

Public Document Pack

Blackpool Council

6 June 2014

To: Councillors Blackburn, Cain, Campbell, Collett, Cross, Jackson, Jones, Rowson, Taylor and Wright

The above members are requested to attend the:

EXECUTIVE

Monday, 16 June 2014 at 6.00 pm
in Committee Room A, Town Hall, Blackpool

A G E N D A

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Services in advance of the meeting.

- | | | |
|----------|---|-----------------|
| 2 | BLACKPOOL LOCAL PLAN PART 1: CORE STRATEGY - PROPOSED SUBMISSION VERSION JUNE 2014 | (Pages 1 - 14) |
| 3 | PROVISIONAL OUTTURN 2013/2014 | (Pages 15 - 44) |
| 4 | TREASURY MANAGEMENT OUTTURN 2013/2014 | (Pages 45 - 64) |
| 5 | REPLACEMENT OF VEHICLES FOR VITALINE | (Pages 65 - 70) |

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail lennox.beattie@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

Report to:	EXECUTIVE
Decision or Item number	2
Relevant Officer:	Steve Matthews, Head of Planning and Strategic Housing
Relevant Cabinet Member	Councillor Fred Jackson, Urban Regeneration
Date of Meeting	16 th June 2014

BLACKPOOL LOCAL PLAN PART 1: CORE STRATEGY - PROPOSED SUBMISSION VERSION JUNE 2014

1.0 Purpose of the report:

- 1.1 This report relates to the Blackpool Local Plan Part 1: Core Strategy - Proposed Submission version (Proposed Submission Core Strategy) together with the necessary supporting documents, including amendments to the Policies Map, Statement of Consultation, Sustainability Appraisal, Habitats Regulation Assessment and the Draft Statement of Compliance with the Duty to Cooperate.

The Core Strategy is a key planning document for Blackpool. It sets out where new development including housing and employment, retail and leisure should be located to meet Blackpool's future needs to 2027; identifies areas which will be regenerated, protected or enhanced; and sets out key development principles such as design and affordable housing. The Core Strategy will be used to determine planning applications within the Borough.

If approved, representations will be invited on the Proposed Submission Core Strategy during an 8 week consultation period, after which the Core Strategy and supporting documents will be submitted to the Secretary of State for Examination.

2.0 Recommendation(s):

- 2.1 That the Executive recommends to Full Council:

(1) to approve the Proposed Submission Core Strategy (Appendix 2a Part to this report) including the evidence base listed in the plan; amendments to the Policies Map (Appendix 2a Part 1); Statement of Consultation (Appendix 2c Part 1) including the responses to the representations received to the Revised Preferred Option (May 2012); Sustainability Appraisal (Appendix 2d Part 1) and Habitats Regulation Assessment (Appendix 2e) for publication and subsequent submission to the

Secretary of State;

(2); should the person appointed to carry out the examination consider that the circumstances are as described in s20(7B) of the Planning and Compulsory Purchase Act 2004, to formally request that s/he recommend any necessary modifications to the Plan to make the Plan satisfy the appropriate requirements and sound, pursuant to section 20 (7C) of the 2004 Act;

(3) that the Head of Planning and Strategic Housing, after consultation with the Cabinet Member for Urban Regeneration, be given delegated authority to propose minor amendments to improve the clarity of the documentation referred to under recommendation (1) and which do not alter the substance of the document when submitting the Plan to the Secretary of State (these amendments will be highlighted) and during the Examination process;

(4) to approve the draft Statement of Compliance (Appendix 2j to this report) for consultation alongside publication of the Proposed Submission Core Strategy; that the Head of Planning and Strategic Housing, after consultation with the Cabinet Member for Urban Regeneration, be given delegated authority to make any amendments to the Statement of Compliance where necessary in response to representations received; and to publish the final version as an evidence base document to the Core Strategy;

(5) to agree that the Proposed Submission Core Strategy housing requirement figure (set out in Policy CS2) be used to calculate the five-year housing land supply pending adoption of the Core Strategy.

3.0 Reasons for recommendation(s):

3.1 To progress the preparation of the statutory planning framework to support Blackpool's future regeneration and growth.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? Yes, this will form the new Core Strategy

3.2b Is the recommendation in accordance with the Council's approved budget? No

3.3 Other alternative options to be considered:

As part of the requirements of plan preparation a range of alternative strategic development options have been considered in detail at various preparation stages of the Core Strategy. The Proposed Submission Core Strategy represents the preferred option

arising from this process.

4.0 Council Priority:

4.1 The relevant Council Priorities are

- Attract sustainable investment and create quality jobs
- Encourage responsible entrepreneurship for the benefit of our communities
- Improve housing standards and the environment we live in by using housing investment to create stable communities

5.0 Background Information

5.1 The Council as Planning Authority is in the process of preparing a new Blackpool Local Plan that will plan for the needs of the Borough to 2027. The Local Plan will comprise two parts: Part 1 is the Core Strategy (currently being prepared), while Part 2 is the Site Allocations and Development Management document (preparation to commence 2015). The new Local Plan will provide the statutory planning framework for decisions on future development proposals, which will facilitate the physical, economic and social change which is seen by the Council and its partners as essential to Blackpool's future.

5.2 In developing a Core Strategy there are a number of stages that the Council is required to go through, each stage providing an opportunity for the community and other stakeholders to be involved in choosing the right planning policies for Blackpool. The Proposed Submission Core Strategy (at **Appendix 2a** to this report) is the culmination of considerable public consultation, evidence gathering and consideration of options over a number of years to inform the planning policy framework for Blackpool.

5.3 The earlier stages of the Core Strategy preparation have included:

- an Issues and Options document consulted on during Autumn 2008;
- a Preferred Option document consulted on during Spring 2010;
- the Need for New Homes in Blackpool to 2027 report consulted on in November/December 2010; and
- a Revised Preferred Option document consulted on in June/July 2012.

5.4 Following the 2012 consultation further work had to be undertaken to ensure compliance of Core Strategy policy with the requirements of the National Planning Policy Framework (NPPF) which was published in March 2012; and bring up to date certain aspects of the Core Strategy evidence base.

5.5 This further work included:

- A Viability Study to assess the policy requirements in the emerging Core Strategy including the level of affordable housing; and to assess the potential for introducing a Community Infrastructure Levy (CIL) Charging Schedule in Blackpool. URS Consultants were appointed to undertake this assessment.

The National Planning Policy Framework requires planning authorities to ensure consideration is given to the cumulative impact of plan policies on development and to strike a balance between the requirements necessary to provide for sustainable development and the realities of economic viability. The NPPF states *“the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened”* (Para 173).

- A Strategic Housing Market Assessment (SHMA). Turley Associates were jointly commissioned by Blackpool, Fylde and Wyre Councils to conduct a new SHMA for the Fylde Coast, in partnership with specialist demographic consultancy Edge Analytics. The Strategic Housing Market Assessment S forms a key part of the emerging Local Plan evidence base, providing an assessment of housing needs and demand across the Fylde Coast to inform an understanding of how many new homes may be needed to 2030. It also includes analysis indicating the mix of tenures and sizes of housing required to address the future needs of the changing population, including future requirements for affordable housing. The Strategic Housing Market Assessment is based on up-to-date information and data, as of October 2013. It is an update of the 2008 Strategic Housing Market Assessment.

The Strategic Housing Market Assessment identified a range of assessed need and recommended that further consideration was given to Blackpool’s economic and housing need forecasts in identifying an appropriate housing figure within the assessed range, as aligning future housing growth to economic prosperity is important to the situation in Blackpool. If a decision about the housing requirement is based on the most realistic and appropriate economic based scenario, this must be supported by sufficiently robust economic evidence, and so further work has been undertaken by AMION Consultants, which examines the local economy, including the labour market. This evidence, along with other factors including the supply of land for new development, past delivery rates, market capacity and deliverability, development viability or infrastructure / environmental constraints, has been taken into account in the development of policy within the Proposed Submission Core Strategy.

- A Blackpool Employment Land Review. This was undertaken in-house by officers, and provides an updated assessment of employment land supply and future

requirements in the Borough to 2027. It supersedes the previous full review undertaken in 2007 along with updates in 2009, 2010 and 2011.

- A Gypsy and Traveller Accommodation Assessment (GTAA). Opinion Research Services has been commissioned to update the 2007 Fylde Coast GTAA. At Examination plans are being found 'unsound' where Gypsy and Traveller Accommodation Assessments pre date 2008. The study will determine the accommodation needs of Gypsies, Travellers and Travelling Showpeople across the Fylde Coast identifying the need for each of the three Fylde Coast Authorities for their plan periods, which for Blackpool is 2012 to 2027.

5.6 Proposed Submission Core Strategy

The Proposed Submission Core Strategy reflects the representations received to the Revised Preferred Option document, the updated evidence referred to above and changes to government guidance.

An overview of the representations received and the proposed changes to policy and the supporting text compared to the Revised Preferred Option document is set out in **Appendix 2b** to this report. The detailed response to the representations received is set out in the Statement of Consultation at **Appendix 2c Part Two**.

In addition to the above, a number of supporting documents to the Proposed Submission have informed its preparation. These include:

- An updated Sustainability Appraisal (**Appendix 2d** to this report) which is a legal requirement under the Planning and Compulsory Purchase Act 2004. The Sustainability Appraisal (SA) evaluates the likely social, economic and environmental effects of the spatial vision, objectives and policies, including the cumulative effects. The latest Sustainability Appraisal, produced for the Proposed Submission by Hyder Consultants, has reported that the policies '*tend to be complementary and to contribute positively overall to sustainability objectives when viewed together*'. Mitigation measures are proposed to improve the sustainability performance of the policies and their implementation. The Council's proposed response to these measures is set out in **Appendix 2d Part 2** to this report. This Sustainability Appraisal will be subject to the same consultation period as the Proposed Submission document.
- An updated Habitat Regulations Assessment (HRA) screening (**Appendix 2e**) which is required by Law to protect European Sites of Biological Importance in the region. Bowland Ecology Consultants were commissioned to undertake an update of the Habitat Regulations Assessment. The previous Habitat Regulations Assessment (2012) recommended a strengthening of part 3 of

Policy CS6: Green Infrastructure which is concerned with biodiversity, to ensure that there are no significant adverse effects likely to occur as a result of implementing the revised preferred policies. This recommendation was taken on board. The changes that have been proposed to policy in the Proposed Submission document do not require any further modification as a result of the updated 2014 Habitat Regulations Assessment.

- An updated Housing Requirement Technical Paper (**Appendix 2f**) and updated Employment Land Requirement Technical Paper (**Appendix 2g**), which inform and justify the preferred strategy and policies relating to housing and employment.
- The Infrastructure Delivery Plan (IDP) (**Appendix 2h**) which identifies the infrastructure required to support the delivery of the Core Strategy.
- An updated Equality Analysis (**Appendix I**) to ensure the Council meets the legal obligations of the Equality Act 2010, taking into account all relevant and appropriate equality considerations.

5.7 Core Strategy Proposed Submission– Key Changes

Highlighted above are those documents which have informed the content of the Proposed Submission Core Strategy and have led to changes to policy compared to the Revised Preferred Option (2012) consultation document. As previously stated, an overview of the changes in the Proposed Submission is set out in **Appendix 2b** but the key changes can be summarised as follows:

- **a reduction in the housing requirement** from 300 to 280 new dwellings on average per year. Paragraphs 4.3 to 4.10 in Appendix B to this report provides further explanation of the reduced requirement as does the Housing Technical Paper at Appendix 2f.
- **an updated baseline employment land supply** of 21.6ha (previously 23.5ha) with a realistic supply of 17.8ha identified; meaning a shortfall in supply of 13.7ha against the assessed requirement of 31.5ha (previously 35-40ha); and explicit recognition in the supporting text to Policy CS3 that Fylde Borough Council through the Duty to Co-operate is accommodating around 14ha of employment land to meet Blackpool's shortfall.
- **the merger of Policy CS21: Access and Connectivity into Policy CS5: Connectivity** to improve clarity and address the overlap in policy coverage;

- **Policy CS9: Energy Efficiency and Climate Change has been split into 2 policies** - new policy CS9: Water Management and new policy CS10: Sustainable Design and Renewable and Low Carbon Energy'. These changes take into account the concerns raised by the Environment Agency and more wider comments made by United Utilities on the important issue of water management. New policy CS10 reflects the emphasis of the policy more accurately, the recent evidence provided in the Viability Study and the proposed changes by government to limit the application of local standards of house building;
- **Policy CS13 Affordable Housing** has been amended so that developments in the inner area are exempt from the affordable housing requirements to reflect the findings of the Viability Study; to provide more flexibility over affordable housing dwelling size and tenure mix requirements across the Borough; and to acknowledge that an alternative level of provision may be negotiated where this has been robustly justified with the submission of a viability appraisal;
- **Policies CS23: Promenade Holiday Accommodation and CS24: Off Promenade Holiday Accommodation have been merged** and simplified to form new policy CS23: Managing Holiday Bed Spaces. Individual areas are no longer defined in the redrafted policy to provide more flexibility for a future SPD review with more clarity provided over what the policy does/does not allow in terms of change of use. The supporting text has been rewritten to explain the policy approach to managing a reduction in holiday bed spaces and clarifies that the policy applies to some parts of the resort that are outside the defined Resort Core. The amendments are in response to the key issues raised in the consultation which show there is a misunderstanding by some about the policy approach to managing a reduction in holiday accommodation.

5.8 Core Strategy Proposed Submission– Consultation

The Planning Authority is now in a position to submit the Core Strategy and supporting documents to the Secretary of State for Communities and Local Government, for the purposes of public examination before an independent Planning Inspector. However, prior to that submission, the Council must publish the Core Strategy document for inspection and invite formal representations over a minimum consultation period of 6 weeks in line with the Government Regulations (19 and 20)¹ For the Blackpool Core Strategy, the intention is to consult for an extended period of 8 weeks during July/August this summer.

At this stage of consultation representations are invited on the 'soundness' or otherwise of the plan. A summary of any representations made at this stage, together with copies of any representations, will be forwarded to the Secretary of

¹ Town and Country Planning (Local Planning) (England) Regulations 2012

State on submission of the Core Strategy. The representations will be considered by an independently appointed planning inspector (appointed by Government) who undertakes the Examination into the Core Strategy and supporting documents.

Comments on 'soundness' must relate to whether a plan is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent** with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

Once the Proposed Submission has been published, unless new matters of significance are raised through the representations received, it is not anticipated that there will be a need to make further changes (other than minor amendments to improve clarity) as the document will represent the Plan which the Council is willing to adopt.

5.9 **Duty to Co-operate**

Paragraph 181 of the NPPF states that “Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination”. The Duty to Co-operate (the Duty) is set out in Section 33A of the Planning and Compulsory Purchase Act 2004 as amended by Section 110 of the Localism Act 2011.

This Duty applies to all local planning authorities (LPAs), county councils in England and to a number of other “prescribed” bodies requiring them to co-operate with each other to address strategic matters relevant to their areas in the preparation of a development plan document (DPD). The Duty requires ongoing constructive and active engagement on the preparation of DPDs and other activities relating to the sustainable development and use of land.

A Statement of Compliance with the Duty to Co-operate has been drafted setting out

how Blackpool has met this legal requirement (**Appendix 2j** to this report). The draft Statement will be consulted upon at the same time as the Proposed Submission document. Letters will be sent out, to those bodies and local planning authorities that have been involved with co-operating over cross boundary issues, inviting comments. The Statement will accompany the Core Strategy at Submission.

5.10 **Five Year Housing Land Supply**

It is considered that the new evidence of Blackpool’s objectively assessed housing need provided by the 2013 Fylde Coast SHMA (Feb 2014); further analysis of economic and housing forecasts (May 2014) and the updated Housing Requirement Technical Paper (June 2014), which underpin the Housing Requirement Policy in the Proposed Submission Core Strategy provides the most up-to-date assessment of housing needs in the Borough. Therefore, in line with the NPPF, this updated housing requirement figure should form the basis for calculating the Borough’s housing land supply pending the adoption of the Blackpool Core Strategy.

5.11 **Next steps**

For members information, set out below are the remaining key stages of the preparation of the Core Strategy through to adoption, along with estimated timescales:

TASK	TIMESCALE
<ul style="list-style-type: none"> ▪ Executive and Council approval of the Core Strategy - Proposed Submission Version June 2014 including the amendments to the Policies Map; updated SA and HRA for Publication consultation 	June 2014
<ul style="list-style-type: none"> ▪ 8 weeks consultation (Regulation 19 and 20)² 	July/August 2014
<ul style="list-style-type: none"> ▪ Review of representation received to Publication stage consultation; prepare responses to representations and prepare for submission ▪ 	September/November 2014

² Town and Country Planning (Local Planning) (England) Regulations 2012

<ul style="list-style-type: none"> ▪ Submission of Core Strategy and supporting evidence to the Secretary of State (Regulation 21 and 22) 	December 2014
<ul style="list-style-type: none"> ▪ Examination of the Core Strategy by the Planning Inspectorate (Regulation 23 and 24) 	April/May 2015
<ul style="list-style-type: none"> ▪ Inspector's Report (Regulation 25) 	July 2015
<ul style="list-style-type: none"> ▪ Adoption by Full Council (Regulation 26) 	September 2015

5.12

Does the information submitted include any exempt information?

No

- 5.13 **List of Appendices:**
Appendix 2a Part1 - Proposed Submission Core Strategy (June 2014)
Appendix 2a Part 2 – Proposed Submission Policies Map (June 2014)
Appendix 2b – Overview of Changes to the Proposals and Policies in the Proposed Submission Core Strategy (June 2014) compared to the Revised Preferred Option document
Appendix 2c – Statement of Consultation (June 2014) - including the Response to Representations received to the Revised Preferred Option
Appendix 2c Part Two- Response to Representations received to the Revised Preferred Option
Appendix 2d Part 1 – Proposed Submission Core Strategy Sustainability Appraisal: (May 2014); including Appendices
Appendix 2d Part 2 - Blackpool Council Response to the Proposed Submission Core Strategy Sustainability Appraisal (June 2014)
Appendix 2e – Proposed Submission Habitats Regulation Assessment (May 2014)
Appendix 2f - Housing Requirement Technical Paper (June 2014);
Appendix 2g - Employment Land Technical Paper (June 2014);
Appendix 2h – Infrastructure Delivery Plan (June 2014);
Appendix 2i– Equality Analysis (June 2014)
Appendix 2j – Draft Statement of Compliance with the Duty to Co-operate (May 2014)
All circulated under separate cover.

6.0 Legal considerations:

- 6.1 The Core Strategy when adopted will be the key strategic spatial document forming part of the Council's statutory Local Plan.

7.0 Human Resources considerations:

- 7.1 The Core Strategy is being resourced by staff within the Development Plans and Projects Team.

8.0 Equalities considerations:

- 8.1 An Equality Analysis has been prepared to ensure the Council meets the legal obligation of the Equality Act 2010, taking into account all relevant and appropriate

equality considerations. This document is attached at Appendix 2i.

9.0 Financial considerations:

9.1 The work is being undertaken within existing budgetary provisions, including the independent Core Strategy examination by the Secretary of State during 2015.

10.0 Risk management considerations:

10.1 The Core Strategy is the key document which will provide the statutory planning framework to enable and assist the delivery of Blackpool's future development requirements. Without its progress, acquisition, land assembly and planning approval for key regeneration and development projects will be undermined and delayed. In addition with the publication of the National Planning Framework in March 2012 there is an imperative to progress the Core Strategy through to adoption as quickly as possible to ensure the Council has a planning framework that is directing development within the borough which reflects the community and elected members priorities and needs and to avoid national policy being the principle basis for making decisions. The latter could lead to an increase in appeals if applications are received proposing development which is not in line with the priorities and needs of Blackpool.

11.0 Internal/ External Consultation undertaken:

11.1 Extensive consultation has taken place on the progression of the Core Strategy to date. Previous key consultations have involved the Issues and Options (2008); Preferred Option (2010) and Revised Preferred Option (2012) stages.

12.0 Background papers:

12.1 None

**ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE
EXECUTIVE/ CABINET MEMBER**

13.0 Key decision information:

- 13.1 Is this a key decision? Yes
- 13.2 If so, Forward Plan reference number: 8/2014
- 13.3 If a key decision, is the decision required in less than five days? No
- 13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

- 14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? Yes
- 14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 6th June 2014 Date approved: N/A

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 Date of Decision:

18.0 Reason(s) for decision:

18.1 Date Decision published:

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1

Report to:	EXECUTIVE
Item number	3
Relevant Officer:	Steve Thompson, Assistant Chief Executive Treasurer Services
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Decision:	16 th June 2014

PROVISIONAL OUTTURN 2013/2014

1.0 Purpose of the report:

1.1 The report of the Treasurer on the Provisional Revenue Outturn for 2013/2014 compared with the approved budget and the capital expenditure in the year ended 31st March 2014 with sources of funding.

2.0 Recommendation(s):

2.1 To approve the Provisional Revenue Outturn for 2013/2014, and in so doing to note that the figures are subject to external audit and final accounting adjustments (ref. paragraph 2.1).

2.2 To approve the recommendations regarding the treatment of specific service under / overspends as outlined (ref. paragraph 3.2).

2.3 To approve the provisional capital outturn for 2013/2014 and methods of scheme funding as outlined (ref. paragraphs 4.2 and 4.5).

2.4 To note the Prudential Indicator (ref. paragraph 4.3); and

2.5 To note the levels of the earmarked reserves including those for the Housing Revenue Account and maintained schools (ref. paragraph 6.1).

3.0 Reasons for recommendation(s):

3.1 To bring the Provisional Revenue and Capital outturn figures to Members' attention at the earliest opportunity in accordance with good financial practice and to seek approval of the treatment of carry forward underspendings / overspendings as outlined in paragraph 3.2 of the Executive report, so that budget managers can then plan accordingly.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? **No**

3.2b Is the recommendation in accordance with the Council's approved budget? **Yes**

3.3 Other alternative options to be considered:

None, the report is a position statement as at 31st March 2014.

4.0 Council Priority:

4.1 The relevant Council Priority is:

- Deliver quality services through a professional, well-rewarded and motivated workforce

5.0 Background Information

5.1 The main report to the Executive outlines the Provisional Revenue Outturn for 2013/2014 compared with the approved budget and the capital expenditure in the year ended 31st March 2014 with sources of funding.

Does the information submitted include any exempt information?

No

5.2 List of Appendices:

Appendix 3a- Report of the Treasurer

Appendices 3b to 3m- Outturn Summaries all departments

Appendix 3n- Capital outturn statement

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 As outlined in the report.

10.0 Risk management considerations:

10.1 Impact of financial performance on Council reserves and balances.

11.0 Internal/ External Consultation undertaken:

11.1 None

12.0 Background papers:

12.1 None

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

13.0 Key decision information:

13.1 Is this a key decision? Yes

13.2 If so, Forward Plan reference number: 4 and 5/2014

13.3 If a key decision, is the decision required in less than five days? No

13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 6th June 2014 Date approved: N/A

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 **Date of Decision:**

18.0 Reason(s) for decision:

18.1 **Date Decision published:**

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1

This page is intentionally left blank

BLACKPOOL COUNCIL
REPORT
of the
TREASURER
to the
EXECUTIVE
on
16TH JUNE 2014

PROVISIONAL OUTTURN 2013/2014

1. Introduction

- 1.1 The purposes of this report are to show i) a comparison of General Fund Revenue Account expenditure in the year ended 31st March 2014 with the approved budget and ii) a statement of Capital Expenditure in the year ended 31st March 2014 with sources of funding. The figures are provisional in that they are subject to external audit and any final accounting adjustments. The final figures will be incorporated in the Statement of Accounts for 2013/2014, which is the subject of a separate report to the Finance and Audit Committee on 18th September 2014 in order to comply with the statutory deadline required by the Accounts and Audit (England) Regulations 2011.

2. Provisional Revenue Outturn 2013/2014

- 2.1 The Provisional Revenue Outturn for 2013/2014 (before allowing for changes to working balances) is £150,120,000 compared with the approved budget of £150,254,000 – a net underspend of £134,000. The summary figures are shown at Appendix 3b.
- 2.2 The year-end variance position for each department is set out in Appendices 3c to 3l and is summarised as follows:-

Department	2013/2014 Variance £000	Reference Appendix
Chief Executive	(95)	2a
Human Resources, Communication and Engagement	(1)	2b
Democratic Services	(48)	2c
Treasurer Services	(314)	2d
Built Environment	(6)	2e
Regeneration, Tourism and Culture	280	2f
Strategic Leisure Assets	2,765	2f

Leisure and Operational Services	(4)	2g
Adult Services	81	2h
Children's Services	1,420	2i
Public Health	-	2j
Sub-total	4,078	
Area Forum and Ward Budgets	(639)	2c
Total	3,439	

2.3 The main reasons for this net service overspend are:-

Service	Reasons	£000
Regeneration, Tourism and Culture – Strategic Leisure Assets	A cumulative adverse variance of £2,765k exists as a result of poorer trading conditions than originally expected. There are a number of facets to the variance, including vacant units at the Golden Mile. Financial performance is currently ahead of that anticipated in the Strategic Leisure Assets Recovery plan.	2,765
Children's Services	Children's Social Care over spent by £2.8m due to the higher than expected numbers and associated cost of Looked After Children (LAC). One-off savings relating to staffing vacancies and flexible use of grant funding reduced this to £1.42m.	1,420
Regeneration, Tourism and Culture	The adverse variance relates to Marketing Blackpool; a recovery plan is in place to address this position.	280
Adult Services	A shortfall of £2.5m against the 13-14 Priority Led Budgeting target was identified early in the financial year, however, this was offset by implementing a one-off correction in the accounting treatment for deferred charges on property (£1.3m), the brought forward underspend from 2012-13 (£0.7m) and staffing vacancies (£0.5m).	81
Chief Executive / Human Resources, Communication and Engagement / Democratic Services / Treasurer Services / Built Environment / Leisure and Operational Services	The majority of these underspends relate to staff savings, increased efficiency savings and good housekeeping.	(468)
Area Forum and Ward Budgets	Scheme commitments of £264k are being carried forward to 2014/15 which reduces the true surplus on budget to £375k.	(639)
Total		3,439

The 2013/2014 figures include overspendings of £214,000 brought forward from the previous financial year. After allowing for these sums, the provisional outturn shows that departmental budgets overspent in-year by £3,225,000.

- 2.4 The financial outturn for budgets 'outside the cash limit' is detailed at Appendix 3m and shows an aggregate underspending of £971,000. The main reasons for this are:-

Service	Reasons	£000
Parking Services	The closure of a significant number of car parks due to large scale redevelopment schemes across the town, coupled with the extremely challenging income target faced by the service have led to this overspend.	966
Concessionary Fares	This overspend is due to the popularity of the new improved tram services, and a large uptake by those eligible for concessionary fares.	956
Investment Portfolio	The majority of the overspend relates to a delay in the demolition of the former Syndicate nightclub due to legal issues. Costs have continued to be incurred and forecast parking income has not been realised.	95
Council Tax and NNDR Cost of Collection	Reduction in costs recovered.	30
Housing Benefits	-	(5)
Land Charges	-	(12)
Grants, Donations and Subscriptions	Reduction in Local Government Association Subscription	(15)
Subsidiary Companies	Primarily the good performance of the Blackpool Operating Company, which manages and operates the Sandcastle Waterpark, has led to a reduced subsidy requirement.	(146)
Treasury Management	The use of temporary borrowing and internal financing in lieu of long-term borrowing and the passporting of reduced interest by Lancashire County Council on the Local Government Reorganisation debt achieved significant savings in interest payable. Higher cash balances during the year resulted in increased temporary investment income, albeit at continuing low interest rates.	(2,840)
Total		(971)

3. Treatment of Revenue Budget Variances

- 3.1 As part of the year-end process, an analysis of budget variances is undertaken in order to determine the treatment of under/overspendings on service

budgets. The conventional Cash Limited Budgeting approach provides that:-

- underspendings are carried forward in full and are then available to supplement the following year's service budget;
- overspendings are similarly carried forward but must as far as possible be recovered in the following financial year (where an extended period is required, this must be on the basis of a recovery plan with a timetable not exceeding 3 years and approved by the Executive); and
- any windfall gains, as determined by the Treasurer and arising from events outside the control of the service, are added to the Council's general working balances.

3.2 Having considered the Provisional Revenue Outturn 2013/2014 in detail and the financial outlook, it is recommended that:-

- the planned overspending of £2,765,000 on the Strategic Leisure Assets, in accordance with the original decision for this scheme of the Executive on 7th February 2011, is carried forward to 2014/2015 in full;
- the following service overspending is to be written off:

Department	£000
Children's Services	1,420.0

This will allow Children's Services to enter the new financial year in a balanced position and give the Department a realistic chance in meeting its budget savings targets for that year.

- the underspending of £639,000 on Area Forum and Ward Budgets is carried forward to 2014/2015 in full;
- the following service underspendings are carried forward at 100% and covered by earmarked reserve in order not to adversely impact upon working balances if and when spent;

Department	£000
Chief Executive	95.0
Human Resources, Communication and Engagement	1.0
Democratic Services	48.0
Treasurer Services	314.0
Built Environment	6.0
Leisure and Operational Services	4.0
Total	468.0

- the following service overspendings are to be carried forward to 2014/2015 in full:

Department	£000
Regeneration, Tourism and Culture	280.0
Adult Services	81.0
Total	361.0

4. Provisional Capital Outturn 2013/2014

- 4.1. This section sets out the level of expenditure incurred by the Council on its 2013/2014 Capital Programme. It provides a breakdown of expenditure by service in addition to providing a proposal on how the Capital Programme for 2013/2014 should be financed.
- 4.2. The total capital expenditure for the year was £82,432,988. This is summarised as follows with an analysis of spend by individual scheme available at Appendix 3n:-

Department	£	£
Children's Services		17,984,130
Adult Services		2,666,286
Human Resources and IT		2,385,951
Leisure & Operational Services		2,508,381
Built Environment - Housing Revenue (HRA)	11,337,501	
- Private Sector Housing	4,459,347	
- Transport	16,045,832	31,842,680
Regeneration, Tourism & Culture		1,929,541
Treasurer Services		23,116,019
Total		82,432,988

- 4.3 CIPFA's Prudential Code of Practice requires the Council to set a range of indicators each year, one of which is to separately account for non-Housing Revenue Account and Housing Revenue Account expenditure incurred in the financial year. Total capital spend in 2013/2014 of £82.4m is split between non-Housing Revenue Account of £71.1m and Housing Revenue Account of £11.3m.
- 4.4 The original Capital Programme for 2013/2014 was set at £38.5m whilst the amount actually spent in-year was 114% more than this. This does not mean that Blackpool Council has overspent on its programme, it reflects additional grants and other funding which have been confirmed and approved during the year and also brought forward unspent capital budget from 2012/2013 due to slippage.
- 4.5 It is recommended that this expenditure is funded from the following sources:-

Source	£
Loans (Supported Capital Expenditure)	0
Prudential Borrowing	39,683,298
Capital Receipts	303,923
Government and Other Grants	33,761,938
Other Sources:	
- Reserves – Public Health	200,000
- Housing Major Repairs Allowance	4,219,541
- Other Revenue Contributions	3,800,887
- NHS	731,445
- Lancashire County Council	(2,384,107)
- Lancashire County Council	1,800,000
- Other External Contributions	316,063
Total	82,432,988

The Council has maximised all capital resources available to it during 2013/2014 and arrangements have been made to ensure that funding for re-profiled schemes is carried forward into 2014/2015.

5. Collection Rates

5.1 Council Tax (CT)

At the end of month 12 the collection rate for Council Tax is 93.1%. This compares to 95.5% at the same point in 2012/13.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme, the target collection rate is 98%.

The level of Council Tax income is also affected by movements in the actual Council Tax Base compared to that used for the purposes of the 2013/14 Budget. Unlike previous years the base is affected by the Council Tax Reduction Scheme which is effectively applied as a discount and therefore subsequently reduces the tax base. Movements in the Council Tax Reduction Scheme impact on the income due.

As at 31 March 2014, the level of arrears has increased to £10.5m (compared to £8.1m in 2012/13) and the provision for bad debts has increased to £4.1m (compared to £3.3 in 2012/13). These reflect the current economic climate and the introduction of the Council Tax Reduction Scheme. If the actual collection rate is higher than 98% then the excess will be available to reduce the Council Tax in future years. If it is lower than 98% then an increase in Council Tax will be required in future years to cover the shortfall. This would be in addition to any changes arising from the actual collection rates in previous years.

5.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme (CTRS) was introduced on 1 April 2013. The scheme ensures that pensioners' support 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.

The impact of changes in the numbers and ratios between Older Age claimants and Working Age Claimants during the year compared with the original estimates shows the volatility of the data used in projections.

At the end of month 12 the collection rate for those who have to pay CTRS at 27.11% either for the first time or in addition to a proportion of their Council Tax is 69.5%. There is no comparative data for 2012/13.

The likely impact for 2014/15 is that the underlying rate of collection of CTRS will be lower than 2013/14 due to accumulated arrears.

5.3 National Non-Domestic Rate (NNDR)

Prior to 1 April 2013 National Non-Domestic Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1 April 2013 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.

At the end of month 12 the collection rate for National Non-Domestic Rates is 94.9%. This compares to 94.3% at the same point in 2012/13.

The latest estimated deficit for 2013/14 is £5.3m. The Council's share of this is £2.6m (49%) and provision for this has been included in the 2013/14 revenue out-turn. The main factors causing the level of deficit are write-off of bad debts (£1.1m), provisions for bad debts (£1.6m) and appeals (£4.1m). Prior to 2013/14 these provisions were not required by central government, however they are now required to be reflected in the council's statutory accounts. The Council's share is 49%.

The level of write-offs and the provisions for bad debts and appeals reflect the current economic climate and the volatility of these areas and supports the level of earmarked reserves held by the authority. The Valuation Office Agency is committed to resolve 95% of appeals cases outstanding as at 30 September 2013 by July 2015. This increases the impact of appeal decisions on both the on-going value of the rating list and income due to backdating over a number of years.

The impact of the above is reflected in the Collection Fund for 2013/14 but will not fully impact on the Council until 2015/16 due to the methodology employed by central government to collect the data required to calculate the shares of Non Domestic Rate income for use in 2014/15 budgets.

6. Reserves and Provisions

6.1 In accordance with Local Authority Accounting Panel (LAAP) Bulletin No. 77 the Council's reserves and provisions are continuously reviewed for relevance, appropriateness and materiality. The establishment, use and closure of reserves and provisions require the specific authorisation of the Treasurer and auditable records are maintained to that effect. Members are asked to note that:-

- The level of ear marked reserves has increased from £44m to £48.9m with those reserves in excess of £5m shown in the table below:-

<u>Earmarked Reserves</u>	2013/2014	2012/2013
Reserves over £5m:	£000	£000
Potential Pay Liabilities	6,901	8,409
PFI Schemes	12,732	11,963
Collection Fund Deficit Reserve (Council Tax and NNDR)	9,722	6,972
Other Reserves	19,582	16,635
Total Earmarked Reserves	48,937	43,979

- Leisure and Operational Services' trading activities were able to make their budgeted contribution of £100,000 to the General Fund in 2013/2014;
- the financial performance of the Housing Revenue Account (HRA) has been better than originally forecast for 2013/2014 by £1,193,000 with year-end balances of £4,187,000, which will be required in part to support the

Queens Park redevelopment scheme which is now underway; and

- maintained schools' balances (which lie outside the control of the Council) decreased by £1.2m in 2013/2014 to £4.23m, a £1.56m reduction was due to academy conversions with the remaining maintained schools adding £339k to their reserves.

7. General Fund Working Balances

- 7.1 The Council's Revenue Budget for 2013/2014 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.

8. Conclusion and Recommendations

- 8.1 The Provisional Outturn for 2013/2014 represents a solid financial performance with the Council's General Fund working balances only slightly below target at £5,869,000. As the Council continues to manage the financial constraints placed upon it, the measures proposed within this report will provide some cushion to the risks that lie ahead in the next Government Spending Review.

- 8.2 The Executive is asked to:

- approve the provisional revenue outturn for 2013/2014 and in so doing to note that the figures are subject to external audit and final accounting adjustments (ref. paragraph 2.1);
- approve the recommendations regarding the treatment of specific service under / overspends as outlined (ref. paragraph 3.2);
- approve the provisional capital outturn for 2013/2014 and methods of scheme funding as outlined (ref. paragraphs 4.2 and 4.5);
- note the Prudential Indicator (ref. paragraph 4.3); and
- note the levels of the earmarked reserves including those for the Housing Revenue Account and maintained schools (ref. paragraph 6.1).

Steve Thompson
Treasurer

BLACKPOOL COUNCIL

GENERAL FUND PROVISIONAL OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

App. Ref	GENERAL FUND NET REQUIREMENTS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>CASH LIMITED BOTTOM LINE BUDGETS</u>			
2a	CHIEF EXECUTIVE	484	389	(95)
2b	HUMAN RESOURCES, COMMUNICATION & ENGAGEMENT	(73)	(74)	(1)
2c	DEMOCRATIC SERVICES	2,360	2,312	(48)
2c	AREA FORUM & WARD BUDGETS	1,323	684	(639)
2d	TREASURER SERVICES	3,826	3,512	(314)
2e	BUILT ENVIRONMENT	26,928	26,922	(6)
2f	REGENERATION, TOURISM & CULTURE	9,421	9,701	280
2f	STRATEGIC LEISURE ASSETS	(623)	2,142	2,765
2g	LEISURE & OPERATIONAL SERVICES	24,663	24,659	(4)
2h	ADULT SERVICES	48,236	48,317	81
2i	CHILDREN'S SERVICES	39,959	41,379	1,420
2j	PUBLIC HEALTH	-	-	-
2k	BUDGETS OUTSIDE THE CASH LIMIT	19,343	18,372	(971)
	CAPITAL CHARGES	(28,333)	(28,333)	-
	SUB TOTAL - NET COST OF SERVICES	147,514	149,982	2,468
	<u>CONTRIBUTIONS AND CONTINGENCIES</u>			
	CONTRIBUTIONS TO/FROM RESERVES	214	(200)	(414)
	CONTINGENCIES	2,282	273	(2,009)
	SUB TOTAL - CONTRIBUTIONS & CONTINGENCIES	2,496	73	(2,423)
	<u>LEVIES</u>			
	NORTH WEST REGIONAL FLOOD DEFENCE COMMITTEE	65	65	-
	SUB TOTAL - LEVIES	65	65	0
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	150,075	150,120	45
	LESS: AMOUNT (TAKEN FROM)/ADDED TO WORKING BALANCES	179	134	(45)
	NET REQUIREMENT AFTER WORKING BALANCES	150,254	150,254	0

Balance at 1st April
Movement in Balances
General Balances at 31 March

5,735
134

5,869

CHIEF EXECUTIVE

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

CHIEF EXECUTIVE SUMMARY

	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
SUBJECTIVE ANALYSIS			
<u>EXPENDITURE</u>			
EMPLOYEES	337	323	(14)
PREMISES	-	1	1
TRANSPORT	2	3	1
SUPPLIES AND SERVICES	35	9	(26)
THIRD PARTY PAYMENTS	-	-	-
TRANSFER PAYMENTS	-	-	-
SUPPORT SERVICES (NOT INCLUDED BELOW)	84	26	(58)
CAPITAL CHARGES (NOT INCLUDED BELOW)	-	-	-
TOTAL EXPENDITURE	458	362	(96)
<u>INCOME</u>			
CUSTOMER & CLIENT RECEIPTS	-	-	-
GOVERNMENT GRANTS	-	-	-
RECHARGES	-	-	-
OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	13	13	()
TOTAL INCOME	13	13	()
CONTROLLABLE NET EXPENDITURE	445	349	(96)
CDS	26	27	1
CAPITAL CHARGES	13	13	-
RECHARGES (CDS INCOME)	-	-	-
TOTAL NON CONTROLLABLE EXPENDITURE	39	40	1
TOTAL NET EXPENDITURE	484	389	(95)

HR, COMMUNICATION & ENGAGEMENT

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	DIRECTORATE SUPPORT	(2,281)	(2,281)	-
	HEALTH & SAFETY	218	218	-
	HR & ORGANISATIONAL DEVELOPMENT	1,819	1,819	-
	PAY, EQUALITY & DIVERSITY	280	280	-
	CORPORATE DEVELOPMENT, ENGAGEMENT AND COMMUNICATION	(138)	(138)	-
	ICT SERVICES	29	28	(1)
	NET COST OF SERVICES	(73)	(74)	(1)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	4,765	4,859	94
	PREMISES	16	12	(4)
	TRANSPORT	37	47	10
	SUPPLIES AND SERVICES	2,462	3,183	721
	THIRD PARTY PAYMENTS	8	6	(2)
	TRANSFER PAYMENTS	-	-	-
	SUPPORT SERVICES	602	601	(1)
	CAPITAL CHARGES	254	254	-
	TOTAL EXPENDITURE	8,144	8,962	818
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	274	586	(312)
	GOVERNMENT GRANTS	-	35	(35)
	RECHARGES	7,416	7,357	59
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	527	1,058	(531)
	TOTAL INCOME	8,217	9,036	(819)
	NET COST OF SERVICES	(73)	(74)	(1)

DEMOCRATIC SERVICES

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	AREA FORUMS AND WARDS	1,323	684	(639)
	CORPORATE & MEMBER SERVICES	1,250	1,192	(58)
	DEMOCRATIC SERVICES	681	664	(17)
	ELECTORAL SERVICES	150	159	9
	REGISTRARS	22	45	23
	CORONERS	127	134	7
	MORTUARY	130	118	(12)
		2,360	2,312	(48)
	NET COST OF SERVICES	3,683	2,996	(687)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	1,641	1,638	(3)
	PREMISES	1	4	3
	TRANSPORT	27	24	(3)
	SUPPLIES AND SERVICES	1,851	1,198	(653)
	THIRD PARTY PAYMENTS	148	141	(7)
	TRANSFER PAYMENTS	-	-	-
	SUPPORT SERVICES	662	667	5
	CAPITAL CHARGES	2	2	-
	TOTAL EXPENDITURE	4,332	3,674	(658)
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	313	310	3
	GOVERNMENT GRANTS	-	-	-
	RECHARGES	-	-	-
	OTHER GRANTS, REIMBURSEMENTS &	336	368	(32)
	TOTAL INCOME	649	678	(29)
	NET COST OF SERVICES	3,683	2,996	(687)

TREASURER SERVICES

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	PROCUREMENT & DEVELOPMENT	(67)	(163)	(96)
	REVENUES, BENEFITS & TRANSACTIONAL SERVICES	245	(106)	(351)
	LEGAL	40	31	(9)
	LOCAL WELFARE ASSISTANCE SCHEME	(213)	(66)	147
	PROPERTY AND ASSET MANAGEMENT	4,112	4,267	155
	CUSTOMER FIRST	(351)	(451)	(100)
	ACCOUNTANCY	(10)	(43)	(33)
	EMERGENCY PLANNING	60	43	(17)
	RISK SERVICES	10	-	(10)
	NET COST OF SERVICES	3,826	3,512	(314)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	11,222	11,581	359
	PREMISES	3,779	4,870	1,091
	TRANSPORT	96	103	7
	SUPPLIES AND SERVICES	2,469	3,596	1,127
	THIRD PARTY PAYMENTS	6	3,756	3,750
	TRANSFER PAYMENTS	1,093	187	(906)
	SUPPORT SERVICES	3,683	3,525	(158)
	CAPITAL CHARGES	869	903	34
	TOTAL EXPENDITURE	23,217	28,521	5,304
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	619	719	(100)
	GOVERNMENT GRANTS	2,002	5,147	(3,145)
	RECHARGES	15,869	15,703	166
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	901	3,440	(2,539)
	TOTAL INCOME	19,391	25,009	(5,618)
	NET COST OF SERVICES	3,826	3,512	(314)

BUILT ENVIRONMENT

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	PUBLIC PROTECTION	1,492	1,436	(56)
	LICENSING	(5)	49	54
	HOUSING	1,067	1,102	35
	PLANNING SERVICES	484	481	(3)
	TRANSPORTATION	1,819	1,873	54
	STREET CLEANSING	3,632	3,654	22
	TRAMWAY	6,352	6,341	(11)
	SCHOOL CROSSING PATROL	221	201	(20)
	COAST PROTECTION/ PARADES & SEA WALL DEFENCES	4,365	4,415	50
	NEAT	627	614	(13)
	GREEN OPEN SPACES	1,608	1,590	(18)
	HIGHWAYS	3,920	3,783	(137)
	COMMUNITY ENGAGEMENT	243	312	69
	NEIGHBOURHOOD OFFICERS	166	163	(3)
	ENVIRONMENTAL PROTECTION	499	386	(113)
	WASTE LIAISON OFFICERS	176	173	(3)
	BEACH PATROL	204	293	89
	ALLEY GATES	58	56	(2)
	NET COST OF SERVICES	26,928	26,922	(6)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	10,627	11,706	1,079
	PREMISES	1,290	1,408	118
	TRANSPORT	1,286	1,418	132
	SUPPLIES AND SERVICES	2,798	5,047	2,249
	THIRD PARTY PAYMENTS	1,358	1,597	239
	TRANSFER PAYMENTS	721	721	-
	SUPPORT SERVICES	1,915	1,945	30
	CAPITAL CHARGES	12,331	12,355	24
	TOTAL EXPENDITURE	32,326	36,197	3,871
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	2,102	3,009	(907)
	GOVERNMENT GRANTS	231	403	(172)
	RECHARGES	1,762	1,841	(79)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	1,303	4,022	(2,719)
	TOTAL INCOME	5,398	9,275	(3,877)
	NET COST OF SERVICES	26,928	26,922	(6)

REGENERATION, TOURISM & CULTURE

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	PARTNERSHIPS & BUSINESS DEVELOPMENT	926	903	(23)
	ARTS & HERITAGE	579	577	(2)
	LIBRARIES	2,228	2,227	(1)
	ECONOMIC DEVELOPMENT	769	770	1
	ILLUMINATIONS	2,969	2,965	(4)
	VISIT BLACKPOOL/MARKETING COMPANY	1,950	2,259	309
		9,421	9,701	280
	STRATEGIC LEISURE ASSETS	(623)	2,142	2,765
	NET COST OF SERVICES	8,798	11,843	3,045

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	3,868	4,580	712
	PREMISES	1,708	1,680	(28)
	TRANSPORT	132	236	104
	SUPPLIES AND SERVICES	2,567	3,844	1,277
	THIRD PARTY PAYMENTS	348	61	(287)
	TRANSFER PAYMENTS	806	806	-
	SUPPORT SERVICES	(1,245)	683	1,928
	CAPITAL CHARGES	5,914	5,413	(501)
	TOTAL EXPENDITURE	14,098	17,303	3,205
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	3,430	3,619	(189)
	GOVERNMENT GRANTS	-	193	(193)
	RECHARGES	-	-	-
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUT	1,870	1,648	222
	TOTAL INCOME	5,300	5,460	(160)
	NET COST OF SERVICES	8,798	11,843	3,045

LEISURE & OPERATIONAL SERVICES

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	MANAGEMENT & ADMINISTRATION	682	688	6
	PRINT SERVICES	106	109	4
	CAPITAL PROJECTS & REGENERATION	4	25	21
	STREET LIGHTING PFI	4,018	4,016	(2)
	COASTAL & ENVIRONMENTAL PARTNERSHIPS	(56)	(55)	1
	INTEGRATED TRANSPORT	152	147	(5)
	WASTE MANAGEMENT	16,283	16,092	(191)
	STANLEY PARK & PARK DEVELOPMENT	784	764	(20)
	CEMETERIES & CREMATORIUM	(793)	(710)	83
	SCHOOLS CATERING	320	324	4
	OTHER CATERING	500	500	-
	LEISURE & SPORT DEVELOPMENT	1,309	1,301	(8)
	PROPERTY & FACILITY MANAGEMENT	272	415	143
	SECURITY & CCTV	(49)	(93)	(45)
	PUBLIC CONVENIENCES	1,131	1,136	5
	NET COST OF SERVICES	24,663	24,659	(4)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	8,707	9,676	969
	PREMISES	2,029	2,641	612
	TRANSPORT	423	1,329	906
	SUPPLIES AND SERVICES	4,047	6,890	2,843
	THIRD PARTY PAYMENTS	23,169	23,233	64
	TRANSFER PAYMENTS	319	426	107
	SUPPORT SERVICES	2,176	2,186	10
	CAPITAL CHARGES	1,679	1,747	68
	TOTAL EXPENDITURE	42,549	48,128	5,579
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	5,573	7,909	(2,336)
	GOVERNMENT GRANTS	2,665	2,733	(68)
	RECHARGES	5,839	6,325	(486)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUT	3,809	6,502	(2,693)
	TOTAL INCOME	17,886	23,469	(5,583)
	NET COST OF SERVICES	24,663	24,659	(4)

ADULT SERVICES

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	ADULT SOCIAL CARE	5,491	5,223	(268)
	CARE & SUPPORT	11,840	11,456	(384)
	COMMISSIONING & CONTRACTS	1,400	1,361	(39)
	ADULT COMMISSIONING PLACEMENTS	25,528	26,467	939
	ADULTS SAFEGUARDING	270	257	(13)
	BUSINESS SUPPORT & RESOURCES	3,707	3,553	(154)
	NET COST OF SERVICES	48,236	48,317	81

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	19,471	19,641	170
	PREMISES	454	540	86
	TRANSPORT	857	888	31
	SUPPLIES AND SERVICES	1,498	1,729	231
	THIRD PARTY PAYMENTS	32,081	34,765	2,684
	TRANSFER PAYMENTS	6,230	6,619	389
	SUPPORT SERVICES	3,149	3,101	(48)
	CAPITAL CHARGES	702	702	-
	TOTAL EXPENDITURE	64,442	67,985	3,543
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	8,059	9,965	(1,906)
	GOVERNMENT GRANTS	208	254	(46)
	RECHARGES	21	90	(69)
	OTHER GRANTS, REIMBURSEMENTS & CONTR	7,918	9,359	(1,441)
	TOTAL INCOME	16,206	19,668	(3,462)
	NET COST OF SERVICES	48,236	48,317	81

CHILDREN'S SERVICES

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	LOCAL SCHOOLS BUDGET	66,814	66,814	-
	LEARNING AND SCHOOLS	16,536	16,244	(292)
	EARLY HELP FOR CHILDREN AND FAMILIES	13,217	12,730	(487)
	CHILDREN'S SOCIAL CARE	25,011	26,973	1,962
	GRANTS	(81,619)	(81,382)	237
	NET COST OF SERVICES	39,959	41,379	1,420

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	61,482	82,579	21,097
	PREMISES	4,791	7,269	2,478
	TRANSPORT	2,454	2,553	99
	SUPPLIES AND SERVICES	16,364	17,966	1,602
	THIRD PARTY PAYMENTS	35,433	16,413	(19,020)
	TRANSFER PAYMENTS	3,843	6,176	2,333
	SUPPORT SERVICES	6,233	7,952	1,719
	CAPITAL CHARGES	6,706	6,717	11
	TOTAL EXPENDITURE	137,306	147,625	10,319
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	1,182	1,887	(705)
	GOVERNMENT GRANTS	84,349	92,448	(8,099)
	RECHARGES	5,020	3,056	1,964
	OTHER GRANTS, REIMBURSEMENTS & CONTI	6,796	8,855	(2,059)
	TOTAL INCOME	97,347	106,246	(8,899)
	NET COST OF SERVICES	39,959	41,379	1,420

PUBLIC HEALTH

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

PUBLIC HEALTH SUMMARY

	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
SUBJECTIVE ANALYSIS			
<u>EXPENDITURE</u>			
EMPLOYEES	1,150	1,155	5
PREMISES	1	-	(1)
TRANSPORT	19	13	(6)
SUPPLIES AND SERVICES	3,356	3,451	95
THIRD PARTY PAYMENTS	12,604	12,703	99
TRANSFER PAYMENTS	-	-	-
SUPPORT SERVICES (NOT INCLUDED BELOW)	44	60	16
CAPITAL CHARGES (NOT INCLUDED BELOW)	-	-	-
TOTAL EXPENDITURE	17,174	17,382	208
<u>INCOME</u>			
CUSTOMER & CLIENT RECEIPTS	-	-	-
GOVERNMENT GRANTS	-	-	-
RECHARGES	-	-	-
OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	17,457	17,665	(208)
TOTAL INCOME	17,457	17,665	(208)
CONTROLLABLE NET EXPENDITURE	(283)	(283)	-
CDS	283	283	-
CAPITAL CHARGES	-	-	-
RECHARGES (CDS INCOME)	-	-	-
TOTAL NON CONTROLLABLE EXPENDITURE	283	283	-
TOTAL NET EXPENDITURE	-	-	-

BUDGETS OUTSIDE THE CASH LIMIT

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2014

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	TREASURY MANAGEMENT	14,879	12,039	(2,840)
	PARKING SERVICES	(3,150)	(2,184)	966
	GRANTS, DONATIONS & SUBSCRIPTIONS	541	526	(15)
	HOUSING BENEFITS	1,302	1,297	(5)
	COUNCIL TAX & NNDR COST OF COLLECTION	426	456	30
	SUBSIDIARY COMPANIES	(719)	(865)	(146)
	CONCESSIONARY FARES	4,579	5,535	956
	LAND CHARGES	(30)	(42)	(12)
	INVESTMENT PORTFOLIO	1,515	1,610	95
	NET COST OF SERVICES	19,343	18,372	(971)

	SUBJECTIVE ANALYSIS	2013/2014 ADJUSTED CASH LIMIT £ '000	2013/2014 ACTUALS £ '000	2013/2014 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	878	829	(49)
	PREMISES	1,285	1,279	(6)
	TRANSPORT	38	48	10
	SUPPLIES AND SERVICES	6,768	7,208	440
	THIRD PARTY PAYMENTS	94	42	(52)
	TRANSFER PAYMENTS	90,407	89,131	(1,276)
	SUPPORT SERVICES	4,263	4,268	5
	CAPITAL CHARGES	21,565	18,204	(3,361)
	TOTAL EXPENDITURE	125,298	121,009	(4,289)
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	8,308	7,129	1,179
	GOVERNMENT GRANTS	91,838	89,466	2,372
	RECHARGES	3,878	3,385	493
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	1,931	2,657	(726)
	TOTAL INCOME	105,955	102,637	3,318
	NET COST OF SERVICES	19,343	18,372	(971)

Phoenix Centre Refurbishment	CS0729	26,838	0	0	0	26,838	0	0	26,838
Ict Refresh	CS0731	50,000	0	0	0	50,000	0	0	50,000
Coopers Way Respite Facility	CS0732	41,034	0	0	0	41,034	0	0	41,034
Highfield Day Centre Refurb	CS0733	16,821	0	0	0	16,821	0	0	16,821
Vitaline Move To Hoyle	CS0734		0	0	0		43,132	0	0
Mansfield Road Refurb	CS0735	43,132	0	0	0	0	12,925	0	43,132
Crichton Place (Garage)	CS0736	12,925	0	0	0	0	0	0	12,925
Shorelands - Min Refurb	CS0737	12,755	0	0	0	12,755	0	0	12,755
Community Information Portal	CS0738	55,919	0	0	0	35,919	20,000	0	55,919
Adults Ict Project 2013-14	CS0741	10,459	0	0	0	10,459	0	0	10,459
Non Specific Contingency Code	CS9999	7,500	0	0	0	7,500	0	0	7,500
Langdale Centre	CEPF13 Total	127,518	0	0	0	0	127,518	0	127,518
Reassurance and Placemaking	CX4001	9,998	0	0	0	0	9,998	0	9,998
Regeneration - Renovation Grant	CX4002	1,265,084	0	0	0	1,252,117	12,967	0	1,265,084
Care & Repair	CX4005	78,866	0	0	78,866	0	0	0	78,866
Winter warmth	CX4024	175,276	0	0	0	175,276	0	0	175,276
TOTAL Adult Services		2,666,286	0	0	78,866	1,636,042	951,378	0	2,666,286

Assistant Chief Executive Responsible for Human Resources and IT

Ict Refresh 2013-14	CS0739	1,057,758	0	0	0	0	500,000	557,758	1,057,758
ICT BSF	CEPF03	1,328,193	0	0	0	1,328,193	0	0	1,328,193
TOTAL Human Resources and IT		2,385,951	0	0	0	1,328,193	500,000	557,758	2,385,951

Assistant Chief Executive Responsible for Leisure and Operational Services

Bispham Health Centre	CL2008	19,257	0	0	0	0	19,257	0	19,257
Play Pathfinders	CL2010	0	0	0	0	-7,995	7,995	0	0
Stanley Park Overflow C.P.	CL2015	136,056	0	0	0	0	136,056	0	136,056
Crem Building Works	CL9805	345,325	0	0	0	0	0	345,325	345,325
Dennis Eagle Refuse Vah X 2	CL9807	315,314	0	0	0	0	0	315,314	315,314
Street Cleaning Vehicles X 6	CL9808	362,324	0	0	0	0	0	362,324	362,324
Anchorsholme Seawall Scheme	CP05 Total	1,169,960	0	0	0	1,169,960	0	0	1,169,960
Shoreline Management	CP70 Total	804	0	0	0	804	0	0	804
Sand Dunes	CP71 Total	73,750	0	0	0	73,750	0	0	73,750
Mereton Mere Dam	CP72 Total	20,000	0	0	0	20,000	0	0	20,000
Bathing Waters	CP79 Total	65,591	0	0	0	65,591	0	0	65,591
TOTAL Leisure and Operational Services		2,508,381	0	0	0	1,322,110	163,308	1,022,963	2,508,381

Assistant Chief Executive Responsible for Built Environment

Housing - HRA

Adaptation Work for the Elderly & Disabled	CX09 Total	329,171	0	0	0	0	329,171	0	329,171
Work towards Decent Homes Standard	CX11 Total	11,008,330	0	0	221,419	6,615,000	4,171,911	0	11,008,330
TOTAL HOUSING - HRA		11,337,501	0	0	221,419	6,615,000	4,501,082	0	11,337,501

Private Sector Housing

Tyldesley/Rigby Road	CX4030	3,946,533	0	0	0	2,146,533	1,800,000	0	3,946,533
Cluster Of Empty Homes	CX4033 Total	502,014	0	0	0	302,014	200,000	0	502,014
Travellers Site	CX4210 Total	10,800	0	0	0	0	10,800	0	10,800
TOTAL PRIVATE SECTOR HOUSING		4,459,347	0	0	0	2,448,547	2,010,800	0	4,459,347

Transport

Blackpool/Fleetwood Tramway Upgrade	CT71 Total	1,485,742	0	0	0	0	-2,374,097	3,859,839	1,485,742
Tramway Emergency Works	CT70 Total	10,653	0	0	0	0	0	10,653	10,653
LTP - Local Safety Scheme	CT01 Total	6,125	0	0	0	6,125	0	0	6,125
LTP - Maintenance	CT02 Total	3,297,781	0	0	0	3,297,781	0	0	3,297,781
LTP - Parking Management	CT03 Total	12,115	0	0	0	12,115	0	0	12,115
LTP - Public Transport Schemes	CT04 Total	565,253	0	0	0	565,253	0	0	565,253
LTP - Traffic Management and Accessibility	CT05 Total	649,027	0	0	0	649,027	0	0	649,027
LTP - Walking and Cycling	CT06 Total	304,117	0	0	0	304,117	0	0	304,117
Project 30	CT30 Total	9,569,630	0	0	0	0	87,804	9,481,826	9,569,630
Sintropher Project	CG75 Total	11,281	0	0	0	0	0	11,281	11,281
Section 278 Development Works	CT94 Total	92,297	0	0	0	0	92,297	0	92,297
Bus & Tram Shelter upgrade	CT95 Total	41,811	0	0	0	0	0	41,811	41,811

TOTAL TRANSPORT	16,045,832	0	0	0	4,834,418	-2,193,996	13,405,410	16,045,832
Total Built Environment	31,842,680	0	0	221,419	13,897,965	4,317,886	13,405,410	31,842,680

ASSISTANT CHIEF EXECUTIVE RESPONSIBLE FOR

Regeneration, Tourism and Culture

Central Library Redevelopment	CL21 Total	725	0	0	0	725	0	725
Leisure Assets	CG20 Total	1,928,816	0	0	396,194	100,000	1,432,621	1,928,816
Total Regeneration, Tourism and Culture		1,929,541	0	0	396,194	100,726	1,432,621	1,929,541

Assistant Chief Executive Responsible for

Treasurer Services

Property Management

Opportunity Purchases	CG95 total	4,634	0	0	4,634	0	0	4,634
Strategic Housing Acquisitions	CX4016	0	0	0	0	0	0	0
Crystal Road	CX4026 Total	13,733	0	0	0	13,733	0	13,733
Rawcliffe Street	CX4028	0	0	0	0	0	0	0
Acqn Of 13 Birley Street	CG23 Total	275,000	0	0	0	0	275,000	275,000
Townscape Heritage Initiative	CG40 Total	407	0	0	-109,217	109,624	0	407
Central Business District	CG50 Total	21,988,883	0	0	3,638	1,076,432	20,908,813	21,988,883
Office Accommodation Strategy	CN50 Total	172,425	0	0	172,425	0	0	172,425
Syndicate	CG76 Total	272,206	0	0	0	0	272,206	272,206
Central Corridor Acquisitions	CG84 Total	2,679	0	0	0	0	2,679	2,679
Tower Headland	CG92 Total	59,828	0	0	106,888	87,403	-134,464	59,828
Total Property Management		22,789,795	0	0	3,638	174,730	21,324,234	22,789,795

Other Schemes

Sandcastle Waterpark Phase III Development	CB10 Total	11,353	0	0	0	0	11,353	11,353
Crrm 2011/12	CB50 Total	314,526	0	0	72,909	241,617	0	314,526
St. Peter's Project	CN26 Total	345	0	0	345	0	0	345
Total Other Schemes		326,224	0	0	73,254	241,617	11,353	326,224

TOTAL Treasurer Services	23,116,019	0	0	3,638	247,984	1,528,809	21,335,588	23,116,019
---------------------------------	-------------------	----------	----------	--------------	----------------	------------------	-------------------	-------------------

TOTAL EXPENDITURE	82,432,988	0	0	303,923	33,761,938	8,683,829	39,683,298	82,432,988
--------------------------	-------------------	----------	----------	----------------	-------------------	------------------	-------------------	-------------------

This page is intentionally left blank

Report to:	EXECUTIVE
Item number	4
Relevant Officer:	Steve Thompson, Assistant Chief Executive Treasurer Services
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Decision:	16 th June 2014

TREASURY MANAGEMENT OUTTURN 2013/2014

1.0 Purpose of the report:

1.1 At its meeting on the 26th February 2013 the Council agreed to adopt the CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition). A feature of the Code is that periodic reports on Treasury Management activities are submitted to the Executive and the attached report relates to Treasury Management activities for the 2013/14 financial year.

2.0 Recommendation(s):

2.1 To note the report concerning Treasury Management activities for the financial year ended 31st March 2014.

3.0 Reasons for recommendation(s):

3.1 To bring the Treasury Management outturn figures to Members' attention at the earliest opportunity in accordance with good financial practice.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? **No**

3.2b Is the recommendation in accordance with the Council's approved budget? **Yes**

3.3 Other alternative options to be considered:

None, the report is a position statement as at 31st March 2014.

4.0 Council Priority:

4.1 The relevant Council Priority is:

- Deliver quality services through a professional, well-rewarded and motivated workforce

5.0 Background Information

5.1 The main report to the Executive outlines the Treasury Management Outturn for 2013/2014 compared with the approved budget and the capital expenditure in the year ended 31st March 2014 with sources of funding.

Does the information submitted include any exempt information?

No

5.2 List of Appendices:

Appendix 4a- Report of the Treasurer

Appendix 4b- Debt Fall Out Chart

Appendix 4c- Base Rates 2013/2014

Appendix 4d- Summary Statistics

Appendix 4e- Outturn 2013/2014

Appendix 4f- Treasury Management Prudential Indicators

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 As outlined in the report.

10.0 Risk management considerations:

10.1 Impact of financial performance on Council reserves and balances.

11.0 Internal/ External Consultation undertaken:

11.1 None

12.0 Background papers:

12.1 None

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

13.0 Key decision information:

13.1 Is this a key decision? Yes

13.2 If so, Forward Plan reference number: 6/2014

13.3 If a key decision, is the decision required in less than five days? No

13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 6th June 2014

Date approved: N/A

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 Date of Decision:

18.0 Reason(s) for decision:

18.1 Date Decision published:

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1

This page is intentionally left blank

BLACKPOOL COUNCIL

REPORT

of the

TREASURER

to the

EXECUTIVE

on

16th JUNE 2014

**TREASURY MANAGEMENT OUTTURN REPORT FOR THE YEAR
ENDED 31ST MARCH 2014**

1. INTRODUCTION

One of the requirements of CIPFA's (Chartered Institute of Public Finance and Accountancy) 2011 Prudential Code and Treasury Management Codes of Practice is that periodic reports on the Council's treasury management activities are submitted to the Executive. This annual report on performance is for the 2013/2014 financial year.

The Council manages its cashflow and long-term financing of capital investments in accordance with its annual Treasury Management Strategy. The 2013/2014 Strategy was approved by the Council on 26th February 2013 and its objectives are as follows:

- to set the framework for managing the Council's investments and cashflows and controlling its banking, money market and capital market transactions
- to plan and secure appropriate borrowing in order to finance the Capital Programme for 2013/2014 and the next two years, at the lowest cost to the Council
- to achieve the best rates of return from the investment of temporary surplus cash balances commensurate with risk, subject to the overriding principle of maintaining an acceptable level of security
- to control effectively the risks associated with these transactions
- to comply with appropriate codes and regulations including the International Financial Reporting Standards as they apply to Treasury Management.

In delivering the above objectives the Council will:

- decide its own borrowing limits taking account its financial situation, long-term plans and in particular what it thinks is affordable now and sustainable in the future
- monitor these limits using performance measures called Prudential indicators. All local authorities must use the same system of performance measurement and risk control. The borrowing limits have been set in accordance with the Council's Medium-term Financial Plan.

2. BORROWING TRANSACTIONS 2013/14

2.1 Loans Raised

The Council's total borrowing powers at 31st March 2013 (the Authorised Limit) stood at £229m. New long-term borrowing of £5.0m was taken in December 2013 from Hampshire County Council to meet the Council's additional funding requirement. The rate of interest payable on this loan was 1.3%. A further £250,000 was borrowed from Hampshire Fire and Rescue for a similar purpose at the same rate. Both loans will be repaid at maturity in November 2016.

The 2013/2014 borrowing requirement for the remainder of the capital programme was deferred until such time that interest rates are judged to be favourable to the Council. This action reduces the Council's exposure to counterparty risk whilst enabling savings to be made in long-term borrowing costs. The Treasury Management Panel's view is that it will continue to monitor interest rates and borrow only when market conditions are favourable.

Temporary borrowing has been required to deal with the normal peaks and troughs of the cashflow, including creditor payments, grant receipts, etc. It has also been required to cover troughs in cash flow due to the delay in taking new long-term borrowing.

2.2 Loans Repaid

During the year £1.3m was repaid in addition to the temporary borrowing referred to in 2.1 above and £0.9m debt, which originated at the time of the Local Government Reorganisation and held through Lancashire County Council (LCC), has been repaid during the year.

Of the £1.3m loans repaid which are referred to above a £0.9m loan was repaid to the Public Works Loan Board when it matured in March 2014 and £0.4m was repaid in two equal instalments of principal in September 2013 and March 2014.

2.3 Loans Refinanced

From time to time opportunities arise to repay existing loans and replace them with lower cost alternative loans. Where this arises savings in annual interest costs can be achieved which keep the Council's overall borrowing costs as low as possible.

No new opportunities to refinance existing loans were identified in 2013/14 but the Treasury Management Panel continues to look at ways to reduce the cost of interest on long-term loans.

2.4 Summary

The Council's pooled borrowing rate on its long-term debt decreased from 5.10% in 2012/2013 to 4.79% in 2013/2014. This change occurred as a result of the movement in loans referred to in 2.2 above.

Temporary borrowing has been required at certain times during the year in order to manage the peaks and troughs in cashflows. The Council's borrowing activities for the 2013/14 financial year are summarised on the next page:

	<u>Debt financing</u> <u>at 1 Apr 2013</u>	<u>Additions to</u> <u>debt</u>	<u>(Reductions)</u> <u>in debt</u>	<u>Debt financing</u> <u>at 31 Mar 2014</u>
	£M	£M	£M	£M
PWLB	61.2	-	(1.3)	59.9
Market Loans	34.0	5.3	-	39.3
Temporary Loans	19.0	106.0	(83.5)	41.5
Sub total	114.2	111.3	(84.8)	140.7
Local Government Reorganisation (LGR) Debt	22.1	-	(0.9)	21.2
TOTAL	136.3	111.3	(85.7)	161.9

The revised maturity profile for the total external long-term debt outstanding at 31st March 2014 is shown in Appendix 4b of this report.

3. INVESTMENT TRANSACTIONS 2013/14

3.1 Overview

The Bank of England Official Bank Rate - the 'Base Rate', i.e. the general level to which all short-term interest rates are related - has remained the same throughout 2013/14 at 0.5%.

Appendix 4c shows this interest rate graphically from 1st September 2005 to 31st March 2014.

3.2 Receipts and Payments during the Year

Appendix 4d of this Report summarises the Council's cashflows during the year, short-term interest receivable and payable, year-end loans outstanding and investment balances.

3.3 Investment Earnings

Interest which has been earned from temporary investments is included in Appendix 4d, together with a comparison with the budgeted income for the financial year. Actual investment earnings, included within the receipts figure, are £52,000.

3.4 Approved Institutions for Investments

The Treasury Management Panel will continue to manage the Council's treasury and investment affairs in a cautious and prudent manner taking account of changes in the economic climate. The Council's Treasury Management Policy restricts investments to a list of approved institutions. Each institution has its own maximum investment limit and timeframe and the security of funds is the overriding factor.

The list comprises UK-registered banks along with their subsidiaries, 2 building societies, upper tier local authorities and certain other public sector bodies plus short-term gilts and UK treasury bills. The list continues to be reviewed regularly in the light of changes in credit ratings and market intelligence.

4. REVENUE OUTTURN 2013/2014

The Treasury Management revenue account for 2013/2014 had net expenditure of £12,039k, an improvement of £2,840k over the budget of £14,879k.

A comparison of the Treasury Management revenue account with the budget for 2013/14 is set out in Appendix 4e.

The debt servicing costs for 2013/2014 decreased in line with recent years' early repayment of long-term borrowing and the deferral of any new long-term borrowing.

Low levels of interest available on lower temporary cash balances coupled with fewer opportunities to restructure the long-term loan portfolio mean that further savings cannot be guaranteed in future years.

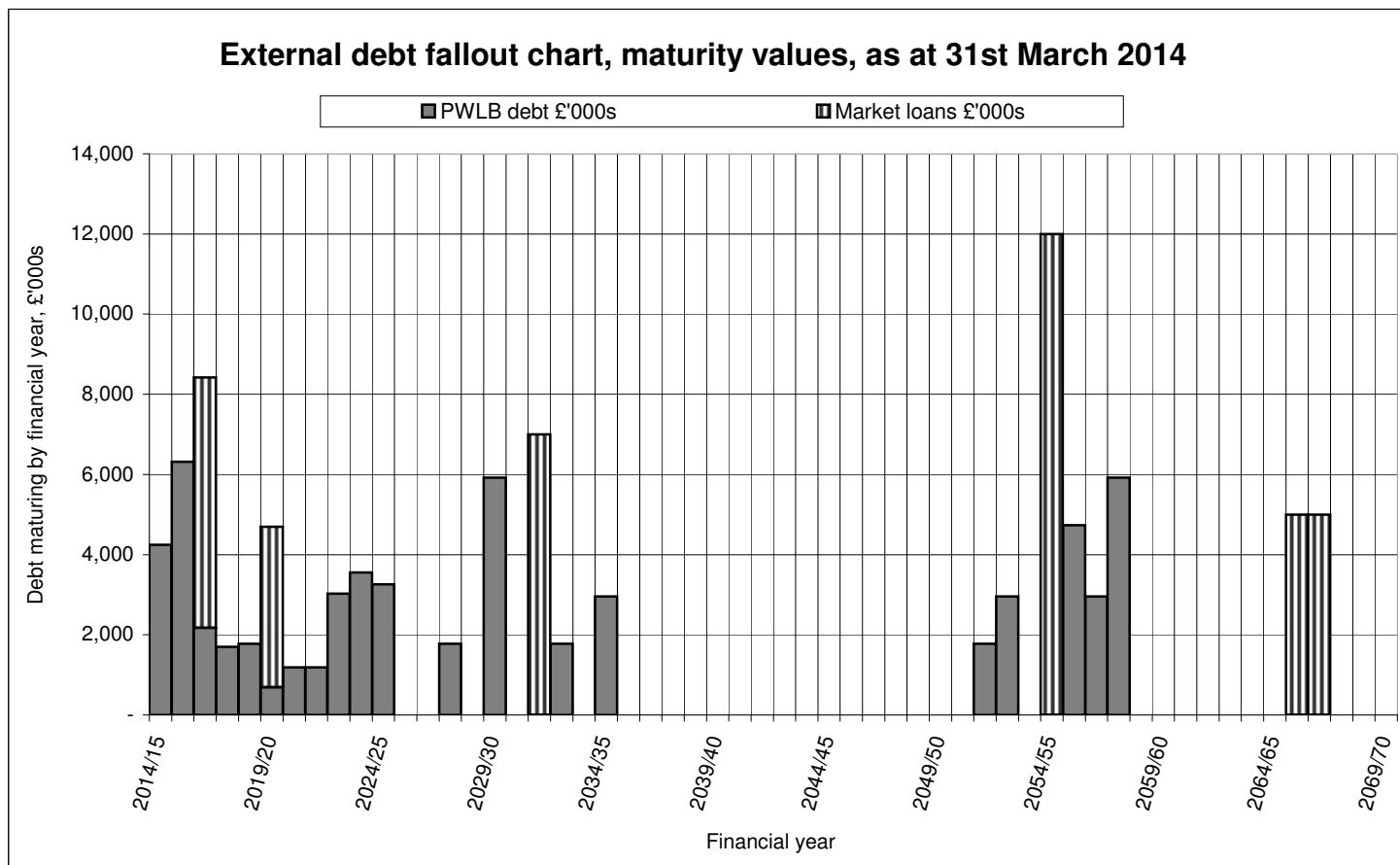
5. PRUDENTIAL INDICATORS

The Prudential Indicators and Limits for 2013/2014 are set out within Appendix 4f to this report.

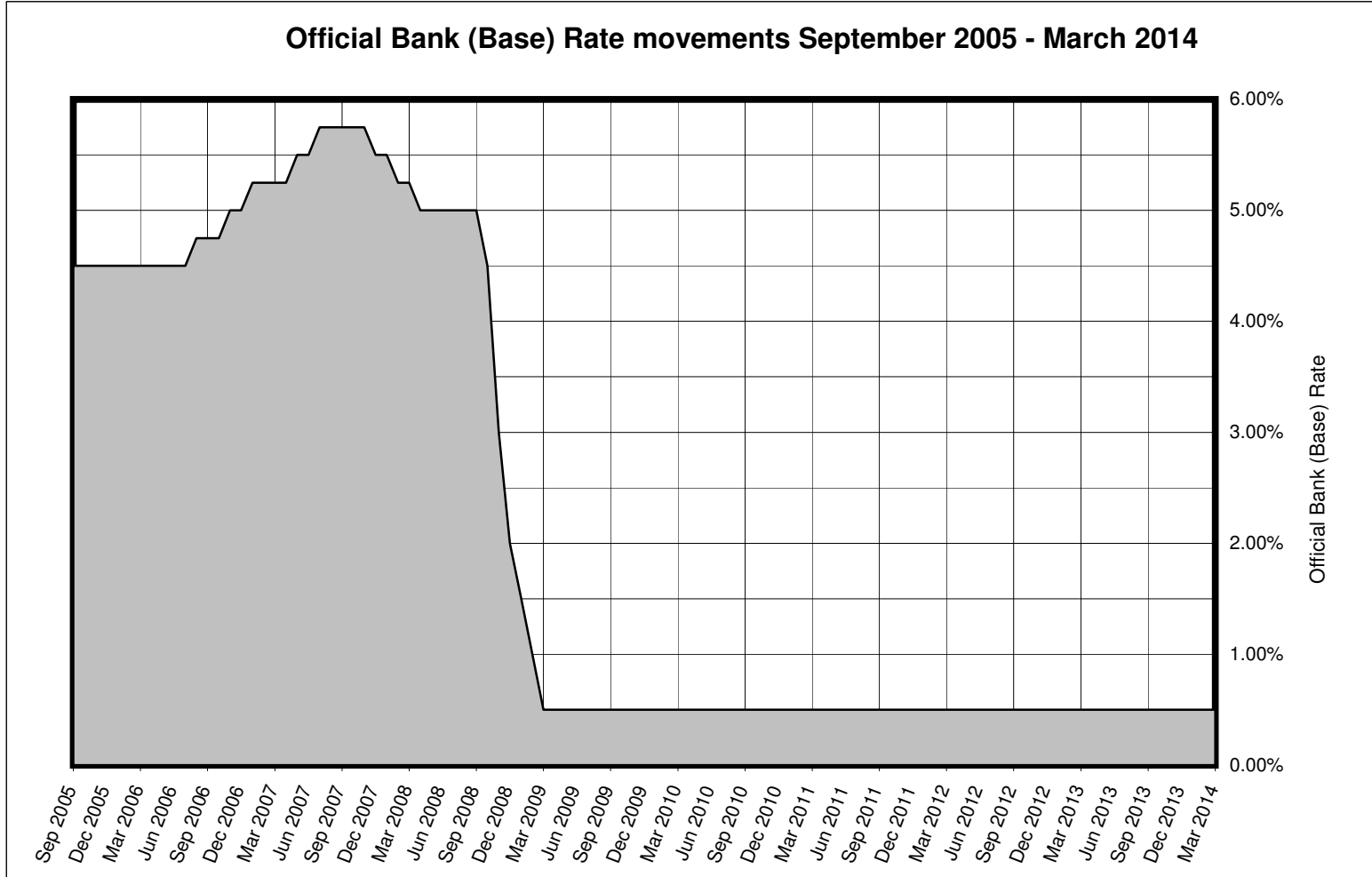
6. RECOMMENDATION

The Executive is asked to note the report on treasury management activities for the financial year ending 31st March 2014.

S. THOMPSON
TREASURER



This page is intentionally left blank



This page is intentionally left blank

TREASURY MANAGEMENT REPORT

SUMMARY STATISTICS FOR THE YEAR 2013/14

SHORT TERM INTEREST NET (RECEIVABLE)/PAYABLE	
	£'000s
Budgeted for year	237
Actual for year	61

SHORT TERM INVESTMENTS MADE	
	Call Accounts & Money Market
Number in the year	136
Total value of those transactions in and out	266m
Average interest rate earned	0.38%

SHORT TERM LOANS MADE	
Number in year	35
Total value of those transactions in and out	106m
Average interest rate paid	0.39%

YEAR END LOANS OUTSTANDING		
01/04/2013 £'000s	SOURCE	31/03/2014 £'000s
61,200	Public Works Loan Board	59,882
34,000	Market Loans	39,250
19,000	Temporary Loans	41,500
114,200	TOTAL LOANS OUTSTANDING	140,632

YEAR END INVESTMENT BALANCES		
01/04/2013 £'000s	CHANGE	31/03/2014 £'000s
4,300	Investments (Call accounts)	6,050
-	Investments (Money Market)	200
4,300	Total	6,250

CASH FLOWS DURING THE YEAR	
	£'000s
RECEIPTS	
Loans & Investments, total movements <i>(The transaction totals, NOT the balance) (A)</i>	375,685
Council Tax & NNDR	80,296
Government Grants/Rate Support Grant	214,444
Housing Benefit & Subsidy	91,224
Other income, VAT reclaimed	118,733
TOTAL OF ALL AMOUNTS RECEIVED INTO THE BANK ACCOUNTS	880,382

	£'000s
PAYMENTS	
Loans & Investments, total movements <i>(The transaction totals, NOT the balance) (B)</i>	351,203
General Creditors	356,828
Salaries & Wages	85,126
Housing Benefits	79,438
Precepts, Police & Fire	7,701
TOTAL OF ALL AMOUNTS PAID OUT OF THE BANK ACCOUNTS	880,296

The difference between total amounts received and paid equals the movement on the current account balances during the year.

RECONCILIATION OF CASH FLOWS WITH THE LOAN & INVESTMENT PORTFOLIOS		
Receipts (A)	375,685	
Payments (B)	(351,203)	
Net (payment)/receipt into current a/cs		24,482
Total loans at end of year	140,632	
Total loans at start of year	(114,200)	
Net loans taken out		26,432
Investments at end of year	(6,250)	
Investments at start of year	4,300	
Net increase in investments		(1,950)
Net (payment)/receipt into current a/cs		24,482

This page is intentionally left blank

Comparison of Budget to Actuals 2013/2014

The annual budget monitoring information for 2013/14 shows a (£2,840k) full-year (favourable) variance on the £14,879k Treasury Management Budget.

The components of this variance are as follows:

	2013/14 Full Year Variance (Fav)/Adv £'000s
The use of temporary borrowing and internal financing have enabled borrowing to be delayed, thus achieving savings against interest payable	(2,247)
Reduced interest charged by LCC on LGR Debt	(477)
Higher cash balances than planned have been maintained during 2013/14 and this has contributed to an increase in the level of temporary investment income (Actual £52k minus Budget £8k)	(44)
Other miscellaneous items including recharges and MRP	(72)
2013/14 full-year (favourable)/adverse position	(2,840)

This page is intentionally left blank

This page is intentionally left blank

Report to:	EXECUTIVE
Item number	5
Relevant Officer:	Karen Smith, Head of Care and Support
Relevant Cabinet Member	Councillor Kath Rowson, Cabinet Member for Adult Social Care
Date of Meeting	19 th June 2014

REPLACEMENT OF VEHICLES FOR VITALINE

1.0 Purpose of the report:

- 1.1 The proposed Purchase of two Ford Fiesta cars for the Vitaline Service, for mobile response wardens to use to respond to vulnerable people across Blackpool. Replacing two existing leased vehicles with purchased vehicles through Prudential Borrowing at 4.94% rate, as leasing is no longer the Council's preferred method of managing vehicles.

2.0 Recommendation(s):

- 2.1 To approve the purchase of two ford fiesta vehicles from £17,564, funded through Prudential Borrowing.

3.0 Reasons for recommendation(s):

- 3.1 This is the most economical way of ensuring the service is using safe vehicles which are fit for purpose.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? Yes

- 3.2b Is the recommendation in accordance with the Council's approved budget? No

- 3.3 Other alternative options to be considered:

To lease the vehicles, this is not suitable for the financial reasons set out in the information section.

Not to replace the vehicles, this would result in the cancellation of service.

4.0 Council Priority:

4.1 The relevant Council Priority is “Safeguard and protect the most vulnerable “

5.0 Background Information

5.1 The Vitaline Service supports people to remain at home and as independent as possible through the provision of an emergency alarm and monitoring system. Across Blackpool, the service includes a mobile response for people who require support urgently and in the event of an uninjured fall at home from which they cannot rise without support.

5.2 In December 2013 Vitaline responded with a mobile response 563 times, an average of 18 call outs per day. The current vehicles (06 plates) are now out of lease and the lease has been extended temporarily. One vehicle has been written off following a no fault accident and both vehicles have required intensive maintenance over the past two/ three years. The cost of maintenance (£9,000) means that the cost of borrowing to replace is £3,000 less per year than the current vehicle costs.

5.3 The purchase of new vehicles will result in effectively a reduction in costs, helping in relation to the financial return of the service. The budget contains a £6,000 vehicle lease element, which is sufficient to meet the requirements of the proposed financial borrowing to purchase the vehicles.

5.4 Executive approval is required to prudential borrow £17,564 over 3 years to finance the procurement of the replacement vehicles. In budget terms this level of prudential borrowing will require annual repayments averaged out at £5,855 over the three year borrowing period, which is accounted for within the Vitaline budget.

5.5 In terms of the option to prudentially borrow, this has been established in conjunction with Finance as the most cost effective way of obtaining the vehicles.

5.6 Failure to replace the existing fleet will ultimately lead to inability to deliver the services and failing to meet the needs and expectations of the local community and a consequential loss of business.

5.7 Does the information submitted include any exempt information?

No

5.8 List of Appendices:

None

6.0 Legal considerations:

6.1 The decision, as with all decisions involving Prudential Borrowing should have regard to the provisions related to Prudential Borrowing under the Local Government Act 2003 and CIPFA Prudential Code.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 Prudential borrowing is the cheapest option available to Vitaline, this will result in savings of £3,000 a year based on the current lease agreement.

10.0 Risk management considerations:

10.1 Unable to deliver services without replacement fleet which is becoming unfit for purpose. Significantly increased repairs/maintenance/hire costs will result if the existing, old fleet is not replaced.

11.0 Internal/ External Consultation undertaken:

11.1 None

12.0 Background papers:

12.1 None

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

13.0 Key decision information:

13.1 Is this a key decision? No

13.2 If so, Forward Plan reference number:

13.3 If a key decision, is the decision required in less than five days? No

13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 Date of Decision:

18.0 Reason(s) for decision:

18.1 Date Decision published:

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1

This page is intentionally left blank