings are less than planned due to less building closures than plan, and there is additional cleaning for new locations. Furthermore as commissioning departments are recharged at cost, the saving will show in the purchasing department. There is an additional pressure on Shelter income.

A pressure of £587k within Highways as a result of Prudential borrowing costs associated with Project 30 has been offset, in part, by scheme income and it is anticipated that the remaining pressure will be offset by LTP monies.

A pressure of £352k is forecast in relation to Travel and Road Safety. The main component of this pressure is a proposed CSR saving no longer deemed achievable and where no replacement saving has yet been identified.

Conclusion – Community and Environmental Services financial position

Community and Environmental Services is currently forecasting a position of £675k pressure due to income pressures on Building Services, CSR pressures on Building Cleaning and Travel and Road Safety.

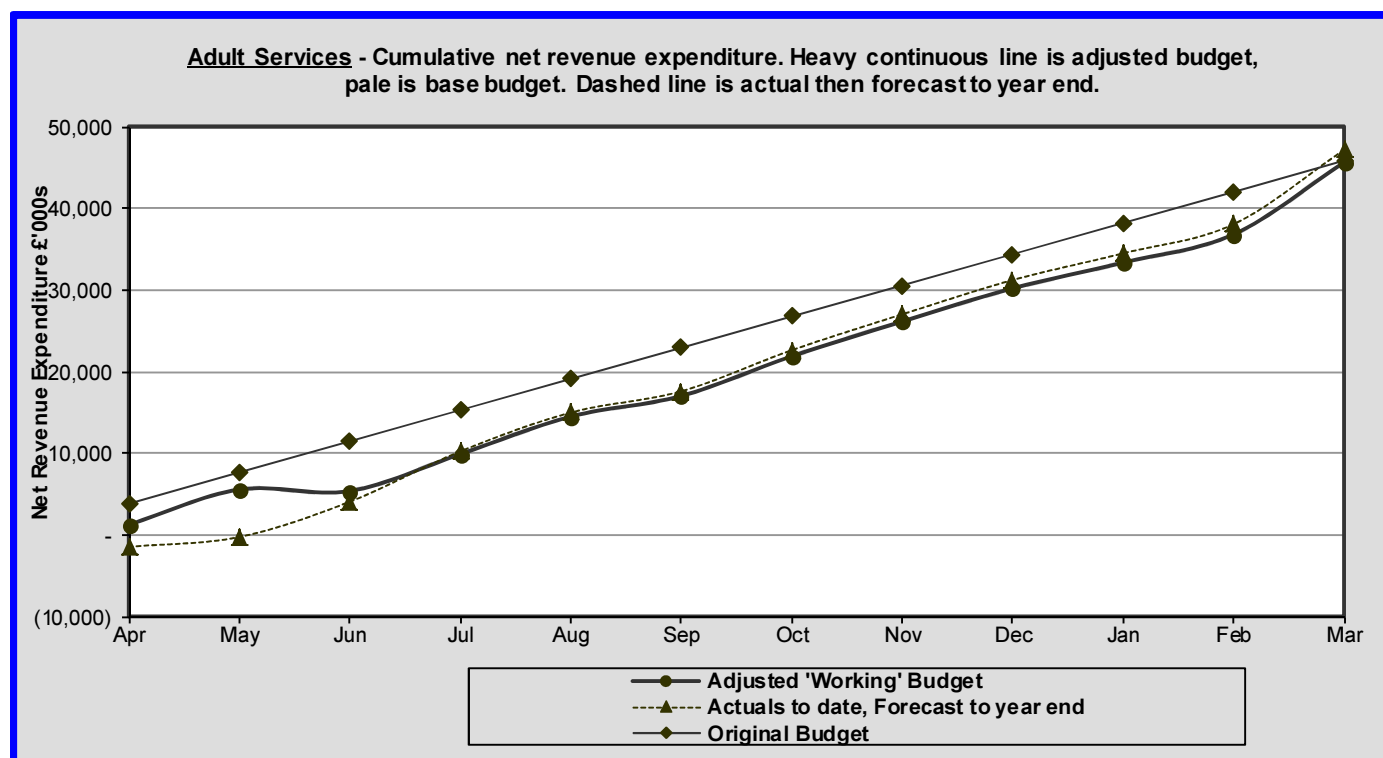
Budget Holder - Mr J Blackledge, Director of Community and Environmental Services

Blackpool Council - Adult Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	2014/15			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
ADULT SERVICES DEPARTMENT						
ADULT SOCIAL CARE	5,292	451	4,877	5,328	36	-
CARE & SUPPORT	9,503	848	8,619	9,467	(36)	-
COMMISSIONING, CONTRACTS & SYSTEMS DEV	1,285	(82)	1,348	1,266	(19)	-
ADULT COMMISSIONING PLACEMENTS	26,270	2,408	25,080	27,488	1218	81
ADULT SAFEGUARDING	263	(537)	1,146	609	346	-
BUSINESS SUPPORT & RESOURCES	2,995	960	2,035	2,995	-	-
TOTALS	45,608	4,048	43,105	47,153	1,545	81

Directorate revenue summary graph - budget, actual and forecast:



Commentary on the key issues:**Directorate Summary – basis**

- The Revenue summary on the first page of this appendix lists the latest outturn projection for each individual service within the Adult Services against their respective, currently approved revenue budget. The adjusted budget includes the approved 2013/14 overspend carried forward. Forecast outturns are based upon actual financial performance for the first 3 months of 2014-15 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Adult Commissioning Placements (Social Care Packages)

- The Adult Commissioning Placements division is currently forecasting a £1,218k over spend. The budget in this area was reduced by £2.5m in 2013-14, following the Priority Led Budgeting process (PLB), with the aim to realise further savings from the extension of the Review Team Plus work. This team ensures there is a stricter adherence to the eligibility criteria whilst also ensuring client needs are met but in a different way. Once high cost packages had been reviewed it became increasingly evident that further savings would not be achieved based on care needs. However, the further integration of Health and Social Care services have released additional cost savings, budget right sizing around Ordinary Residence and Fairer Charging income has reduced the recurrent budget gap to £717k. 2014-15 demand increases were not funded via the Cash Limit, therefore the total recurrent gap is currently c£1.6m. One-off savings relating to the release of the Adults bad debt provision and review of the balance sheet have reduced this down to £1.218m in year.
- It should be noted that the forecast outturn within the Adults Commissioning Placements Division is based on trend analysis using invoiced amounts drawn from the financial ledger. A system called Frameworki is currently being implemented and will incorporate financial data in phase 2 of the development which should provide improved forecasting in the future.

Safeguarding

- Following recent Deprivation of Liberty (DoLs) case law this Division is forecasting a £400k over spend as a result of additional legal and staffing costs, this has been offset slightly by the removal of a senior management post.

Summary of the Adult Services financial position

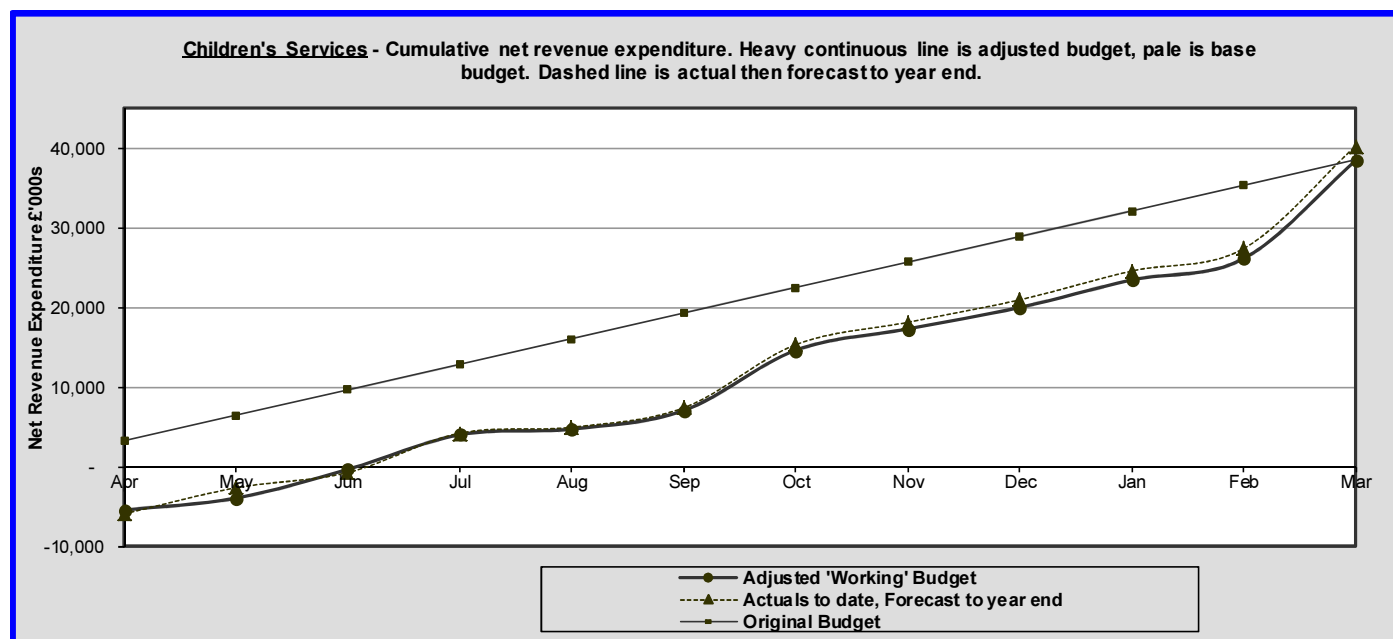
As at the end of June 2014 the Adult Services Directorate is forecasting an overall overspend of £1.545m for the financial year to March 2015.

Budget Holder - Mrs D Curtis, Director of Adult Services

Blackpool Council – Children’s Services

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN ADULT & FAMILY SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	81834	12,318	69,516	81834	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	550	(100)	650	550	-	-
LEARNING & SCHOOLS	20,170	5,043	15,232	20,275	105	-
COMMUNITY EARLY HELP FOR CHILDREN AND FAMILIES	301	75	226	301	-	-
CHILDREN'S SOCIAL CARE	-	-	-	-	-	-
DEDICATED SCHOOL GRANT	(103,856)	(21,731)	(82,125)	(103,856)	-	-
CARRY FORWARD OF DSG	-	-	(105)	(105)	(105)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(4,396)	3,394	(1,000)	-	-
CHILDRENS SERVICES DEPRECIATION	5,303	-	5,303	5,303	-	-
LEARNING & SCHOOLS	4,665	(925)	5,471	4,546	(118)	-
COMMUNITY EARLY HELP FOR CHILDREN AND FAMILIES	5,353	(1,175)	6,719	5,544	191	-
CHILDREN'S SOCIAL CARE	24,282	5,816	19,398	25,214	932	-
YOUTH OFFENDING TEAM	1024	195	829	1024	-	-
CHILDRENS SAFEGUARDING	957	100	924	1024	67	-
LOCAL SERVICES SUPPORT GRANT	(118)	-	(36)	(36)	82	-
EDUCATION SERVICES GRANT	(2,100)	(387)	(1,025)	(1,412)	688	-
TOTAL COUNCIL TAX FUNDED SERVICES	39,365	3,624	37,583	41,207	1,842	-
TOTAL CHILDREN'S SERVICES	38,365	(771)	40,977	40,207	1,842	-

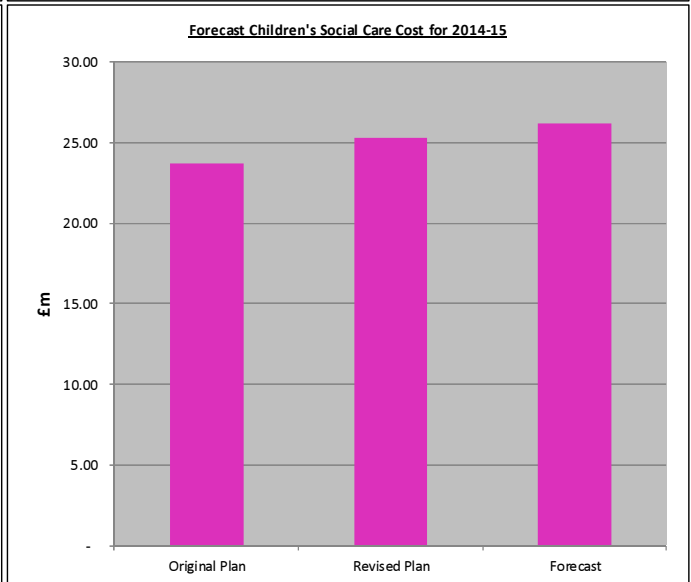
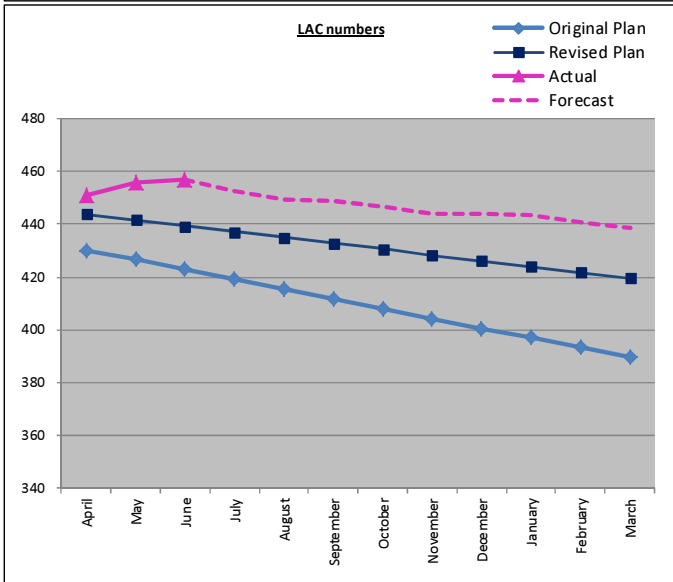
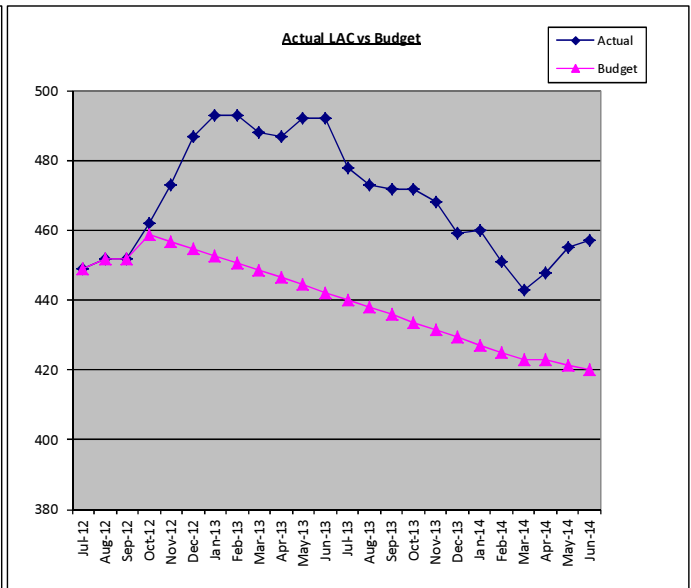
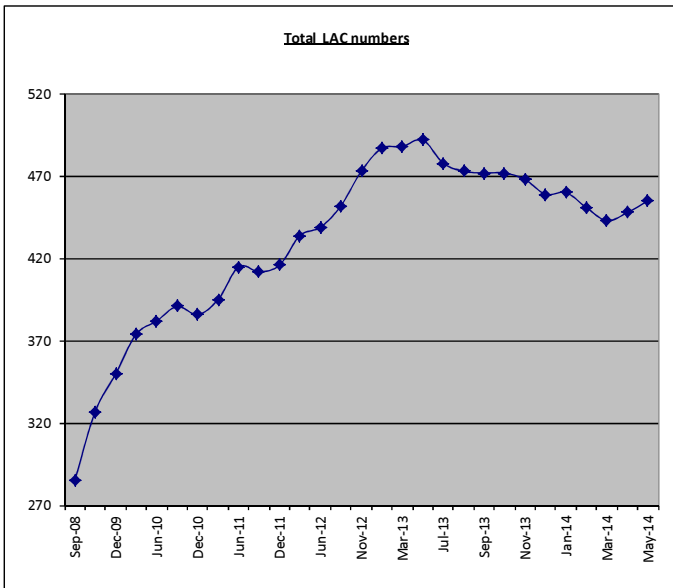
Directorate revenue summary graph - budget, actual and forecast:

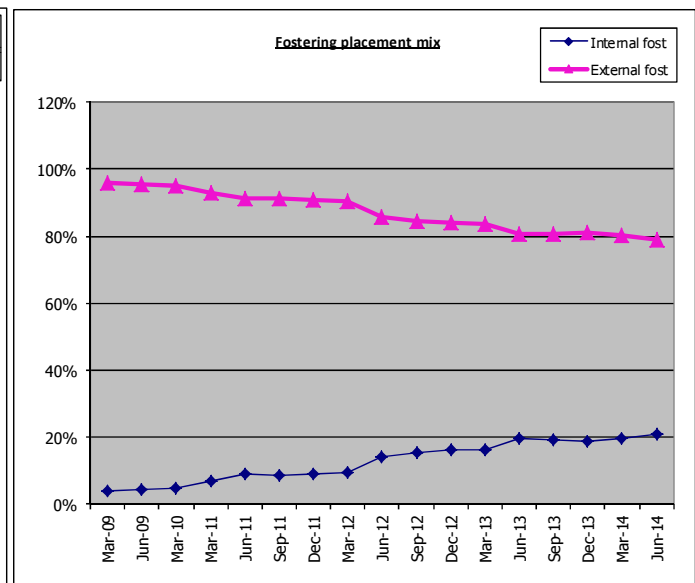
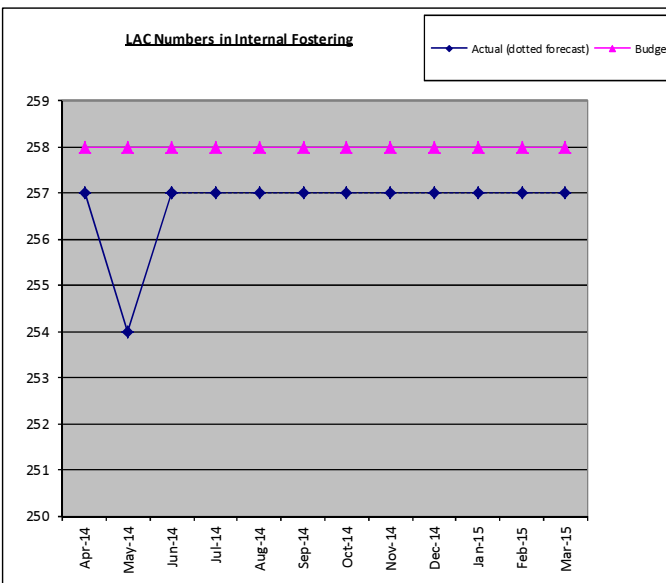
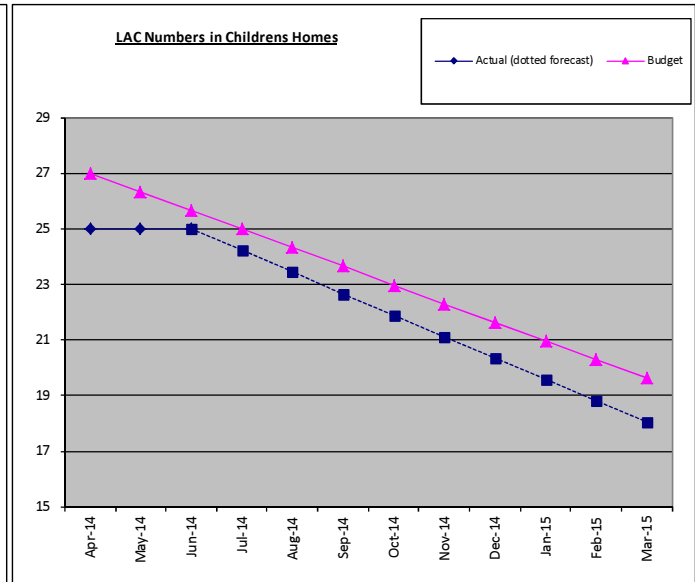
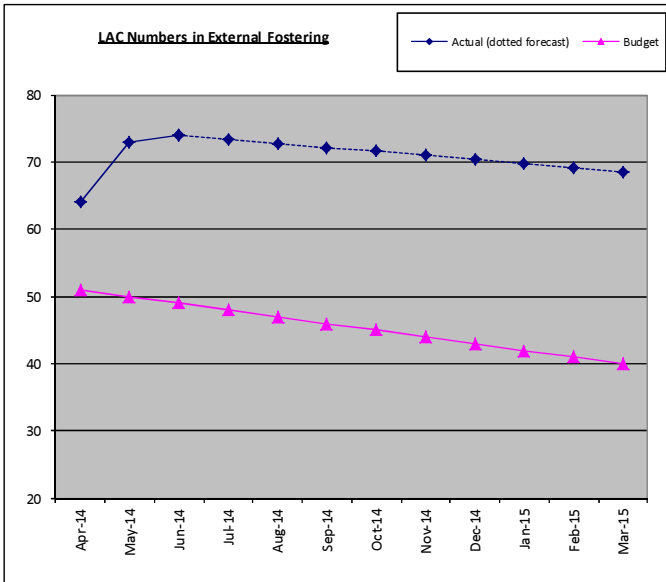


Childrens Social Care Trends

Date	External Placements						Total			Internal Fostering			Total LAC Numbers
	Fostering			Residential						FTE	£000's	£ per placement	
	FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.						
Dec-08	8.67	411	47,453	27.50	2,624	95,423	36.17	3,035	83,926	no data	no data	no data	285
Mar-09	8.77	403	45,979	28.07	2,772	98,747	36.84	3,175	86,186	208.91	2,510	12,015	323
Jul-09	12.10	466	38,549	40.85	4,290	105,007	52.96	4,757	89,820	no data	no data	no data	334
Mar-10	13.35	513	38,445	39.02	4,295	110,083	52.37	4,809	91,824	263.88	2,889	10,946	374
Jun-10	20.43	765	37,428	34.20	3,473	101,534	54.63	4,237	77,563	304.83	3,357	11,012	382
Mar-11	22.69	860	37,912	36.73	3,536	96,272	59.42	4,396	73,983	303.23	3,329	10,977	395
Jun-11	29.54	1,108	37,508	33.62	3,430	102,023	63.16	4,538	71,849	303.23	3,329	10,977	395
Sep-11	30.35	1,129	37,191	33.90	3,457	101,982	64.25	4,586	71,376	316.95	3,527	11,128	412
Dec-11	31.91	1,184	37,118	35.16	3,580	101,808	67.07	4,764	71,031	312.85	3,496	11,175	416
Mar-12	32.68	1,223	37,424	34.27	3,488	101,780	66.95	4,711	70,366	315.07	3,507	11,131	434
Jun-12	49.27	1,816	36,858	36.47	3,710	101,727	85.07	5,526	64,958	296.18	3,480	11,750	439
Sep-12	53.37	1,903	35,657	36.70	4,264	116,185	90.07	6,167	68,469	290.42	3,345	11,518	452
Dec-12	55.80	1,987	35,611	38.08	4,498	118,121	93.88	6,485	69,080	290.55	3,372	11,606	487
Mar-13	57.36	2,028	35,355	38.89	4,645	119,447	96.25	6,673	69,330	291.27	3,377	11,594	488
Jun-13	71.93	2,604	36,202	30.01	3,349	111,596	101.94	5,953	58,400	298.00	3,542	11,887	492
Sep-13	70.51	2,515	35,667	29.05	3,240	111,523	99.56	5,754	57,801	293.58	3,496	11,908	472
Dec-13	68.22	2,494	36,560	29.02	3,398	117,073	97.24	5,892	60,592	292.11	3,455	11,828	459
Jan-14	71.80	2,487	34,633	29.09	3,415	117,399	100.89	5,902	58,499	298.94	3,481	11,646	460
Feb-14	71.50	2,486	34,772	29.68	3,504	118,067	101.19	5,991	59,206	298.48	3,506	11,747	451
Mar-14	72.82	2,480	34,058	29.76	3,525	118,473	102.57	6,005	58,547	295.49	3,474	11,757	443
Apr-14	60.43	2,276	37,663	24.00	2,599	108,277	84.44	4,875	57,737	257.30	3,255	12,650	448
May-14	68.77	2,576	37,454	25.58	2,543	99,418	94.35	5,118	54,251	258.00	3,405	13,197	455
Jun-14	70.35	2,527	35,928	24.74	2,537	102,561	95.09	5,065	53,265	266.65	3,422	12,833	457

Note:
The variance between the total number of Looked After Children and the total internal fostering and external placement numbers is children with care orders etc. They are still classed as LAC but do not incur any commissioned costs.





Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary on the first page of this appendix lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2014-15 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.

Dedicated School Grant Funded Services

- The Dedicated School Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget, together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2015-16 and, in the case of overspends, become the first call on the grant in that year.

Early Help for Children and Families

- As part of the 2014/15 Priority Led Budgeting process, Children's Services were targeted with savings of £488k to be achieved via commissioning reviews. Although several reviews are currently taking place, the extent of the possible savings remains unclear. This report assumes that the target will not be achieved in full in the current financial year. Although the target was not applied specifically to the Early Help for Children and Families division, it is in this area that commissioning reviews are currently being undertaken, which is why the pressure is shown on this budget line.

Children's Social Care

- The Children's Social Care division is forecasting an overspend of £932k due to the continuing high numbers of Looked After Children (LAC). This cost pressure has already been offset by £260k of savings identified following a review of the balance sheet and maximisation of new grant funding. LAC numbers peaked at around 500 in the early part of 2013, but a new recovery plan has now been implemented which targets a reduction to 420 by the end of 2014/15 and 400 by the end of 2015/16. Numbers had begun to fall with the figure at 443 as at the end of March 2014. However, referrals to social care are at the highest levels ever recorded and have been rising significantly since March. Extensive work is being undertaken by Children's Services and the Blackpool Safeguarding Children Board to understand this rise in demand but it is likely that as cases work their way through our system our progress in reducing LAC numbers may slow. It is worth noting that placement mix, and not just LAC numbers, has an impact on the financial forecast. The variation in unit costs can be significant with an average residential placement equivalent in cost to nine internal fostering placements and the most expensive placement equal to 18. Maximising less costly placements is, therefore, a key element of the recovery plan, and to this end placements are reviewed at a fortnightly panel.

Education Services Grant

- From April 2013, the education functions provided by local authorities have been funded from a new Education Services Grant (ESG). The Council receives £113 per pupil in relation to the pupils in schools maintained by the authority plus £15 for each pupil in all schools and academies in respect of responsibilities retained for every pupil within our boundary. A shortfall in grant of £688k is included in the forecast overspend, relating to the anticipated loss of funding due to both historical and in-year academy conversions.

Summary of the Children's Services financial position

As at the end of June 2014 the Children's Services Directorate is forecasting an over spend of £1,842k for the financial year to March 2015.

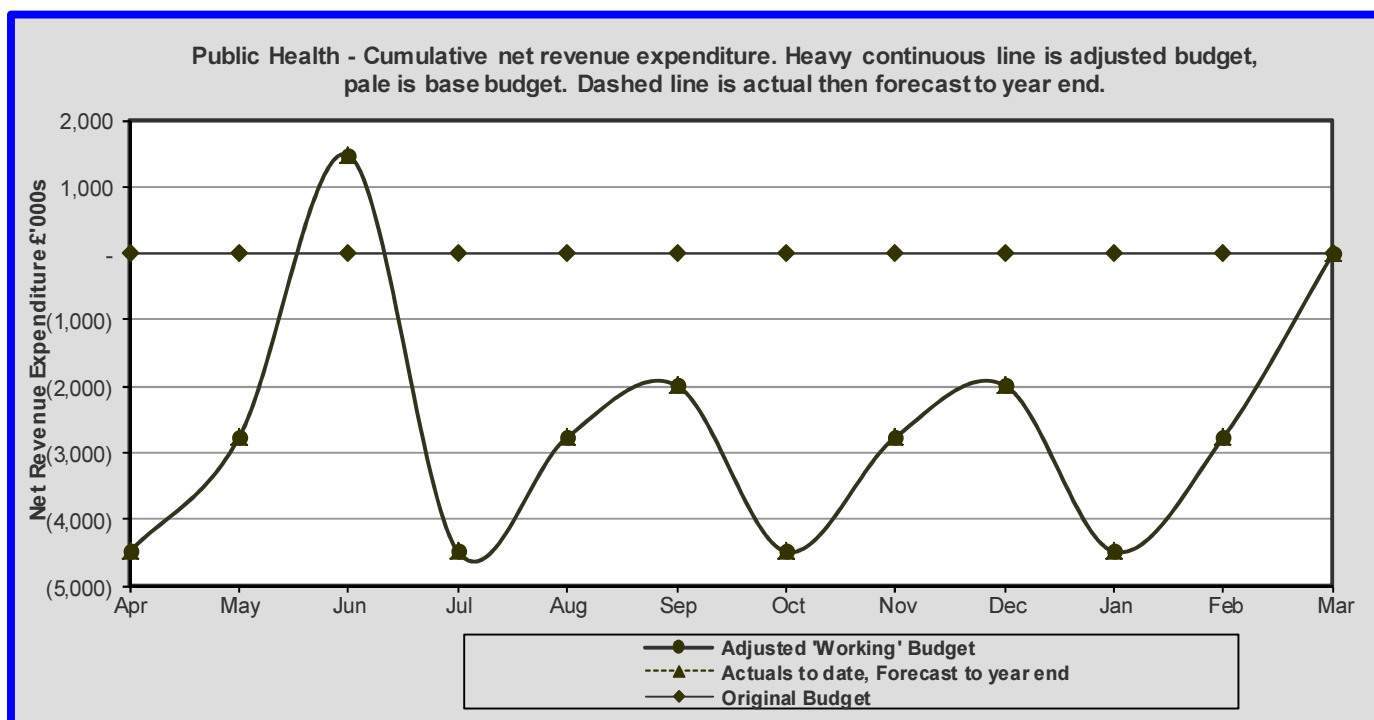
Budget Holder - Mrs S Harrison, Director of Children's Services

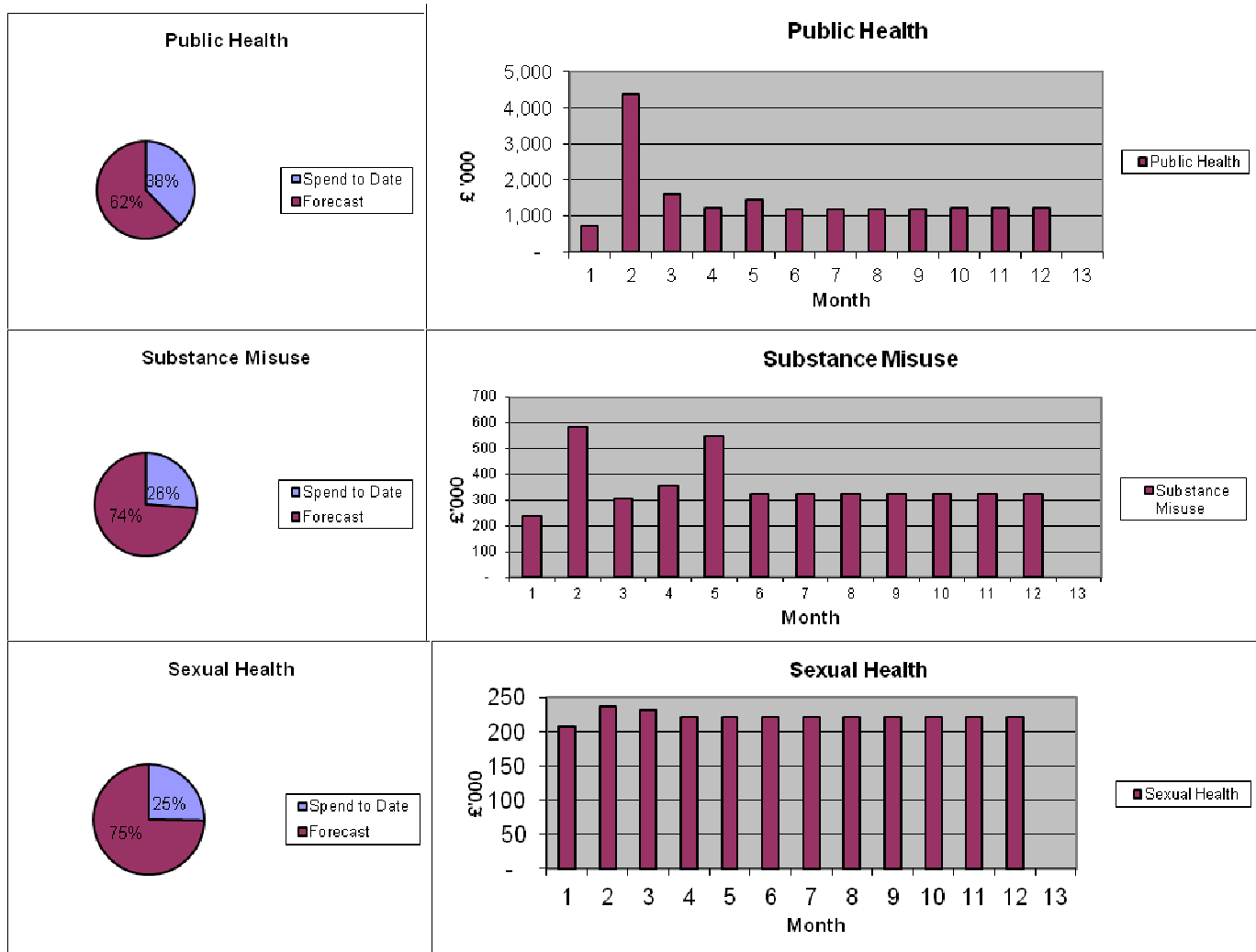
Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	2014/15				
		EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PUBLIC HEALTH						
MANAGEMENT AND OVERHEADS	1,733	690	1,043	1,733	-	
NHS HEALTH CHECKS - MANDATED	255	11	244	255	-	
CHILDREN (0-19) - NCMP MANDATED	1,242	304	938	1,242	-	
HEALTH PROTECTION - MANDATED	94	3	91	94	-	
TOBACCO CONTROL	798	107	691	798	-	
MENTAL HEALTH AND WELLBEING	675	127	549	675	-	
SEXUAL HEALTH SERVICES - MANDATED	3,440	665	2,775	3,440	-	
FALLS PREVENTION / ACCIDENTS	183	53	130	183	-	
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	5,441	1,130	4,311	5,441	-	
HEALTHY WEIGHT/WEIGHT MANAGEMENT	540	127	413	540	-	
OTHER PUBLIC HEALTH SERVICES	745	-	745	745	-	
MISCELLANEOUS PUBLIC HEALTH SERVICES	2,800	2,750	50	2,800	-	
GRANT	(17,946)	(4,486)	(13,460)	(17,946)	-	
TOTALS	-	1,480	(1,480)	-	-	-

Directorate revenue summary graph – budget, actual and forecast:





Commentary on the key issues:

Directorate Summary – basis

The Revenue summary on the front page of this appendix lists the latest outturn projection for each individual scheme against their respective, currently approved budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2014-15 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the services leads

Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced until March 2015 after which the grant will be based on a national formula. The allocation for 2014/15 is £17,945,700.

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

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 support 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 June 2014, the Public Health Directorate is forecasting an overall spend of the full grant, £17,945,700, for the financial year to March 2015.

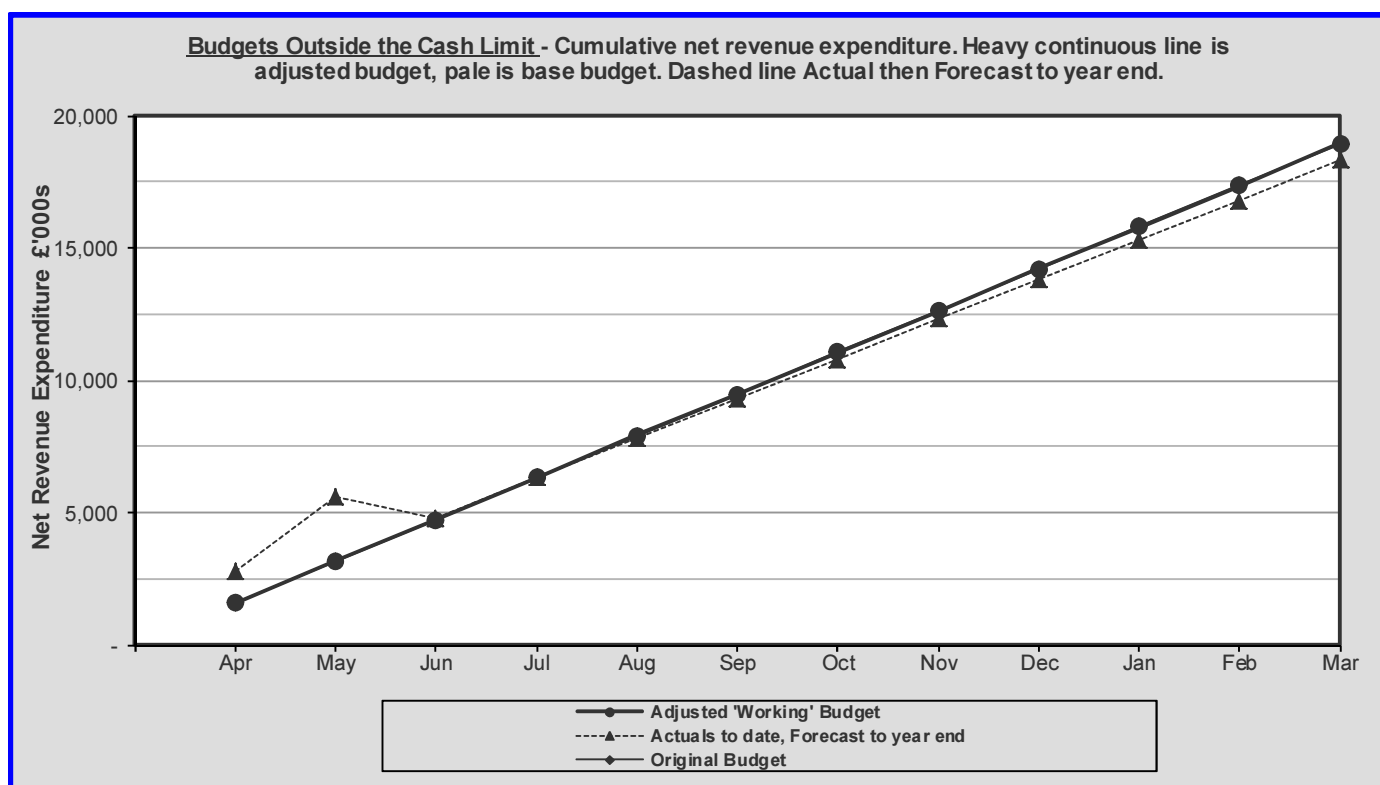
Budget Holder – Dr Arif Rajpura, Director of Public Health

Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2013/14 (UNDER)/OVER SPEND B/FWD £000
	2014/15					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUNE £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	13,668	3,421	8,559	11,980	(1,688)	-
PARKING	(3,190)	(798)	(1,433)	(2,231)	959	-
GRANTS DONATIONS AND SUBS.	439	259	180	439	-	-
HOUSING BENEFITS	1,654	407	1,255	1,662	8	-
COUNC. TAX & NNDR COST OF COLL.	672	165	504	669	(3)	-
SUBSIDIARY COMPANIES	(958)	82	(1,040)	(958)	-	-
CONCESSIONARY FARES	3,915	979	2,936	3,915	-	-
LAND CHARGES	(48)	(31)	(17)	(48)	-	-
INVESTMENT PORTFOLIO	1,520	4	1,604	1,608	88	-
PREVIOUS YEARS' PENSION LIABILITY	2,821	705	2,116	2,821	-	-
NEWHOMES BONUS	(1,569)	(392)	(1,177)	(1,569)	-	-
TOTALS	18,924	4,801	13,487	18,288	(636)	-

Directorate revenue summary graph - budget, actual and forecast:



Commentary on the key issues:

Directorate Summary - basis

- The above summary lists the latest outturn projection for each individual service categorised as falling 'outside the cash limit' and thereby exempt from the cash limited budget regime. Forecast outturns are based upon actual financial performance for the first 3 months of 2014/2015 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

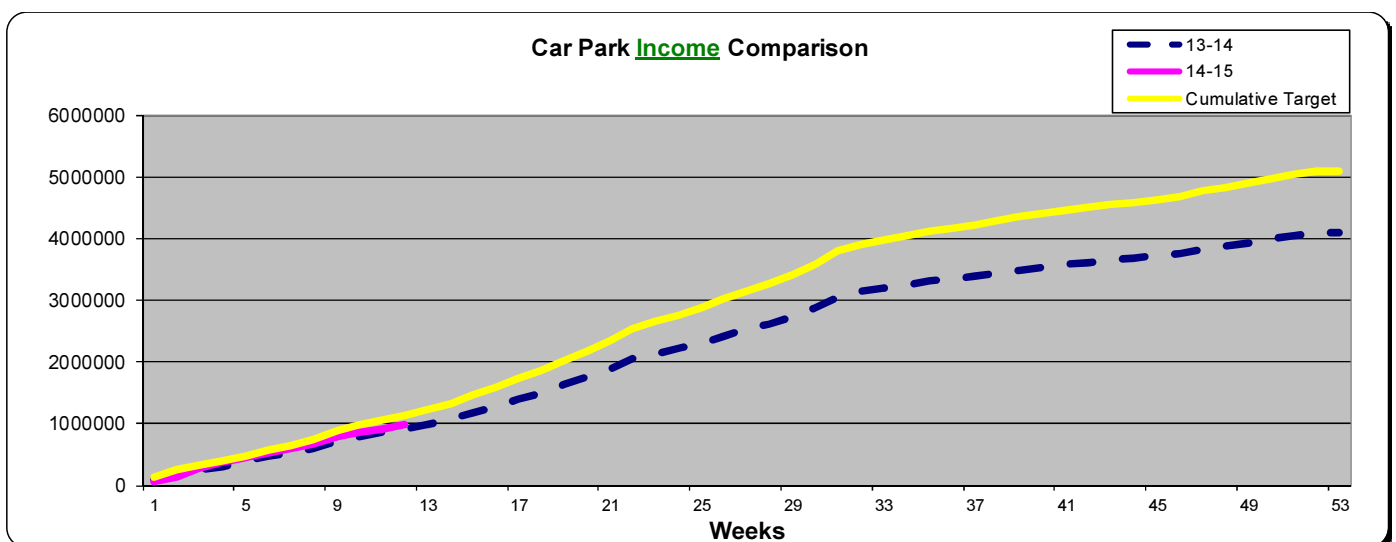
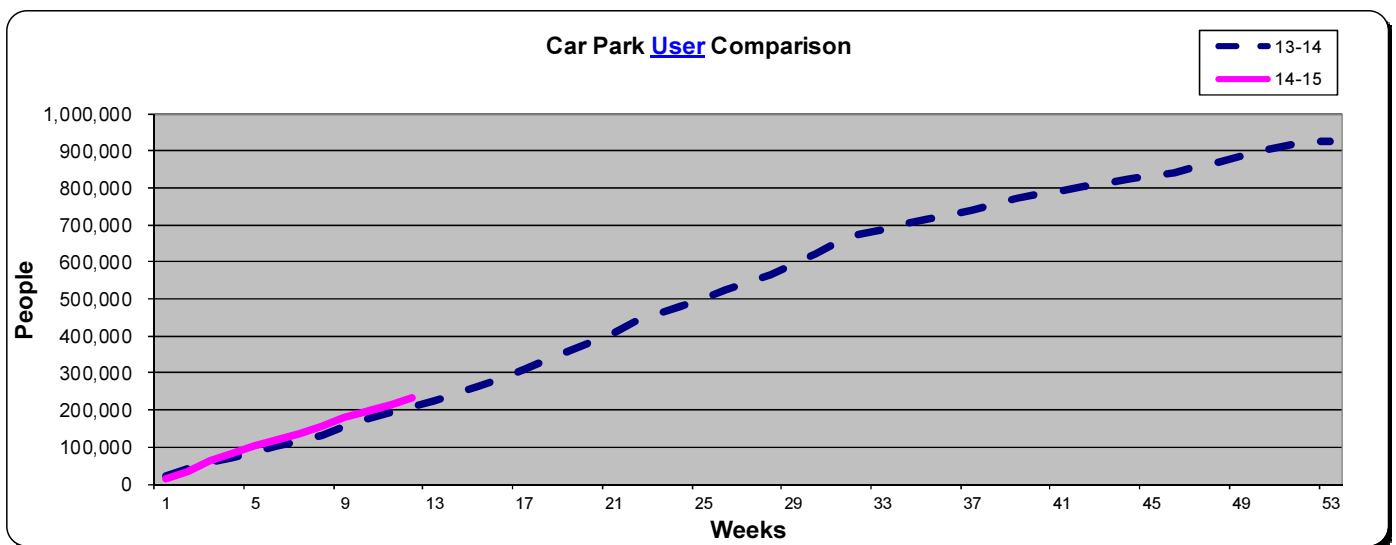
- This revenue account is forecast to achieve a favourable variance of £1,688k for the year. This reflects a temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure, and a lower interest charge by Lancashire County Council on the Local Government Reorganisation debt.

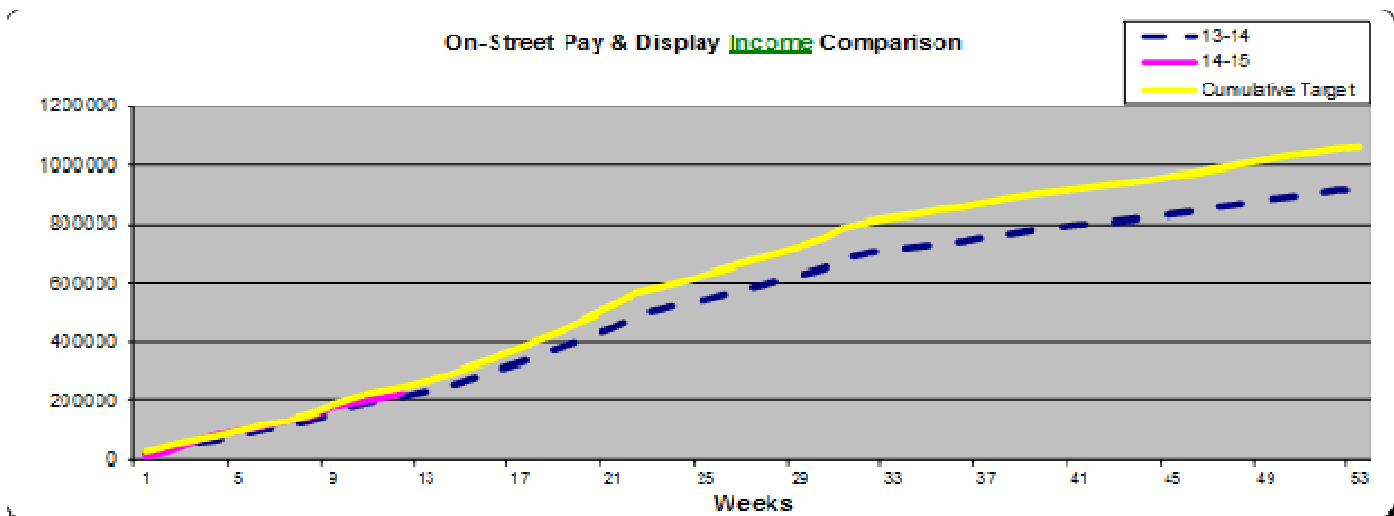
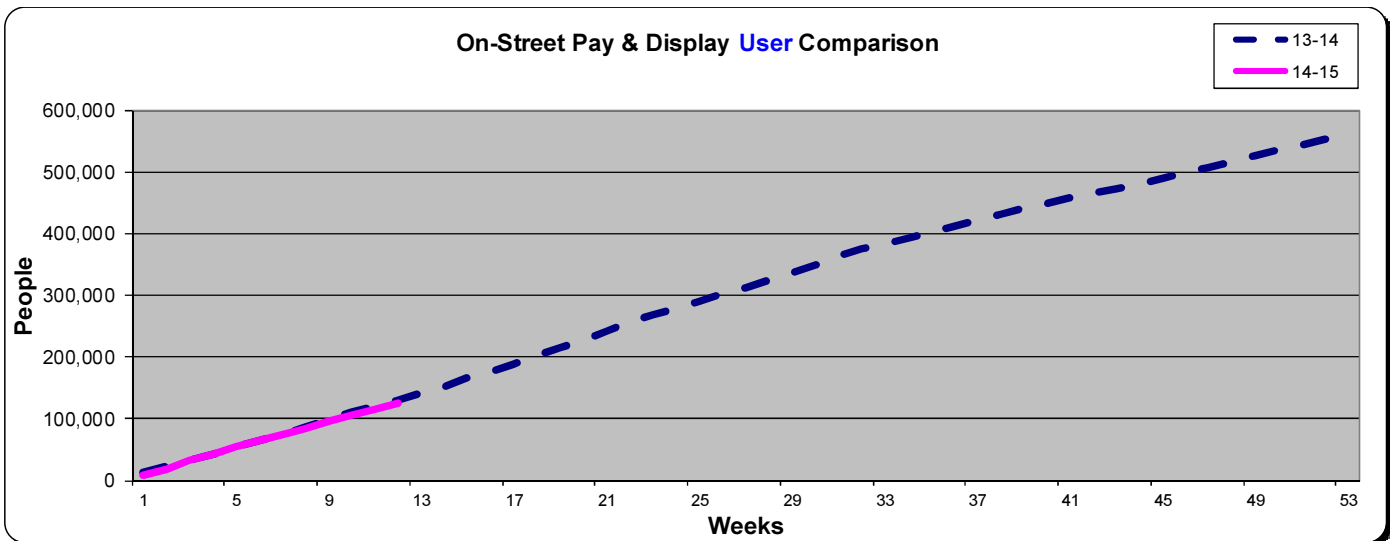
Investment Portfolio

- The forecast overspend of £88k is due to a delay in the demolition of the Syndicate due to the legal issues surrounding the communications mast and the resultant loss of forecast parking income.

Parking Services

- Parking Services is performing well in comparison with last year, despite a number of car parks closing. As at Week 12 (w/e 22nd June) Car Park patronage is up by 23,671, with income also up by £85,700 on 2013/14. On Street Pay & Display is down on patronage by 4,910, although up on income by £12,422. However the extremely challenging income target the service has means that it is £959k down on its income budget year to date.





Subsidiary companies

- This service is forecasting to breakeven during 2014/2015.

Concessionary fares

- This service is forecasting to breakeven during 2014/2015.

Land Charges

- This service is forecasting to breakeven during 2014/2015.

Summary of the revenue forecasts

After 3 months of the financial year the Budgets Outside the Cash Limit services are forecasting a £636k underspend.

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**2014/15 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget £000	Spend as at 31/3/14 £000	Budget Brought Forward 2013/14 £000	Adjusted Capital Programme 2014/15 £000	Total Available Budget 2014/15 £000	Spend to Date April - June £000	Forecast to Year End £000	Forecast Variance £000	Notes
Director Responsible for Resources									
Property and Asset Management									
Central Business District	40,832	35,544	2,472	2,816	5,288	75	5,213	-	
Office Accommodation Strategy	1,408	1,316	92	-	92	-	92	-	
Syndicate	1,300	938	362	-	362	45	317	-	
Other schemes									
Other Resources Schemes	549	325	224	-	224	(14)	238	-	
Total Resources	44,089	38,123	3,150	2,816	5,966	105	5,861	-	
Director Responsible for Adult Services									
Langdale Learning Disability Centre	1,900	1,559	341	-	341	-	341	-	
Support to Vulnerable Adults - Grants	1,066	-	103	963	1,066	315	751	-	
Respite Care Project	655	650	5	-	5	-	-	-	
Other Social Services Schemes	2,527	1,387	706	434	1,140	67	1,073	-	
Total Adult Services	6,148	3,596	1,155	1,397	2,552	382	2,165	-	
Director Responsible for Deputy Chief Executive									
ICT BSF	3,355	3,255	100	-	100	263	(163)	-	
Total Deputy Chief Executive	3,355	3,255	100	-	100	263	(163)	-	

**2014/15 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/14	Budget Brought Forward 2013/14	Adjusted Capital Programme 2014/15	Total Available Budget 2014/15	Spend to Date April - June	Forecast to Year End	Forecast Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Director Responsible for Community and Environmental Services								
Anchorsholme Seawall	22,363	1,397	4,430	15,300	19,730	901	18,829	-
Coast Protection Studies	2,621	2,114	169	-	169	22	147	-
Marton Mere Dam	240	156	-	-	-	-	-	-
Street Cleaning Vehicles	352	-	-	352	352	-	352	-
Beach Vehicle	18	-	-	18	18	-	18	-
High Ropes	320	-	-	320	320	-	320	-
Bispham Health Centre	4,290	4,290	-	-	-	(17)	17	-
Transport								
Local Transport Plan 2012/13	2,086	2,086	-	-	-	-	-	-
Local Transport Plan Project 30 2012/13	1,034	1,034	-	-	-	-	-	-
Local Transport Plan 2013/14	2,386	1,123	1,263	-	1,263	470	793	-
Local Transport Plan Project 30 2013/14	1,010	1,010	-	-	-	-	-	-
Local Transport Plan 2014/15	1,840	-	-	1,840	1,840	-	1,840	-
Local Transport Plan Project 30 2014/15	1,050	-	-	1,050	1,050	-	1,050	-
Project 30	26,906	22,071	2,335	2,500	4,835	1,615	3,220	-
Promenade Movement Strategy	2,500	2,670	(170)	-	(170)	-	(170)	-
Blackpool/Fleetwood Tramway	99,990	88,840	11,150	-	11,150	(890)	12,040	-
Sintropher	1,690	2,778	(1,088)	-	(1,088)	1	(1,089)	-
Tramway Emergency Works	10,589	11,040	(451)	-	(451)	(295)	(156)	-
Bus and Tram Shelter Upgrade	1,077	278	799	-	799	-	799	-
Yeadon Way	2,520	-	252	2,268	2,520	2	2,518	-
Other Transport Schemes	-	-	-	-	-	-	-	-
Total Community and Environmental Services	184,882	140,887	18,689	23,648	42,337	1,808	40,529	-
Director Responsible for Governance and Regulatory Services								
Carleton Crem Building Works	1,600	1,568	32	-	32	21	11	-
Carleton Crematorium	391	-	-	391	-	-	-	-
Total Governance and Regulatory Services	1,991	1,568	32	391	32	21	11	0

**2014/15 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/14	Budget Brought Forward 2013/14	Adjusted Capital Programme 2014/15	Total Available Budget 2014/15	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Place									
Housing									
Regeneration - Renovation Grant	-	-	-	-	-	-	-	-	
Cluster of Empty Homes	1,614	502	1,112	-	1,112	124	988		
Tyldesley / Rigby Rd	16,411	6,406	3,244	5,500	8,744	544	8,200		
Other Housing	-	-	-	-	-	-	-	-	
Work towards Decent Homes Standard	24,670	6,858	172	4,154	4,326	27	4,299		
Queens Park Redevelopment Ph1	13,225	4,403	931	7,891	8,822	910	7,912		
Other HRA	3,977	430	845	898	1,743	-	1,743		
College Relocation/Illumination Depot	12,505	13,924	-	-	-	-	-	-	
Blackpool Leisure Assets Purchase	59,069	59,146	(77)	-	(77)	227	(304)		
Sandcastle Ph.4	607	543	64	-	64	(10)	74		
Central Library Redevelopment	3,125	3,018	107	-	107	-	107		
Total Place	135,203	95,230	6,398	18,443	24,841	1,821	23,020	-	
Director Responsible for Childrens Services									
Devolved Capital to Schools	470	-	470	-	470	(6)	476	-	
St. Mary's BSF Project	21,171	21,232	(61)	-	(61)	-	(61)	-	
Christ The King	5,000	3,473	(1,516)	1,099	(417)	294	(711)	-	
Anchorsholme Primary	2,922	2,916	6	-	6	-	6	-	
Layton Primary	3,587	3,587	-	-	-	-	-	-	
Mereside Primary	4,428	4,431	(3)	-	(3)	-	(3)	-	
Unity College	8,824	8,698	126	-	126	164	(38)	-	
My Place	4,430	4,305	125	-	125	2	123	-	
Gateway Academy	5,350	5,030	48	-	48	-	48	-	
Other Children's Schemes	759	554	84	121	205	-	205	-	
Total Childrens Services	56,941	54,226	(721)	1,220	499	454	45	-	
CAPITAL TOTAL	432,609	336,885	28,803	47,915	76,327	4,855	71,467	-	

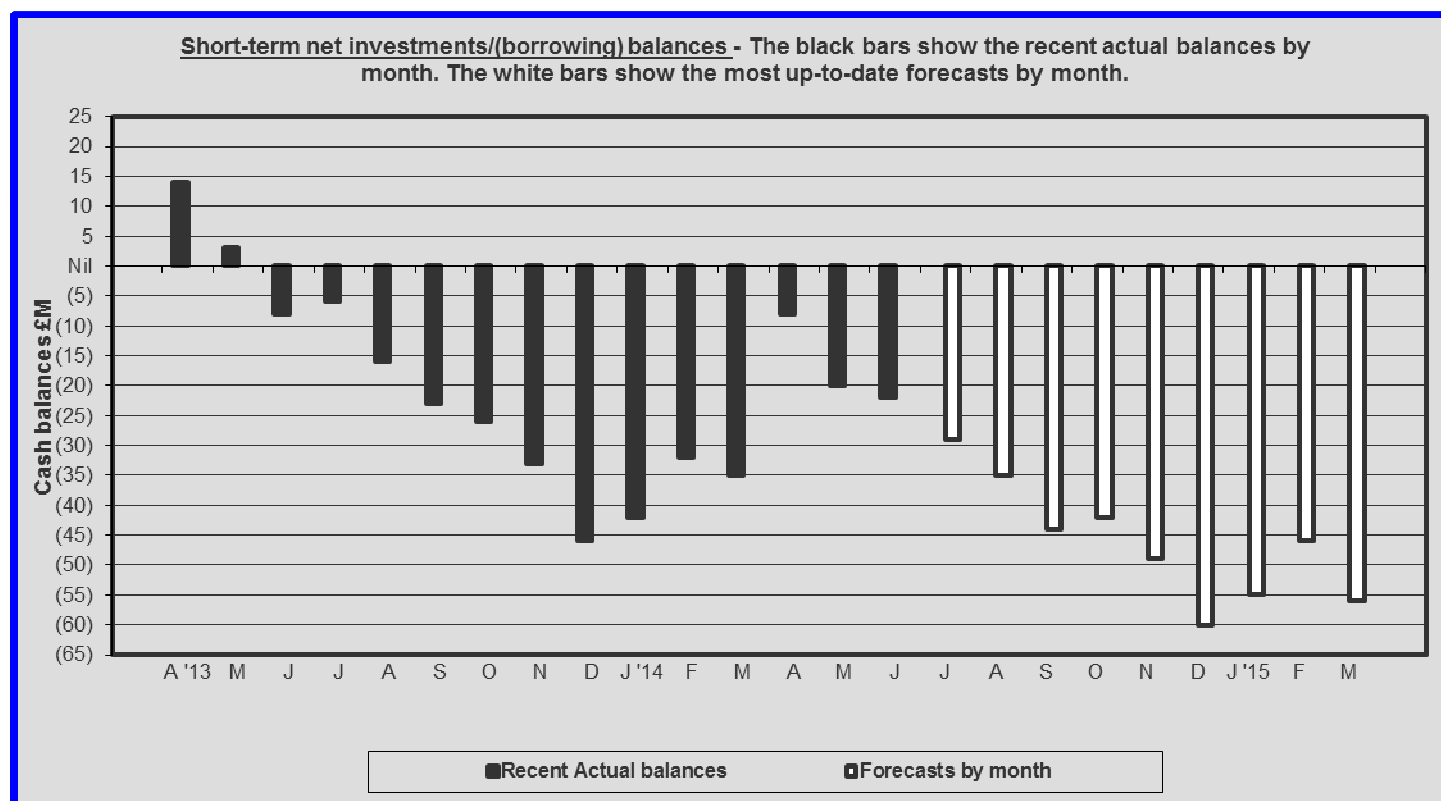
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Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 14/15							
FULL YEAR CASH FLOW BUDGET (*)	APR-JUN CASH FLOW BUDGET (*)	APR - JUN CASH FLOW ACTUAL	JUL - MAR CASH FLOW FORECAST	(*) THE CASH FLOW BUDGET IS CONSISTENT WITH THE REVENUE BUDGET AND THE CAPITAL PROGRAMME IN TOTAL. THE BUDGETED CASH FLOW PHASING IS BASED ON DETAILED EXPECTATIONS AND PAST EXPERIENCE	APR - JUN MORE / (LESS) CASH ACTUAL vs BUDGET	JUL - MAR MORE / (LESS) CASH FORECAST vs BUDGET	FULL YEAR MORE / (LESS) AS NOW FORECAST vs BUDGET
£M	£M	£M	£M		£M	£M	£M
				RECEIPTS			
91	23	21	68	Housing Benefit & Subsidy	(2)	-	(2)
96	26	23	70	Council tax and NNDR	(3)	-	(3)
20	5	4	15	VAT	(1)	-	(1)
52	27	27	26	RSG & BRR	-	1	1
124	33	37	90	Other Grants	4	(1)	3
87	21	26	66	Other Income	5	-	5
-	-	71	12	MM Transactions Received	71	12	83
-	-	20	-	Receipt of Loans	20	-	20
470	135	229	347	RECEIPTS - NORMAL ACTIVITIES	94	12	106
				PAYMENTS			
8	2	2	6	Police & Fire	-	-	-
284	66	82	213	General Creditors	(16)	5	(11)
5	1	1	3	RSG & BRR	-	1	1
108	27	21	80	Salaries & wages	6	1	7
78	19	19	59	Housing Benefits	-	-	-
42	31	106	26	MM Transactions Paid Out	(75)	(15)	(90)
525	146	231	387	PAYMENTS - NORMAL ACTIVITIES	(85)	(8)	(93)
(55)	(11)	(2)	(40)	NET CASH FLOW IN/(OUT)	9	4	13
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 3 months of the year the Council's net cashflow has resulted in a decrease in the level of temporary borrowing due to the receipt of front-loaded Government Grants. While temporary investment rates and temporary borrowing rates are low the treasury team will delay taking any new long-term borrowing to fund planned capital expenditure. The interest charged by Lancashire County Council on the Local Government Reorganisation Debt is lower than anticipated. As a result the delay in taking new long-term borrowing and the lower interest charge from Lancashire County Council mean that a favourable credit variance is once again forecast for 2014/2015.

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 2015.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2014/2015				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
DRAFT				
31 Mar 14		30 Jun 14	Movement since	31 Mar 15
Actual		Actual	31 Mar 14	Forecast
£000s		£000s	£000s	£000s
837,474	Property, Plant and Equipment	852,000	14,526	845,000
129	Intangible Assets	129	-	100
20,461	Long-term Assets	20,322	(139)	20,000
	Current Assets			
39,502	Debtors	42,600	3,098	45,000
550	Short Term Assets Held for Sale	550	-	-
607	Inventories and Work in Progress	617	10	700
6,854	Cash and cash equivalents	6,011	(843)	5,000
905,577	Total Assets	922,229	16,652	915,800
	Current Liabilities			
(41,500)	Borrowing Repayable within 12 months	(29,348)	12,152	(40,000)
(65,602)	Creditors	(56,700)	8,902	(60,000)
	Long-term Liabilities			
(98,434)	Borrowing Repayable in excess of 12 months	(98,434)	-	(98,000)
(10,852)	Capital Grants in Advance	(10,852)	-	(9,000)
(14,042)	Provisions	(13,859)	183	(10,000)
(273,073)	Other Long Term Liabilities	(273,073)	-	(270,000)
402,074	Total Assets less Liabilities	439,963	37,889	428,800
(74,637)	Usable Reserves	(69,137)	5,500	(65,000)
(327,437)	Unusable Reserves	(370,826)	(43,389)	(363,800)
(402,074)	Total Reserves	(439,963)	(37,889)	(428,800)

Commentary on the key issues:

In order to provide a complete picture of the Council's financial performance the above table provides a snapshot of the General Fund balance sheet as at the end of month 3. The key areas of focus are any significant movements in debtors, Cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payments Policy.

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

Over the 3-month period there has been an increase in Property, Plant and Equipment of £14.5m and a decrease in short term borrowing of £12.1m and a decrease in creditors of £8.9m, which in the main reflect the aforementioned front-loading of Government Grants.

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