

Blackpool Council

6 September 2016

To: Councillors Mrs Callow JP, D Coleman, G Coleman, Galley, Hunter, Matthews, Roberts, Ryan and L Williams

The above members are requested to attend the:

TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 15 September 2016 at 6.00 pm
in the Council Chamber, 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 Governance in advance of the meeting.

2 MINUTES OF THE LAST MEETING HELD ON 20 JULY 2016 (Pages 1 - 6)

To agree the minutes of the last meeting held on 20 July 2016 as a true and correct record.

3 PUBLIC SPEAKING

To consider any applications from members of the public to speak at the meeting.

4 EXECUTIVE AND CABINET MEMBER DECISIONS (Pages 7 - 14)

To consider the Executive and Cabinet Member Decisions within the portfolios of the Leader of the Council and Deputy Leader of the Council, taken since the last meeting of the Committee.

- 5 FORWARD PLAN** (Pages 15 - 20)
- To consider the content of the Council's Forward Plan, September 2016 – December 2016, relating to the portfolios of the Leader of the Council and Deputy Leader of the Council.
- 6 PROVISIONAL REVENUE OUTTURN 2015/2016** (Pages 21 - 50)
- To consider the Provisional Revenue Outturn for 2015/2016 compared with the approved budget and the capital expenditure in the year ended 31 March 2016 with sources of funding.
- 7 TREASURY MANAGEMENT OUTTURN REPORT FOR YEAR ENDED 31 MARCH 2016** (Pages 51 - 70)
- To consider the Treasury Management Outturn Report for the year ended 31 March 2016.
- 8 FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2016/2017** (Pages 71 - 122)
- To consider the level of spending against the Council's Revenue and Capital budgets for the first three months to 30 June 2016.
- 9 MEDIUM-TERM FINANCIAL SUSTAINABILITY STRATEGY 2016/2017 TO 2021/2022** (Pages 123 - 158)
- To consider the Medium-Term Financial Sustainability Strategy for the six-year period, 2016/2017 to 2021/2022.
- 10 COUNCIL PLAN PERFORMANCE REPORT Q1 2016/2017** (Pages 159 - 168)
- To consider performance against the Council Plan 2015-2020 for the period 1 April 2016 – 30 June 2016.
- 11 SCRUTINY ANNUAL REPORT** (Pages 169 - 172)
- The Committee to consider the Scrutiny Annual Report 2015/2016.
- 12 SCRUTINY WORKPLAN** (Pages 173 - 186)
- To consider the Workplan and to monitor the implementation of Committee recommendations, together with any suggestions that Members may wish to make for scrutiny review topics.
- 13 DATE OF NEXT MEETING**
- To note the date and time of the next meeting as Thursday, 27 October 2016, commencing at 6pm.

Venue information:

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

Other information:

For queries regarding this agenda please contact Chris Kelly, Senior Democratic Governance Adviser, Tel: 01253 477164, e-mail chris.kelly@blackpool.gov.uk

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Agenda Item 2

MINUTES OF TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE MEETING - THURSDAY, 21 JULY 2016

Present:

Councillor Hunter (in the Chair)

Councillors

Mrs Callow JP
D Coleman

G Coleman
Galley

Matthews
Roberts

Ryan
L Williams

In Attendance:

Councillor Gillian Campbell, Deputy Leader of the Council

Councillor Mark Smith, Cabinet Member for Business and Economic Development

Mr Alan Cavill, Director of Place

Mr Andy Foot, Head of Housing

Ms Jo Parker, Transience Manager

Mr Mark Golden, Finance Manager

Mrs Ruth Henshaw, Corporate Development Officer

Mr Chris Kelly, Senior Democratic Governance Adviser (Scrutiny)

1 DECLARATIONS OF INTEREST

Councillors G Coleman and Galley declared personal interests with regard to item 5, 'Forward Plan', the nature of the interests being that they were Board Members of Blackpool Entertainments Company Limited.

2 MINUTES OF THE LAST MEETING HELD ON 16 JUNE 2016

The Committee agreed that the minutes of the Tourism, Economy and Resources Scrutiny Committee meeting held on 16 June 2016, be signed by the Chairman as a correct record.

3 PUBLIC SPEAKING

The Committee noted that there were no applications to speak by members of the public on this occasion.

4 EXECUTIVE AND CABINET MEMBER DECISIONS

The Committee considered the Executive and Cabinet Member decisions within the portfolios of the Leader of the Council and Deputy Leader of the Council, taken since the last meeting of the Committee.

Members raised a number of questions in regards to decision number EX33/2016 'Litter Strategy 2016 to 2020 and Litter and Dog Fouling Environmental Enforcement' and Councillor Campbell, Deputy Leader of the Council informed Members of the complaints process relating to enforcement action and advised that the evaluation of the 3GS Environmental Enforcement Solutions pilot would be undertaken later in the year.

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Councillor Campbell further reported that 3GS Environmental Enforcement Solutions had been successful in other areas of the country and that no targets had been established for enforcement activities. Members requested that an evaluation of the pilot be presented later in the year and that the objectives of 3GS Environmental Enforcement Solutions be circulated to Committee Members for further information.

The Committee noted decision number EX30/2016 'Local Transport Plan' and queried the rationale for extending the existing 2011 to 2016 Plan until April 2017, rather than creating a new Local Transport Plan. Mr Cavill, Director of Place, reported that a new plan had not yet been devised and, as a result of the potential implications arising from the development of the Combined Authority, a direct replacement Local Transport Plan may not be required. He added that a Pan-Lancashire Local Transport Plan would potentially be drafted in its place. Mr Cavill reported that the Fylde Coast Transport Masterplan had been approved by the Council in 2015 and set out the options for major changes to highways, public transport and pedestrian facilities to create conditions for economic growth and to prepare for predicted increases in traffic across the Fylde coast. He advised that the Fylde Coast Transport Masterplan would form the basis for future negotiations for any future Lancashire Local Transport Plan.

Members requested that in the event of the Combined Authority developing a Lancashire Local Transport Plan, the Committee had the opportunity to consider the impact of the Plan in Blackpool, before its final approval.

The Committee agreed:

- 1) To request that the evaluation of the 3GS Environmental Enforcement Solutions pilot be presented to the Committee once it had been completed.
- 2) To request that the objectives of 3GS Environmental Enforcement Solutions be circulated to Committee Members for further information.
- 3) To request that in the event of the Combined Authority developing a Lancashire Local Transport Plan, the Committee had the opportunity to consider the impact of the Plan in Blackpool, before its final approval.
- 4) To note the Executive and Cabinet Member Decisions.

5 FORWARD PLAN

The Committee considered the items contained within the Forward Plan, July 2016 – October 2016, relating to the portfolios of the Leader of the Council and Deputy Leader of the Council.

The Committee raised questions relating to decision reference 25/2015 'Social Housing Lettings' and Mr Foot, Head of Housing, advised that most issues facing hard to let properties had now been addressed, either through demolition or through the Decent Homes Programme. He reported that there were very few properties now held that would be considered hard to let, with the exception of a number of properties in Troutbeck Crescent in Mereside.

The Committee raised questions relating to decision reference 9/2016 'Prudential borrowing to improve 1 Clifton Street' and Councillor Smith, Cabinet Member for

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Business and Economic Development advised that the building was being redeveloped and would be used by Health Works, a project that offered support and advice to patients to tackle social issues that were preventing them from leading a healthy lifestyle. He explained that Health Works was a three year project and in the event of it not remaining in the building following the end of the project, the building would have been improved to a level that would be more attractive to potential future business ventures. Councillor Smith advised that the building improvement work should be finished by the end of July or early August 2016.

In regards to decision reference 16/2016 'Redevelopment plans for South Shore Crescents' the Committee raised a number of questions relating to the financial details and the nature of the redevelopment. In response, Mr Cavill advised that there were no plans to remove the gardens in front of South Shore Crescent and that it was proposed that there would be a £4.5 million loan to Create Developments Ltd in order to develop a Hampton by Hilton Hotel. Mr Cavill provided further details of how the redevelopment would be financed and assured the Committee appropriate guarantees on the loan had been secured and that it was expected that the loan would be paid off in three to five years.

Members also raised questions in relation to decision reference 17/2016 'Blackpool Airport Enterprise Zone Rates Relief Policy and Resource Equipment' and Mr Cavill advised of the plans to market the Enterprise Zone, which included having a marketing strategy now in place and having plans to attend the MIPIM UK property exhibition conference, which would take place in October and provide an opportunity to market to an international market.

The Committee agreed to note the Forward Plan items.

6 COUNCIL PLAN PERFORMANCE REPORT 2015/2016

Mrs Ruth Henshaw, Corporate Development Officer presented the performance against the Council Plan 2015/2020 for the period 1 April 2015 to 31 March 2016 and highlighted the key exceptions.

Members raised a number of questions relating to the indicator 'Average number of days lost to sickness absence'. It was noted that the main reasons for absence were stress, depression and anxiety, closely followed by musculo-skeletal problems. Members queried the mechanisms in place for helping staff deal with stress and whether work place assessments were undertaken. In response, the Committee was advised that there was a lot of support available to staff, which included a mandatory ipool module for staff on the set up of their workstation and a training course on 'Coping with Pressure and Increasing Resilience'. The Committee noted that the role of being an elected Member was also stressful and recommended that the support for officers for dealing with stress also be provided for Members.

Members questioned whether data was available on sickness absence for over the past five years to demonstrate whether there had been any impact on the indicator as a result of budget cuts. Mrs Henshaw reported that she would investigate the availability of the data and circulate the information to Committee Members outside of the meeting.

**MINUTES OF TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE MEETING -
THURSDAY, 21 JULY 2016**

The Committee raised concerns regarding the low completion rates of Individual Performance Appraisals in certain departments, with specific reference being made to the completion rate in Children's Services. Councillor Campbell advised that part of the reason for the low completion rate of Individual Performance Appraisals was due to a significant number of managers being too busy dealing with individual caseloads. She explained that work had been undertaken to address workloads and that it was hoped that an improvement would soon be demonstrated. Mr Cavill also advised that the performance being presented evidenced the number of Individual Performance Appraisals that had been measured on the system. However, he explained there had been some issues with managers recording IPAs onto the relatively new system to the extent that the number of IPAs completed would actually be slightly higher than what had been recorded.

Members noted the indicators relating to 'Visitor numbers' and 'Visitor satisfaction' and challenged the apparent contradiction with evidence of tourism performance that had been provided at the previous meeting of the Committee. Mr Cavill explained that a review of all indicators was due to take place to ensure that what was being measured was appropriate to achieving the plans for tourism. He considered that an indicator for the level of spend in the visitor economy would be more appropriate than the absolute number of visitors. With regards to visitor satisfaction, Mr Cavill advised that there was information collected at individual attractions and events that demonstrated a high level of satisfaction. However, the particular performance indicator data being presented was based on the omnibus survey that was conducted three times a year and that surveyed approximately 5,000 people. It was noted that over 50 per cent of visitors surveyed were from outside of the North West.

The Committee also queried the plans to increase the number of people registered on the electoral roll. Mrs Henshaw advised that the information would be sought and circulated to Members outside of the meeting.

The Committee agreed:

- 1) To recommend that the support for officers for dealing with stress also be provided for Members.
- 2) To request that data on sickness absence over the past five years be circulated to Members outside of the meeting.
- 3) To request that information on the plans to increase the number of people registered on the electoral roll be circulated to Members outside of the meeting.

Background papers: None.

7 TRANSIENCE PROGRAMME

Mr Foot, Head of Housing, presented a report updating the Committee on the progress of the Transience Programme and the work that had been completed since the last update report had been presented to the Committee in October 2015.

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Mr Foot explained that the Transience Programme built on a pilot undertaken in the South Beach area and that funding had been received from a Transformation Challenge Award bid for three years from April 2015. He reported that officers were now systematically recording information that would be used to inform a comprehensive formal evaluation report. The evaluation report would include a cost-benefit analysis and would be produced in summer 2017, to inform future approaches once the funding had come to an end.

Upon questioning from Members, Councillor Campbell explained the rationale for the choice of areas, noting that initially South Shore had been identified due to the prevalence of antisocial behaviour in the area.

The Committee challenged the proposals to make the programme sustainable in the future once the funding came to an end and considered that more could be done to promote the success of the programme. Mr Foot explained to Members that expenditure in the first twelve months of the programme had not been as high as had initially been expected, which could potentially help to extend the period of funding by six to nine months. He advised that through producing an effective cost-benefit analysis to demonstrate the benefits of the programme, it would be easier to bid for funding from partners and other organisations. Ms Parker, Transience Manager, provided details of the funding streams for the programme and advised that resources within the Communication Team were now available to better market success of the programme.

The Committee noted that the programme was to be rolled out into the Central area and questioned whether the roll out could be completed effectively without limiting resources in the areas it was already in place. Councillor Campbell assured the Committee that the level of service provision in the other areas remained at an appropriate level and that a key aim of the programme had been to increase the resilience of the community so that the demand on services would be reduced. Ms Parker also advised that there were two additional posts allocated within the Programme's budget, which were still vacant. Upon the appointments to the positions, there would therefore be additional resources to support the programme.

The Committee requested that the evaluation report be considered at a future meeting of the Committee once it had been completed. Members also requested that future reports include a section on how the programme was being marketed.

The Committee agreed:

1) To request that the evaluation report with a section on how the programme was being marketed be considered at a future meeting of the Committee once it had been completed.

Background papers: None.

8 SCRUTINY WORKPLAN

The Chairman presented the Tourism, Resources and Economy Scrutiny Committee Workplan for the remainder of the Municipal Year. It was noted that it was a flexible,

**MINUTES OF TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE MEETING -
THURSDAY, 21 JULY 2016**

working document. Members could submit items for consideration by the Committee at any time through the Chairman.

The Committee noted that the Monitoring Committee Recommendations table had been included that enabled Members to monitor how their recommendations had been implemented.

The Committee agreed:

- 1) To approve the Workplan
- 2) To note the Monitoring Committee Recommendations table.

9 DATE OF NEXT MEETING

The Committee agreed to note the date of the next meeting as Thursday, 15 September 2016, at 6.00 p.m.

Chairman

(The meeting ended at 7.20 pm)

Any queries regarding these minutes, please contact:
Chris Kelly, Senior Democratic Governance Adviser
Tel: 01253 477164
E-mail: chris.kelly@blackpool.gov.uk

Report to:	TOURISM, RESOURCES AND ECONOMY SCRUTINY COMMITTEE
Relevant Officer:	Sharon Davis, Scrutiny Manager.
Date of Meeting	15 September 2016

EXECUTIVE AND CABINET MEMBER DECISIONS

1.0 Purpose of the report:

1.1 The Committee to consider the Executive and Cabinet Member decisions within the portfolios of the Leader of the Council and Deputy Leader of the Council, taken since the last meeting of the Committee.

2.0 Recommendation(s):

2.1 Members will have the opportunity to question the Leader of the Council or the relevant Cabinet Member in relation to the decisions taken.

3.0 Reasons for recommendation(s):

3.1 To ensure that the opportunity is given for all Executive and Cabinet Member decisions to be scrutinised and held to account.

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? N/A

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priority is "The economy: Maximising growth and opportunity across Blackpool"

5.0 Background Information

5.1 Attached at the appendix to this report is a summary of the decisions taken, which have been circulated to Members previously.

5.2 This report is presented to ensure Members are provided with a timely update on the decisions taken by the Executive and Cabinet Members. It provides a process where the Committee can raise questions and a response be provided.

5.3 Members are encouraged to seek updates on decisions and will have the opportunity to raise any issues.

5.4 Witnesses/representatives

5.4.1 The following Cabinet Members are responsible for the decisions taken in this report and have been invited to attend the meeting:

- Councillor Blackburn, Leader of the Council
- Councillor Campbell, Deputy Leader of the Council

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 4 (a) Summary of Executive and Cabinet Member decisions taken.

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 None.

10.0 Risk management considerations:

10.1 None.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

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APPENDIX 4a

DECISION / OUTCOME	DESCRIPTION	NUMBER	DATE	CABINET MEMBER
<p><u>ACQUISITION OF PROPERTY- 5-11 PRINCESS STREET</u> The Deputy Leader of the Council agreed the recommendation to acquire 5-11 Princess Street on the terms as stated, namely £180,000 plus Basic Loss Payment and fees and charges.</p>	<p>To consider the acquisition of property on Princess Street for the Rigby Road site development.</p>	<p>PH49/2016</p>	<p>12/7/2016</p>	<p>Cllr Campbell</p>
<p><u>LIBRARY MEMBERSHIP JOINING POLICY</u> The Deputy Leader of the Council agreed the recommendation to re-introduce the requirement for those wishing to join the library to produce two forms of identification one of which must give current address details.</p>	<p>To seek approval for the re-introduction of identification/proof of address when joining the library.</p>	<p>PH50/2016</p>	<p>12/7/2016</p>	<p>Cllr Campbell</p>
<p><u>LIBRARY FEES AND CHARGES 2016/2017</u> The Deputy Leader of the Council agreed the recommendations as outlined above namely: 1. To agree the fees and charges for the period 18 July 2016 to 31 March 2017, including the following key changes:</p> <ul style="list-style-type: none"> • To retain the daily overdue charge per item at the current rate, but increase the maximum charge, and to charge the current rate for 2nd Class postage. • To change the fines exemption policy so that only children (under 18) are exempt from being fined for the late return of a loaned item. • To increase the charge of reserving an item in stock within a Blackpool Library and introduce a scale of charges for obtaining books from other Library Authorities and the British Library. • To introduce a charge for the loan of spoken word loans, with the exception of children and those with a sight impairment. • To change the cost of photocopying and printing, and to introduce a charge for scanning. 	<p>To agree the fees and charges which apply to the Library Service for the remainder of financial year 2016/2017.</p>	<p>PH51/2016</p>	<p>12/7/2016</p>	<p>Cllr Campbell</p>

<ul style="list-style-type: none"> • To charge the full cost of replacement for lost stock. • To introduce a charge for the public toilet facilities at Central Library, in order to manage anti-social behaviour • To increase the charge for drama, orchestral and vocal sets. <p>2. To agree that the fees charged can be reduced from these rates on the published Officer decision of the Director of Place, following consultation with the Deputy Leader of the Council.</p>				
<p><u>WINTER GARDENS CONFERENCE AND EXHIBITION CENTRE</u> The Executive agreed the recommendations as outlined above namely:</p> <p>1. To agree in principle to the proposal for the development of a new conference and exhibition centre situated at the Winter Gardens complex.</p> <p>2. That the Director of Place be given delegated authority to progress the first stage of the delivery of a new conference and exhibition centre situated within the Winter Gardens complex, as set out in this report, to include the completion of all due diligence associated with the project and the submission of an outline planning application.</p> <p>3. That in order to deliver the proposed project within the associated time constraints, up to £50,000 of funding is made available from August 2016 to be used in finalising the scheme designs and completing due diligence, financed from the Leisure Assets portfolio.</p> <p>4. To note that a further report will be brought to the Executive once decisions from other organisations on grant funding have been made to agree the further steps in the delivery of the conference and exhibition centre.</p>	<p>To consider the proposal for a new conference and exhibition centre to be situated at the Winter Gardens complex.</p>	<p>EX34/2016</p>	<p>18/7/2016</p>	<p>Cllr Blackburn</p>

<p><u>BLACKPOOL AIRPORT ENTERPRISE ZONE RATES RELIEF POLICY AND RESOURCE REQUIREMENT</u></p> <p>The Executive agreed the recommendations:</p> <ol style="list-style-type: none"> 1. To agree the adoption of the Enterprise Zone Business Rate Relief Policy. This policy includes the delegation of decision making on recipients of such relief to the Director of Resources. 2. To agree to fund up to £1,600,000 over 5 years (of which it is envisaged £725,000 will be recovered from other parties) to fund the promotion and administration of the Enterprise Zone. 	<p>To consider the adoption of a Enterprise Zone Rates Relief Policy for the Blackpool Airport Enterprise Zone and to consider making resources available to fund the promotion and administration of that Enterprise Zone.</p>	<p>EX35/2016</p>	<p>18/7/2016</p>	<p>Cllr Blackburn</p>
<p><u>OPTIONS FOR THE DEVELOPMENT OF BOURNE CRESCENT</u></p> <p>The Executive resolved:</p> <ol style="list-style-type: none"> 1. To agree to Prudentially Borrow £4.5m to make a secured loan to Create Development (Blackpool) Ltd to facilitate the development of 135 bedroom hotel to an agreed standard. 2. To delegate the approval of the loan agreement to the Chief Executive to the borrowing limits, following consultation with the Leader of the Council. 	<p>To appraise members of the options available to resolve the condition of properties at Bourne Crescent on South Promenade and seek a decision on the preferred option.</p>	<p>EX36/2016</p>	<p>18/7/2016</p>	<p>Cllr Blackburn</p>
<p><u>WINTER GARDENS CONFERENCE AND EXHIBITION CENTRE- ENGAGEMENT OF ARCHITECTS</u></p> <p>The Leader of the Council agreed the recommendation that £225,000 expenditure is authorised in order to engage architects to progress the conference and exhibition centre designs.</p>	<p>To consider the authorisation of £225,000 expenditure allowing the engagement of a firm of architects in order to further develop plans and designs for the proposed conference and exhibition centre.</p>	<p>PH60/2016</p>	<p>23/8/2016</p>	<p>Cllr Blackburn</p>

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Report to:	TOURISM, RESOURCES AND ECONOMY SCRUTINY COMMITTEE
Relevant Officer:	Sharon Davis, Scrutiny Manager.
Date of Meeting	15 September 2016

FORWARD PLAN

1.0 Purpose of the report:

1.1 The Committee to consider the content of the Council’s Forward Plan, September 2016 – December 2016, relating to the portfolios of the Leader of the Council and Deputy Leader of the Council.

2.0 Recommendation(s):

2.1 Members will have the opportunity to question the Leader of the Council and / or the relevant Cabinet Member in relation to items contained within the Forward Plan within the portfolios of the Leader of the Council and Deputy Leader of the Council.

2.2 Members will have the opportunity to consider whether any of the items should be subjected to pre-decision scrutiny. In so doing, account should be taken of any requests or observations made by the relevant Cabinet Member.

3.0 Reasons for recommendation(s):

3.1 To enable the opportunity for pre-decision scrutiny of the Forward Plan items.

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? N/A

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priority is “The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 The Forward Plan is prepared by the Leader of the Council to cover a period of four months and has effect from the first working day of any month. It is updated on a monthly basis and subsequent plans cover a period beginning with the first working day of the second month covered in the preceding plan.

5.2 The Forward Plan contains matters which the Leader has reason to believe will be subject of a key decision to be taken either by the Executive, a Committee of the Executive, individual Cabinet Members, or Officers.

5.3 Attached at Appendix 5 (a) is a list of items contained in the current Forward Plan. Further details appertaining to each item is contained in the Forward Plan, which has been forwarded to all members separately.

5.6 Witnesses/representatives

5.6.1 The following Cabinet Members are responsible for the Forward Plan items in this report and have been invited to attend the meeting:

- Councillor Blackburn, Leader of the Council
- Councillor Campbell, Deputy Leader of the Council

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 5 (a) – Summary of items contained within Forward Plan
September 2016 – December 2016.

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 None.

10.0 Risk management considerations:

10.1 None.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

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EXECUTIVE FORWARD PLAN - SUMMARY OF KEY DECISIONS

(SEPTEMBER 2016 to DECEMBER 2016)

* Denotes New Item

Anticipated Date of Decision	Matter for Decision	Decision Reference	Decision Taker	Relevant Cabinet Member
September 2016	To approve the Built Heritage Strategy	23/2014	Executive	Cllr Campbell
September 2016	Social housing lettings – New Partnership Agreement with housing associations and neighbouring authorities to continue to deliver the My Home Choice Fylde Coast system, and updated policies for letting social housing	25/2015	Executive	Cllr Campbell
September 2016	Article 4 Direction Order Raikes Parade	15/2016	Executive	Cllr Campbell
September 2016	Acquisition of properties in the town centre to enable redevelopment	19/2016	Deputy Leader of the Council	Cllr Campbell
September 2016	To consider and recommend approval of the Council's updated Medium-Term Financial Strategy 2016/17 – 2021/22.	20/2016	Council	Cllr Blackburn
September 2016	To approve the Council's entry into the Framework Agreement and accompanying schedules with the Municipal Bonds Agency, including the joint and several guarantee.	21/2016	Executive	Cllr Blackburn
September 2016	Executive Decision Making Procedure	22/2016	Council	Cllr Blackburn
September 2016	Winter Gardens Conference and Exhibition Centre Development.	23/2016	Executive	Cllr Blackburn

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Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting :	15 September 2015

PROVISIONAL REVENUE OUTTURN 2015/2016

1.0 Purpose of the report:

- 1.1 To consider the Provisional Revenue Outturn for 2015/2016 compared with the approved budget and the capital expenditure in the year ended 31 March 2016 with sources of funding.

2.0 Recommendation(s):

- 2.1 To consider and scrutinise the Provisional Revenue Outturn for 2015/2016.

3.0 Reasons for recommendation(s):

- 3.1 To bring the Provisional Revenue and Capital outturn figures to Members' attention 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 31 March 2016.

4.0 Council Priority:

- 4.1 The relevant Council Priority is "The economy: Maximising growth and opportunity across Blackpool"

5.0 Background Information

5.1 The report of the Director of Resources attached at Appendix 6a to this report outlines the Provisional Revenue Outturn for 2015/2016 compared with the approved budget and the capital expenditure in the year ended 31 March 2016 with sources of funding.

5.2 The Executive considered and approved the Provisional Revenue Outturn for 2015/2016 at its meeting on 23 May 2016.

5.3 Does the information submitted include any exempt information? No

5.3 List of Appendices:

- Appendix 6a- Report of the Director of Resources
- Appendix 6b- Outturn Summary
- Appendix 6c- Chief Executive's Department Summary
- Appendix 6d- Deputy Chief Executive's Department Summary
- Appendix 6e- Governance and Regulatory Services Directorate Summary
- Appendix 6f- Resources Department Summary
- Appendix 6g- Places Department Summary
- Appendix 6h- Community and Environmental Services Department Summary
- Appendix 6i-Adult Services Department Summary
- Appendix 6j- Children's Services Department Summary
- Appendix 6k- Public Health Department Summary
- Appendix 6l- Budgets Outside the Cash Limit Summary
- Appendix 6m- Capital Outturn Summary

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 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
on
23 MAY 2016

PROVISIONAL OUTTURN 2015/2016

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 31 March 2016 with the approved budget and ii) a statement of Capital Expenditure in the year ended 31 March 2016 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 2015/2016, which is the subject of a separate report to the Audit Committee on 22 September 2016 in order to comply with the statutory deadline required by the Accounts and Audit (England) Regulations 2015.

2. Provisional Revenue Outturn 2015/2016

- 2.1 The Provisional Revenue Outturn for 2015/2016 (before allowing for changes to working balances) is £129,239,000 compared with the approved budget of £128,687,000 – a net overspend of £552,000. The summary figures are shown at Appendix 6a.
- 2.2 The year-end variance position for each directorate is set out in Appendices 6c to 6k and is summarised as follows:-

Directorate	2015/2016 Variance £000	Reference Appendix
Chief Executive	-	6c
Deputy Chief Executive	(31)	6d
Governance and Regulatory Services	(19)	6e
Ward Budgets	(246)	6e
Resources	111	6f
Places	127	6g
Strategic Leisure Assets (see para. 6.2)	-	6g
Community and Environmental Services	(14)	6h
Adult Services	78	6i
Children's Services	2,892	6j
Public Health	-	6k
Total	2,898	

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

Service	Reasons	£000
Children's Services	There are two main reasons for the Children's Services overspend. Children's Social Care overspent by £2.189m because of the high cost of Looked After Children (LAC) resulting from both increased numbers and placement mix. Within the grants budget there was a pressure on the Education Services Grant of £1.081m due to academy conversions. These pressures were partially offset by staff savings and additional income from the Learning and Schools and Early Help For Children and Families divisions.	2,892
Places	Print Services overspent by £103k due to an income target which needs to be reviewed as part of a wider service review. Whilst Housing had Prudential borrowing costs of £30k. These overspends were partly mitigated by savings elsewhere.	127

Resources	Property Services overspent as a result of delays in implementing savings plans and a pressure from rental income within the Central Business District. These overspends were partially offset by staffing savings across the remainder of the Resources Directorate.	111
Adult Services	Within the service two divisions overspent: Care and Support as a result of delays in implementing savings plans and Adult Safeguarding from unfunded demand increases for Deprivation of Liberty/Best Interest Assessments. These over spends were partially offset by staffing savings in Adult Social Care.	78
Community and Environmental Services	Leisure was £94k overspent due to income pressures. Transport was overspent by £154k due to pressures on the shelter income and maintenance budgets. Building Cleaning was £43k overspent due to a combination of income and staffing costs pressures. These were offset by various savings across the Directorate.	(14)
Governance and Regulatory Services	An overspend of £84k in Registration and Bereavement Services due to the levels of demand in the Coroners and Mortuary Service was more than offset by underspends on staffing and reduced expenditure across the rest of the Directorate.	(19)
Deputy Chief Executive	Underspend partly due to savings in premises related expenditure.	(31)
Area Ward Budgets	Scheme commitments of £246k are being carried forward to 2016/2017 which reduces the true surplus on budget to zero.	(246)
Total		2,898

2.4 The financial outturn for budgets 'outside the cash limit' is detailed at Appendix 6l and shows an aggregate underspending of £2,288,000. The main reasons for this are:-

Service	Reasons	£000
Concessionary Fares	This overspend of £583k is due to increased bus patronage.	583

Parking Services	The service is overspent due to not meetings its stretched income target. However, it has significantly improved its income collection performance. This was helped in part by two Easter holiday periods falling within the same financial year.	176
Previous Years' Pension Liability	Increase in costs due to number of retirements and pension fund performance on financial markets.	33
Land Charges/Housing Benefits/Council Tax and NNDR Cost of Collection	Mainly reduction in costs recovered	12
Subsidiary Companies	This underspend is due to the reducing balance payback of Prudentially borrowed schemes.	(123)
New Homes Bonus	This underspend is due to the Council's pro-rata share of the unused national funding from the 2014/15 New Homes Bonus. This is based on the Start-Up Funding Allocation.	(141)
Treasury Management	The Treasury Management Strategy for 2016/17 contained details of a change in MRP policy affecting the Treasury Management Outturn 2015/2016 and subsequent years. The revised policy adopts a more prudent approach, replacing the 4% reducing balance method of calculating MRP on debt which arose prior to 1 April 2008 with the 2% straight line method. As a result the MRP charge for 2015/16 reduces by £1.4m. In addition the use of temporary borrowing and internal financing has enabled long-term borrowing to be delayed, therefore achieving savings against interest payable.	(2,828)
Total		(2,288)

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 requires 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 three years and approved by the Executive); and

- any windfall gains, as determined by the Director of Resources and arising from events outside the control of the service, are added to the Council's general working balances.

3.2 However, having considered the Provisional Revenue Outturn 2015/2016 in detail and the financial outlook and consulted Corporate Leadership Team colleagues, it is recommended that:-

- the underspending of £246,000 on Ward Budgets is carried forward to 2016/2017 in full;
- the following under and overspendings are to be written off:

Directorate	£000
Children's Services	2,892
Places	127
Resources	111
Adult Services	78
Deputy Chief Executive	(31)
Total	3,177

This will allow services to enter the new financial year in a balanced position and give directorates a realistic chance of meeting their budget savings for that year.

- the following underspendings are carried forward at 100% and covered by earmarked reserve in order not to adversely impact upon working balances if and when spent.

Directorate	£000
Community and Environmental Services	(14)
Governance and Regulatory Services	(19)
Total	(33)

4. Provisional Capital Outturn 2015/2016

- 4.1. This section sets out the level of expenditure incurred by the Council on its 2015/2016 Capital Programme. It provides a breakdown of expenditure by service in addition to providing a proposal on how the Capital Programme for 2015/2016 should be financed.
- 4.2. The total capital expenditure for the year was £35,932,914. This is summarised as follows with an analysis of spend by individual scheme available at Appendix 6m:-

Directorate	£
Children's Services	2,247,144
Adult Services	1,864,237
Deputy Chief Executive	380,906
Community and Environmental Services	18,077,129
Places	12,529,327
Governance and Regulatory Services	130,740
Resources	703,431
Total	35,932,914

- 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 2015/2016 of £35.9m is split between non- Housing Revenue Account of £29.0m and Housing Revenue Account of £6.9m.
- 4.4 The original Capital Programme for 2015/2016 was set at £21.6m whilst the amount actually spent in-year was 66% greater than this. This is mainly due to new approvals given for schemes during the year and the large brought forward budget from previous years.
- 4.5 It is recommended that this expenditure is funded from the following sources:-

Source	£
Government and Other Grants	23,024,579
Prudential Borrowing	1,866,819
Capital Receipts	1,566,898
Other Sources:	
- Housing Major Repairs Allowance	3,983,018
- Revenue	3,930,920

- Lancashire County Council	734,631
- Vehicle Plant and Equipment reserve	582,170
- Section 278	204,790
- Other External Contributions	39,089
Total	35,932,914

The Council has maximised all capital resources available to it during 2015/2016 and arrangements have been made to ensure that funding for re-profiled schemes is carried forward into 2016/2017.

5. Collection Rates

5.1 Council Tax (CT)

At the end of month 12 the collection rate for Council Tax was 90.7%. This compares to 92.4% at the same point in 2014/2015, a difference equivalent to £950,000.

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 2015/2016 Budget. 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 2016 the level of arrears has increased to £13.5m (compared to £12m in 2014/2015) and the provision for bad debts has increased to £5.2m (compared to £4.7m in 2014/2015). These reflect the current economic climate and the risks associated with 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 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 was 95.1%. This compares to 95.1% at the same point in 2014/2015.

The deficit for 2015/2016 is estimated to be £5.2m. The Council's share of this is £2.5m (49%) and provision for this has been included in the 2015/2016 revenue outturn. The main factors causing the level of deficit are the in-year movements on write-off of bad debts (£1.6m), provisions for bad debts (£0.1m) and appeals provision (£3.3m).

The level of write-offs and the provisions for bad debts reflect the current economic climate and the volatility of these areas and support the level of earmarked reserves held by the authority. The substantial increase in the appeals provision is due to the large volume of appeals still being submitted to the Valuation Office. The total appeals provision as at 31st March 2016 was £13.3m.

The above figures are estimated and final figures will not be available until completion of the NNDR 3 return to the Department for Communities and Local Government. The figures will be reflected in the Collection Fund for 2015/2016, but will not fully impact on the Council until 2017/2018 due to the methodology employed by central government to collect the data required to calculate the shares of Non-Domestic Rate income.

5.3 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 volatility in the data used in projections.

6. Reserves and Provisions

- 6.1 In accordance with Local Authority Accounting Panel (LAAP) Bulletin No. 99 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 Director of Resources and auditable records are maintained to that effect. Members are asked to note that the level of earmarked reserves has increased from £46.024m to £46.961m during 2015/2016 with those reserves in excess of £2m shown in the table below:-

Earmarked Reserves	2014/2015	2015/2016
	£000	£000
Public/Private Partnerships	14,042	15,532
Collection Fund Deficit Reserve (Council Tax and NDR)	12,275	14,971
Potential Pay Liabilities	3,231	1,314
Service Variances	5,199	707
Other Reserves	11,277	14,437
Total Earmarked Reserves	46,024	46,961

- 6.2 The Strategic Leisure Assets cumulative overspend of £3,309,000 brought forward from 2014/2015 is included within earmarked reserves along with the 2015/2016 in-year overspend of £1,503,000. It is now forecast that the portfolio will break-even in 2021/2022 when it will then start to repay the overspend. This is in line with the Medium Term Financial Plan.
- 6.3. The financial performance of the Housing Revenue Account (HRA) is estimated to be better than originally forecast for 2015/2016 by £632,000, with estimated year-end balances of £6,902,000 which will be required in the main to support the Queens Park redevelopment scheme which is well underway.
- 6.4. Maintained schools' balances (which lie outside the control of the Council) increased by £133,000 in 2015/2016 to £3.1m. A £103,000 reduction was due to academy conversions with the remaining maintained schools adding £236,000 to their reserves. £1.76m is also held in an earmarked reserve in relation to unspent Direct Schools Grant.

7. General Fund Working Balances

- 7.1 The Council's Revenue Budget for 2015/2016 set a target level of General Fund working balances of around £6m. It is deemed appropriate to maintain this target level of £6m for working balances for the medium term.

8. Conclusion and Recommendations

- 8.1 The Provisional Outturn for 2015/2016 represents a solid financial performance with the Council's General Fund working balances at £5,636,000. 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 Round.
- 8.2 The Executive is recommended to:
- approve the provisional revenue outturn for 2015/2016 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 2015/2016 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, 6.3 and 6.4).

Steve Thompson
Director of Resources
May 2016

GENERAL FUND PROVISIONAL OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
GENERAL FUND NET REQUIREMENTS			
<u>CASH LIMITED BOTTOM LINE BUDGETS</u>			
CHIEF EXECUTIVE	557	557	-
DEPUTY CHIEF EXECUTIVE'S DIRECTORATE	1,444	1,413	(31)
GOVERNANCE & REGULATORY SERVICES	1,802	1,783	(19)
WARD BUDGETS	507	261	(246)
RESOURCES	3,266	3,377	111
PLACES	8,460	8,587	127
COMMUNITY & ENVIRONMENTAL SERVICES	43,691	43,677	(14)
ADULT SERVICES	43,535	43,613	78
CHILDRENS SERVICES	36,424	39,316	2,892
PUBLIC HEALTH	-	-	-
BUDGETS OUTSIDE THE CASH LIMIT	17,039	14,751	(2,288)
CAPITAL CHARGES	(26,669)	(26,669)	-
SUB TOTAL - NET COST OF SERVICES	130,056	130,666	610
<u>CONTRIBUTIONS AND CONTINGENCIES</u>			
CONTRIBUTIONS TO OTHER RESERVES	(2,855)	(2,386)	469
REVENUE CONSEQUENCES OF CAPITAL OUTLAY	329	-	(329)
CONTINGENCIES	1,092	894	(198)
SUB TOTAL - CONTRIBUTIONS & CONTINGENCIES	(1,434)	(1,492)	(58)
<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	128,687	129,239	552
LESS: AMOUNT (TAKEN FROM)/ADDED TO WORKING BALANCES	0	(552)	(552)
NET REQUIREMENT AFTER WORKING BALANCES	128,687	128,687	0

Working Balances as at 1st April 2015
Movement in Balances
Working Balances as at 31st March 2016

6,188
(552)
5,636

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GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

CHIEF EXECUTIVE SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	511	435	(76)
	PREMISES	-	-	-
	TRANSPORT	1	2	1
	SUPPLIES AND SERVICES	12	90	78
	THIRD PARTY PAYMENTS	-	-	-
	TRANSFER PAYMENTS	-	-	-
	SUPPORT SERVICES (NOT INCLUDED BELOW)	36	36	-
	CAPITAL CHARGES (NOT INCLUDED BELOW)	-	-	-
	TOTAL EXPENDITURE	560	563	3
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	-	-	-
	GOVERNMENT GRANTS	-	-	-
	RECHARGES	17	16	1
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUT	37	41	(4)
	TOTAL INCOME	54	57	(3)
	CONTROLLABLE NET EXPENDITURE	506	506	-
	CDS	38	38	-
	CAPITAL CHARGES	13	13	-
	RECHARGES (CDS INCOME)	-	-	-
	TOTAL NON CONTROLLABLE EXPENDITURE	51	51	-
	TOTAL NET EXPENDITURE	557	557	-

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	DIRECTORATE SUPPORT	(1,815)	(1,860)	(45)
	BUSINESS SUPPORT AND RESOURCES	1,336	1,333	(3)
	HEALTH & SAFETY	160	160	-
	HR & ORGANISATIONAL DEVELOPMENT	1,264	1,262	(2)
	PAY, EQUALITY & DIVERSITY	255	259	4
	CORPORATE DEVELOPMENT, ENGAGEMENT AND COMMUNICATION	51	65	14
	ICT SERVICES	193	194	1
	NET COST OF SERVICES	1,444	1,413	(31)

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	5,082	5,938	856
	PREMISES	10	(68)	(78)
	TRANSPORT	38	29	(9)
	SUPPLIES AND SERVICES	2,732	3,882	1,150
	THIRD PARTY PAYMENTS	2	1,897	1,895
	TRANSFER PAYMENTS	326	131	(195)
	SUPPORT SERVICES	840	841	1
	CAPITAL CHARGES	557	2,701	2,144
	TOTAL EXPENDITURE	9,587	15,351	5,764
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	547	835	(288)
	GOVERNMENT GRANTS	33	3,110	(3,077)
	RECHARGES	6,866	6,748	118
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	697	3,245	(2,548)
	TOTAL INCOME	8,143	13,938	(5,795)
	NET COST OF SERVICES	1,444	1,413	(31)

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	DEMOCRATIC GOVERNANCE	2,522	2,419	(103)
	REGISTRATION AND BEREAVEMENT	(344)	(260)	84
	LICENSING	(376)	(376)	-
		1,802	1,783	(19)
	WARD BUDGETS	507	261	(246)
	NET COST OF SERVICES	2,309	2,044	(265)

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	2,523	2,669	146
	PREMISES	225	199	(26)
	TRANSPORT	43	43	-
	SUPPLIES AND SERVICES	1,454	1,238	(216)
	THIRD PARTY PAYMENTS	159	181	22
	TRANSFER PAYMENTS	-	-	-
	SUPPORT SERVICES	947	930	(17)
	CAPITAL CHARGES	100	100	-
	TOTAL EXPENDITURE	5,451	5,360	(91)
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	2,758	2,690	68
	GOVERNMENT GRANTS	-	(62)	62
	RECHARGES	-	25	(25)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	384	663	(279)
	TOTAL INCOME	3,142	3,316	(174)
	NET COST OF SERVICES	2,309	2,044	(265)

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	PROCUREMENT & DEVELOPMENT	25	(44)	(69)
	REVENUES, BENEFITS & TRANSACTIONAL SERVICES	222	238	16
	LEGAL	(439)	(462)	(23)
	CUSTOMER FIRST	(42)	(27)	15
	ACCOUNTANCY	37	58	21
	RISK SERVICES	70	64	(6)
	ASSET & ESTATES	3,393	3,550	157
	NET COST OF SERVICES	3,266	3,377	111

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	9,940	10,571	631
	PREMISES	6,451	6,298	(153)
	TRANSPORT	124	126	2
	SUPPLIES AND SERVICES	1,991	2,599	608
	THIRD PARTY PAYMENTS	716	412	(304)
	TRANSFER PAYMENTS	215	214	(1)
	SUPPORT SERVICES	3,114	3,110	(4)
	CAPITAL CHARGES	4,381	4,409	28
	TOTAL EXPENDITURE	26,932	27,739	807
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	2,945	2,244	701
	GOVERNMENT GRANTS	547	532	15
	RECHARGES	18,077	17,987	90
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	2,097	3,599	(1,502)
	TOTAL INCOME	23,666	24,362	(696)
	NET COST OF SERVICES	3,266	3,377	111

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	STRATEGIC LEISURE ASSETS	1,426	1,426	-
	CULTURAL SERVICES	1,788	1,788	-
	ECONOMIC DEVELOPMENT	649	647	(2)
	HOUSING, PLANNING & TRANSPORT POLICY	330	357	27
	VISITOR ECONOMY	4,267	4,369	102
	NET COST OF SERVICES	8,460	8,587	127

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	6,701	7,512	811
	PREMISES	2,475	2,394	(81)
	TRANSPORT	313	319	6
	SUPPLIES AND SERVICES	5,241	6,458	1,217
	THIRD PARTY PAYMENTS	71	92	21
	TRANSFER PAYMENTS	302	2,166	1,864
	SUPPORT SERVICES	1,401	1,404	3
	CAPITAL CHARGES	4,710	4,352	(358)
	TOTAL EXPENDITURE	21,214	24,697	3,483
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	4,250	3,498	752
	GOVERNMENT GRANTS	1,548	1,335	213
	RECHARGES	2,443	2,944	(501)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	4,513	8,333	(3,820)
	TOTAL INCOME	12,754	16,110	(3,356)
	NET COST OF SERVICES	8,460	8,587	127

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	BUSINESS SERVICES	1,366	1,374	8
	LEISURE AND CATERING	3,798	3,723	(75)
	PUBLIC PROTECTION	84	128	44
	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	14,229	14,378	149
	STREET CLEANSING AND WASTE	19,183	19,077	(106)
	COASTAL AND ENVIRONMENT	4,637	4,637	-
	INTEGRATED TRANSPORT	394	360	(34)
	NET COST OF SERVICES	43,691	43,677	(14)

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	14,011	15,476	1,465
	PREMISES	2,288	2,307	19
	TRANSPORT	3,225	2,847	(378)
	SUPPLIES AND SERVICES	5,800	11,804	6,004
	THIRD PARTY PAYMENTS	20,015	18,925	(1,090)
	TRANSFER PAYMENTS	420	286	(134)
	SUPPORT SERVICES	4,432	4,442	10
	CAPITAL CHARGES	15,278	16,822	1,544
	TOTAL EXPENDITURE	65,469	72,909	7,440
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	7,633	8,367	(734)
	GOVERNMENT GRANTS	2,779	2,863	(84)
	RECHARGES	8,159	8,226	(67)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	3,207	9,776	(6,569)
	TOTAL INCOME	21,778	29,232	(7,454)
	NET COST OF SERVICES	43,691	43,677	(14)

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	ADULT SOCIAL CARE	4,112	3,917	(195)
	CARE & SUPPORT	6,655	7,025	370
	COMMISSIONING & CONTRACTS	1,403	1,195	(208)
	ADULT COMMISSIONING PLACEMENTS	29,422	29,316	(106)
	ADULTS SAFEGUARDING	421	652	231
	BUSINESS SUPPORT & RESOURCES	1,522	1,508	(14)
	NET COST OF SERVICES	43,535	43,613	78

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	16,168	16,830	662
	PREMISES	84	132	48
	TRANSPORT	839	828	(11)
	SUPPLIES AND SERVICES	1,868	1,776	(92)
	THIRD PARTY PAYMENTS	35,935	40,153	4,218
	TRANSFER PAYMENTS	6,280	7,205	925
	SUPPORT SERVICES	2,670	2,670	-
	CAPITAL CHARGES	236	237	1
	TOTAL EXPENDITURE	64,080	69,831	5,751
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	10,648	12,536	(1,888)
	GOVERNMENT GRANTS	1,142	1,443	(301)
	RECHARGES	33	37	(4)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	8,722	12,202	(3,480)
	TOTAL INCOME	20,545	26,218	(5,673)
	TOTAL COST OF SERVICES	43,535	43,613	78

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	LOCAL SCHOOLS BUDGET	30,713	30,715	2
	LEARNING AND SCHOOLS	26,270	25,967	(303)
	EARLY HELP FOR CHILDREN AND FAMILIES	4,489	4,308	(181)
	CHILDREN'S SOCIAL CARE	27,763	29,952	2,189
	GRANTS	(52,811)	(51,626)	1,185
	NET COST OF SERVICES	36,424	39,316	2,892

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	EXPENDITURE			
	EMPLOYEES	50,984	55,885	4,901
	PREMISES	397	3,281	2,884
	TRANSPORT	2,385	2,648	263
	SUPPLIES AND SERVICES	14,062	20,053	5,991
	THIRD PARTY PAYMENTS	14,633	17,220	2,587
	TRANSFER PAYMENTS	6,102	7,515	1,413
	SUPPORT SERVICES	4,562	4,557	(5)
	CAPITAL CHARGES	3,532	3,532	-
	TOTAL EXPENDITURE	96,657	114,691	18,034
	INCOME			
	CUSTOMER & CLIENT RECEIPTS	557	1,229	(672)
	GOVERNMENT GRANTS	55,579	60,029	(4,450)
	RECHARGES	159	5,841	(5,682)
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	3,938	8,276	(4,338)
	TOTAL INCOME	60,233	75,375	(15,142)
	NET COST OF SERVICES	36,424	39,316	2,892

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

PUBLIC HEALTH SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	1,271	1,195	(76)
	PREMISES	-	-	-
	TRANSPORT	15	9	(6)
	SUPPLIES AND SERVICES	70	33	(37)
	THIRD PARTY PAYMENTS	16,551	17,289	738
	TRANSFER PAYMENTS	-	-	-
	SUPPORT SERVICES (NOT INCLUDED BELOW)	49	49	-
	CAPITAL CHARGES (NOT INCLUDED BELOW)	-	-	-
	TOTAL EXPENDITURE	17,956	18,575	619
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	-	-	-
	GOVERNMENT GRANTS	18,290	18,680	(390)
	RECHARGES	-	-	-
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	-	229	(229)
	TOTAL INCOME	18,290	18,909	(619)
	CONTROLLABLE NET EXPENDITURE	(334)	(334)	-
	CDS	334	334	-
	CAPITAL CHARGES	-	-	-
	RECHARGES (CDS INCOME)	-	-	-
	TOTAL NON CONTROLLABLE EXPENDITURE	334	334	-
	TOTAL NET EXPENDITURE	-	-	-

BUDGETS OUTSIDE THE CASH LIMIT

APPENDIX 6I

GENERAL FUND OUTTURN YEAR ENDING 31 MARCH 2016

TOTAL SUMMARY

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	TREASURY MANAGEMENT	14,106	11,278	(2,828)
	PARKING SERVICES	(3,628)	(3,452)	176
	GRANTS, DONATIONS & SUBSCRIPTIONS	161	161	-
	HOUSING BENEFITS	1,653	1,659	6
	COUNCIL TAX & NNDR COST OF COLLECTION	349	356	7
	SUBSIDIARY COMPANIES	(791)	(914)	(123)
	CONCESSIONARY FARES	3,850	4,433	583
	LAND CHARGES	(42)	(43)	(1)
	PREVIOUS YEARS' PENSION LIABILITY	2,821	2,854	33
	NEW HOMES BONUS	(1,440)	(1,581)	(141)
	NET COST OF SERVICES	17,039	14,751	(2,288)

	SUBJECTIVE ANALYSIS	2015/2016 ADJUSTED CASH LIMIT £ '000	2015/2016 ACTUALS £ '000	2015/2016 VARIATION £ '000
	<u>EXPENDITURE</u>			
	EMPLOYEES	3,639	3,653	14
	PREMISES	1,134	1,021	(113)
	TRANSPORT	33	35	2
	SUPPLIES AND SERVICES	5,082	6,404	1,322
	THIRD PARTY PAYMENTS	94	121	27
	TRANSFER PAYMENTS	89,529	83,196	(6,333)
	SUPPORT SERVICES	3,984	3,991	7
	CAPITAL CHARGES	18,033	14,869	(3,164)
	TOTAL EXPENDITURE	121,528	113,290	(8,238)
	<u>INCOME</u>			
	CUSTOMER & CLIENT RECEIPTS	7,857	7,637	220
	GOVERNMENT GRANTS	91,792	86,194	5,598
	RECHARGES	3,503	3,161	342
	OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	1,337	1,547	(210)
	TOTAL INCOME	104,489	98,539	5,950
	NET COST OF SERVICES	17,039	14,751	(2,288)

Director Responsible for

Human Resources and IT

ICT Refresh 2015/16	380,906	0	0	668,676	-287,770	380,906
TOTAL Human Resources and IT	380,906	0	0	668,676	-287,770	380,906

Director Responsible for

Community and Environment

Other Schemes

VPE 2015/16	582,170	0	0	582,170	0	582,170
High Ropes	83,571	0	0	9,483	74,088	83,571
Moor Park Development	0	0	0	34,000	-34,000	0
Anchorsholme Seawall Scheme	12,354,193	0	12,354,193	0	0	12,354,193
Shoreline Management						0
Sand Dunes	105,788	0	105,788	0	0	105,788
Marton Mere Dam	534,486	0	503,476	31,010	0	534,486
Total Other schemes	13,660,208	0	12,963,457	656,663	40,088	13,660,208

Transport

Yeadon Way	13,396	0	13,396	0	0	13,396
Bridges	2,864,053	0	2,859,053	5,000	0	2,864,053
Blackpool/Fleetwood Tramway Upgrade	815,836	0	0	734,631	81,205	815,836
Sintropher Project	561	0	0	0	561	561
Section 278 Development Works	204,790	0	0	204,790	0	204,790
Bus & Tram Shelter upgrade						0
Capital Maintenance	268,285	268,285	0	0	0	268,285
Clean Vehicle Technology	250,000	0	250,000	0	0	250,000
TOTAL TRANSPORT	4,416,921	268,285	3,122,449	944,421	81,766	4,416,921

TOTAL Community and Environment

	18,077,129	268,285	16,085,906	1,601,084	121,854	18,077,129
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Director Responsible for Place

Housing - HRA

Adaptation Work for the Elderly & Disabled
 Work towards Decent Homes Standard
TOTAL HOUSING - HRA

220,834
 6,733,818
6,954,652

114,167
 0
114,167

0
 0
0

106,667
 6,733,818
6,840,485

0
 0
0

220,834
 6,733,818
6,954,652

Private Sector Housing

Tyldesley/Rigby Road
 Cluster Of Empty Homes
 PSH Strategic Acquisitions
TOTAL PRIVATE SECTOR HOUSING

1,057,930
 262,570
 4,524
1,325,024

1,057,930
 0
 0
1,057,930

0
 262,570
 4,524
267,094

0
 0
 0
0

0
 0
 0
0

1,057,930
 262,570
 4,524
1,325,024

Transport

LTP - Local Safety Scheme
 LTP - Maintenance
 LTP - Parking Management
 LTP - Public Transport Schemes
 LTP - Traffic Management and Accessibility
 LTP - Walking and Cycling
 Project 30
Total Transport Schemes

157,000
 1,861,106
 38,703
 396,190
 176,204
 149,015
 76
2,778,294

0
 0
 0
 0
 0
 0
 0
0

157,000
 1,861,106
 38,703
 396,190
 176,204
 149,015
 0
2,778,218

0
 0
 0
 0
 0
 0
 0
0

0
 0
 0
 0
 0
 76
76

157,000
 1,861,106
 38,703
 396,190
 176,204
 149,015
 76
2,778,294

Other Schemes

Leisure Assets
 Lightpool
 Birley & Church St Paving Sche
 Illuminations Vehicles
 Bonny Street Acquisition
 Tower Headland

669,775
 599,702
 85,000
 111,926
 1,300
 3,654
1,471,357

0
 0
 0
 0
 0
 0
0

-1,011,772
 599,702
 85,000
 0
 0
 3,654
-323,416

0
 0
 0
 111,926
 0
 0
111,926

1,681,547
 0
 0
 0
 1,300
 0
1,682,847

669,775
 599,702
 85,000
 111,926
 1,300
 3,654
1,471,357

Total Place

12,529,327

1,172,097

2,721,896

6,952,411

1,682,923

12,529,327

Director Responsible for

Governance and Regulatory Services

Crem Building Works
 Registrar Scanning

80,233
 50,507

0
 0

0
 0

0
 0

80,233
 50,507

80,233
 50,507

Total Governance & Regulatory

130,740

0

0

0

130,740

130,740

Director Responsible for

Resources

Property Management

Central Business District	157,030
CBD Ph2	62,042
Syndicate	255,990

Total Project Management 475,062

Other Schemes

CRRM 2015/16	228,369
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Total Other Schemes 228,369

TOTAL Resources 703,431

0	0	0	157,030
0	0	0	62,042
0	255,990	0	0
0	255,990	0	219,072
0	0	228,369	0
0	0	228,369	0
0	255,990	228,369	219,072

157,030
62,042
255,990
475,062
228,369
228,369
703,431

TOTAL EXPENDITURE 35,932,914

1,566,898 23,024,579 9,474,618 1,866,819

35,932,914

REVENUE	
M.R.A.	3,983,018
REVENUE	3,930,920
LCC	734,631
VPE Reserve	582,170
S.278	204,790
BCH Green Deal	14,000
BCH Leaseholder income	7,760
Veolia	6,467
BCH Community Centres Fund	6,320
Heron's Reach	4,543
	9,474,618

Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting:	15 September 2016

TREASURY MANAGEMENT OUTTURN REPORT FOR YEAR ENDED 31 MARCH 2016

1.0 Purpose of the report:

1.1 To consider the Treasury Management Outturn Report for the year ended 31 March 2016.

2.0 Recommendation:

2.1 To consider and scrutinise the report concerning Treasury Management activities for the financial year ended 31 March 2016.

3.0 Reasons for recommendation:

3.1 At its meeting on the 28 February 2014, 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 2015/16 financial year. The report is also submitted to the Tourism, Economy and Resources Scrutiny Committee for its consideration 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

4.0 Council Priority:

4.1 The relevant Council Priority is "The Economy: Maximising growth and opportunity across Blackpool".

5.0 Background Information

5.1 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 2015/2016 financial year.

5.2 The Council manages its cashflow and long-term financing of capital investments in accordance with its annual Treasury Management Strategy. The 2015/2016 Strategy was approved by the Council on 27 February 2015.

5.3 The Treasury Management Outturn Report was considered by the Executive at its meeting on 23 May 2016.

5.2 Does the information submitted include any exempt information? No

5.3 List of Appendices:

- Appendix 7a: Treasury Management Outturn Report 2015/2016
- Annex 1 – External debt fallout chart, maturity values as at 31 March 2016
- Annex 2 – Official Bank (Base) Rate movements September 2007 to March 2016
- Annex 3 – Treasury Management Summary Statistics for the year 2015/16
- Annex 4 – Comparison of Budget to Actuals 2015/2016
- Annex 5 – Treasury Management Prudential Indicators 2015/2016

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 Please see the report and its annexes 1 to 5.

10.0 Risk management considerations:

10.1 Liquidity Risk (accessibility and/or running out of cash)

10.2 Market Risk (Movements in interest rates – yield)

10.3 Credit Risk (investment counterparties might default – security)

10.4 Operational Risk (adequacy of internal processes)

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 With the Council's Treasury Management Panel

13.0 Background papers:

None

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
on
23 May 2016

TREASURY MANAGEMENT OUTTURN REPORT FOR THE YEAR
ENDED 31 MARCH 2016

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 2015/16 financial year.

The Council manages its cashflow and long-term financing of capital investments in accordance with its annual Treasury Management Strategy. The 2015/16 Strategy was approved by the Council on 27 February 2015 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 2015/16 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 2015/16

2.1 Loans Raised

The Council's total borrowing powers at 1 April 2015 (the Authorised Limit) stood at £279m. No new long-term borrowing has been taken in the year.

The 2015/16 borrowing requirement for 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 cashflow due to the delay in taking new long-term borrowing.

2.2 Loans Repaid

During the year £6.3m 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 was held through Lancashire County Council (LCC), has been repaid during the year.

Of the £6.3m loans repaid to the Public Works Loan Board which are referred to above: a £5.3m loan was repaid when it matured in September 2015, a £600,000 loan was repaid when it matured in March 2016 and a £400,000 loan was repaid in two equal instalments of principal in September 2015 and March 2016.

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 2015/16 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 increased from 4.76% in 2014/15 to 4.83% in 2015/16. 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 2015/16 financial year are summarised on the next page:

	<u>Debt financing</u> <u>at 1 Apr 2015</u>	<u>Additions to</u> <u>debt</u>	<u>(Reductions)</u> <u>in debt</u>	<u>Debt financing</u> <u>at 31 Mar 2016</u>
	£M	£M	£M	£M
PWLB	55.6	-	(6.3)	49.3
Market Loans	39.3	-	-	39.3
Temporary Loans	46.5	138.7	(121.1)	64.1
Sub total	141.4	138.7	(127.4)	152.7
Local Government Reorganisation (LGR) Debt	20.3	-	(0.9)	19.4
TOTAL	161.7	138.7	(128.3)	172.1

The revised maturity profile for the total external long-term debt outstanding as at 31 March 2016 is shown in Annex 1 of this report.

3. INVESTMENT TRANSACTIONS 2015/16

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 2015/16 at 0.5%.

Annex 2 shows this interest rate graphically from 1 September 2008 to 31 March 2016.

3.2 Receipts and Payments during the Year

Annex 3 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 Annex 3, together with a comparison with the budgeted income for the financial year. Actual investment earnings, included within the short-term net receivable/payable figure, are £25,000 and these are referred to in Annex 4 within the note on higher cash balances.

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, the Nationwide and Coventry 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 2015/16

The Treasury Management revenue account for 2015/16 had net expenditure of £11,278,000, an improvement of £2,828,000 over the budget of £14,106,000.

A comparison of the Treasury Management revenue account with the budget for 2015/16 is set out in Annex 4.

The debt servicing costs for 2015/16 decreased due to the use of cheaper temporary loans and the deferral of any new long-term borrowing.

Low levels of interest available on 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 2015/16 are set out within Annex 5 to this Report.

6. MINIMUM REVENUE PROVISION (MRP) POLICY CHANGE

The Treasury Management Strategy for 2016/17 which was approved by the Council on 25 February 2016, contained details of a change in Minimum Revenue Provision policy affecting the Treasury Management Outturn for the year ending 31 March 2016 and subsequent years. The revised policy adopts a more prudent approach, replacing the 4% reducing balance method of calculating Minimum Revenue Provision on debt which arose prior to 1 April 2008 with the 2% straight line method.

As a result the Minimum Revenue Provision charge on supported borrowing in 2015/16 reduces by £1.4m (reflected in Annex 4). The total Minimum Revenue Provision overprovided up to and including 2014/15, due to the change in Minimum Revenue Provision Policy referred to in the paragraph above, is calculated to be £11.1m. Of this amount £2.6m in the current year (Annex 4) and £8.5m over the next three years will be used to create a new pay reserve and a transformational cost reserve.

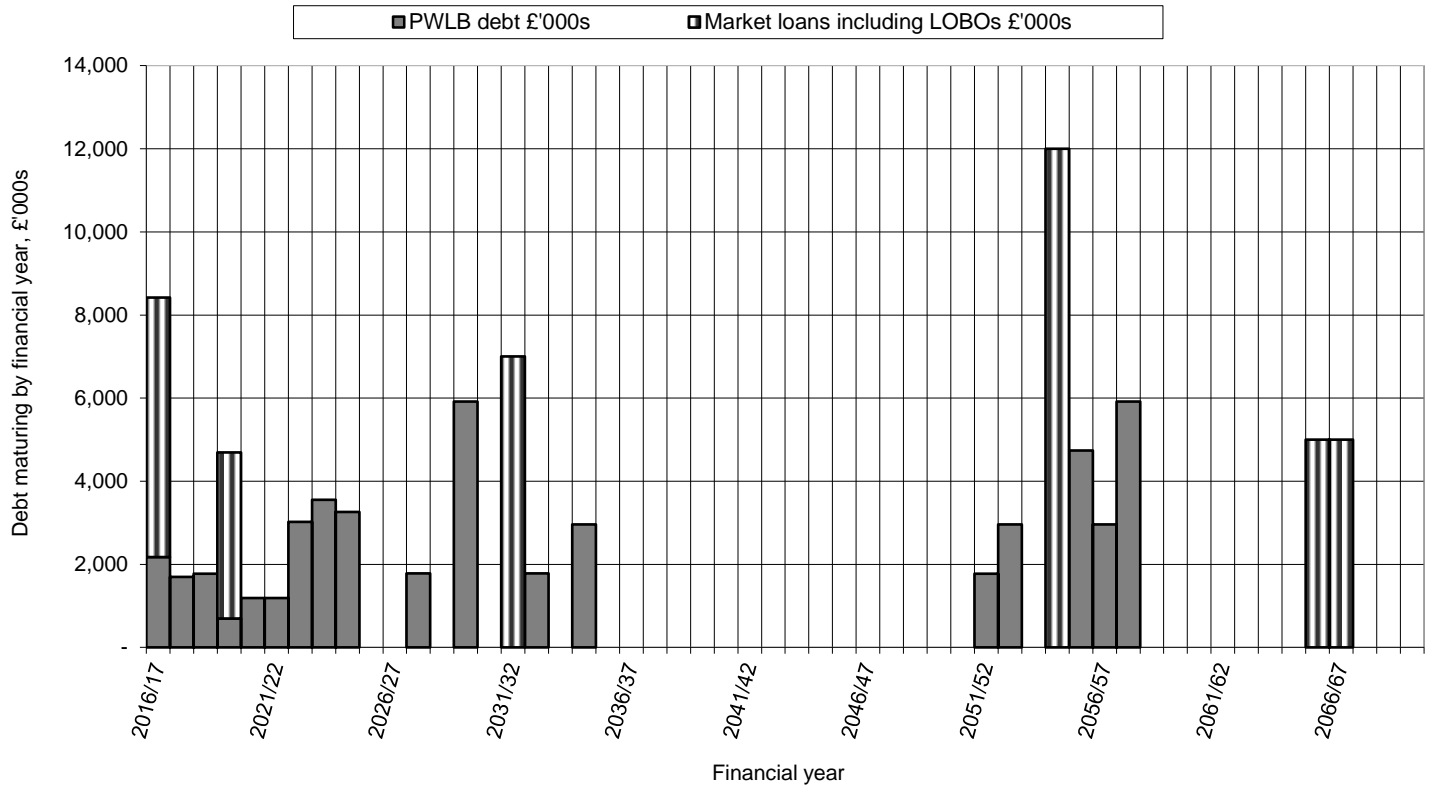
7. RECOMMENDATION

The Executive is asked to note the report on treasury management activities for the financial year ending 31 March 2016.

S. THOMPSON
DIRECTOR OF RESOURCES

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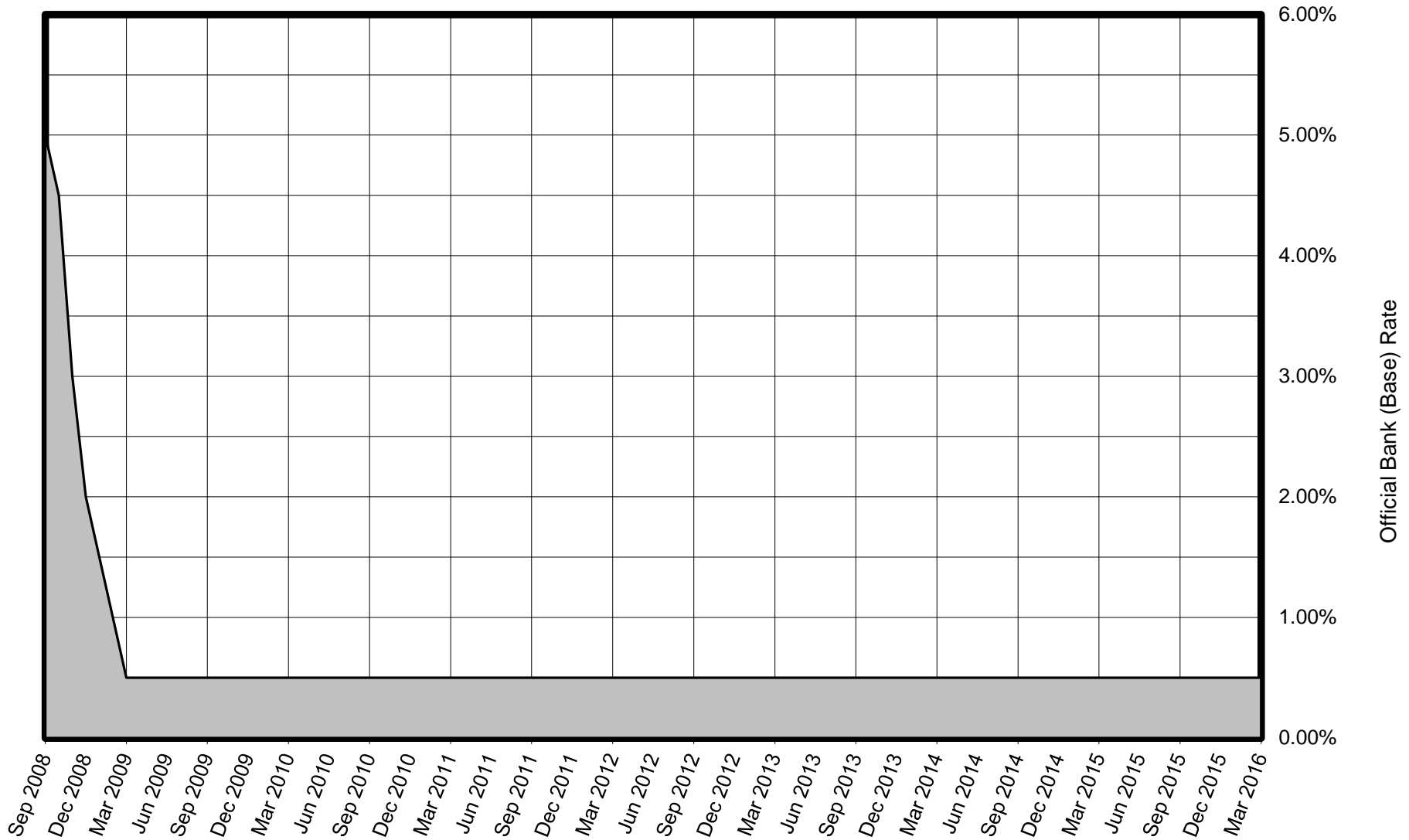
External debt fallout chart, maturity values, as at 31st March 2016



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Official Bank (Base) Rate movements September 2008 - March 2016

Page 63



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TREASURY MANAGEMENT REPORT

SUMMARY STATISTICS FOR THE YEAR 2015/16

SHORT TERM INTEREST NET (RECEIVABLE)/PAYABLE	
	£'000s
Budgeted for year	324
Actual for year	114 *

* (includes £25k interest receivable)

SHORT TERM INVESTMENTS MADE	
	Call Accounts & Money Market
Number in the year	118
Total value of those transactions in and out	£215m
Average interest rate earned	0.38%

SHORT TERM LOANS MADE	
Number in year	56
Total value of those transactions in and out	£139m
Average interest rate paid	0.41%

YEAR END LOANS OUTSTANDING		
01/04/15 £'000s	SOURCE	31/03/16 £'000s
55,639	Public Works Loan Board	49,324
39,250	Market Loans	39,250
46,500	Temporary Loans	64,100
141,389	TOTAL LOANS OUTSTANDING	152,674

YEAR END INVESTMENT BALANCES		
01/04/15 £'000s	CHANGE	31/03/16 £'000s
3,405	Investments (Call accounts)	13,350
-	Investments (Money Market)	
3,405	Total	13,350

CASH FLOWS DURING THE YEAR	
RECEIPTS	£'000s
Loans & Investments, total movements <i>(The transaction totals, NOT the balance) (A)</i>	348,390
Council Tax & NNDR	81,847
Government Grants/Rate Support Grant	161,054
Housing Benefit & Subsidy	84,196
Other income, VAT reclaimed	118,166
TOTAL OF ALL AMOUNTS RECEIVED INTO THE BANK ACCOUNTS	793,653

PAYMENTS	£'000s
Loans & Investments, total movements <i>(The transaction totals, NOT the balance) (B)</i>	347,050
General Creditors	300,925
Salaries & Wages	66,079
Housing Benefits	72,829
Precepts, Police & Fire	8,517
TOTAL OF ALL AMOUNTS PAID OUT OF THE BANK ACCOUNTS	795,400

The difference between total amounts received and paid equals the movement on the current account balances during the year and not solely the movement on Loan and Investment balances which is shown in the table below.

RECONCILIATION OF CASH FLOWS WITH THE LOAN & INVESTMENT PORTFOLIOS		
Receipts	(A)	348,390
Payments	(B)	(347,050)
Net (payment)/receipt into current a/cs		1,340
Total loans at end of year	152,674	
Total loans at start of year	(141,389)	
Net loans taken out		11,285
Investments at end of year	(13,350)	
Investments at start of year	3,405	
Net decrease in investments		(9,945)
Net (payment)/receipt into current a/cs		1,340

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Comparison of Budget to Actuals 2015/16

The annual budget monitoring information for 2015/16 shows a (£2,828k) full-year (favourable) variance on the £14,106k Treasury Management Budget.

The components of this variance are as follows:

	2015/16 Full Year Variance (Fav)/Adv £'000s
MRP on old debt 2015/16 – policy change to 2% straight line	(1,348)
MRP overprovided on supported borrowing	(2,630)
Pay Reserve	1,315
Transformational Cost Reserve	1,315
The use of temporary borrowing and internal financing have enabled borrowing to be delayed, thus achieving savings against interest payable	(1,097)
Reduced interest charged by LCC on LGR Debt	(270)
Higher cash balances than planned have been maintained during 2015/16 and this has contributed to an increase in the level of temporary investment income (Actual £25k minus Budget £4k)	(21)
Other miscellaneous items including recharges, brokerage and SORP premia costs	(92)
2015/16 full-year (favourable)/adverse position	(2,828)

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Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting	15 September 2016

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2016/2017

1.0 Purpose of the report:

1.1 To consider the level of spending against the Council's Revenue and Capital budgets for the first three months to 30 June 2016.

2.0 Recommendation(s):

2.1 To consider the report and to identify any further issues for scrutiny as appropriate.

3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council's Revenue and Capital Budget is kept under review by members.

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:

Not applicable.

4.0 Council Priority:

4.1 The relevant Council Priority is 'The economy: Maximising growth and opportunity across Blackpool.'

5.0 Background Information

5.1 This report is the standard monthly financial performance monitoring report, which sets out the summary revenue budget position for the Council and its individual directorates for month 3, the period April 2016 – June 2016, 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.

5.2 The report was considered by the Executive at its meeting of 12 September 2016. Committee Members are advised that the Executive was recommended:

1. To note the report
2. To require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children’s Services, Strategic Leisure Assets, Concessionary Fares and the Investment Portfolio.

Does the information submitted include any exempt information?

No

List of Appendices:

Report

Appendix 1- Revenue Summary

Appendix 2- Schedule of Service forecast overspendings

Appendix 3a- Chief Executive

Appendix 3b- Deputy Chief Executive

Appendix 3c- Governance and Regulatory Services

Appendix 3d- 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

Appendix 4- Capital Monitoring

Appendix 5- Cash Flow Summary

Appendix 6- General Fund Balance Sheet Summary

6.0 Legal considerations:

6.1 None.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 An Equalities Impact Assessment was produced as a part of the budget setting process and remains relevant.

9.0 Financial considerations:

9.1 See reports and appendices to this report.

10.0 Risk management considerations:

10.1 Impact of financial performance on Council balances.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
12 SEPTEMBER 2016

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 3 2016/17

1. Introduction

- 1.1 This report is the standard monthly financial performance monitoring report, which sets out the summary revenue budget position for the Council and its individual directorates for the first 3 months of 2016/17, i.e. the period to 30 June 2016, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council's latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

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 (now disaggregated)
 - Appendix 3c - Governance and Partnership Services
 - Appendix 3c/d - 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 statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2016/17. There is an accompanying narrative to explain any areas of significant variance from budget and to highlight any areas of potential pressure along with action plans agreed with service managers to address them.

2.2 The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council's Revenue Budget Book and reflects the disestablishment of the Deputy Chief Executive's Directorate with teams moving to other directorates. 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 As a supportive measure to give services every chance to deliver a breakeven budget, the Executive agreed at its meeting on 23rd May 2016 to write-off all service overspends and carry forward the 2015/16 underspends of £279k on Ward Budgets (£246k), Governance and Partnership Services (£19k) and Community & Environmental Services (£14k).

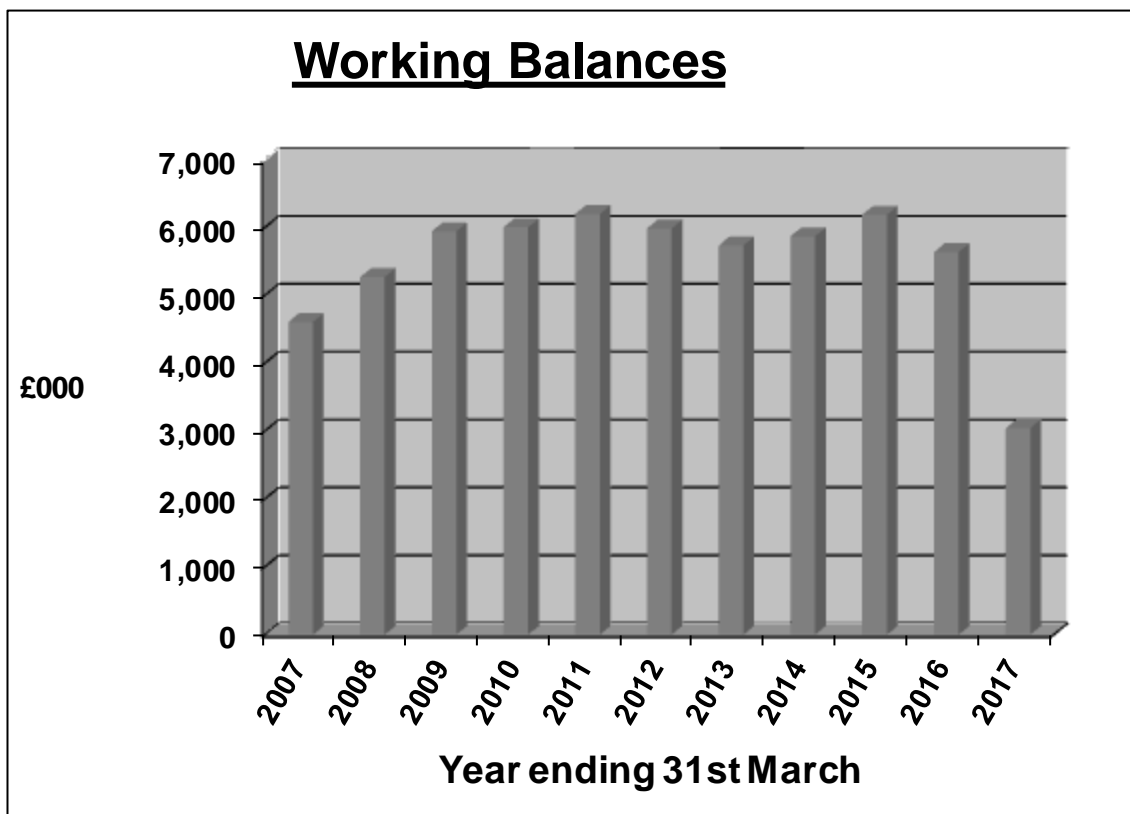
3.2 The impacts of directorates' revenue budget performance and progress in achieving planned savings fall upon the Council's working balances. The main areas accounting for the month 3 forecast overspend of £2,592k for 2016/17 are summarised below:-

Directorate	Service	Forecast Variance £000
Children's Services	An overspend of £2,021k is forecast. Children's Social Care is forecast to overspend by £2,025k, £1,334k is due to increases in the numbers and average placement cost of Looked After Children (LAC) and £691k is due to a shortfall in meeting the challenging 2016/17 Priority Led Budgeting (PLB) savings target of £1,222k. There are overspends in the Education Services Grant of £86k due to the anticipated loss of funding arising from in-year academy conversions and Lifelong Learning and Schools of £42k. These are mitigated by savings of £113k in Early Help for Children and Families and the Local Services Support Grant of £19k.	2,021
Resources	Property Services is forecasting a £480k overspend based on the current pace of property rationalisation and pressure from rental income within the Central Business District. Other pressures within the directorate are mainly due to staffing costs and income pressures, but these have been mitigated by savings of £55k in Procurement and Development and £38k in Revenues, Benefits and Exchequer Services.	418
Places	The Directorate has a pressure of £364k. Print Services is forecasting an overspend of £86k due to an income target that needs to be reviewed as part of a wider service review. Cultural Services is expecting a £63k overspend due to a shortfall in funding the Grundy Art Gallery. Other pressures include staffing pressures of £63k in the Planning Department, prudential borrowing costs relating to the Foxhall Village development of £30k and unidentified savings of £122k in Visitor Economy.	364

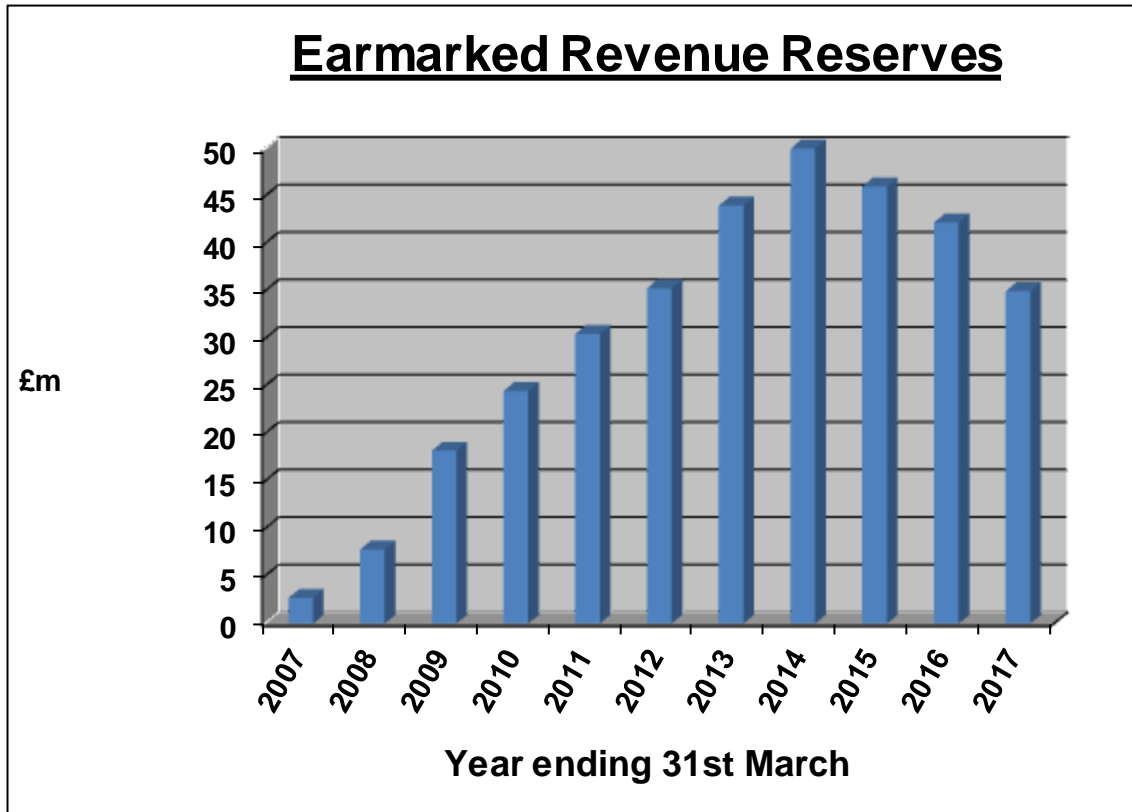
Community and Environmental Services	Street Cleansing and Waste has a pressure of £183k due mainly to a decrease in income from recycling waste arising from a downturn in the recycle market and higher staffing costs. The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants with the risk being covered against the specific Waste PFI reserve. Highways and Traffic Management Services are over budget by £104k due to pressures of £68k on Shelter income and £36k on vehicles due to the provision for future replacements. Public Protection has a forecast pressure of £67k due to the South Beach Selective Licensing Scheme. Integrated Transport is forecasting an overspend of £48k due to pressures on the public transport contracts. These are mitigated by an underspend of £93k in Leisure and Catering due to savings in provisions.	308
Governance and Partnership Services	An overspend of £107k is forecast. The Community Engagement and Equalities division is forecasting a pressure of £43k due to unallocated savings and staffing costs. Corporate Legal Services is forecasting a pressure of £34k mainly due to an unachieved PLB target and an income shortfall. A pressure of £30k in Registration and Bereavement Services is due to the forecast level of demand in the Coroners and Mortuary Service.	107
Adult Services	Adult Safeguarding is forecasting an overspend of £146k as a result of additional legal and staffing costs, relating to Deprivation of Liberty (DoLs) case law, which is not covered by New Burdens funding of £101k and a pressure of £45k relating to the timing of a staffing restructure within Adults and Children's Safeguarding. These are mitigated by Adult Commissioning Placements and Care and Support who are forecasting an underspend of £136k and projected savings of £5k in the Commissioning and Contracts Team.	5
Budgets Outside the Cash Limit	The cost to the Council of supporting the Subsidiary Companies is an underspend of £8k. Parking Services is £250k down due to a challenging income target. The position has improved on month 2 due to increased optimism on patronage and reduced costs. Concessionary Fares are forecasting a pressure of £556k mainly due to increased bus patronage and the impact of fare increases. Treasury Management has a £829k favourable position due to the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.	(31)

Strategic Leisure Assets, Contingencies / Reserves	Strategic Leisure Assets is forecasting a £1,113k pressure. In accordance with the original decision for this programme by the Executive on 7 th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast accumulative deficit as at 31 st March 2017 is £5,900k. This incorporates the increased debt financing costs associated with the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile. The Leisure Assets portfolio is currently forecast to breakeven, in year, during 2021/22. A review of contingencies has released £600k.	(600)
Total		2,592

3.3 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:



3.4 Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves for such longer-term commitments as future Private Finance Initiative payments and uncertainties within the 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 overleaf:



4. Directorate Budget Savings Performance

- 4.1 As at 30th June 2016 79% of the 2016/17 savings target has already been delivered. The full-year forecast predicts that 87% (83% last month) will be achieved by the year-end, which takes into account anticipated pressures and savings.
- 4.2 The full-year effect of the 2016/17 savings in 2017/18 amounts to 90% of the 2016/17 target which reflects any non-recurrent savings. This excludes any in-year pressures/savings.

5. Collection Rates

5.1 Council Tax

At the end of month 3 the amount collected for Council Tax (including Police and Fire precepts) was £16.5m and the collection rate was 26.8%. This compares to £16.3m and 27.7% at the same point in 2015/16.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme, the target collection rate is 97.5% over a 4-year collection period as approved on 25th January 2016 as part of the setting of the Council Tax Base for 2016/17.

5.2 Council Tax Reduction Scheme (CTRS)

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

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 17.3%. This compares to 19.1% at the same point in 2015/16 and is the principal cause of the overall collection rate deteriorating.

The likely impact for 2016/17 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2015/16 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

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 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 amount collected for Business Rates was £14.0m and the collection rate was 25.5%. This compares to £13.8m and 25.5% at the same point in 2015/16.

From April 2014 Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay.

The unaudited Business Rate cumulative deficit as at 31st March 2016 is £4.58m. The Council's share of this is £2.24m (49%) and provision has been made for this.

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 The report includes the capital programme as approved by the Executive in February 2016 together with some additional schemes that have been approved subsequently. The month 3 report has traditionally included this data for comparative purposes. Future reports may show some changes in the capital programme, representing schemes that are not currently finalised or funding confirmed.

6.3 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 2016/17.

7.2 During the first 3 months of the year, the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31st March 2016 due to the change in the timing of the receipt of grant income in the first three months. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying 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 2016/17.

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 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 Payment Policy.

8.2 From 1st April 2016 local authorities must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,460m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

8.3 Over the 3-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £13.3m and an increase in cash and cash equivalents of £7.5m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.

9. Conclusion and Recommendations

- 9.1 This is the first formal detailed directorate report of the 2016/17 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 £2,592k against the budgeted position over the year. This fall is in the context of the unaudited working balances at the start of the year of £5,636k, a reduction of 46.0%.
- 9.2 If this forecast position became the actual outturn, then in accordance with the Council's Financial Procedure Rules within its Constitution, the forecast revenue outturn 2016/17 within this report contravenes neither of the two specific conditions that excess spending does not:
1. exceed 1% (i.e. £4.3m) of the authority's total gross revenue expenditure; or
 2. have the effect of reducing the authority's Working Balances below 50% of their normal target level (i.e. £3.0m).

In the context of £35.0m of Earmarked Revenue Reserves and with 9 months of the financial year remaining there should still be sufficient time to redress the position and revised service and financial plans are underway to do so.

- 9.3 In response to the financial position the Director of Resources is holding regular meetings with individual Directors to discuss the robustness and integrity of current year budget forecasts and the plans in place to deliver an in-year breakeven position.
- 9.4 The Executive is asked:
- i) to note the report; and
 - ii) to require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children's Services, Strategic Leisure Assets, Concessionary Fares and the Investment Portfolio.

Steve Thompson
Director of Resources

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2017							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE		VARIANCE		2015/16 (UNDER)/OVER SPEND B/FWD £000
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
3(a)	CHIEF EXECUTIVE	(40)	43	(83)	(40)	-	-
3(b)	DEPUTY CHIEF EXECUTIVE'S DIRECTORATE	-	-	-	-	-	-
3(c)	GOVERNANCE & PARTNERSHIP SERVICES	1,667	686	1,088	1,774	107	(19)
3(c/d)	WARD BUDGETS	516	29	487	516	-	(246)
3(e)	RESOURCES	2,835	360	2,893	3,253	418	-
3(f)	PLACES	4,227	(5,598)	10,189	4,591	364	-
3(g)	STRATEGIC LEISURE ASSETS	1,289	(1,029)	3,431	2,402	1,113	-
3(h)	COMMUNITY & ENVIRONMENTAL SERVICES	43,541	(4,007)	47,856	43,849	308	(14)
3(i)	ADULT SERVICES	45,663	6,231	39,437	45,668	5	-
3(j)	CHILDREN'S SERVICES	37,722	1,038	38,705	39,743	2,021	-
3(k)	PUBLIC HEALTH	4	8,442	(8,438)	4	-	-
3(l)	BUDGETS OUTSIDE THE CASH LIMIT	16,176	2,557	13,588	16,145	(31)	-
	CAPITAL CHARGES	(26,945)	(6,736)	(20,209)	(26,945)	-	-
	NET COST OF SERVICES:	126,655	2,016	128,944	130,960	4,305	(279)
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(5,313)	-	(6,426)	(6,426)	(1,113)	
	- 2015/16 SERVICE UNDERSPENDS	(279)	-	(279)	(279)	-	
	- REVENUE CONSEQUENCES OF CAPITAL CONTINGENCIES	85	-	85	85	-	
	NW REGIONAL FLOOD DEFENCE LEVY	1,786	-	1,186	1,186	(600)	
	CONTRIBUTIONS, etc.	65	-	65	65	-	
		(3,656)	-	(5,369)	(5,369)	(1,713)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	122,999	2,016	123,575	125,591	2,592	
	ADDED TO/(TAKEN FROM) BALANCES	-	-	(2,592)	(2,592)	(2,592)	
	NET REQUIREMENT AFTER WORKING BALANCES	122,999	2,016	120,983	122,999	-	
GENERAL BALANCES AS AT 1st APRIL 2016 PER UNAUDITED STATEMENT OF ACCOUNTS 2015/16							5,636
In-year (reduction in) / addition to General Fund Working Balances							(2,592)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2017							3,044

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Blackpool Council

Schedule of Service forecast annual overspendings over the last 12 months

Directorate	Service	Audit Committee Report	July 2015 £000	Aug 2015 £000	Sept 2015 £000	Oct 2015 £000	Nov 2015 £000	Dec 2015 £000	Jan 2016 £000	Feb 2016 £000	Mar 2016 £000	Apr 2016 £000	May 2016 £000	Jun 2016 £000
CHILDREN'S SERVICES	CHILDREN'S SOCIAL CARE		569	755	1,078	1,130	1,309	1,335	1,622	2,189	2,189			2,025
STRATEGIC LEISURE ASSETS	STRATEGIC LEISURE ASSETS		928	959	1,078	1,246	1,246	1,306	1,473	1,503	1,503			1,113
RESOURCES	PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)		749	661	717	682	668	547	553	157	157			480
PLACES	VISITOR ECONOMY							101	110	102	102			
COMMUNITY & ENVIRONMENTAL SERVICES	STREET CLEANSING AND WASTE													183
ADULT SERVICES	ADULT SAFEGUARDING		115	126	119	119	140	146	163	231	231			146
COMMUNITY & ENVIRONMENTAL SERVICES	HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES						81			149	149			104
PLACES	GROWING PLACES													93
CHILDREN'S SERVICES	EDUCATION SERVICES GRANT		1,085	1,085	1,085	1,085	1,086	1,087	1,087	1,185	1,185			86
ADULT SERVICES	CARE & SUPPORT		381		435	410	395	401	552	370	370			-
PUBLIC HEALTH	CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES					451	479	479	479					-
PUBLIC HEALTH	SEXUAL HEALTH SERVICES - MANDATED					378	378	378	378					-
ADULT SERVICES	ADULT COMMISSIONING PLACEMENTS		629	634	209									-
PUBLIC HEALTH	SUBSTANCE MISUSE (DRUGS AND ALCOHOL)					350	350	350	350					-
CHILDREN'S SERVICES	CHILDRENS SAFEGUARDING		99	98	110	116	117	155	145					-
CHILDREN'S SERVICES	LOCAL SERVICES SUPPORT GRANT		104	104	104	104	104	104	104					-
COMMUNITY & ENVIRONMENTAL SERVICES	INTEGRATED TRANSPORT		155	149	161	167								-
CHILDREN'S SERVICES	LIFELONG LEARNING & SCHOOLS				75	128	133	91	97					-
COMMUNITY & ENVIRONMENTAL SERVICES	LEISURE AND CATERING				148	148	96							-
GOVERNANCE & PARTNERSHIP SERVICES	REGISTRATION AND BEREAVEMENT SERVICES									84	84			-
	Sub Total		4,814	4,571	5,319	6,514	6,582	6,480	7,113	5,970	5,970	-	-	4,438
	Transfer to Earmarked Reserves (note 3)		(928)	(959)	(1,078)	(1,246)	(1,246)	(1,306)	(1,473)	(1,503)	(1,503)	-	-	(1,113)
	Other General Fund (under) / overspends		(414)	(445)	(679)	(2,012)	(1,928)	(2,511)	(2,772)	(3,915)	(3,915)	-	-	(733)
	Total		3,472	3,167	3,562	3,256	3,408	2,663	2,868	552	552	-	-	2,592

Notes:

1. The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where 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 Portfolio Holder. 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.

2. The Strategic Leisure Assets overspend reflects the in-year position.

3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE						
NET EXPENDITURE						
CHIEF EXECUTIVE	612	97	515	612	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	(728)	(64)	(664)	(728)	-	-
CORPORATE DELIVERY UNIT	76	10	66	76	-	-
TOTALS	(40)	43	(83)	(40)	-	-

Commentary on the key issues:

Directorate Summary

The Revenue summary (above) lists the outturn projection for the service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 3 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Following the recent Council restructure this directorate now includes Human Resources, Organisation and Workforce Development and the Corporate Delivery Unit (both transferred from the former Deputy Chief Executive's directorate).

The Directorate is forecasting a break-even position for 2016/17.

Budget Holder – Mr N Jack, Chief Executive

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Blackpool Council – Deputy Chief Executive’s Directorate

Directorate Summary

Following the departure of the Deputy Chief Executive this directorate has been disestablished with the teams moving to other directorates.

Human Resources, Communication and Engagement

Broadly this area has moved to the Chief Executive with Payroll and Health and Safety teams moving to Resources, and Community Engagement and Equalities moving to Governance and Partnership Services.

Business Support and Resources

This service has mainly moved to Children’s Services, with Systems moving to Resources.

Information and Communication Technology

This service has moved to Resources.

Budget Holder – Budgets redistributed

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Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,133	500	1,633	2,133	-	(19)
CORPORATE LEGAL SERVICES	(336)	110	(412)	(302)	34	-
REGISTRATION AND BEREAVEMENT SERVICES	(382)	15	(367)	(352)	30	-
COMMUNITY ENGAGEMENT & EQUALITIES	252	61	234	295	43	-
GOVERNANCE & PARTNERSHIP SERVICES	1,667	686	1,088	1,774	107	(19)
WARDS	516	29	487	516	-	(246)
TOTALS	2,183	715	1,575	2,290	107	(265)

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Governance and Partnership Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 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.

Following the recent Council restructure this directorate has been renamed and now includes Corporate Legal Services (transferred from Resources), Governor Services (from Children's Services) and Community Engagement and Equalities (transferred from the former Deputy Chief Executive's directorate). The Licensing Service has transferred to Community and Environmental Services.

Democratic Governance Service

The Democratic Governance Service is forecasting a break-even position for 2016/17. This service now includes Governor Services.

Corporate Legal Services

There is a pressure of £34k mainly due to a £32k unachieved Priority Led Budgeting (PLB) target and an income shortfall.

Registration and Bereavement Service

The Registration and Bereavement Service is forecasting a pressure of £30K. This is due to the forecast level of demand in the Coroners and Mortuary Service and has reduced from month 2 due to additional income expected.

Community Engagement & Equalities

The Community Engagement and Equalities Service is forecasting a pressure of £43K for the year due to unallocated savings and staffing costs.

Ward Budgets

Ward budgets are expected to break-even in 2016/17.

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

Blackpool Council
Ward Budgets
2016/17
Month 3

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2016-17 Budget	Budget Committed to <u>Approved</u> Schemes	Remaining 2016-17 Budget
Anchorsholme Ward BC1001	Cllr. Galley Cllr. A Williams	0	0	0	0	£28,312.71	£200.00	£28,112.71
Bispham Ward BC1002	Cllr. Clapham Cllr. Maycock	3	3	0	3	£21,273.94	£10,636.06	£10,637.88
Bloomfield Ward BC1003	Cllr. Cain Cllr. Hobson	2	2	0	2	£16,697.54	£5,450.00	£11,247.54
Brunswick Ward BC1004	Cllr. Blackburn Cllr. G Coleman	0	0	0	0	£28,982.55	£0.00	£28,982.55
Claremont Ward BC1005	Cllr. I Taylor Cllr. L Williams	1	1	0	1	£19,394.14	£10,695.73	£8,698.41
Clifton Ward BC1006	Cllr. Hutton Cllr. L Taylor	3	3	0	3	£26,764.39	£7,522.50	£19,241.89
Greenlands Ward BC1007	Cllr. Ryan Cllr. Mrs Wright	0	0	0	0	£28,018.81	-£12,500.00	£40,518.81
Hawes Side Ward BC1008	Cllr. D Coleman Cllr. Critchley	0	0	0	0	£29,800.00	£7,940.00	£21,860.00
Highfield Ward BC1009	Cllr. Mrs Henderson MBE Cllr. Hunter	2	2	0	2	£25,413.77	£3,507.52	£21,906.25
Ingthorpe Ward BC1010	Cllr. Cross Cllr. Rowson	1	1	0	1	£36,530.09	£5,880.00	£30,650.09
Layton Ward BC1011	Cllr. Mrs Benson Cllr. Mitchell	2	2	0	2	£21,091.00	£8,963.08	£12,127.92
Marton Ward BC1012	Cllr. Singleton Cllr. Elmes	2	2	0	2	£34,963.08	£7,991.78	£26,971.30
Norbreck Ward BC1013	Cllr. Callow Cllr. Mrs Callow	1	1	0	1	£38,495.41	£22,860.00	£15,635.41
Park Ward BC1014	Cllr. Campbell Cllr. Kirkland	2	2	0	2	£30,493.68	£10,000.00	£20,493.68
Squires Gate Ward BC1015	Cllr. Cox Cllr. Humphreys	0	0	0	0	£21,608.91	£1,961.00	£19,647.91
Stanley Ward BC1016	Cllr. Roberts Cllr. Stansfield	1	1	0	1	£30,896.00	£4,660.00	£26,236.00
Talbot Ward BC1017	Cllr. I Coleman Cllr. Smith	2	2	0	2	£36,657.78	£15,803.93	£20,853.85
Tyldesley Ward BC1018	Cllr. Matthews	1	1	0	1	£29,171.66	£4,855.60	£24,316.06
Victoria Ward BC1019	Cllr. Jackson Cllr. Owen	1	1	0	1	£24,586.66	£5,000.00	£19,586.66
Warbreck Ward BC1020	Cllr. Brown Cllr. Scott	0	0	0	0	£21,364.07	£2,200.00	£19,164.07
Waterloo Ward BC1021	Cllr. O'Hara Cllr. Robertson BEM	3	3	0	3	£28,115.00	£6,160.00	£21,955.00

Ward Totals	27	27	0	27	£578,631.19	£129,787.20	£448,843.99
Unallocated Budget	-	-	-	-	-£17,631.19	£0.00	-£17,631.19
Income Budget	-	-	-	-	-£45,000.00	£0.00	-£45,000.00
Area Ward Totals	27	27	0	27	£516,000.00	£129,787.20	£386,212.80

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	ADJUSTED CASH LIMITED BUDGET £000	2016/17			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & DEVELOPMENT	(11)	41	(107)	(66)	(55)	-
REVENUES, BENEFITS & EXCHEQUER SERVICES	303	(2,903)	3,168	265	(38)	-
CUSTOMER FIRST	(61)	149	(202)	(53)	8	-
ICT SERVICES	200	50	143	193	(7)	-
ACCOUNTANCY	(167)	169	(336)	(167)	-	-
RISK SERVICES	73	(12)	115	103	30	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,498	2,866	112	2,978	480	-
TOTALS	2,835	360	2,893	3,253	418	-

Commentary on the key issues:

Directorate Summary - basis

- The Revenue summary (above) lists the outturn projection for each individual service within Resources against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Procurement and Development

- The favourable variance of £55k is due to an over-achievement against current and prior years' Priority Led Budgeting (PLB) targets in respect of staff savings and additional income.

Revenues, Benefits and Exchequer Services

- The service is forecast to meet its savings requirement in 2016/17 due to a combination of staff savings and additional income.

Customer First

- Customer First is forecasting a £8k pressure in 2016/17. The majority of this pressure falls within the staffing budget due to the need to channel as many staff as possible to answer the phones and the extra duties involved in staffing the reception at Bickerstaffe House.

ICT Services

- Following the disaggregation of the Deputy Chief Executive's Directorate, ICT Services has transferred into the Resources department. This service is forecasting a small under spend as a result of staffing vacancies.

Accountancy

- Accountancy services are forecasting to achieve the Priority Led Budgeting savings targets and end the financial year in a break even position.

Risk Services

- Risk Services is forecasting a pressure of £30k, however, income estimates are currently at prudent levels and the service is targeting a break even position at year end.

Property Services (incl. Investment Portfolio)

- Property Services is forecasting an overspend of £480k. This projection is based on the current pace of property rationalisation. There is also a forecast pressure from rental income within the Central Business District until all units are filled and any rent-free periods lapse.

Summary of the revenue forecast

After 3 months of the financial year, Resources is forecasting a £418k 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.

Blackpool Council – Places

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PLACES						
NET EXPENDITURE						
CULTURAL SERVICES	(64)	(2,217)	2,216	(1)	63	-
ECONOMIC DEVELOPMENT	79	(2,345)	2,424	79	-	-
GROWING PLACES	468	(657)	1,218	561	93	-
VISITOR ECONOMY	3,744	(379)	4,331	3,952	208	-
TOTALS	4,227	(5,598)	10,189	4,591	364	-

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 forecast outturn of £364k overspend is based upon actual financial performance for the first 3 months of 2016/17 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.

Cultural Services

This service is expecting a £63k overspend by the year-end due to a shortfall in funding of the Grundy Art Gallery.

Growing Places

This service is expecting a £93k overspend by the year-end. This is due to a combination of staffing pressures of £63k in the Planning Department and prudential borrowing costs of £30k in Housing for the Foxhall Village development.

Visitor Economy

This service is expecting a £208k overspend by the year-end. £86k is due to low income in Print Services that needs to be reviewed as part of a wider review of how the service is used corporately and savings of £122k that have not yet been identified within the department.

Budget Holder – Mr A Cavill, Director of Place

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	15/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR -JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,289	(1,029)	3,431	2,402	1,113	-
TOTALS	1,289	(1,029)	3,431	2,402	1,113	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 3 months of 2016/17 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 Leisure Asset portfolio projected outturn for 2016/17 is currently £1,113k, taking the forecast cumulative deficit as at 2016/17 year end to £5,900k. This position incorporates the increased debt financing costs associated with both the former Tower Lounge development and essential Tower steel structure renewal, together with increased marketing costs and revised income profile.

The Leisure Asset portfolio is currently forecast to breakeven, in year, during 2021/22.

In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.

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	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	1,007	84	922	1,006	(1)	(14)
LEISURE AND CATERING	4,291	(123)	4,321	4,198	(93)	-
PUBLIC PROTECTION	(303)	(2,327)	2,091	(236)	67	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	15,114	(735)	15,953	15,218	104	-
STREET CLEANSING AND WASTE	18,653	(585)	19,421	18,836	183	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	4,334	(90)	4,424	4,334	-	-
INTEGRATED TRANSPORT	445	(231)	724	493	48	-
TOTALS	43,541	(4,007)	47,856	43,849	308	(14)

Commentary on the key issues:

Directorate Summary

The Revenue summary (above) lists the outturn projection for each individual service within Community and Environmental Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Business Services

The service is under budget by £1k due to savings on supplies and services.

Leisure and Catering

An underspend of £93k is forecast due to savings on provisions.

Public Protection

Public Protection is over budget by £67k due to a forecast pressure at the end of the South Beach Selective Licensing Scheme.

Highways and Traffic Management Services

The service is over budget by £104k due to a net pressure of £36k on vehicles due to the provision for future replacements and a £68k pressure on Shelters, mainly due to income. The position has improved due to the net Project 30 insurance pressure being covered corporately.

Street Cleansing and Waste

Street Cleansing and Waste is over budget by £183k, mainly due to pressures at the Household Waste Recycling Centre (HWRC). This is because of a decrease in the level of income forecast from recycling waste which is due to a downturn in the recycle markets and higher staffing costs. Previous pressures have been covered off by additional income.

The £856k PFI Grant is no longer available and is being considered along with Lancashire County Council in the review of the operation of the recycling plants, with the risk being covered against the specific Waste PFI reserve in 2016/17.

Coastal and Environmental Partnerships

The previous staff savings have been utilised to fund costs associated with the Blue Flag scheme.

Integrated Transport

Integrated Transport is £48k over budget due to a pressure on public transport contracts.

Conclusion – Community and Environmental Services financial position

As at the end of month 3 the Community and Environmental Services Directorate is forecasting an overall overspend of £308k for the financial year to March 2017 as detailed above. The pressure due to the loss of the Waste PFI grant has been offset against reserves in 2016/17.

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	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	3,664	1,326	2,338	3,664	-	-
CARE & SUPPORT	5,419	1,967	3,457	5,424	5	-
COMMISSIONING & CONTRACTS TEAM	1,067	68	994	1,062	(5)	-
ADULT COMMISSIONING PLACEMENTS	35,051	3,105	31,805	34,910	(141)	-
ADULT SAFEGUARDING	462	(235)	843	608	146	-
TOTALS	45,663	6,231	39,437	45,668	5	-

Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary (above) lists the latest outturn projection for each individual service within the Adult Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 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) and Care and Support

- Adults Commissioning Placements Budget is close to break-even with a forecast £141k underspend on a £35m budget.

Adult Safeguarding

- The Adults Safeguarding Division is forecast to be £146k overspent, with £101k relating to additional legal and staffing costs to fund Deprivation of Liberty (DoLs) case law. Several Councils are currently challenging the Government in relation to New Burdens funding. There is also a £45k in-year pressure relating to the timing of a staffing restructure within Adults and Children's Safeguarding.

Summary of the Adult Services financial position

As at the end of June 2016 the Adult Services Directorate is forecasting an overall overspend of £5k for the financial year to March 2017 on a gross budget of £67.3m.

Budget Holder – K Smith, Director of Adult Services

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Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUNE £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	20,899	6,216	14,683	20,899	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	250	-	263	263	13	-
LIFELONG LEARNING & SCHOOLS	22,073	5,669	16,487	22,156	83	-
EARLY HELP FOR CHILDREN AND FAMILIES	297	12	236	248	(49)	-
CHILDREN'S SOCIAL CARE	116	29	87	116	-	-
CHILDREN'S STRATEGY AND SUPPORT	368	91	277	368	-	-
DEDICATED SCHOOL GRANT	(44,811)	(14,948)	(29,863)	(44,811)	-	-
CARRY FORWARD OF DSG	(192)	-	(239)	(239)	(47)	-
TOTAL DSG FUNDED SERVICES	(1,000)	(2,931)	1,931	(1,000)	-	-
CHILDRENS SERVICES DEPRECIATION	3,399	-	3,399	3,399	-	-
LIFELONG LEARNING & SCHOOLS	3,768	(318)	4,128	3,810	42	-
EARLY HELP FOR CHILDREN AND FAMILIES	3,780	(1,111)	4,778	3,667	(113)	-
CHILDREN'S SOCIAL CARE	25,413	5,420	22,018	27,438	2,025	-
CHILDRENS SAFEGUARDING	1,414	178	1,236	1,414	-	-
CHILDREN'S STRATEGY AND SUPPORT	1,822	3	1,819	1,822	-	-
LOCAL SERVICES SUPPORT GRANT	-	(5)	(14)	(19)	(19)	-
EDUCATION SERVICES GRANT	(874)	(198)	(590)	(788)	86	-
TOTAL COUNCIL FUNDED SERVICES	38,722	3,969	36,774	40,743	2,021	-
TOTAL CHILDREN'S SERVICES	37,722	1,038	38,705	39,743	2,021	-

Commentary on the key issues:

Directorate Summary – basis

- The Revenue summary (above) lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 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 Schools Grant Funded Services

- The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget, 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 2017/18 and, in the case of overspends, become the first call on the grant in that year.

Early Help for Children and Families

- The Early Help division is forecasting a £113k underspend due to staff vacancies and a saving on the Domestic Abuse contract.

Children's Social Care

- Several commissioning reviews are ongoing and progress has been made against the challenging £1.222m 2016/17 PLB savings target that was applied to the Children's Social Care division. There is a forecast shortfall of £691k due to the ongoing implementation of the review recommendations. Further increases in the numbers of Looked After Children and the average placement cost have led to additional pressures of £1.334m giving a total forecast overspend of £2.025m. A breakdown of the budgeted, current and projected placements is shown in the table below:

IFA budgeted numbers (fte)		65.0
IFA current (headcount)		79.0
IFA projected numbers (fte)		73.8
Increased numbers pressure	£	454,680
Increased placement cost pressure	£	6,380
Independent Fostering Agency Over Spend	£	461,060
<hr/>		
Resi budgeted numbers (fte)		20.0
Resi current numbers (headcount)		32.0
Resi projected numbers (fte)		25.6
Increased numbers pressure	£	606,000
Increased placement cost pressure	£	266,700
Residential Over Spend	£	872,700
<hr/>		
Total Placement Over Spend	£	1,333,760

- In 2015/16 Blackpool had the highest number of care cases issued per 10,000 of child population in England and Wales at 3.5 times the national figure. Care proceedings are continuing to rise from 107 last year to a projected figure of 150 for 2016/17.

Education Services Grant

- From April 2013, the education functions provided by local authorities have been funded from the Education Services Grant (ESG). The Council receives £77 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 £86k is included in the forecast overspend, relating to the anticipated loss of funding due to in-year academy conversions.

Summary of the Children's Services financial position

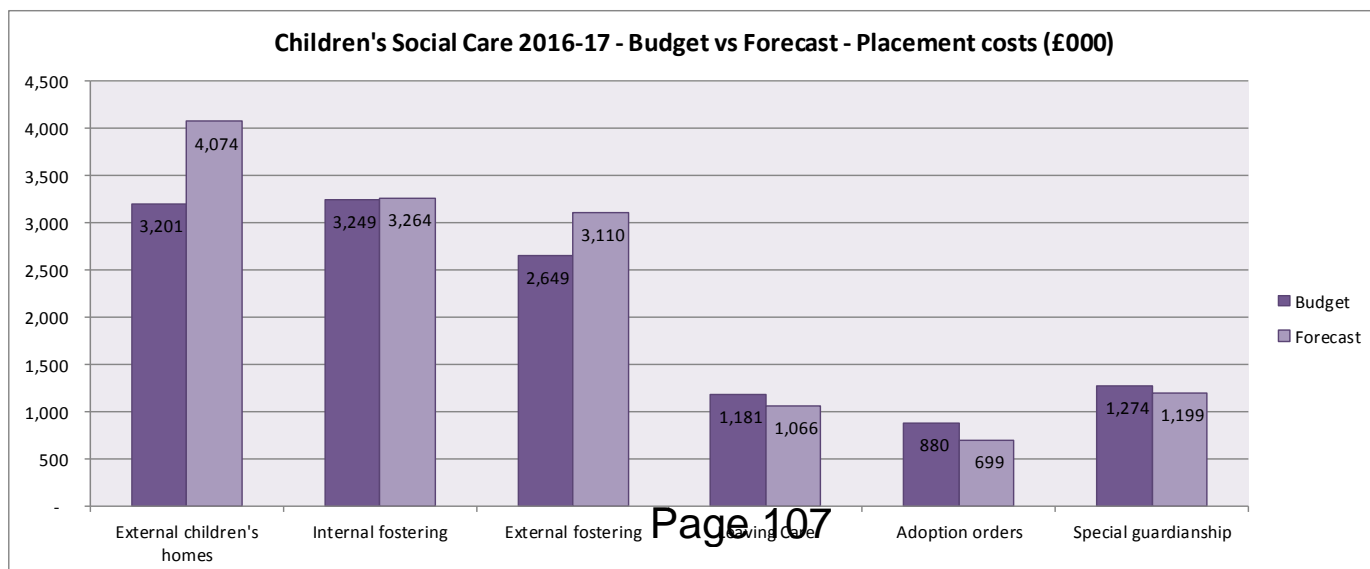
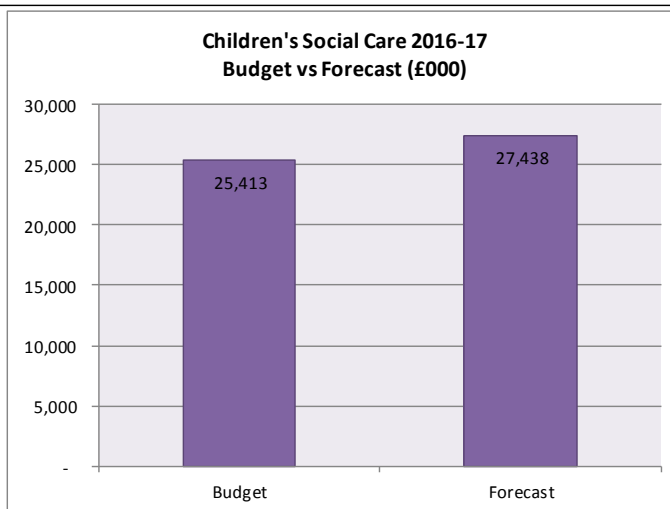
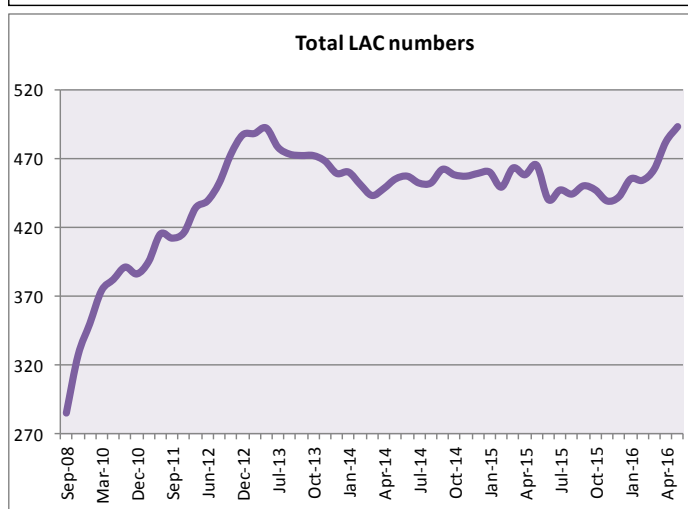
As at the end of June 2016 the Children's Services Directorate is forecasting an overspend of £2.021m for the financial year to March 2017.

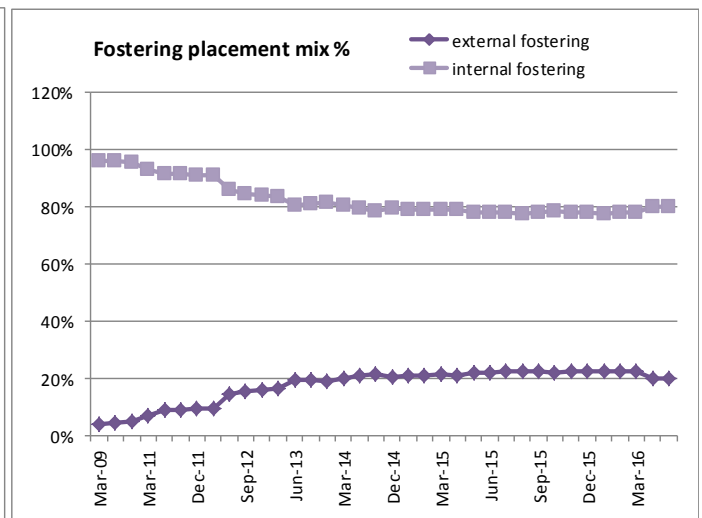
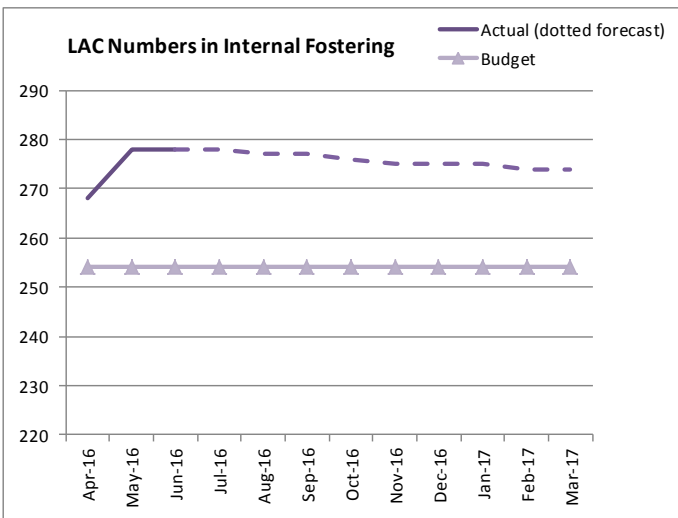
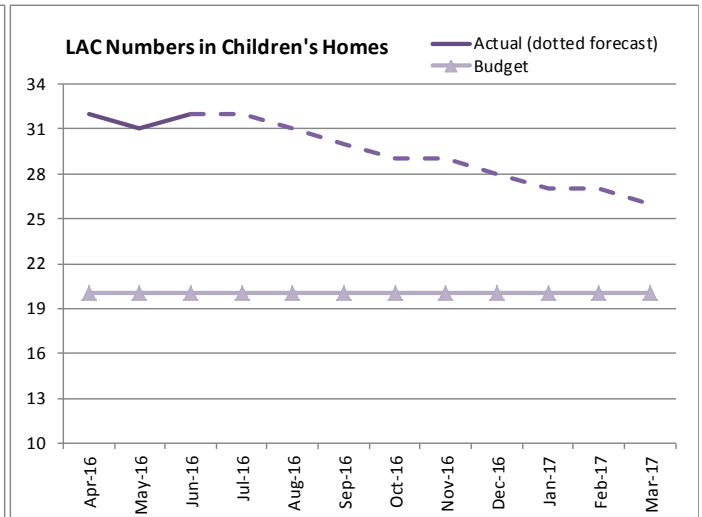
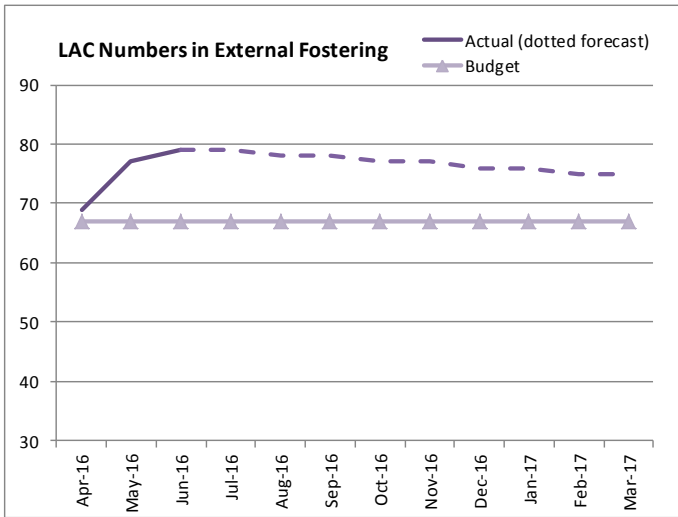
Budget Holder – Mrs D Curtis, Director of People (Statutory Director of Children's Services)

Children's Social Care Trends

Date	External Placements						Total			Internal Fostering			Total LAC Numbers
	Fostering			Residential			FTE	£000's	£ per placement	FTE	£000's	£ per placement	No.
	FTE	£000's	£ per placement	FTE	£000's	£ per placement							
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
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
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
Sep-14	69.41	2,614	37,655	23.09	2,799	121,210	92.50	5,412	58,513	258.39	3,248	12,570	462
Dec-14	68.73	2,664	38,760	23.09	2,870	124,281	91.83	5,534	60,268	265.56	3,313	12,474	459
Mar-15	71.13	2,856	40,155	23.23	2,993	128,868	94.36	5,850	61,992	262.93	3,253	12,374	463
Jun-15	71.30	2,896	40,625	22.02	3,254	147,777	93.32	6,150	65,909	250.74	3,144	12,541	440
Sep-15	71.48	2,862	40,040	26.39	3,772	142,934	97.87	6,634	67,785	251.13	3,151	12,549	450
Oct-15	70.28	2,864	40,748	26.58	3,761	141,471	96.87	6,625	68,389	251.61	3,150	12,520	447
Nov-15	71.42	2,952	41,334	25.71	3,787	147,325	97.13	6,739	69,384	248.91	3,097	12,444	439
Dec-15	71.41	2,945	41,243	26.60	3,862	145,196	98.00	6,807	69,455	250.66	3,115	12,428	442
Mar-16	72.39	3,056	42,215	27.09	3,958	146,120	99.48	7,014	70,512	250.97	3,125	12,453	462
Jun-16	73.79	3,110	42,145	25.62	4,025	157,136	99.41	7,135	71,778	274.85	3,264	11,874	493

Note:
The variance between the current total number of Looked After Children (493) and the total internal fostering and external placement numbers (369) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.





Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
PUBLIC HEALTH						
NET EXPENDITURE						
MANAGEMENT AND OVERHEADS	1,837	613	1,224	1,837	-	-
NHS HEALTH CHECKS - MANDATED	556	333	223	556	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	722	722	-	722	-	-
CHILDREN'S 0-5 SERVICES	3,113	2,487	626	3,113	-	-
TOBACCO CONTROL	565	64	501	565	-	-
MENTAL HEALTH AND WELLBEING	24	2	22	24	-	-
SEXUAL HEALTH SERVICES - MANDATED	2,345	1,661	684	2,345	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	3,746	1,074	2,672	3,746	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	178	48	130	178	-	-
OTHER PUBLIC HEALTH SERVICES	204	180	24	204	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	6,106	6,106	-	6,106	-	-
GRANT	(19,392)	(4,848)	(14,544)	(19,392)	-	-
TOTALS	4	8,442	(8,438)	4	-	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual scheme against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 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 2017.

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 supports patient choice and diversity. Payment will be linked to activity. This does, however, raise a number of challenges when determining accurate budgetary spend/forecast spend.

Summary of the Public Health Directorate financial position

As at the end of June 2016, the Public Health Directorate is forecasting an overall spend of the full grant, £19,392,000, for the financial year to March 2017.

Budget Holder – Dr Arif Rajpura, Director of Public Health

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Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2015/16 (UNDER)/OVER SPEND B/FWD £000
	2016/17					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JUN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER)/ OVER £000	
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	13,109	3,070	9,210	12,280	(829)	-
PARKING SERVICES	(3,738)	(542)	(2,946)	(3,488)	250	-
CORPORATE SUBSCRIPTIONS	192	71	121	192	-	-
HOUSING BENEFITS	1,884	465	1,419	1,884	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	306	77	229	306	-	-
SUBSIDIARY COMPANIES	(910)	77	(995)	(918)	(8)	-
CONCESSIONARY FARES	3,834	(874)	5,264	4,390	556	-
LAND CHARGES	(48)	(58)	10	(48)	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	3,190	795	2,395	3,190	-	-
NEW HOMES BONUS	(1,643)	(524)	(1,119)	(1,643)	-	-
TOTALS	16,176	2,557	13,588	16,145	(31)	-

Commentary on the key issues:

Directorate Summary - basis

- The Revenue summary (above) lists the latest outturn projection for each individual service categorised as falling 'outside the cash limit' and thereby exempt from the cash limited budget regime. Forecast outturns are based upon actual financial performance for the first 3 months of 2016/17 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 £829k for the year. This reflects the ongoing temporary windfall from the short-term interest rates currently being paid to finance recent capital expenditure.

Parking Services

- This service is forecasting a pressure of £250k. This figure reflects the ongoing challenging income target. It has improved on month 2 due to increased optimism on parking patronage and reduced costs. As at Week 13 (w/e 20th June) parking income is at £1,249k with patronage at 337,117. Car park patronage is down by 40,434, however income is up by £10,902 on 2015/16. On-Street Pay and Display is down on patronage by 2,537, but up on income by £1,741.

Subsidiary Companies

- This service is now forecasting a favourable variance of £8k.

Concessionary Fares

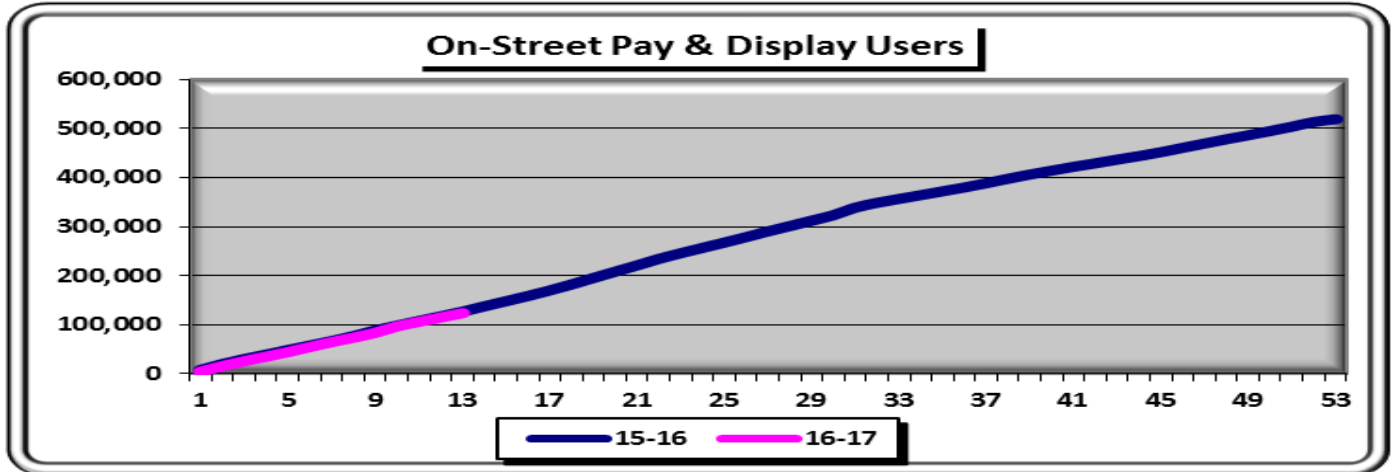
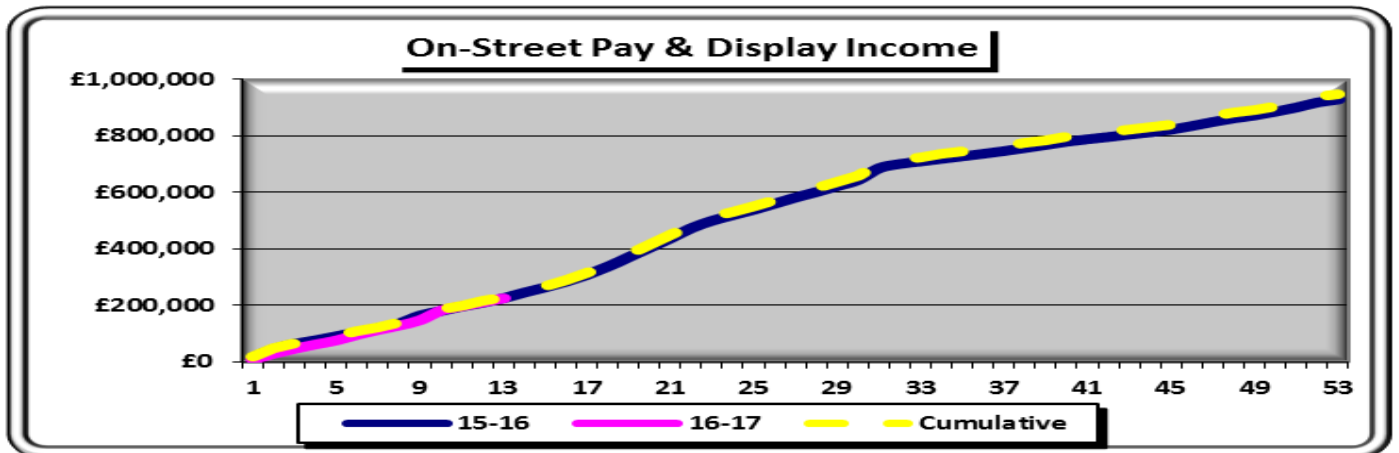
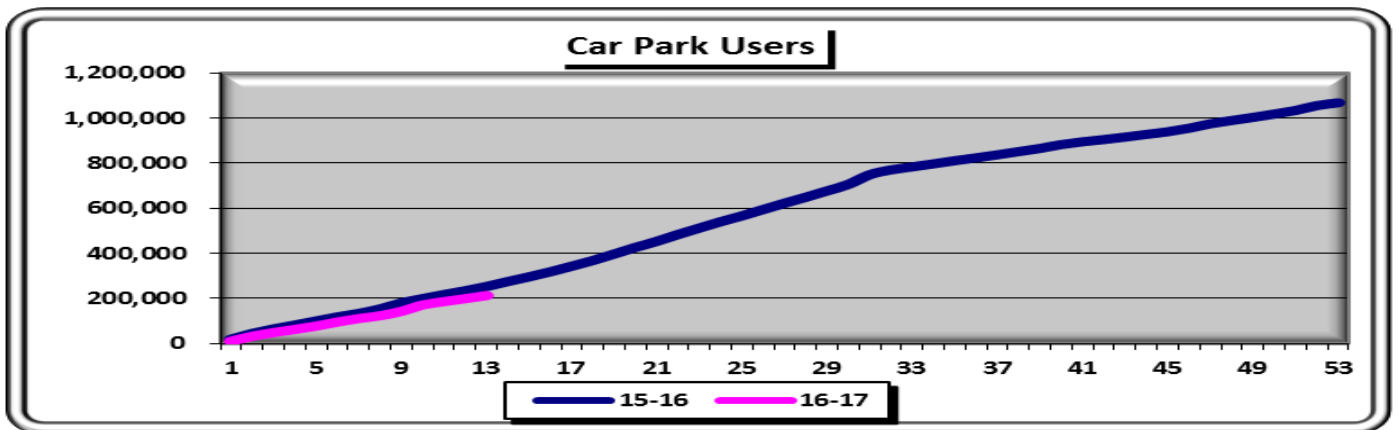
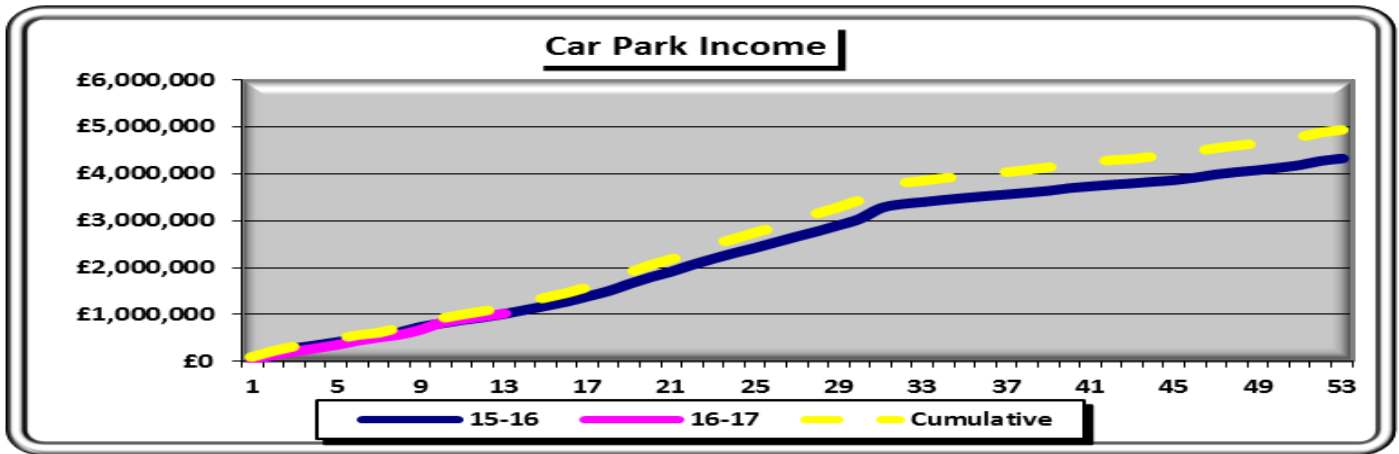
- This service is forecasting a pressure of £556k, which mainly relates to the ongoing pressure arising from increased bus patronage and the impact of fare increases.

Land Charges

- This service is forecasting to break-even during 2016/17.

Summary of the revenue forecasts

After 3 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £31k underspend.



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**2016/17 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Resources									
Property and Asset Management									
Central Business District Phase 1	40,832	37,730	3,102	-	3,102	(95)	215	-	
Office Accommodation Strategy	1,408	1,408	-	-	-	-	-	-	
CBD Phase 2 - Hotel	14,000	74	13,926	-	13,926	-	-	-	
- Wilkinson's	7,800	-	-	7,800	7,800	6,286	1,514	-	
Syndicate	1,600	1,577	(277)	300	23	6	17	-	
ICT Refresh	512	381	131	-	131	(4)	135	-	
Clifton Street Redevelopment	700	-	-	700	700	24	676	-	
Other Resources Schemes	1,002	288	625	89	714	199	515	-	
Total Resources	67,854	41,458	17,507	8,889	26,396	6,416	3,072	-	
Director Responsible for Adult Services									
Support to Vulnerable Adults - Grants	2,751	1,484	67	1,200	1,267	6	1,261	-	
Other Adult Services Schemes	2,863	1,891	972	-	972	14	958	-	
Total Adult Services	5,614	3,375	1,039	1,200	2,239	20	2,219	-	

**2016/17 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Community and Environmental Services									
Anchorsholme Seawall	22,363	20,821	1,542	-	1,542	1,402	2,140	-	
Coastal Protection Studies	1,451	1,221	230	-	230	10	220	-	
Marton Mere Pumping Station & Spillway	505	462	43	-	43	-	43	-	
Marton Mere HLF	360	227	133	-	133	22	111	-	
Transport									
Blackpool/Fleetwood Tramway	99,990	90,311	9,679	-	9,679	3,615	2,000	-	
Sintropher	1,690	2,780	(1,090)	-	(1,090)	-	-	-	
Bridges	11,365	2,864	(750)	4,240	3,490	128	3,362	-	
Yeadon Way	2,597	2,597	-	-	-	-	-	-	
Other Transport Schemes	500	250	250	-	250	250	-	-	
Total Community and Environmental Services	140,821	121,533	10,037	4,240	14,277	5,427	7,876	-	
Director Responsible for Governance and Partnership Services									
Carleton Crem Building Works	1,991	1,934	57	-	57	15	42	-	
Total Governance and Partnership Services	1,991	1,934	57	-	57	15	42	-	

**2016/17 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	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									
Cluster of Empty Homes	1,392	1,392	-	-	-	3	-	-	
Foxhall Village	12,500	9,836	2,664	-	2,664	94	2,570	-	
Work towards Decent Homes Standard	4,274	-	-	4,274	4,274	259	4,015	-	
Queens Park Redevelopment Ph1	-	-	-	-	-	(117)	117	-	
Queens Park Redevelopment Ph2	5,000	-	-	5,000	5,000	663	4,337	-	
Others									
College Relocation/Illumination Depot	12,805	13,924	(1,219)	100	(1,119)	-	-	-	
Leisure Assets	61,449	60,961	488	-	488	45	443	-	
LightPool	700	600	100	-	100	10	90	-	
Bonny Street Acquisition	3,200	1	3,199	-	3,199	-	3,199	-	
Tramway Extension									
Other									
Transport									
Local Transport Plan 2014/15	1,984	1,896	86	-	86	103	(17)	-	
Local Transport Plan Project 30 2014/15	1,050	1,050	-	-	-	-	-	-	
Local Transport Plan 2015/16	1,730	1,307	423	-	423	47	376	-	
Local Transport Plan Project 30 2015/16	826	826	-	-	-	-	-	-	
Local Transport Plan 2016/17	1,159	-	-	1,159	1,159	72	600	-	
Local Transport Plan Project 30 2016/17	583	-	-	583	583	-	583	-	
Total Place	108,652	91,793	5,741	11,116	16,857	1,179	16,313	-	

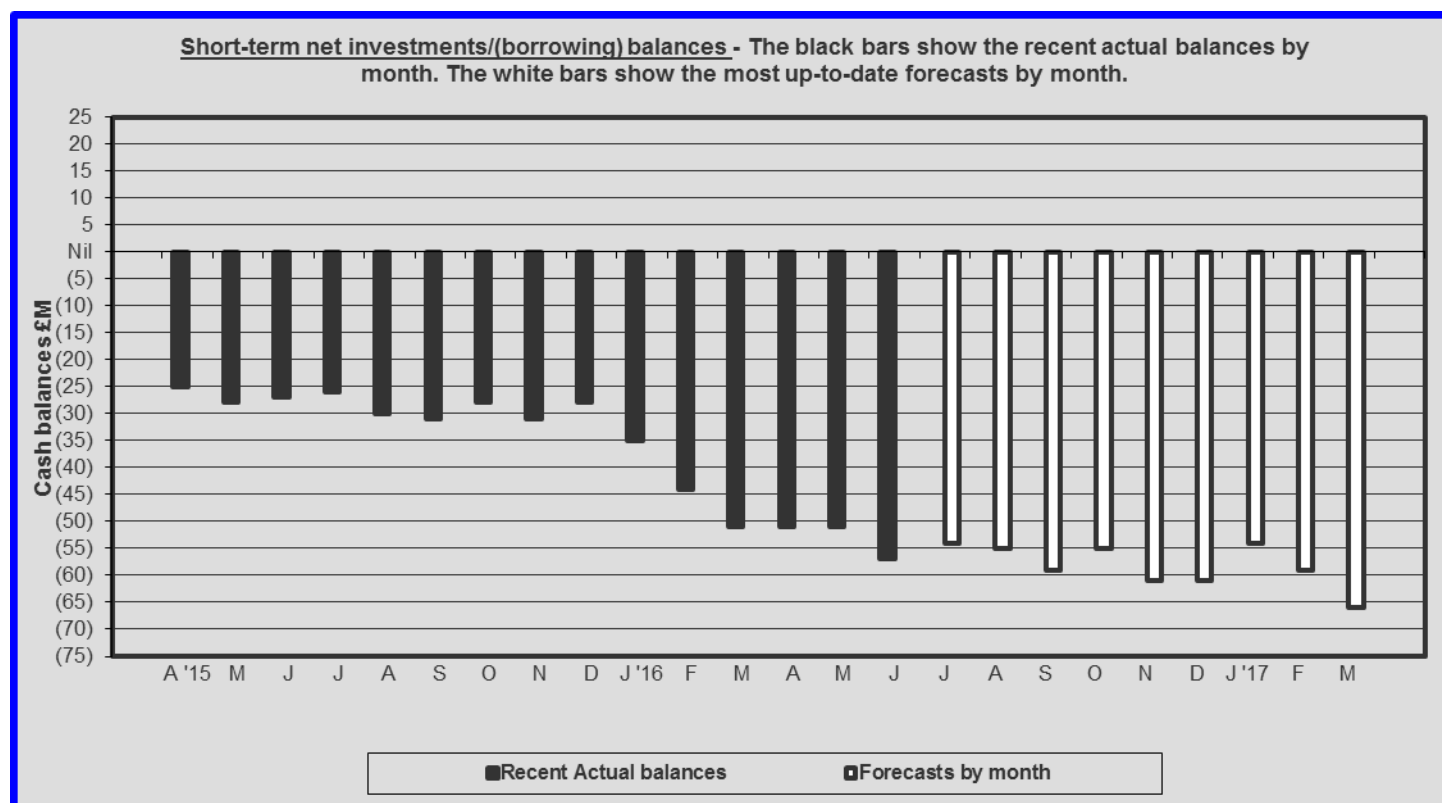
**2016/17 CAPITAL MONITORING
MONTH 3**

Capital Schemes	Total Scheme Budget	Spend as at 31/3/16	Budget Brought Forward 2015/16	Adjusted Capital Programme 2016/17	Total Available Budget 2016/17	Spend to Date April - June	Forecast to Year End	Forecast Variance	Notes
	£000	£000	£000	£000	£000	£000	£000	£000	
Director Responsible for Childrens Services									
Devolved Capital to Schools	738	167	392	179	571	-	300	-	
Christ The King	5,160	4,830	-	320	320	5	-	-	
Christ the King PRU Refurbishment	250	251	(1)	-	(1)	-	-	-	
Westbury Feasibility Plan	519	323	196	-	196	217	-	-	
Basic Need	4,364	32	1,139	3,193	4,332	33	1,762	-	
Condition	523	-	-	523	523	-	235	-	
Other Children's Schemes	575	499	76	-	76	4	72	-	
Total Childrens Services	12,129	6,102	1,802	4,215	6,017	259	2,369	-	
CAPITAL TOTAL	337,061	266,195	36,183	29,660	65,843	13,316	31,891	-	

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 16/17							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-JUN CASH FLOW ORIGINAL 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 ORIGINAL BUDGET	JUL - MAR MORE / (LESS) CASH FORECAST vs ORIGINAL BUDGET	FULL YEAR MORE / (LESS) AS NOW FORECAST vs ORIGINAL BUDGET
£M	£M	£M	£M		£M	£M	£M
80	20	19	60	RECEIPTS			
106	28	24	77	Housing Benefit & Subsidy	(1)	-	(1)
14	3	4	10	Council tax and NNDR	(4)	(1)	(5)
29	8	11	21	VAT	1	(1)	-
89	23	28	72	RSG & BRR	3	-	3
93	23	29	72	Other Grants	5	6	11
-	-	62	6	Other Income	6	2	8
-	-	79	34	Money Market Transactions Received	62	6	68
				Receipt of Loans	79	34	113
411	105	256	352	RECEIPTS - NORMAL ACTIVITIES	151	46	197
9	2	2	7	PAYMENTS			
225	53	79	171	Police & Fire	-	-	-
-	-	1	-	General Creditors	(26)	1	(25)
115	29	27	86	RSG & BRR	(1)	-	(1)
70	18	17	53	Salaries & wages	2	-	2
52	48	128	115	Housing Benefits	1	(1)	-
				Money Market Transactions Paid Out	(80)	(111)	(191)
471	150	254	432	PAYMENTS - NORMAL ACTIVITIES	(104)	(111)	(215)
(60)	(45)	2	(80)	NET CASH FLOW IN/(OUT)	47	(65)	(18)
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 fluctuations in short-term net investment/borrowing balances. However, overall temporary borrowing has increased since 31st March 2016. The Council is currently using temporary borrowing to finance prudentially funded capital expenditure. While temporary investment rates and temporary borrowing rates are low the treasury team is delaying 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 2016/17.

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 2017.

Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2016/2017				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
DRAFT				
31 Mar 16		30 Jun 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	2,260,990	1,472,954	2,284,927
65	Intangible Assets	35	(30)	35
22,614	Long-term Assets	22,614	-	19,000
	Current Assets			
45,579	Debtors	40,600	(4,979)	45,000
538	Inventories	604	66	250
12,594	Cash and cash equivalents	20,066	7,472	10,000
869,426	Total Assets	2,344,909	1,475,483	2,359,212
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(81,956)	(9,830)	(80,000)
(59,891)	Creditors	(55,400)	4,491	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(80,144)	-	(90,000)
(7,885)	Capital Grants in Advance	(7,835)	50	(7,500)
(16,143)	Provisions	(16,335)	(192)	(15,000)
(294,549)	Other Long Term Liabilities	(292,753)	1,796	(280,000)
338,688	Total Assets less Liabilities	1,810,486	1,471,798	1,826,712
(68,297)	Usable Reserves	(63,950)	4,347	(55,520)
(270,391)	Unusable Reserves	(1,746,536)	(1,476,145)	(1,771,192)
(338,688)	Total Reserves	(1,810,486)	(1,471,798)	(1,826,712)

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.

Appendix 6

From 1st April 2016 local authorities must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,460m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

Over the 3-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £13.3m and an increase in cash and cash equivalents of £7.5m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.

Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting:	15 September 2016

MEDIUM-TERM FINANCIAL SUSTAINABILITY STRATEGY 2016/2017 TO 2021/2022

1.0 Purpose of the report:

1.1 To consider the Medium-Term Financial Sustainability Strategy for the six-year period, 2016/2017 to 2021/2022.

2.0 Recommendation(s):

2.1 To consider the Medium-Term Financial Sustainability Strategy 2016/2017 - 2021/2022 and to identify issues for scrutiny as appropriate.

3.0 Reasons for recommendation(s):

3.1 Local Government is entering a further period of uncharted territory. In the face of continuing cuts it is battling to adapt and in some cases completely revolutionise the services that it provides. This strategy lays out the principles that will underpin the Council's financial direction to 2022, by which time there does seem to be some light at the end of the tunnel. However, along that journey further services will have been cut and jobs lost, which will not go unnoticed by the residents of Blackpool, the businesses that operate here and the visitors who come to stay.

3.2 To achieve the corporate objectives of the Council every opportunity and idea must be explored. Every effort will need to be made to work with the public, partners, voluntary sector and the private sector to minimise the impact of the cuts on the people who need and depend upon our services. Seeking external funding and maximising income opportunities will also be vital.

3.3 It is an unsettling time for many people including staff, but the commitment to delivering the best possible services to Blackpool residents remains undiminished.

3.4a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.4b Is the recommendation in accordance with the Council's approved budget? Yes
- 3.5 Other alternative options to be considered:
Not applicable.
- 4.0 Council Priority:**
- 4.1 The relevant Council Priority is 'The economy: Maximising growth and opportunity across Blackpool.'
- 5.0 Background Information**
- 5.1 The attached report at Appendix 9a constitutes the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the six year period, 2016/2017 to 2021/2022.
- 5.2 Since 2010 central government funding for local government has been progressively reduced in real terms as part of the Government's plan to lower the fiscal deficit and this policy will continue until at least the end of the current decade.
- 5.3 Blackpool Council is committed to protecting vital services, but to remain financially sustainable has had to respond with recurrent savings of £93.4m from its revenue expenditure up to the end of 2015/2016. During the term of this Strategy a further £60.1m of savings is forecast to be needed.
- 5.4 Each successive year the scope remaining for savings from efficiency measures becomes less. Indeed savings achieved to date represent over six times the cost of the Council's combined back office services. Delivering savings of this magnitude has had an unavoidable impact on service levels, resident satisfaction ratings¹, jobs and morale, but by 2022 more radical, fundamental, transformational and sustainable solutions will be necessary.
- 5.5 Against this backdrop the proposed Strategy summarises the comprehensive review and assessment that has been undertaken of how the Council can finance its future service delivery and the level of savings needed if these activities are to be facilitated and maintained. It also considers the risks anticipated throughout what is forecast² to be an ongoing harsh economic climate for local government.
- 5.6 Does the information submitted include any exempt information? No

¹ *Polling on resident satisfaction with councils*, Local Government Association July 2016

² *Chancellor of the Exchequer's Budget*, 16 March 2016

5.7 List of Appendices:

Appendix 9(a): Council's Medium-Term Financial Sustainability Strategy

Appendix 9(b): Medium-Term Financial Plan

Appendix 9(c): Strategic Financial Risk Register

Appendix 9(d): Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Appendix 9(e): Local Authority Financial Assurance Processes

6.0 Legal considerations:

6.1 As outlined in the Medium-Term Financial Sustainability Strategy.

7.0 Human Resources considerations:

7.1 As outlined in the Medium-Term Financial Sustainability Strategy.

8.0 Equalities considerations:

8.1 An Equalities Impact Analysis will be completed for consideration with the Revenue Budget 2017/2018.

9.0 Financial considerations:

9.1 Please see the Medium-Term Financial Sustainability Strategy.

10.0 Risk management considerations:

10.1 Please see the Medium-Term Financial Sustainability Strategy attached report.

11.0 Ethical considerations:

11.1 As outlined in the Medium-Term Financial Sustainability Strategy.

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None.

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BLACKPOOL COUNCIL
REPORT
of the
DIRECTOR OF RESOURCES
to the
EXECUTIVE
on
12 SEPTEMBER 2016

MEDIUM-TERM FINANCIAL SUSTAINABILITY STRATEGY 2016/17 – 2021/22

1. Introduction

- 1.1 This report constitutes the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the 6-year period, 2016/17 to 2021/22.
- 1.2 Since 2010 central government funding for local government has been progressively reduced in real terms as part of the Government's plan to lower the fiscal deficit and this policy will continue until at least the end of the current decade.
- 1.3 Blackpool Council is committed to protecting vital services, but to remain financially sustainable has had to respond with recurrent savings of £93.4m from its revenue expenditure up to the end of 2015/16. During the term of this Strategy a further £60.1m of savings is forecast to be needed.
- 1.4 Each successive year the scope remaining for savings from efficiency measures becomes less. Indeed savings achieved to date represent over 6 times the cost of the Council's combined back office services. Delivering savings of this magnitude has had an unavoidable impact on service levels, resident satisfaction ratings¹, jobs and morale, but by 2022 more radical, fundamental, transformational and sustainable solutions will be necessary.
- 1.5 Against this backdrop the proposed Strategy summarises the comprehensive review and assessment that has been undertaken of how the Council can finance its future service delivery and the level of savings needed if these activities are to be facilitated and maintained. It also considers the risks anticipated throughout what is forecast² to be an ongoing harsh economic climate for local government.

2. Purpose, Procedure and Guiding Principles

a) Purpose

- 2.1 The overall purposes of the Strategy are:
- primarily to provide a financial framework for the Council's medium-term budgets, based upon the predicted levels of income available to it over the period and the savings that will be

¹ *Polling on resident satisfaction with councils*, Local Government Association July 2016

² *Chancellor of the Exchequer's Budget*, 16th March 2016

necessary to contain expenditure within these limits in order to fulfil its statutory obligation to balance its budget³;

- to convey a clear direction of travel, identifying and managing the prevailing risks, modelling different futures and giving focus to the most important and influential variables, thereby avoiding significant changes in direction;
- to comply with the conditions set by the Secretary of State for Communities and Local Government in March 2016 that acceptance of the 4-year Funding Settlement Offer 2016/17 - 2019/20 requires publication by 14th October 2016 of a 4-year 'efficiency plan' that "can be combined with medium-term financial strategies"; and
- to demonstrate that Blackpool Council will still be operating as a sustainable and viable going concern 6 years hence.

2.2 Presentation of this Medium-Term Financial Sustainability Strategy has purposely been delayed as close as possible to the Efficiency Plan deadline in order to understand and incorporate the outcomes of the European Union membership referendum result; the views of the local government sector on such key Government consultations as 100% Business Rates Retention and New Homes Bonus; and professional advice from the sector, in particular from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA), on preparing and submitting an Efficiency Plan.

b) Procedure

2.3 In the medium term of 2016/17 - 2021/22 the challenge of the Strategy has been to account for the complexity of influences, assumptions and uncertainties which can affect predictions and with the best information and intelligence available:

- Forecasting the future funding envelopes which will become available to the Council over each year of the plan and the risks involved in making those predictions - The totals will include funding from the Settlement Funding Assessment (SFA), other central government and specific funding, partnership funding and locally-raised taxation and income. Although the multi-year settlement agreement should mitigate against the previous process in which there could be up to 6 major and varied Government funding announcements within a single year, national policy changes such as the proposed 100% Business Rates Retention will inevitably add back volatility to the system.
- Forecasting the projected expenditure and alignment of resources across more than 250 service heads in accordance with the Council's Plan 2015 - 2020 and its commitments and priorities for local service development and delivery.
- Forecasting the proposed profile of expenditure budgets over the period of the Strategy and, taking into account certain key assumptions such as levels of Council Tax and transfers to/from reserves, the amount of savings which will be needed to balance the budgets and the high level measures necessary to realise these savings.

c) Guiding Principles

2.4 The preparation of the Medium-Term Financial Sustainability Strategy has therefore to take place within an extremely complicated matrix of forecasts and assumptions. Throughout and overriding

³ Section 100 of the Local Government Act 2002

the process, however, the formulation of the Strategy has been governed by eight guiding principles:

- i) the statutory obligation to balance the Council's Budget in each year of the period
- ii) resourcing services in line with Council priorities
- iii) embedding a culture of value for money and efficiency savings in all activities
- iv) keeping Council Tax levels as low as possible
- v) maximising the level and resilience of the resources of cash, assets and people by attracting grants, generating additional income or creating partnering arrangements
- vi) ensuring significant risks are identified and mitigated where possible
- vii) ensuring financial reserves reflect the levels of business and risk
- viii) optimising capital spending freedoms.

3. Context

The Medium-Term Financial Sustainability Strategy is not written in isolation but attempts to reconcile both the national and local contexts:

a) National

- 3.1 Within the Budget 2016 the Chancellor recognised the funding pressures facing councils and local services over the next few years and chose not to announce any more cuts to local government than those announced in the previous November's Spending Review. As at that point central government departmental funding (known as Departmental Expenditure Limits (DELs)) was as follows, which gives a good indication of the impact on the local government sector as a whole, though not by individual local authority:

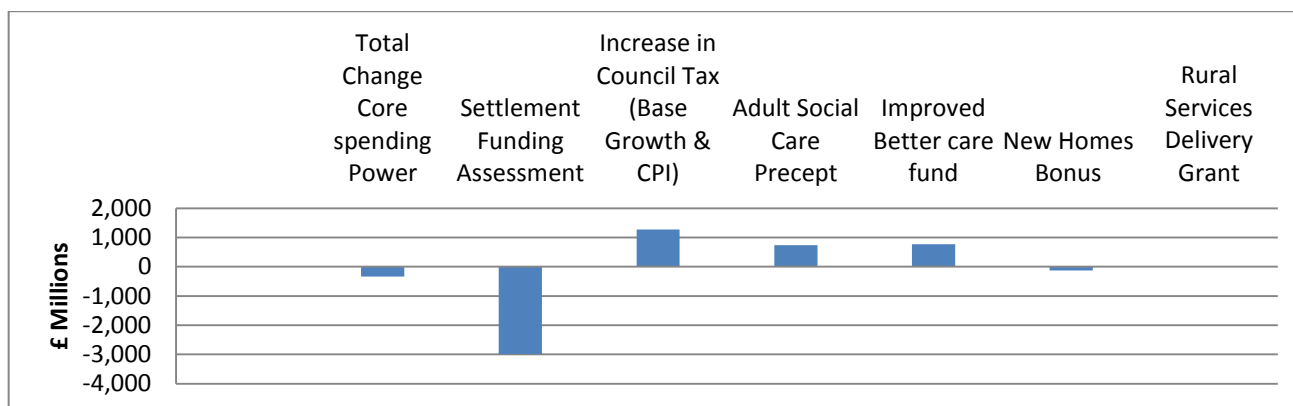
Central Government	2016/17 £bn	2017/18 £bn	2018/19 £bn	2019/20 £bn	2020/21 £bn	2021/22 £bn
All Departmental Expenditure Limits	321.8	324.0	326.7	329.7	N/a	N/a
Local Government DEL	9.6	7.4	6.1	5.4	N/a	N/a
	3.0%	2.3%	1.9%	1.6%	N/a	N/a

- 3.2 In the following month of December 2015 the 4-year Local Government Finance Settlement was announced as follows:

Local Government	2016/17 £bn	2017/18 £bn	2018/19 £bn	2019/20 £bn	2020/21 £bn	2021/22 £bn
SFA – Revenue Support Grant	7.2	5.0	3.6	2.3	N/a	N/a
SFA – Business Rates	11.4	11.6	12.0	12.2	N/a	N/a
Council Tax	23.2	24.5	25.8	27.3	N/a	N/a
New Homes Bonus	1.5	1.5	0.9	0.9	N/a	N/a
Rural Services Delivery Grant	0.1	0.1	0.1	0.1	N/a	N/a
Improved Better Care Fund	-	0.1	0.8	1.5	N/a	N/a
Transition Grant	0.1	0.1	-	-	N/a	N/a
Core Spending Power	43.5	42.9	43.2	44.3	N/a	N/a
<i>Memo: Revenue Support Grant + New Homes Bonus + Improved Better Care Fund</i>	8.7	6.6	5.3	4.7	N/a	N/a
<i>Unexplained difference from Local Government DEL</i>	0.9	0.8	0.8	0.7	N/a	N/a

This reinforces DCLG's assertion that by 2019/20 Local Government's Core Spending Power will have returned to the level that it was in 2015/16. However, this ignores individual local authority allocations, demand factors such as population growth and demographic pressures and, as the bar chart⁴ on the following page indicates, substitutes central government funding reductions in the main with assumed council tax increases and council tax growth.

⁴ Cash Changes in Core Funding Support 2015/16 – 19/20 for Society of Municipal Treasurers and Society of Unitary Treasurers, Local Government Association



3.3 The equivalent shares for Blackpool Council are listed below, but under the Secretary of State’s 4-year settlement offer it is only the Revenue Support Grant that would be known and fixed for Blackpool Council as the Council does not benefit from the other two central government funding streams of Transition Grant and Rural Services Delivery Grant:

Blackpool Council	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
SFA – Revenue Support Grant	31.6	24.5	19.7	14.8	N/a	N/a
SFA – Business Rates	43.4	42.9	44.0	45.1	N/a	N/a
Council Tax	45.5	48.3	50.2	52.1	N/a	N/a
New Homes Bonus	1.7	1.2	0.7	0.3	N/a	N/a
Rural Services Delivery Grant	-	-	-	-	-	-
Improved Better Care Fund	0.0	1.0	5.0	8.4	N/a	N/a
Transition Grant	-	-	-	-	-	-
Core Spending Power	122.2	117.9	119.6	120.7	N/a	N/a

b) Local

3.4 The Council’s Corporate Objectives and Priorities

The local context of the Medium-Term Financial Sustainability Strategy is focused directly on enabling the delivery of the Council’s vision and its 2 themed priorities of:

- i) the economy – maximising growth and opportunity across Blackpool; and
- ii) communities – creating stronger communities and increasing resilience.

In addition to these 2 externally-facing corporate priorities, the Council has an additional focus on organisational resilience – the efficient and effective running of the organisation which enables us to deliver quality services. This ensures we have the vital support functions and staff capable of delivering its objectives, staff who are professional, well-trained, rewarded and motivated. These priorities and the specific service actions to fulfil them drive the allocation of revenue budgets which are then translated into departmental business and service plans for the day-to-day service delivery.

3.5 Continuous revisiting of this priority-led budgeting process is undertaken by reviewing i) the categorisation of service areas from those which are protected or deliver income, to those which are highly or less highly desirable and finally to those which are non-priority and could be eligible to be phased out plus ii) latest spend and performance against targets. This process informs the potential for savings for which percentage or absolute targets are allocated on an increasing scale as the relevance of the service areas’ contribution to the Council’s priorities decreases. These rigorous measures keep service delivery on track with the Council’s priorities and reveal whether they are operating within reasonable resourcing levels.

3.6 Local Demand for Services

The national Index of Multiple Deprivation last published in 2015 ranked Blackpool as the most deprived local authority in England according to the 'rank of average scores' measure. This is a worsening trend with a higher rank than both the 2010 (6th most deprived) and 2007 (12th most deprived) releases. The 2015 overall ranking results from the aggregation of numerous indices including poor health, housing, educational achievement and low levels of employment and wages. Coupled with Blackpool's demographic profile, transience and the high percentage of elderly population, these characteristics place disproportionate demands on a range of local services.

3.7 Office for National Statistics trend-based population projections in 2016 showed that Blackpool is 1 of only 2 upper-tier authorities of the 152 in total which will experience a population reduction (-0.94%) between the baseline year of 2014 and 2020. Whilst central government Revenue Support Grant (RSG) funding is primarily capita-driven, it is nonetheless a reducing element of Settlement Funding Assessment so this phenomenon should not in itself adversely affect the Council's revenue.

3.8 Future Prospects for Local Council Services

Much research has been undertaken on the prospects for and sustainability of local council services. The LGA in its publication *Funding outlook for councils from 2010 to 2020* predicted that if the pattern of cuts to local councils continued they will be unable to deliver the same service offer by the end of the decade. After accounting for the provision of statutory service obligations (in particular, social care and waste management), the LGA's financial projections pointed to there being in real terms critically low levels of funding left by 2020 for other service blocks, predicting that fundamental change would be needed to the way local services are organised and funded and indeed citizens' expectations of what councils would then be able to provide. Despite subsequent Government policy changes primarily targeted at adult social care funding, there still exist serious concerns about the viability of local government to deliver even its statutory functions as evidenced by CLG Select Committee inquiries, National Audit Office reviews and studies of CIPFA, Institute for Fiscal Studies, Local Government Information Unit, Association for Public Service Excellence and the principal accounting firms.

4. **Key Influences**

The Medium-Term Financial Sustainability Strategy is heavily influenced by certain key considerations, in particular:

4.1 Government Funding

Blackpool Council's Provisional Settlement Funding Assessment for 2016/17 announced in December 2015 included a like-for-like reduction of 19.5% to its Revenue Support Grant (RSG) but also included a multi-year Settlement offer through to 2019/20. Whilst RSG will reduce by a further 42.9% during this 3-year period, such a winding-down of RSG does not come as any surprise as the Government has always maintained that this was its intent but the introduction of some certainty to the Settlement process is welcomed for financial planning purposes.

Alongside RSG the Government has announced that an Improved Better Care Fund will be introduced from 2017/18 to address pressures in adult social care with additional funding of £100m in 2017/18, £800m in 2018/19 and £1.5bn in 2019/20, partly met by a top-slicing of New Homes Bonus – assumptions have been made of Blackpool's pro-rata allocation and built into the medium-term financial plan.

A technical consultation on *New Homes Bonus: Sharpening the Incentive* concluded in March 2016 but DCLG's response is now 2 months overdue. New Homes Bonus (NHB) is an incentive grant paid by central government to local councils over a rolling 6-year period from 2011/12 for increasing the number of new-build homes, conversions and long-term empty homes brought back into use. When the NHB scheme was first established, the Government provided £950m to fund the scheme. However, as the amount distributed by the scheme increased, funding required over and above the DCLG-funded element has had to be deducted from the general local government funding pot (i.e. originally Formula Grant and for 2013/14 onwards from Revenue Support Grant). Blackpool Council's estimated share of the annual 'top-slice' is £4.5m. In return its annual NHB allocations are shown in the table below. In the absence of a formal response by DCLG to the consultation and probable policy changes to the scheme it has been prudently assumed that 2016/17 will be the last year of 6-year funding commitments.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Year 1	£466,147	-	-	-	-	-
Year 2	£565,325	£565,325	-	-	-	-
Year 3	£364,048	£364,048	£364,048	-	-	-
Year 4	£25,200	£25,200	£25,200	£25,200	-	-
Year 5	£18,900	£18,900	£18,900	£18,900	£18,900	-
Year 6	£252,456	£252,456	£252,456	£252,456	£252,456	£252,456
Year 7	-	N/k	N/k	N/k	N/k	N/k
Totals	£1,692,076	£1,225,929	£660,604	£296,556	£271,356	£252,456

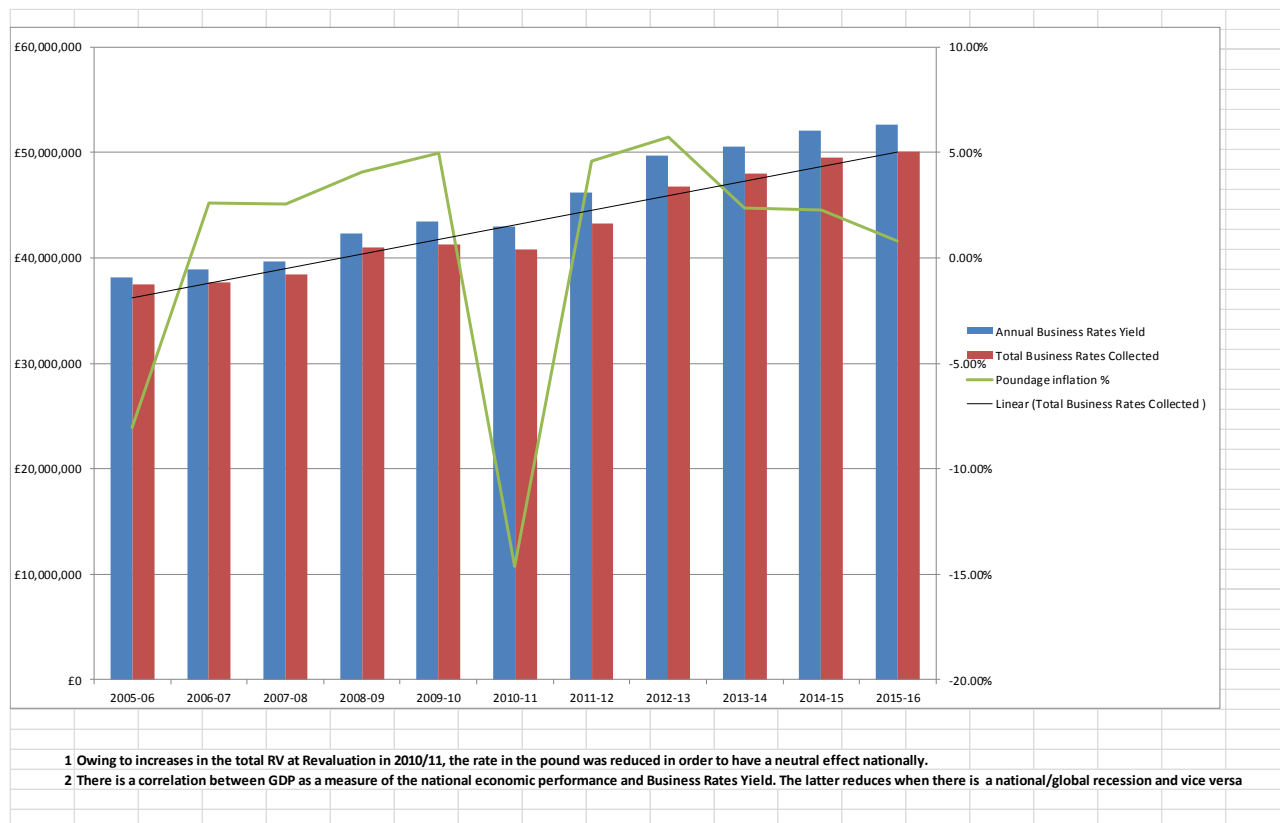
4.2 Business Rates

Prior to 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 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 / RSG equivalent. As part of the Business Rates Retention (BRR) Scheme there is a safety net which sees that no authority's income falls by more than a set percentage of their original baseline funding level (this level is increased by RPI every year). The Government set the safety net percentage at -7.5%. The costs of any successful valuation appeals are shared between central government (50%), the Council (49%) and the Fire Authority (1%). This includes any backdating of the appeal, which may even precede the April 2013 BRR launch date and thus presents further unfunded risk. In the last 3 years Blackpool has paid out £9.9m in successful backdated business rate appeals of which it has been responsible for meeting 49%.

In October 2015 the then Chancellor announced a 'devolution revolution' that primary legislation would be introduced to allow councils to keep 100% of business rates by the end of the Parliament and RSG would be phased out. However, on a national footprint RSG amounts to £2.4bn whilst 50% business rates amount to £13.0bn, an apparent windfall of £10.6bn to local government. Thus, a new system would have to be devised which absorbed existing grants such as Public Health and Housing Benefit Administration and/or transferred new services and responsibilities in order to negate this windfall. Further complications were identified which included the sharing or pooling of business rates with other tiers such as combined authorities, the need for and funding of a safety net, the impact of periodic revaluations and resets, treatment of the Central List (mainly network properties such as telecoms networks), the exemption of Enterprise Zones, local tax flexibilities, managing appeal risk and an incentivised needs and distribution methodology to underpin a 'Fair Funding Review'.

Although one of the key Government drivers for 100% BRR was to incentivise economic regeneration and growth at a local level, the issue of volatility becomes more critical with a larger proportion of income being received from a source that correlates more with regional, national (GDP), even global economic productivity whilst suffering from the vagaries of the Valuation Office

Agency appeals system. This is illustrated by the following graph which shows the variations of annual business rates collected in Blackpool from 2005/06 to 2015/16 around a 'line of best fit':



On 13th June 2016 the Communities and Local Government Committee published its report following an inquiry into 100% BRR, making 7 recommendations and listing numerous issues for consideration. This report can be found at:

<http://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/241/241.pdf>

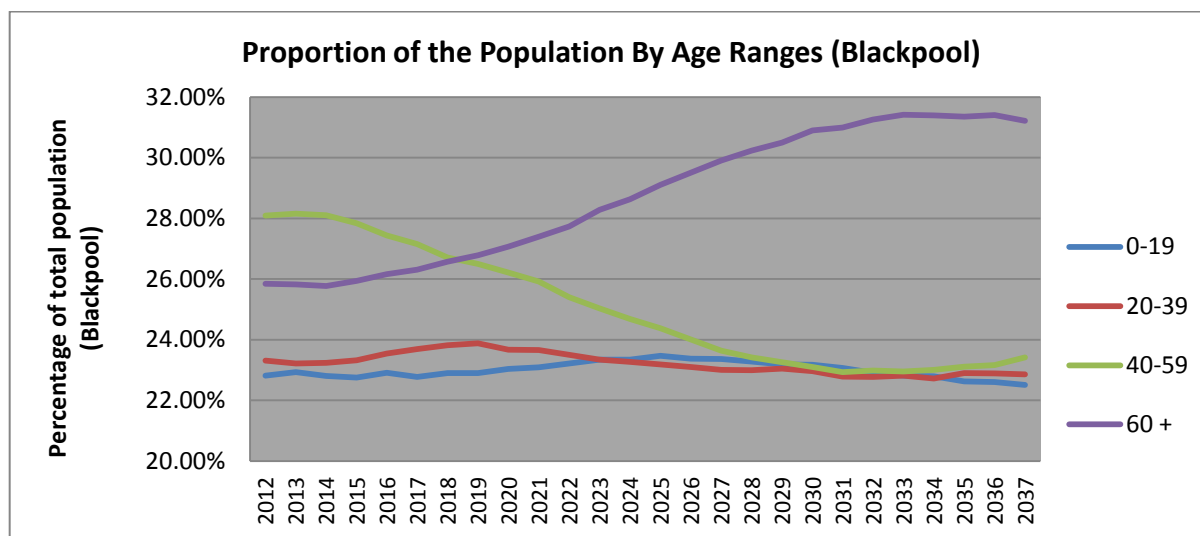
Subsequently DCLG published a consultation paper entitled *Self-sufficient local government: 100% Business Rates Retention* on 5th July 2016 with a response end date of 26th September 2016. A further consultation on proposals for reforming the business rates appeals process was published on 16th August 2016 with an end date of 11th October 2016. Therefore, as this issue has such a fundamental bearing on Blackpool Council’s future funding, until a new system of BRR is devised and formally announced this Strategy and Medium-Term Financial Plan will assume that the existing system is maintained.

4.3 Council Tax

For the 6 years to 2015/16 Council Tax in Blackpool had remained effectively unchanged at £1,306.00 for a band D property. In addition, the average Council Tax payable of £764.40 was the lowest in Lancashire. However, by 2016/17 the pressure of Government funding constraints necessitated an increase as the ability to deliver savings whilst maintaining effective service levels became untenable. Council Tax was uplifted by 1.99% within the Government’s 2.0% cap in addition to which an Adult Social Care Precept of 2.0% was permitted up until 2019/20 to address the pressures in that service. These uplifts are incorporated within the Government’s assumptions for all councils’ Core Spending Power and as a result and for consistency they have also been factored into Blackpool Council’s Medium-Term Financial Plan. **However, it is for the Council to appraise and approve any changes to Council Tax each and every year as it deems appropriate in the prevailing circumstances.**

4.4 Specific Budget Pressures

The Council faces a number of specific and known pressures to its medium-term revenue budget which have needed to be recognised, in particular in Children’s and Adult Services, a phenomenon being reported across all relevant treasurer networks⁵. The Children’s Social Care budget was increased by £2.0m in 2016/17 to reflect the level of Looked After Children at the time of budget-setting (468) and the Children’s Services Directorate are working to reduce current numbers (493) back to budgeted levels by the end of the current financial year, but increased levels of referrals to children’s social care departments are being reported across the country, in particular following a catalogue of high profile child sexual exploitation cases. Adult Social Care placement costs are expected to be approximately £34.7m in 2016/17 for about 2,274 service users, but as the graph below demonstrates the relative difference in Blackpool between the over 60s (the main client group) and the under 60s over the next 2 decades is due to diverge significantly, creating further financial pressures.



In addition to an increasing number of cases, Blackpool is also facing an increase in the complexity in client needs. As evidenced by the current demands being placed on acute hospitals, many of our older residents are living longer, but are suffering from increasing health problems. This means meeting much higher health needs outside the hospital environment than ever before.

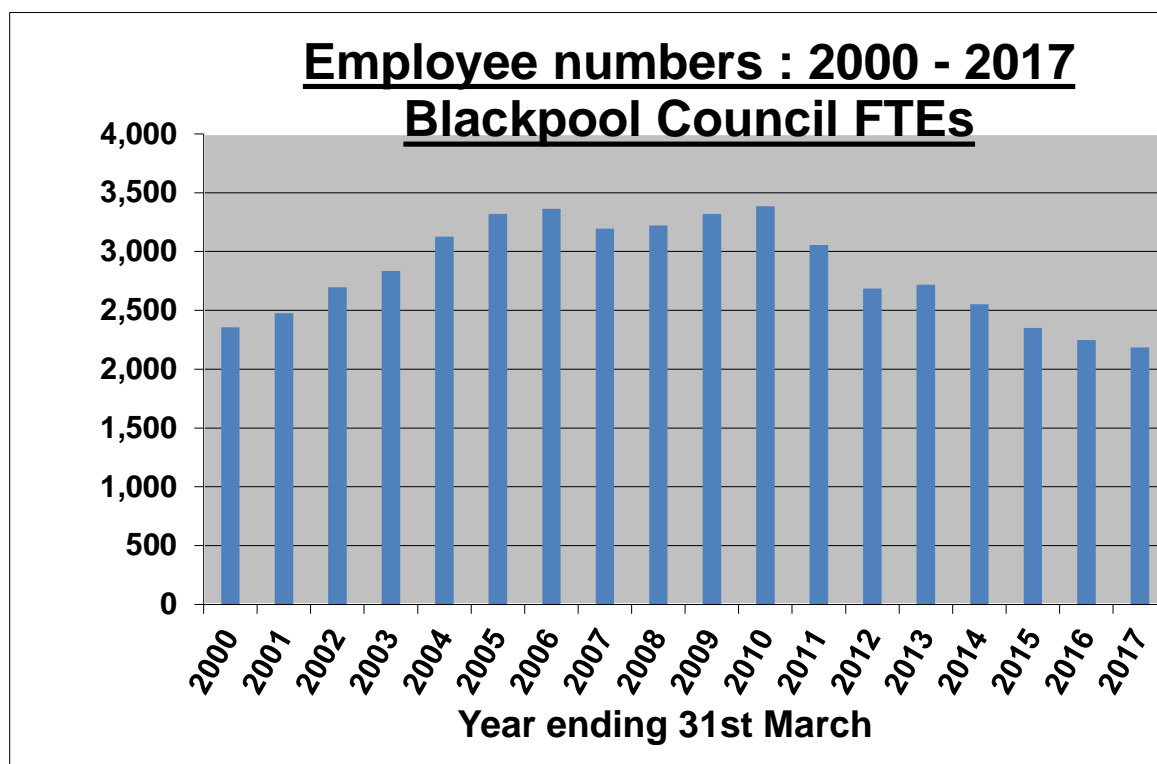
Besides the aforementioned social and demographic issues, welfare reforms and the general effects of the economic climate do influence residents' and indeed visitors' personal levels of spending on some of the Council services and their ability to pay on others. Both can impact adversely on levels of locally-generated income.

4.5 Staffing and Workforce Planning

Since the Comprehensive Spending Review commenced in 2010 up to the end of this financial year the Council will have seen a reduction of £118.5m in its budget and as a result the staffing levels will have fallen from 3,411 full-time equivalents (FTEs) to 2,200. The majority of these reductions have been as a result of either compulsory or voluntary redundancy with current turnover levels of 14.0% (including redundancies) or 8.7% (excluding redundancies). The graph overleaf illustrates that despite having inherited new services such as Public Health and Children’s Centres since the start of the millennium, staffing levels now are in fact less than they were 16 years ago.

⁵ Unitary Treasurers Group, Society of Municipal Treasurers and Greater Manchester Association of Metropolitan Treasurers

Further reductions in employee numbers are expected in 2017/18 as a result of the continuing austerity measures. These will come about as a result of services ceasing, reducing or being reconfigured and delivered differently, but until the detail of budget savings plans have been formulated this number is not yet known.



The costs of redundancies and pension strain continue to be managed centrally through an earmarked reserve. Although this reserve is being depleted each year by approximately £2m, last year’s restructuring of the Minimum Revenue Provision has enabled funds to be released to top this up. The Government has consulted on an ‘Exit Cap’ of £95k which is likely to come into effect in October 2016 and whilst this may have some mitigating impact on costs it is unlikely to be substantial given that there have only been 15 such cases tripping this threshold since 2011. The earmarked reserve is constantly monitored and if necessary options for replenishment or displacement will need to be considered which may include applying for a Capitalisation Directive.

In terms of pay the NJC Pay Award for 2016/17 has been settled and as this was a 2-year deal it provides some certainty going forward. The Council was already paying the Foundation Living Wage to its employees and therefore the introduction of the National Living Wage did not impact on costs for Council employees, however, it is having a significant impact on commissioned services.

The introduction of Pensions Auto Enrolment and the ending of the Transitional Delay Period in 2017 will result in any eligible employee who is not in the pension scheme being enrolled and this will inevitably lead to an increase in employer’s pension costs. The amount of the increase will be dependent upon how many eligible employees are not already in the scheme at that time and how many of those that are enrolled taking a decision to remain in the scheme rather than opting out.

To support the ongoing budget deficits Council employees have continued to take voluntary unpaid leave of 5 days per year on average, saving approximately £1m per annum. This option will continue in future years and it is hoped that staff’s co-operation will continue.

Despite the above, turnover (excluding redundancies) is still lower than the Chartered Institute of Personnel and Development median, which could be reflective of the lack of other good job

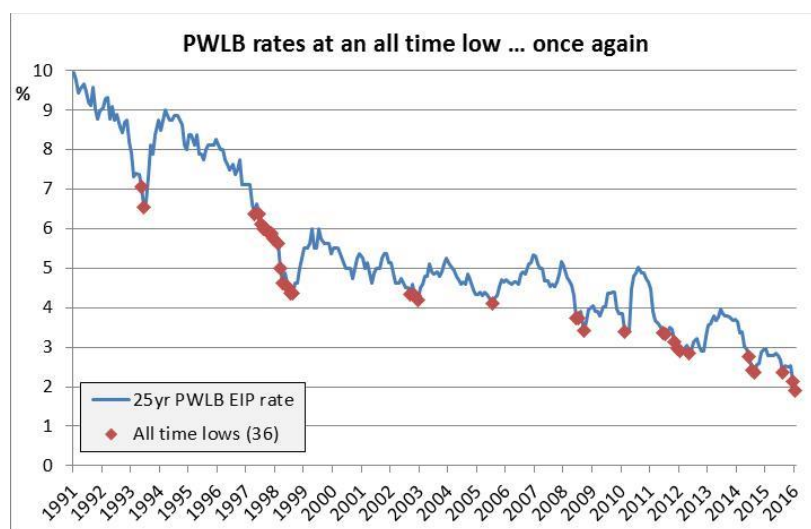
opportunities in the Blackpool area. There are some roles which remain hard to fill such as in Children’s Social Care and ICT and this has led to the market value of these employees increasing, resulting in competition across local authorities to secure resource. As a result collaborative work has been undertaken across the North West to agree standard agency rates for some roles and this has proved to be reasonably successful. In addition, collaborative work with Health has resulted in the development of a recruitment microsite dedicated to professionals in Health, Social Work and Education.

It is a credit to our employees and our leadership that despite these very difficult times and constant job insecurity our employees remain dedicated to providing an excellent service to Blackpool residents.

4.6 European Union Referendum Result Outcomes

The impacts of the EU Referendum result on the UK public sector are still being researched and views from commentators are mixed with different parts of the public sector expected to be affected more than others. The previous Chancellor had already relaxed his deficit reduction plans as a consequence, though creating stimulus measures to boost the economy may have to come at a price of further squeezing of public sector budgets. The uncertainty that will prevail throughout the exit negotiations is itself a strong reason for accepting the multi-year settlement offer.

The one immediate positive for Blackpool Council is the plummeting of medium to long-term interest rates besides the further fall in short-term rates. The graph below published by *Room 151* illustrates the downturn since 1991, for which there is still no end in sight.



Whilst every opportunity to restructure existing debt to minimise interest payments is being explored, the prohibitive debt redemption premia currently being quoted by the Public Works Loan Board (PWLB) is thwarting this, but lobbying is underway to seek a review by PWLB of their debt redemption formulae. However, for new capital investment there has never been a cheaper time for local authorities to borrow to invest.

With regard to the EU Structural Funds, i.e. those funds targeted at delivering the EU’s Cohesion Policy of closing the gaps in living standards and development between Member States, regions and social groups and an important resource for local area regeneration and economic development, the Government has agreed to honour and underwrite any existing commitments though new applications will be at some risk.

5. The Financial Framework

The substance of the Medium-Term Financial Sustainability Strategy is summarised in its financial framework.

5.1 Financial Projections

The table below sets out the projections of movements in the Council's Net Revenue Budgets over the 6-year period, 2016/17 – 2021/22. The financial profiles shown in the table take account of the total forecast revenues available to the Council and the expenditure necessary to fulfil its commitments and service priorities. Based on a number of key assumptions the projections shown as "Budget Gap" are the level of savings needed to be achieved each year to balance the budgets. The key assumptions include:

- in-year budgetary pressures are resolved sustainably and not carried forward
- pay award levels to rise on average by 1.0% per annum for the period, this has not been flexed to forecast staffing levels
- the payment of the National Living Wage, profiled to meet target rate by 2020/21
- the payment of annual increments
- voluntary 5 days' unpaid leave on average continuing in each year
- employer national insurance changes due to the introduction of the single-tier state pension from 2016/17
- no further increases to employer's superannuation contributions at the next pension triennial revaluations from 2017/18 and from 2020/21
- the full rollout of auto-enrolment in 2017/18
- general non-pay inflation to rise by the cost price index (CPI) as forecast in the Budget 2016 for 2017/18 and maintained at that level throughout the period of the Strategy
- growth funding to reflect reasonable demographic pressures in adults' but not children's social care
- the latest estimates of Settlement Funding Assessment and Core Spending Power
- Council Tax increases incorporated based upon Government assumptions
- interest rates to remain flat for the period of the Strategy
- the Council fulfils the statutory obligation to balance its Budget.

In summary and based upon best estimates the Council needs to plan for the programme of budget savings highlighted below. These savings are in addition to those delivered from 2011/12 to 2015/16 which totalled £93.4m.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Reduction / (Increases) in Total Resources	8.1	4.3	(2.8)	(1.1)	(1.2)	(1.0)
Pay awards, increments, NI and pensions	3.5	2.0	2.0	1.7	1.9	1.6
Non-pay inflation	5.3	3.8	4.1	4.1	4.0	1.9
Service developments and demand pressures	8.2	4.6	1.5	1.8	1.0	0.8
Budget Gap	25.1	14.7	4.8	6.5	5.7	3.3
Cumulative Budget Gap since 2011/12	118.5	133.2	138.0	144.5	150.2	153.5

Forecast Working Balances as at 31 st March	6.0	6.0	6.0	6.0	6.0	6.0
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Forecast Earmarked Reserves as at 31 st March	35.1	31.4	30.8	30.4	28.3	27.2
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Appendix 9b details the (SIGOMA-formatted) Medium-Term Financial Plan for the 6-year period 2016/17 – 2021/22, incorporating the 'efficiency plan' period, which will now be subject to a period of consultation with residents, local neighbours, public sector partners and devolution stakeholders as required by the Secretary of State for Communities and Local Government.

5.2 Savings Programme (the 'Efficiency Plan')

Over the term of the Strategy achieving savings of the scale demanded will require concerted action and consideration of a broad range of initiatives, whilst maintaining strong financial management and budgetary control, addressing any areas of overspending in a timely manner, maximising savings and ensuring value for money.

The Savings Programme will constitute 7 thematic workstreams which will be developed and finessed over the next 4 months:

- i) Technical savings – these could include debt and PFI restructurings, review of reserves and provisions, use of capital receipts and capital to revenue transfers and review of Council Tax Reduction Scheme.
- ii) Income generation and management – between 2014/15 and 2015/16 fees and charges income increased by £2.8m (or 7.9%) and will continue to be optimised along with returns on business loan investments, Growth and Prosperity initiatives and traded services.
- iii) Procurement and commissioning - maximising best value from the market place through an innovating commissioning regime to reduce third-party spend and deliver targeted social value.
- iv) Demand management and self-help initiatives such as the current Channel Shift project work.
- v) Transformational efficiency measures under the direction of the Chief Executive's Delivery Unit with a focus on 'upstream' prevention.
- vi) Structural reform:
 - internally with Council services being the provider of first choice
 - collaborating and partnering with the Council's own companies (as has already progressed significantly with the adoption of the Companies Governance Framework)
 - across the wider public sector including the local Public Sector Board, Combined Authority, Healthier Lancashire & South Cumbria and One Public Estate
 - with the private and voluntary sectors.
- vii) Service reductions and cuts, which will be considered once i) – vi) have been exhausted.

5.3 Risk

Risk management processes are embedded across the Council. A strategic risk register is maintained and a Corporate Risk Management Group meets quarterly to review the risks contained in the register. The risk register at **Appendix 9(c)** lists all the identified strategic financial risks over the period of this Strategy; measures are also identified as to how these risks should be managed and mitigated. The schedule at **Appendix 9(d)** assesses and evaluates each identified risk from a financial perspective and where deemed material provides an indication of the level of unearmarked reserves and balances which the Council should prudently maintain in order to address the level of risk. These risks are in addition to those covered by the contingency provision in the Council's annual Revenue Budget and by its specific earmarked reserves. It is such an approach to risk that will protect Blackpool Council from being one of the *56% of metropolitan and unitary councils that local auditors are concerned will not meet medium-term savings targets*⁶.

⁶ *Financial sustainability of local authorities*, National Audit Office, 19th November 2014

5.4 Working Balances and Reserves

Part 2 of the Local Government Act 2003 requires the Council's Statutory Finance Officer to report on the adequacy of the authority's financial reserves when setting the level of Council Tax for each financial year. The reserves are sums deemed necessary to be set aside to meet unexpected changes in the budget and to provide a safety net to finance events which are difficult to predict. In making such a judgement the following matters are taken into account:

- the strength of financial controls and budget monitoring procedures
- the robustness of estimates contained in the budget
- current budget projections
- past financial performance
- risks inherent in the financial strategy
- the risk management framework, policies and practices.

In addition to the Council's general working balances a number of earmarked revenue reserves are available to cover specific risks and uncertainties, e.g. Business Rate Appeals and Insurance Liability Claims. Without these reserves the Council's general working balances would need to be set at a higher level.

Taking into account earmarked reserves it is the recommendation of the Council's Statutory Finance Officer that the Council should continue to plan for a level of general working balances of £6m and that this should be subject to ongoing review. This level is necessary in view of the scale of the Council's gross revenue budget and associated risks and has been built into the MTFSS.

6. **Internal Assurance and Independent Validation**

6.1 This Strategy highlights the financial constraints, pressures, complexities, risks and uncertainties that the Council will face over the medium term. In order to be able to oversee and steer the organisation through this difficult time and with some robust assurance, Members need to have confidence in the systems, processes, procedures and internal controls that underpin financial management and trigger the necessary early warning system should plans go awry. Attached at **Appendix 9(e)** for Members' and officer colleagues' information is a summary of Blackpool Council's financial assurance framework.

6.2 Although this financial assurance framework is appraised from time to time by the Council's External Auditor, KPMG, and via internal audit reviews and financial controls assurance testing undertaken by its Internal Audit function, such is the prevailing financial risk environment that it would be sensible and advisable to commission a separate independent validation of this MTFSS. There are currently a number of sector-led review mechanisms on the market, but the recently-launched, LGA-endorsed Financial Resilience Advisory Report peer review service of CIPFA fits the specification. It gives an independent, informed and insightful perspective and opinion to councils on their financial resilience and advice on options to deliver a balanced budget, focusing on medium-term planning and assurance on transformation plans.

7. **Conclusions**

7.1 Local government is entering a further period of uncharted territory. In the face of continuing cuts it is battling to adapt and in some cases completely revolutionise the services that it provides. This Strategy lays out the principles that will underpin the Council's financial direction to 2022, by which time there does seem to be some light at the end of the tunnel. However, along that journey further services will have been cut and jobs lost, which will not go unnoticed by the residents of Blackpool, the businesses that operate here and the visitors who come to stay.

To achieve the corporate objectives of the Council every opportunity and idea must be explored. Every effort will need to be made to work with the public, partners, voluntary sector and the private sector to minimise the impact of the cuts on the people who need and depend upon our services. Seeking external funding and maximising income opportunities will also be vital.

It is an unsettling time for many people including staff, but the commitment to delivering the best possible services to Blackpool residents remains undiminished.

8. Recommendations

- 8.1 To approve the Medium-Term Financial Sustainability Strategy 2016/17 - 2021/22.
- 8.2 To share this Medium-Term Financial Sustainability Strategy with the Secretary of State for Communities and Local Government by 14 October 2016 as the Council's 'Efficiency Plan' required to secure the benefits of the greater certainty that a 4-year Revenue Support Grant Settlement brings to medium-term financial planning.
- 8.3 To initiate a period of consultation on the efficiency plan with residents, local neighbours, public sector partners and devolution stakeholders.
- 8.4 To invite independent assurance on the robustness and validity of this Strategy and Medium-Term Financial Plan via CIPFA's new Financial Resilience Advisory Report peer review service or equivalent.
- 8.5 To agree to receive updates of the Strategy and/or Plan on a rolling annual basis or as changing circumstances dictate.

Mr S Thompson

Director of Resources and Statutory Finance Officer

September 2016

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1														
2														
3														
4														
5														
6	EXPENDITURE:													
7														
8	1. Base Net Expenditure (Net of Schools)													
9	Base Expenditure	128,073	122,999	118,736	121,589	122,646	123,939							Equivalent to the value of 'Total Resources' (below) per previous year. 2017/18 is net of £4m Growth Savings target.
10	Previously Approved savings	-17,977	0	0	0	0	0							
11	LESS Non Recurrent /Technical savings	0	0	0	0	0	0							
12	New savings for financial year	0	-14,660	-4,771	-6,537	-5,651	-3,279							Adjustments required to bring 'SHORTFALL IF PERMANENT SAVINGS ANNUALLY' total (line 152) to nil.
13	Non-recurrent budget savings - from previous years	3,990	1,316	4,000	0	0	0							2018/19 £4m no longer from Earmarked Reserves - Growth & Devt Project due to start delivering additional income.
14	Delivery of 'Growth & Development' Plan	0	0	-4,000	0	0	0							Assumptions of additional growth due from Growth & Devt Project.
15	Less Specific Grants - LACSEG/ Early Intervention Grant	0	0	0	0	0	0							Assume Directorates will fund these pressures.
16	Revised Base Position	114,086	109,655	113,965	115,052	116,995	120,660							
17														
18	2. Fixed and Ongoing													
19	Pay Award (incl NI/Supn).	725	700	707	714	721	728							2017/18 - 2021/22 based on 2016/17 budget data. No assumption of reductions in staff which are based on staff numbers as at 01/04/16. Assumes 1% increase pa per 'Pay Restraint'.
20	Increments (incl NI/Supn).	965	592	598	604	610	616							2017/18 - 2021/22 based on 2016/17 budget data. No assumption of reductions in staff which are based on staff numbers as at 01/04/16. Assumes 1% increase pa per 'Pay Restraint'.
21	Joseph Rowntree Foundation (JRF) - impact of differential hourly rates on Blackpool Council staff	0	85	104	262	272	0							Mainly catering staff - additional cost expected to be picked up via SLA to schools. Additional pressure relates to non-catering staff. Assumes that by 2020/21 the £9.02 target will be achieved therefore no additional cost in 2021/22.
22	External Contracts Cost Price Increase (CPI) - impact of Living Wage	0	86	95	95	307	307							% Applied to main contracts 2017/18 to 2019/20 and new contract from 2020/21.
23	National Insurance.	964	0	0	0	0	0							No further increase in NI rates assumed beyond 2016/17.
24	Pension - Actuarial Assessment 2014-7	369	0	0	0	0	0							Next Tri-annual Review 2017/18 & 2020/21. Indication due Oct/Nov 2016. Spread over 3 years between each review.
25	Pension - auto enrolment	0	510	510	0	0	0							On 01/10/17 auto-enrolment of staff on Bpl payroll @ 31/03/13 not in pension scheme (i.e. half-yr effect 2017/18). Excl Academies. Parameters >£10k salary & >22yrs age <State Pension Age. At each 3yr anniversary (01/04/13,01/04/16 & 01/04/19 etc) those opted out are auto-enrolled again & can then opt out again if they wish. [YM 8/8/16].
26	Living Wage/Sleep-in Rates - Residential contracts ONLY	3,295	2,079	2,295	2,302	2,170	0							Based on Low Pay Commission projections. See W/P. Nil in 2021/22 because £9.02 target expected to have been met. [Inflation not built in]. Gross pressure - partially offset by ASC precept.
27	Members Allowances	0	0	0	0	0	0							Assumes nil increase.
28	Other Inflation - Non Pay [Excl St Ltg PFI & Waste PFI]	1,720	1,742	1,771	1,798	1,826	1,854							Assumes CPI @ 1.6% for all Non pay items across all years 2017/18 onwards despite Office of Budget Responsibility (OBR) forecast of 1.6% 2017/18, 2.1% 2018/19 and 2.0% 2019/20 and that Public Health contain additional costs 2018/19 onwards
29	St Lighting PFI CPI	0	68	69	70	71	72							Based on working paper. [VD 18/7/16]
30	Review of Capital Financing Budget	0	0	0	0	0	0							Prudential Borrowing on basis of self-funding. [IB]
31	Insurance Premium	0	200	0	0	0	0							Impact of schools transferring to Academies on Insurance Premium recharged to General Fund.
32	Revenue Consequences of Capital Outlay	150	100	100	100	100	100							Assume recurring but reducing to £100k from 2017/18.
33			8,188	6,162	6,249	5,945	6,077							
34	3. Previously Approved Proposals													
35	Full year impact of previous decisions	0	0	0	0	0	0							SIGOMA format
36			0	0	0	0	0							
37	4. Terms and Conditions													
38	Deferment of Increments	0	0	0	0	0	0							SIGOMA 'pressures'
39	5 Days Voluntary Annual Leave Buy Back	0	0	0	0	0	0							SIGOMA 'pressures'
40	Other	0	0	0	0	0	0							SIGOMA 'pressures'
41			0	0	0	0	0							
42	5. Investment & Other Decisions													
43	Children's Social Care - LAC demand	2,700	0	0	0	0	0							M3 outturn projection 2016/17 is incorporated in Risk Register. Difficult to assess when peak will be reached but assumes Service will contain cost at 2016/17 budget levels.
44	Children's Social Care - additional resource for SWs	68	190	0	-258	0	0							Non recurring - funded from Transformation Reserve/Contingencies
45	Better Start Leverage - increased expenditure	0	2,906	71	-202	54	66							See W/P.
46	Better Start Leverage - assumed income offset	0	-2,906	-71	202	-54	-66							See W/P.
47	Contribution to Combined Budgets (Dedicated Schools Grant)	0	0	0	0	0	0							£1m currently received from School Forum.
48	Free School Meals (FSM) - Breakfasts	1,200	0	0	0	0	0							In Base wef 2015/16
49	FSM costs to be met from transferred Public Health budget	-1,200	0	0	0	0	0							In Base wef 2015/16
50	Municipal Elections	-162	0	0	193	-193	0							[LH 05/05/16]
51	Junior Bank Accounts	0	0	0	0	0	0							In Base wef 2015/16
52	Additional Water Charges	-68	0	0	0	0	0							In Base wef 2016/17
53	Building Schools for the Future (BSF) - Corporate contribution to Highfield & St Mary's PFIs	0	0	0	0	0	0							Both schools converted to Academies therefore pressure removed.
54	Museum - projected shortfall	965	0	0	120	60	-60							Assumes 2019/20 @ 50% x £240k pa, 2020/21 @ 50% x £240k pa + 50% x £120k pa and 2021/22 @ £120k pa.
55	Museum - initial funding	-965	0	0	0	0	0							Assume pressure in 2016/17 (excl redundancies) met from Reserves
56	Central Business District (Talbot Gateway) - Year-on-Year savings	0	0	0	0	0	0							[DM/PJ]
57	Social Fund	0	0	0	0	0	0							In Base wef 2015/16
58	2 PA posts	0	0	0	0	0	0							In Base wef 2015/16

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
			FORECAST 2016/17 £000	FORECAST 2017/18 £000	FORECAST 2018/19 £000	FORECAST 2019/20 £000	FORECAST 2020/21 £000	FORECAST 2021/22 £000	FORECAST 2016/17 £000	FORECAST 2017/18 £000	FORECAST 2018/19 £000	FORECAST 2019/20 £000	FORECAST 2020/21 £000	FORECAST 2021/22 £000	COMMENTS
59		By-elections	0	0	0	0	0	0	0	0	0	0	0	0	In Base wef 2015/16
60		Building Services - surplus income target	0	0	0	0	0	0	0	0	0	0	0	0	In Base wef 2015/16
61		Better Care Fund	0	0	0	0	0	0	0	0	0	0	0	0	2015/16 exp only
62		Local Council Tax Scheme (LCTS) - Changes to tax credits / future demographic pressures	1,077	0	0	0	0	0	0	0	0	0	0	0	Offset against 'savings' in 2016/17
63		Insurance Fund - Prior Year Incremental Injection	650	0	0	0	0	0	0	0	0	0	0	0	£650k pa x 10yrs to cover shortfall. To be reviewed annually.
64		Education Services Grant - reduced grant	0	249	348	0	0	0	0	0	0	0	0	0	Assumes 100% transfer.
65		Education Services Grant - assumed offset by service savings	0	-249	-348	0	0	0	0	0	0	0	0	0	Assumes 100% transfer.
66		Public Health (including FY Savings and substance misuse / 0-19 etc)	0	0	0	0	0	0	0	0	0	0	0	0	Covers internally funded services. Grant will become un-ringfenced from April 2018. ACRA model suggests we are £4.5m overfunded but how this is applied & when/pace of change is unknown. Assume same level of cuts as in previous years. Based on National % cuts only. See W/P. Incorporated in Risk Register. Assumes Service will meet funding pressures.
67		Housing Benefit/Council Tax (HB/CT) admin subsidy - grant reduction	224	150	150	150	150	150	150	150	150	150	150	150	Grant reducing annually due to move to Universal Credit and falling numbers. Assume grant (£1.3m in 2016/17) virtually wiped out at some stage.
68		Care Act rolled into RSG 2016/17 - Local Government Finance Settlement	0	737	-114	342	0	0	0	0	0	0	0	0	Dinot proposals deferred until 2020/21, assumption is that additional burdens are fully funded. See W/P.
69		New Homes Bonus	0	466	565	364	25	19	0	0	0	0	0	0	2016/17 to 2021/22 figures as per 2016/17 Final Local Government Finance Settlement fall out of NHB year 1 payments. Assumes no new NHB growth for the period 2017/18 to 2021/22. Outcome of consultation not yet known.
70		Apprenticeship Levy	0	400	0	0	0	0	0	0	0	0	0	0	WEF 2017/18. Based on 0.5% x £80m pay bill (incl oncosts).
71		Apprenticeship - funding received (from levy pot)	0	-15	0	0	0	0	0	0	0	0	0	0	£15k received by Council from 'Bpl levy pot'. Other funds available from 'Bpl levy pot' for training costs only (not salaries). Uncertainty at present how this will operate.
72		Adult Social Care pressures (Dom/ Res fees & demographics)	1,200	588	544	417	452	500	0	0	0	0	0	0	See W/P - based on extrapolation of numbers and other movements.
73		Lead Local Flood Authorities rolled into RSG	16	0	0	0	0	0	0	0	0	0	0	0	In Base wef 2016/17
74		Former Waste PFI scheme	85	243	230	321	373	0	0	0	0	0	0	0	As per LCC forecast September 2015. New model to be produced therefore subject to change. Incremental changes.
75		Waste PFI grant	0	0	0	0	0	0	0	0	0	0	0	0	Assumed that PFI credits will not be re-instated. Met from reserves in 2015/16 & 2016/17. Not incremental. Service to meet cost.
76		Lancashire Combined Authority	0	0	0	0	0	0	0	0	0	0	0	0	No costs assumed.
77		Airport Enterprise Zone (EZ)	0	160	0	0	0	0	0	0	0	0	0	0	£160k pa wef 2017/18. Not incremental.
78		Care Home Fees	0	0	0	0	0	0	0	0	0	0	0	0	Part of line 26.
79		Contingency	251	0	0	0	0	0	0	0	0	0	0	0	
80				6,041	2,919	1,375	1,649	867						609	
81		6. (C) of Strategic Reserves													
82		Strategic reserves	-1,316	0	0	0	0	0	0	0	0	0	0	0	
83		Council Tax / NNDR reserves	-4,000	0	0	0	0	0	0	0	0	0	0	0	
84				-5,316	0	0	0	0	0	0	0	0	0	0	
85															
86		7. TOTAL EXPENDITURE	122,999	118,736	121,589	122,646	123,939	124,946							Carried forward to following year as 'Base Expenditure' (line 9).
87															
88		RESOURCES:													
89															
90		8. Core Resources													
91		Council Tax													
92		Council Tax (CT) Income	45,535	48,295	50,183	52,109	54,073	55,070							No increases in base assumed at this stage - effectively a 'Baseline'. Each value = sum of 'Base + CT Changes in Resources' per previous year. Only 1.985% increase & 2% ASC.
93		Council Tax Collection Fund Deficit (-)/Surplus (+)	1,737	1,887	-725	-725	-725	-725							2017/18 Surplus reasonably certain. Deficit from 2018/19 based on assumption that collection rates and Write-offs continue at 2015/16 levels and that 2016/17 Base remains unchanged.
94				47,272	50,182	49,458	51,384	53,348							
95		Business Rates Retention (BRR) scheme													
96		Local Share - Business Rates (BR) (net 49% share)	24,038	23,229	23,694	24,168	24,651	24,898							Assume to be baseline + % RPI/CPI re previous year. Refer to 'Impact of Appeals' (line 135).
97		Business Rate Collection Fund Deficit (-)/Surplus (+)	-1,675	-371	0	0	0	0							2017/18 based on 2015/16 NNDR3 Part 1 compared to NNDR1 2016/17 Part 4. Thereafter assume ests/actuals match.
98		Local Share - Top Up Grant	19,320	19,700	20,280	20,930	21,139	21,350							2016/17 to 2019/20 figures as per 2016/17 Final Local Government Finance Settlement. Assume CPI @ 1% pa 2020/21 and 2021/22
99		S31 Grant for 2% Capping - Top Up	271	271	271	271	271	271							Effect of 2% Cap on 2015/16 Top Up ONLY. Assume future changes will be < 2% (line 145)
100		Impact of successful Appeals on Transitional Relief	0	0	0	0	0	0							
101				41,954	42,829	44,245	45,369	46,061							
102		Revenue Support Grant (RSG)													
103		RSG including Rolled in Grants / Council Tax Freeze Grant 2015/16	31,640	24,530	19,690	14,790	14,790	14,790							2016/17 to 2019/20 figures as per 2016/17 Final Local Government Finance Settlement. New scheme from 2020/21. Assume nil% incr p.a. from 2020/21. Incorporated in Risk Register. Potential that from 2020/21 this will reduce in line with previous years.
104				31,640	24,530	19,690	14,790	14,790							
105															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
			FORECAST 2016/17 £000	FORECAST 2017/18 £000	FORECAST 2018/19 £000	FORECAST 2019/20 £000	FORECAST 2020/21 £000	FORECAST 2021/22 £000	FORECAST 2022/23 £000	FORECAST 2023/24 £000	FORECAST 2024/25 £000	FORECAST 2025/26 £000	FORECAST 2026/27 £000	FORECAST 2027/28 £000	COMMENTS
154															
155		11. COUNCIL TAX REQUIREMENT		48,295		50,183		52,109		54,073		55,070		56,087	
156															
157		Tax Base (at 100% collection rate)	36,474		36,474		36,474		36,474		36,474		36,474		
158															
159		Collection Rate Assumed	97.50%		97.50%		97.50%		97.50%		97.50%		97.50%		
160															
161		Therefore effective tax base (at assumed collection rate)	35,562		35,562		35,562		35,562		35,562		35,562		
162															
163		COUNCIL TAX FOR BAND D PROPERTIES (£) INCL ASC PRECEPT		1,358.05		1,411.14		1,465.30		1,520.53		1,548.56		1,577.16	
164															
165		COUNCIL TAX FOR BAND D PROPERTIES (£) EXCL ASC PRECEPT		1,331.94		1,358.36		1,385.33		1,412.83		1,440.86		1,469.46	
166															
167															
168		CHECK CALCULATION RE CT REQUIREMENT													
169															
170		11. COUNCIL TAX REQUIREMENT		48,295		50,183		52,109		54,073		55,070		56,087	Per line 155
171		Check calc (Band D incl ASC £ X effective Tax Base)		48,295		50,183		52,108		54,071		55,068		56,086	Check calc (Band D incl ASC £ X effective Tax Base)
172		Tax Base (at 100% collection rate)	36,474		36,474		36,474		36,474		36,474		36,474		
173															
174		Collection Rate Assumed	97.50%		97.50%		97.50%		97.50%		97.50%		97.50%		
175															
176		Therefore effective tax base (at assumed collection rate)	35,562		35,562		35,562		35,562		35,562		35,562		
177															
178		COUNCIL TAX FOR BAND D PROPERTIES (£) EXCL ASC PRECEPT		1,331.93		1,358.37		1,385.33		1,412.83		1,440.88		1,469.48	Assumes 1.985% increase on previous year's Council Tax rate (rounded). Assumes 2% on previous year's Council Tax rate and that once attached does not change. By 2019/20 this is £26.12+£26.64+£27.17+£27.71 = £107.64 (rounded).
179		COUNCIL TAX FOR BAND D PROPERTIES (£) ASC PRECEPT		26.12		52.76		79.93		107.64		107.64		107.64	
180		COUNCIL TAX FOR BAND D PROPERTIES (£) INCL ASC PRECEPT		1,358.05		1,411.13		1,465.26		1,520.47		1,548.52		1,577.12	
181															

No.	Description of Risk	Potential Impacts / Consequences	Opportunities	Gross Risk Score			Controls and Mitigations	Net Risk Score			New Developing Controls
				I	L	GS		I	L	NS	
External Factors											
A1	Localising business rates	Increased risk re appeals/impact on collection rates as following the implementation of localising business rates, 100% of outcome will fall on local government.	Potential for rate variation, setting of lower multiplier to attract new business	4	5	20		4	5	20	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A2	Business rates appeals	Reduction in funding , impact of backdating. Localising of Business Rates will increase this risk from 50% to 100% for local authorities.	Current consultation on dealing with business rates appeals process - check, challenge, appeal might reduce the number of appeals	4	5	20		4	5	20	New 3 stage appeals process - check, challenge, appeal
A3	Review of needs and resource allocations	Currently determined by the 2013/14 four block method with a fixed pot of £14.5bn by 2019/20. The issue is how will this be allocated following the review of needs and resources allocation. There will be gains and losses which will alter the business rates top up / tariff adjustment for individual authorities.	Blackpool will feed into consultation process to argue its case	4	5	20		4	5	20	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A4	European Union Referendum result - impact on national economy	Potential slowdown of the economy which could lead to an increase in unemployment. Central government funding to departments could be hit with a consequential impact on local government funding. Also European grant funding could end.	Lower interest rates available to support Council capital projects. Offer of a 4-year finance settlement. State Aid rules might be reviewed.	4	5	20	Central government has confirmed that approved projects signed up to European funding by the Autumn Statement 2016 will be covered by the Treasury.	4	4	16	Council is considering accepting the Government's offer of a 4-year finance settlement although from Blackpool's perspective this only covers the Revenue Support Grant element of central government funding but the business rates top-up that is also received will not be altered for the 4-year period 2017/18 to 2019/20. Potentially this offer will give protection from funding distributional changes, additional cuts, changes to assessment of need and greater certainty. However, there is a risk to this associated with the review of needs-based resource assessment. Blackpool will continue to lobby Government via its various networks such as the LGA, SIGOMA, etc.
A5	New Homes Bonus Consultation	Change to the system for the allocation of the New Homes Bonus - potential loss of grant	Target use of land for housing or business purposes	3	5	15		3	5	15	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A6	Autumn Statement announcement	Potential funding reduction for local government	Central government review of its budget surplus target by 2020	4	3	12		4	3	12	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A7	Revenue Support Grant including rolled-in grants / CT Freeze grant 2015/16	Potential funding reduction for local government	Central government review of its budget surplus target by 2020	4	3	12	Checking clarification of data submitted to central government departments	4	3	12	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A8	New responsibilities	New responsibility without new burdens funding / new funding resources.	Economies of scale and controls over the delivery of the service	4	3	12		4	3	12	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A9	Devolution deals	New responsibility without new burdens funding/ new funding resources.	Economies of scale and controls over the delivery of the service	4	3	12		4	3	12	Respond to consultation, lobby through networks such as LGA, SIGOMA, etc.
A10	Recession (one recession every decade - by 2019/20 it will be 11 years since last one)	Traditionally the main impact is on service provision and expenditure and service impact, although it has impacted on income from fees and charges. At last recession local government was not responsible for localised support for council tax and there was no Business Rates Retention. By the end of 2019/20, local government resources will have been reduced hugely, reducing scope to manage further reductions to revenues. The move to 100% Business Rates Retention increases the risk as these resources are recession prone.	Reduction in pay costs. Renegotiation of contracts driving out savings	4	2	8		4	2	8	Level of reserves to cushion against impact of any potential recession
Internal Factors											
B1	Reduction in grants, e.g. Education Services, HB/CT Admin and Public Health grants	Education Services Grant to be removed completely for both academies and maintained schools from September 2017. Public Health Grant has seen reductions in 2016/17 and 2017/18 with further reductions expected over the period to 2019/20. Reductions in grants could lead to job reductions and reductions in service.	Review of services	4	5	20		4	5	20	Review of services
B2	Joseph Rowntree Foundation (JRF) - impact of differential hourly rates on Blackpool Council staff	Additional cost pressure on Budget -> potential threat to jobs / reduction in services	Pay increase could attract staff and increase staff morale	4	5	20		4	5	20	Built into MTFP
B3	Children's Social Care - Looked After Children demand	Demand has risen sharply in the first quarter of 2016/17 and if this is not recovered the full-year effect of the cost pressure will be c£2m (M3). This also assumes there are no further increases in demand. The consequences would be felt on other service budgets and reserves.	The Director of Children's Services is investigating the demand and drawing up strategies to try and recover the position. These include service redesigns, external funding bids, market development and partner collaboration.	5	5	25	Regular monthly meetings are held with the Director and s151 Officer to monitor progress over the 2016/17 financial year.	4	4	16	Working with partners to identify solutions.

B4	Pension - actuarial assessments 2016 and 2019	Additional employer costs	Potential reduction in pension deficit	4	5	20	Membership of the Local Pension Board and lobbying via Lancs CFOs	4	4	16	Membership of the Local Pension Board and lobbying via Lancs CFOs
B5	External contracts CPI and impact of National Living Wage	Additional cost pressure, potential loss of providers, reduction in service	Review of service, renegotiation of contracts	4	5	20	Renegotiation of contracts	4	3	12	Renegotiation of contracts
B6	National Living Wage/sleep-in rates - residential contracts only	Additional cost pressure, potential loss of providers, reduction in service	Review of service, renegotiation of contracts	4	5	20	Renegotiation of contracts	4	3	12	Renegotiation of contracts
B7	Contribution to Combined Budgets (Dedicated Schools Grant)	The Dedicated Schools Grant currently contributes £1m towards the running of School-based children's centres. The Department of Education is consulting on a National Funding Formula which may mean that this contribution would not be able to continue.	The implementation of the National Funding Formula has been deferred so the impact may not be felt until financial year 2018/19	4	4	16	The Department of Education has asked for evidence in support of spend outside the allowed formula. The Director of Children's Services has provided this evidence and will continue to state the case.	4	3	12	
B8	Pay awards (including NI/Superannuation)	Additional cost pressure on Budget -> potential threat to jobs / reduction in services	Pay increase could attract staff and increase staff morale	4	3	12	North West Employer negotiations	4	2	8	Lobbying through various groups
B9	Other inflation - non-pay [excluding Street Lighting PFI and Waste PFI]	Increased costs	Renegotiation of contracts	4	3	12	Procurement processes, eg. tendering	4	2	8	More effective procurement processes
B10	Growth and Prosperity project - under-achievement of £4m target	£4m target not achieved by 2018/19	Project Group generates more income than target. Creation of Enterprise Zones which attract new business to the area	4	3	12	Board and Working Group in place and working on the creation of project plan, governance arrangements, etc.	4	2	8	Better utilisation of land resources, potential to attract new businesses to Blackpool
B11	Better Start leverage - assumed matched savings generated	As part of the original Better Start bid there is an assumed £30m leverage contribution requirement from partners. If the Big Lottery are not assured of this contribution, there could be a potential clawback or freezing of funds.	Submission to the Big Lottery of financial templates demonstrating the leverage contributions.	4	3	12	Regular Better Start Finance Group meetings have been established and the submission of the templates is a key focus of work during the current financial year. Representation on the Group include all partners to the bid (CCG, NSPCC and Council).	4	2	8	

Medium Term Financial Sustainability Strategy 2016/17 – 2021/22

Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Nature of Risk <i>[and rationale for quantification]</i>	Mitigation	£m
Budget savings of £25.1m in 2016/17 are not achieved, resulting in service budget overspendings <i>[delivery of 90% full-year effect in 2015/16]</i>	Robust and realistic series of plans for each Directorate to demonstrate how the savings are to be achieved, monitored at Corporate Leadership Team and by Portfolio Holders on a monthly basis	2.5
Current year service overspendings are not managed by the service and flow through to the 2016/17 outturn <i>[based on forecast as at month 3]</i>	Additional funding of £2.7m in 2016/17 Budget to reflect demographic pressures in Social Care and recovery plans drawn up by services and monitored by the Tourism, Economy & Resources Scrutiny Committee	Included in above
Council Tax and Business Rates collection rates deteriorate as a result of economic climate, CT Reduction Scheme and cap on Attachment of Benefits, and changes to CT discounts and exemptions <i>[13/14 -> 15/16 deterioration]</i> and business rates appeals.	Ongoing monitoring of collection rates and by client and business groups, enabling early intervention by Council support staff. Robust and consistent recovery processes in place. Closer liaison with VOA to understand business rate appeals pending.	2.1

Business Rates Retention – impact of 100% BRR Scheme <i>[50% of Safety Net less Contingency]</i>	Ongoing monitoring of collection rates by business group, enabling early intervention by Council support staff. Robust and consistent recovery processes in place. Closer liaison with VOA to understand business rate appeals pending.	0.9
Insufficient funding for new burdens such as National Living Wage and implementation of the Care Act	Forecast pressures factored into Budget, local and national modelling of the financial implications of the Care Act suggest that the 2015/16 funding of c.£1.7m should be sufficient.	-
External factors such as European Union Referendum result, impact on national economy, the review of needs and resource allocations, etc.	Council is considering accepting the Government's offer of a 4-year finance settlement although from Blackpool's perspective this only covers the Revenue Support Grant element of central government funding but the business rates top-up that is also received will not be altered for the 4-year period 2017/18 to 2019/20. Potentially this offer will give protection from funding distributional changes, additional cuts, changes to assessment of need and greater certainty. However, there is a risk to this associated with the review of needs-based resource assessment. Blackpool will continue to lobby Government via its various networks such as the LGA, SIGOMA etc.	-
Internal factors such as reduction in grants - Education Services grant, HB/CT Admin grant, Public Health grant	Education Services Grant to be removed completely for both academies and maintained schools from September 2017. Public Health Grant has seen reductions in 2016/17 and 2017/18 with further reductions expected over the period to 2019/20. Reductions in grants could lead to job reductions and reductions in service.	0.5
		INDICATIVE TOTAL
		6.0

Local Authority Financial Assurance Processes

General Fund Revenue Budget and Capital Programme

The Local Authority financial framework is underpinned by the legislative requirement to set a balanced budget. It is the responsibility of the Chief Finance Officer (the s151 Officer) of the Council to ensure that this is achieved. The Chief Finance Officer (CFO) in Local Government is therefore not only bound by professional standards but also by specific legislative responsibilities.

Section 151 of the Local Government Act 1972 requires Local Authorities to make arrangements for the proper administration of their financial affairs and appoint an officer to have responsibility for those arrangements. The s151 Officer also holds a fiduciary responsibility to local taxpayers.

The duties of the s151 Officer in England and Wales were significantly extended by section 114 of the 1988 Local Government Finance Act - England and Wales, which requires a report to all the Local Authority's Members to be made by that officer, in consultation with the Monitoring Officer and Head of Paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

The CFO must exercise a professional responsibility to intervene in spending plans so that they are in balance with resources available and that the Authority remains in sound financial health.

In order that this duty can be satisfied an assurance framework including formal reporting to Members is in place in all councils. The method and terminology may be different in councils but the basic actions are common to all.

The financial assurance framework and evidence to support the sustainability of a council is presented as follows as a basis in relation to budget setting, the preparation of final accounts and the external audit process together with budget monitoring:

1) Budget Setting

a) Revenue Budget Report Preparation

Each CFO must produce a report in advance of the forthcoming financial year (approval must take place before 11 March) which presents detailed information about the revenue budget and allows the setting of Council Tax. This report is prepared having regard to local and national spending pressures and priorities and is underpinned by an assessment of the resources that will be available to the Council. This will therefore determine any budget saving that must be approved in order that planned expenditure does not exceed resources available.

Appendix 9(e)

Prior to the consideration of the 2016/17 final budget report at the meeting of Blackpool Council on 25th February 2016, the Executive also considered budget reports at the meetings on 8th February and 22nd February. All these reports are available on the Council website

In preparation for the production of each of these reports, estimates of resources available to the Council, budget pressures and proposals to bridge the budget gap, are subject to a detailed review by appropriately qualified officers. They are also presented to the political leadership to allow challenge and to engage political support.

b) Budget Consultation and Scrutiny

There is a detailed consultation process on the budget position and all budget proposals. Information is issued in the public domain setting out the financial challenge for the Council.

- There is a requirement to consult with the business community about the budget process.
- Members of the public are asked for views on how savings can be made and also asked to comment on budget proposals.
- There is also detailed staff consultation on proposals which have a staffing impact.

A key element of the budget consultation process but also an essential part of the budget challenge is scrutiny by elected Members. This is undertaken by the Tourism, Economy & Resources Scrutiny (TER) Committee.

All budget reports are subject to detailed review by the Committee. Members are able to ask questions about any aspect of the information in the report including the detailed savings proposals.

This public scrutiny and consultation process enables discussion, review and challenge as to the appropriateness and deliverability of the budget including savings proposals. Regard must be had to the consultation comments within the budget decision making process.

The TER Scrutiny Committee considered the 2016/17 budget reports at its meeting on 12th February 2016.

c) Capital Programme

Blackpool Council also sets out its capital spending proposals for the forthcoming financial year. This is in the form of a separate report which sets out the capital strategy and programme for the forthcoming year and 2 years beyond.

There is detailed scrutiny by the TER Scrutiny Committee of capital proposals and it is essential that capital spending plans are affordable and align with the resources available to finance the programme. Any revenue budget

consequences of the capital programme must be addressed and are clearly linked to the overall affordability of the Council's financial plan.

d) Treasury Management Strategy

There is a requirement to present a Treasury Management Strategy to Council annually for approval. This report provides assurance that there are proper established procedures in place for the management of cashflow, investments and risk associated with treasury activities. The report also provides an assurance mechanism for the monitoring of such activities.

e) Medium-Term Financial Strategy (MTFS)

Councils prepare a MTFS which sets out a forward look at future spending plans and ensures that these are balanced against expected funding streams from Government grants, Council Taxpayers and Business Ratepayers.

The MTFS is presented to the Executive at appropriate points in time such as following Government Spending Reviews or Settlement announcements. Blackpool Council's previous MTFS was presented to its Executive on 19th January 2015 and covered the 3-year period 2015/16 - 2017/18. It was based on best available information in relation to local and national factors influencing resources available and budget pressures, including the Council's capital spending plans and associated treasury management decision-making.

This is a key planning tool enabling strategic decision-making so that service planning aligns to the resources available to support service delivery over the foreseeable future.

f) Statement of the Chief Finance Officer on Reserves, Robustness of the Estimates and Affordability & Prudence of Capital Investments

Presented to the Budget Council meeting, this is a key assurance document as in order to comply with s25 of the Local Government Act 2003, the CFO is required to report on the robustness of the estimates made for the purposes of the budget calculation and the adequacy of the proposed reserves. The report sets out:

- The recommended level of Working Balances for the forthcoming financial years, calculated on a risk-based approach.
- A risk assessment of the utilisation of the Council's earmarked reserves and the adequacy of the reserves.
- The means by which the CFO is assured of the robustness of the revenue estimates.
- An assurance about the affordability of the capital programme.

2) Final Accounts and the External Audit Process

The annual Accounts are prepared in accordance with a statutory framework and accounting guidance.

The Accounts include sufficient information for the financial standing of the Council to be assessed. They highlight any areas for concern.

These Accounts are subject to External Audit. This audit is presented in an Audit Findings report which, in addition to commenting on the Accounts, also includes a Value for Money (VfM) opinion. This VfM opinion looks at the quality of financial planning and the level of reserves and balances.

This provides an independent assurance to Council officers, Members and also Council Taxpayers as to the financial management and financial standing of the Council.

An extract of the 2015/16 Audit Findings report presented for approval to the Blackpool Council Audit Committee on 24th September 2015 is set out below and shows the nature of the review and assurance given:

Accounts production and audit process

We have noted an improvement in the quality of the accounts and the supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales. The Authority has implemented all of the recommendations in our ISA 260 Report 2013/14 relating to the financial statements. The Authority has good processes in place for the production of the accounts and good quality supporting working papers.

Savings plans

The Authority's medium term financial plan covers the period to 2017/18. It identifies the funding sources available to the Authority each financial year, the cost base brought forward from the previous year, and the inflationary pressures on this cost base. The assumptions driving this element of the plan were reviewed, and considered to be reasonable. The other significant element of the plan is the annual savings plans contained within the plan, that reduce the annual costs facing the Authority and bring the expenditure for the year into balance with the funding available. These savings requirements were £25.2 million in 2015/16, £19.7 million in 2016/17 and £12.6 million in 2017/18. The Authority has delivered 100% of its savings plans for 2014/15, and has firm plans in place to deliver 100% of the 2015/16 savings requirements as well. These are also on schedule to be delivered. On this basis, we believe that the Authority's plans demonstrate that appropriate arrangements are in place to deliver value for money.

Value for Money conclusion and risk areas

We identified a VfM risk about the Authority's savings plans in our Audit Plan, issued in January 2015. We have worked with officers throughout the year to discuss these VfM risks and our detailed findings are reported in section 4 of this report. There are no matters of any significance arising as a result of our audit work in these VfM risk

areas. We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We therefore anticipate issuing an unqualified VfM conclusion by 30 September 2015.

The Accounts also include an Annual Governance Statement which advises how the Council has complied with the requirements of the CIPFA/SOLACE Framework, *Delivering Good Governance in Local Government*. It highlights any areas of risk that the Audit Committee would be advised to monitor progress on their mitigation.

3) Budget Monitoring

a) Reporting to Officers and Members

Once the Budget has been set and the new financial year begins, the budget monitoring process gets underway. This runs from month 0 to year-end and involves budget holders, the Corporate Leadership Team and Cabinet Members.

In addition, capital monitoring information is provided to the Corporate Asset Management Group, which is comprised of the Corporate Leadership Team and officers with responsibility for elements of the capital programme.

Formal financial performance monitoring reports are also prepared for the Executive to consider and as such are in the public domain. At Blackpool the external reporting is undertaken at months 3 - 10 with the Provisional Outturn for the year linked to the preparation of the annual Accounts and also reported to the Audit Committee.

The monitoring reports cover both revenue and capital expenditure on an accruals basis with the focus being the forecast year-end outturn position. In addition, the monitoring reports are completed with a summary balance sheet and cashflow statement.

These reports (internal and external) are a key tool in ensuring the overall financial position in-year can be managed, highlighting under/overspending. Any overspending must be addressed by appropriate management action and details of this action must be clearly set out. Progress towards achievement is reported in subsequent reports.

The delivery of budget savings is also reported. This is included within the revenue budget monitoring reports, although a separate report may be prepared. This gives assurance that the budget savings are deliverable and are being implemented. Alternatively, this might highlight the need to address an emerging in-year budget pressure and that further action is required to make good the saving so that it is deliverable as soon as possible.

Monitoring reports will also be prepared and included within the general budget monitoring report on the Collection Fund, setting out Council Tax and Business Rates collection performance and thus highlighting any

surplus/deficit on resource estimates impacting on future years' budget-setting.

b) The Scrutiny Process

The TER Scrutiny Committee has a work programme that focuses on in-year financial management performance including the achievement of approved savings proposals. The Committee can request service managers present detailed information if overspending has been highlighted in a financial monitoring report, revenue or capital. Particular areas for review in recent years have included Adult Social Care, Children's Social Care and Car Parking where the respective directors have prepared papers that set out the key issues, the management action being undertaken and the outcomes of that action.

This emphasises the responsibility and accountability of the service for delivering within the resources available.

c) Treasury Management Reporting

There is a requirement to prepare a Treasury Management half-yearly review report which shows the performance of the Treasury Management function compared to the Strategy. This will highlight any breaches of good practice or of Prudential Indicators and changes in the financial resilience of the Council in terms of cashflow, investments or borrowing requirements.

This report is presented for approval to Executive and for detailed scrutiny by the TER Scrutiny Committee.

In addition, there is further assurance as there is a requirement to present a Treasury Management outturn report which is also presented to Executive and TER Scrutiny Committee.

4) Local Authority Assurance Checklist

In order to demonstrate compliance with the basic elements of the assurance framework, a simple checklist has been prepared overleaf, which provides an evidence base as to the processes in place.

In addition, in order to ensure up-to-date awareness of key local government finance developments, issues, opportunities, risks, good practice, etc. in maintaining their continuing professional development, CFOs use a multitude of professional networks such as CIPFA, SIGOMA, Unitary Treasurers Group, Lancashire CFOs and the Greater Manchester Association of Municipal Treasurers.

LOCAL AUTHORITY ASSURANCE CHECKLIST

BUDGET SETTING PROCESS

ACTION	REQUIRED BY	DATE ACHIEVED	EVIDENCE
Scrutiny of Revenue Budget and other related reports	February prior to the start of the financial year		
Budget report	Approved before 11 th March		
S25 Assurance Statement	Approved with Budget report		
MTFS	As appropriate		
Capital Programme	Approved alongside Budget report		
Treasury Management Strategy	Approved alongside Budget report		

FINAL ACCOUNTS

ACTION	REQUIRED BY	DATE ACHIEVED	EVIDENCE
Completion of Statement of Accounts – handover to External Audit	By Statutory deadline		
Audit of Statement of Accounts completed and approval of Accounts	By Statutory deadline		
Consideration of the Audit Findings report and VfM opinion	Review by Audit Committee and preparation of remedial action plan (if required)		
Treasury Management Outturn report	To Executive and TER Scrutiny Committee		

BUDGET MONITORING

MONTH	INTERNAL/EXTERNAL	DATE ACHIEVED	EVIDENCE
Month 0	Internal reporting		
Month 1	Internal reporting		
Month 2	Internal reporting		
Month 3	Internal reporting External reporting		
Month 4	Internal reporting External reporting		
Month 5	Internal reporting External reporting		
Month 6	Internal reporting External reporting		
Month 7	Internal reporting External reporting		
Month 8	Internal reporting External reporting		
Month 9	Internal reporting External reporting		
Month 10	Internal reporting External reporting		
Month 11	Internal reporting		
Month 12	Internal reporting		
Month 13 (Provisional Outturn)	Internal reporting External reporting		
Treasury Management Half-year reports	To Executive and TER Scrutiny Committee		

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Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Ruth Henshaw, Corporate Development Officer
Date of Meeting:	15 September 2016

COUNCIL PLAN PERFORMANCE REPORT Q1 2016/2017

1.0 Purpose of the report:

1.1 To consider performance against the Council Plan 2015-2020 for the period 1 April 2016 – 30 June 2016.

2.0 Recommendation(s):

2.1 To consider the content of the report and highlight any areas for further scrutiny, which will be reported back to the Committee at the next meeting.

3.0 Reasons for recommendation(s):

3.1 To ensure constructive and robust scrutiny of performance against the Council Plan 2015-2020.

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? N/A

3.3 Other alternative options to be considered: N/A

4.0 Council Priority:

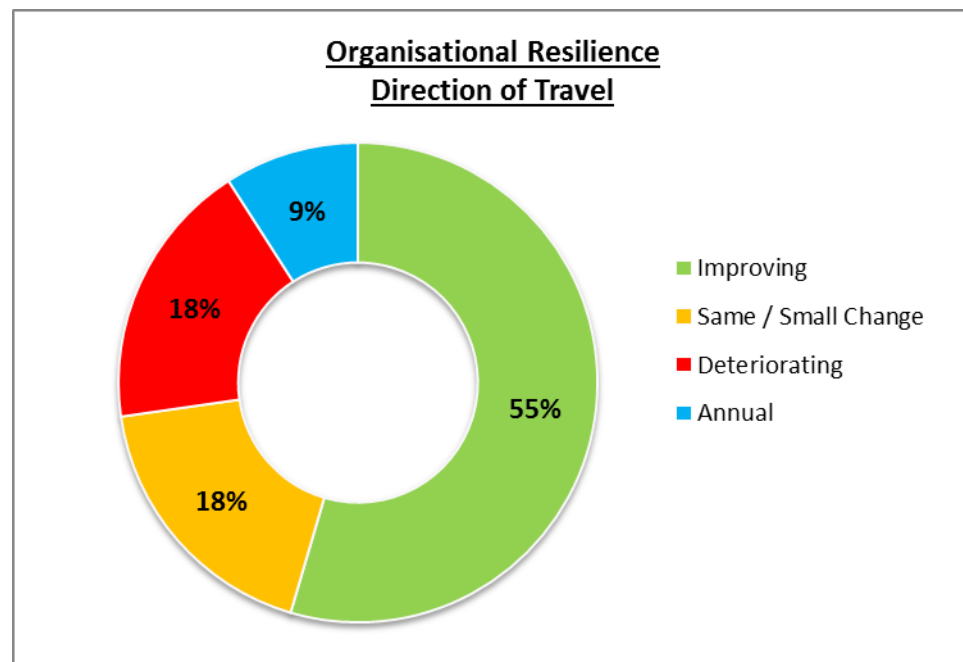
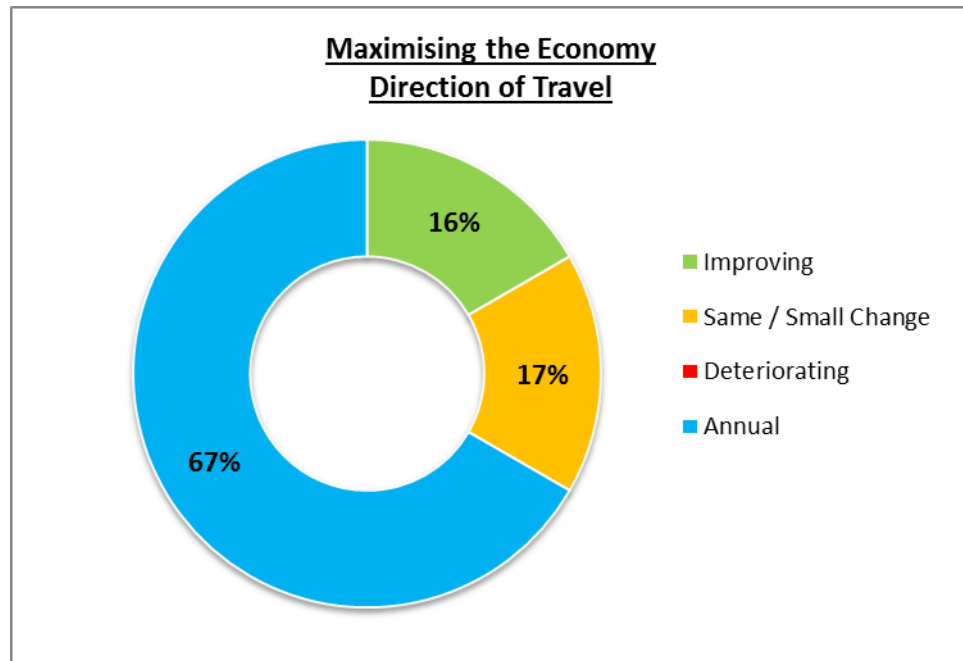
4.1 The relevant Council Priority is "The economy: Maximising growth and opportunity across Blackpool".

5.0 Background information

5.1 The report reviews performance against the priorities in the Council Plan 2015 – 2020 and focuses on a set of core performance indicators that have been developed in consultation with the Corporate Leadership Team. The performance reports will be presented to the Committee on a quarterly basis.

6.0 Overview of Performance

6.1 There are 12 indicators within the performance basket for Maximising the Economy and 11 indicators for Organisational Resilience. The graph below shows the direction of travel against performance in Q1 2016/2017 compared with previous performance.



6.2 The majority of the Council Plan indicators for this Committee are either annual or bi-annual and therefore cannot be reported in this quarter. Of those indicators where data is available, the majority are showing an improvement in performance.

6.3 There are two indicators where performance has deteriorated in Quarter 1 2016/2017:

- Average number of working days lost due to sickness absence per FTE; and
- Forecast level of year-end General Fund working balances.

Further information on these indicators can be found in **Appendix 10(b) – Q1 Exception Reports**.

6.4 At the Target Setting Scrutiny Panel on 27 June 2016, the Panel recommended that the Committee receive performance trajectories for the following indicators:

- Average number of working days lost due to sickness absence per full time employee
- Time taken to process Housing Benefit new claims and change events
- Time taken to process Council Tax Reduction Scheme new claims and change events

A trajectory for the average number of working days lost due to sickness absence per full time employee has been produced for this report and can be found in **Appendix 10(b) – Q1 Exception Reports**.

7.0 Witnesses/representatives

7.1 The following persons have been invited to attend the meeting to report on this item:

Ruth Henshaw, Corporate Development Officer

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 10(a): Q1 KPI Spreadsheet

Appendix 10(b): Q1 Exception Reports

8.0 Legal considerations:

8.1 None

9.0 Human Resources considerations:

9.1 None

10.0 Equalities considerations:

10.1 None

11.0 Financial considerations:

11.1 None

12.0 Risk management considerations:

12.1 None

13.0 Ethical considerations:

13.1 None

14.0 Internal/ External Consultation undertaken:

14.1 N/A

15.0 Background papers:

15.1 None

Corporate Key Performance Indicators
Performance as at 30th June 2016

KEY - Direction of Travel Icons:

↑✓	Performance is improving or on target
↓✓	
↑	Small deterioration in performance / slightly off target
↓	
↔	No change
↑✘	Performance is deteriorating or off target
↓✘	

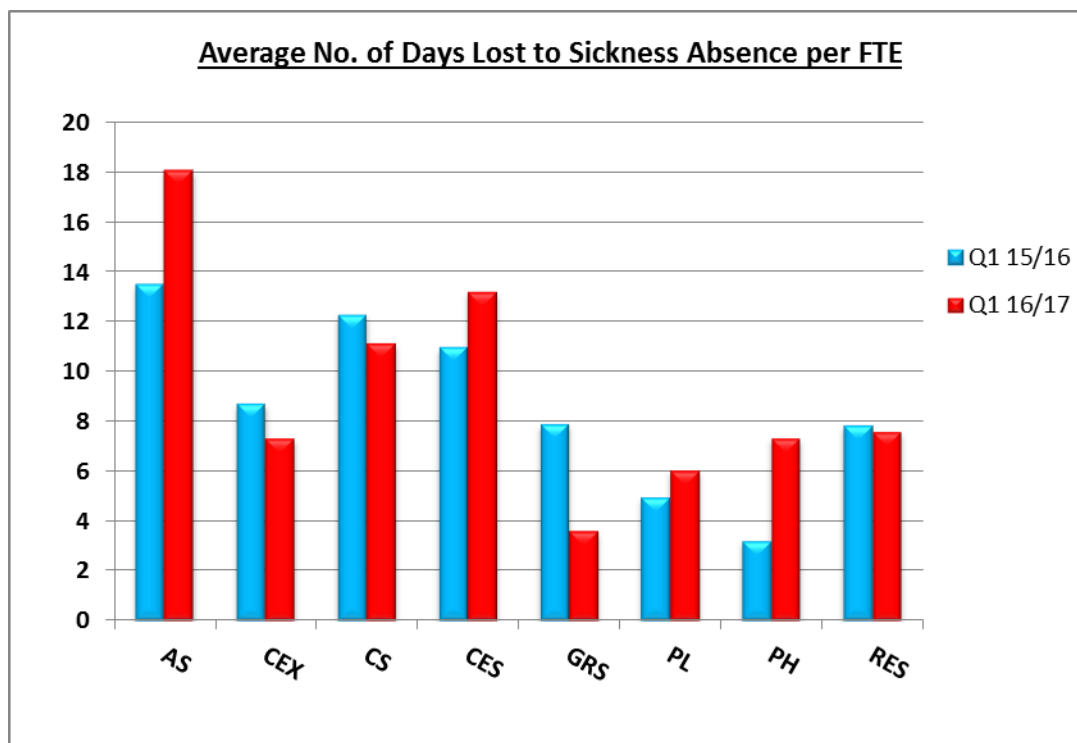
Lead Cabinet Member	Indicator	Outturn 2013/14	Outturn 2014/15	Outturn 2015/16	DoT (13/14 v 15/16)	2016/17				Outturn 2016/17	Target 2016/17	Direction of Travel		Notes	Dept
						Q1	Q2	Q3	Q4			Against Previous	Against Target		
Leader of the Council (Organisational Resilience)	Cllr Blackburn	Average number of working days lost due to sickness absence per FTE	10.4 days per FTE	10.37 days per FTE	11.32 days per FTE	↑✘	11.34 days				10 days per FTE	↑✘	↑✘	11.34 days compared with 9.9 days in Q1 2015/16.	CEX
	Cllr Blackburn	% of IPAs in the HR system	51%	Data unavailable	69%	↑✓	48%				80%	↑✓	n/a	48% compared with 32% in Q1 2015/16.	CEX
	Cllr Blackburn	Average completion rate of mandatory training	64%	44%	81%	↑✓	64%				80%	↑✓	n/a	64% compared with 46% in Q1 2015/16.	CEX
	Cllr Blackburn	No. of reportable RIDDOR accidents	17	13	8	↓✓	A	A	A		< 8	Annual			R
	Cllr Blackburn	% of Council Tax collected in year	97.8%	96.8%	90.7%	↓✘	26.8%				93%	↓	n/a	26.8% compared with 27.7% in Q1 2015/16.	R
	Cllr Blackburn	% of Business Rates collected in year	97.5%	96.3%	95.09%	↓✘	25.47%				94.5%	↔	n/a		R
	Cllr Blackburn	Time taken to process Housing Benefit new claims and change events	19.06 days	26.8 days	19.89 days	↑	17.98 days				28 days	↓✓	↓✓		R
	Cllr Blackburn	Time taken to process Council Tax Reduction claims and change events	33.86 days	41.79 days	32.47 days	↓✓	20.96 days				28 days	↓✓	↓✓		R
	Cllr Blackburn	% of undisputed invoices for commercial goods and services that are paid within 30 days of such invoices being received	92%	92.7%	94.5%	↑✓	95.8%				95%	↑✓	↑✓		R
	Cllr Blackburn	% of transactions / contacts dealt with at the first point of contact in Customer First	78.4%	80.9%	84.99%	↑✓	85.52%				85%	↑✓	↑✓		R
Cllr Blackburn	Forecast level of year-end General Fund working balances	£5.9m	£6.2m	£5.64m	↓	£2.4m				> or equal to £6m	↓✘	n/a	£2.4m compared with £2.7m in Q1 2015/16. Commentary included in Exec Report (12/09/16)	R	
Deputy Leader of the Council (Tourism, Economic Growth & Jobs)	Cllr Campbell	Overall satisfaction with kerbside waste collection service	77.2%	79.5%	77.9%	↑✓	A	A	A		70%	Annual			CES
	Cllr Campbell	Overall value of the tourism economy	£1.3bn	£1.33bn	Data available Autumn 2016	n/a	A	A	A		tbc	Annual		The measurement of the value of the tourism economy is currently under review as part of a wider review of tourism data.	PL
	Cllr Campbell	Visitor numbers (adults)	9.79m	10.21m	8.59m	↓✘	2.22m	n/a			10m	↓	n/a	Q1 figures are for Jan - Apr 2016. The measurement of visitor numbers is currently under review as part of a wider review of tourism data.	PL
	Cllr Campbell	Visitor satisfaction	84%	91%	86%	↑✓	87%	n/a			> 86%	↑✓	n/a	The measurement of visitor satisfaction is currently under review as part of a wider review of tourism data.	PL
	Cllr Campbell	No. of ICT incidents of unplanned downtime impacting more than 50 users	30	6	4	↓✓	A	A	A		< 5	Annual			R
	Cllr Smith	No. of people supported into employment across all employment programmes delivered by Positive Steps	375	429	371	↓	76				276	↓	n/a	Cumulative - 76 against forecast of 81 in Q1 2015/16.	PL
	Cllr Smith	Survival rate of new start businesses supported by Blackpool Council	n/a	63%	96.6%	↑✓	B/A		B/A		90%	Bi-annual			PL
	Cllr Wright	% of third party expenditure which is directed towards local suppliers and companies	38%	39%	42%	↑✓	51%				45%	↑✓	↑✓		R
	Cllr Wright	Proportion of private-rented sector properties rented to people in receipt of Housing Benefit	89.33%	85.32%	84.22%	↓✓	A	A	A		Decrease on last year	Annual			PL
	Cllr Jackson	Bathing water quality - no. of areas rated Sufficient or better	1 out of 4	2 out of 4	4 out of 4	↑✓	A	A		A	4 out of 4	Annual			CES
Cllr Jackson	Satisfaction with the condition of highways	31.5%	41.3%	42.7%	↑✓	A	A		A	> or equal to 42%	Annual			CES	
Cllr Jackson	Satisfaction with highway maintenance	48.6%	51.6%	54.5%	↑✓	A	A		A	> or equal to 54%	Annual			CES	

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LEADER OF THE COUNCIL

Indicator Description	Better to be?
Average number of working days lost due to sickness absence per FTE	Low

2014/15	2015/16	2016/17				
		Q1	Q2	Q3	Q4	Target
10.37 days	11.32 days	11.34 days				10 days



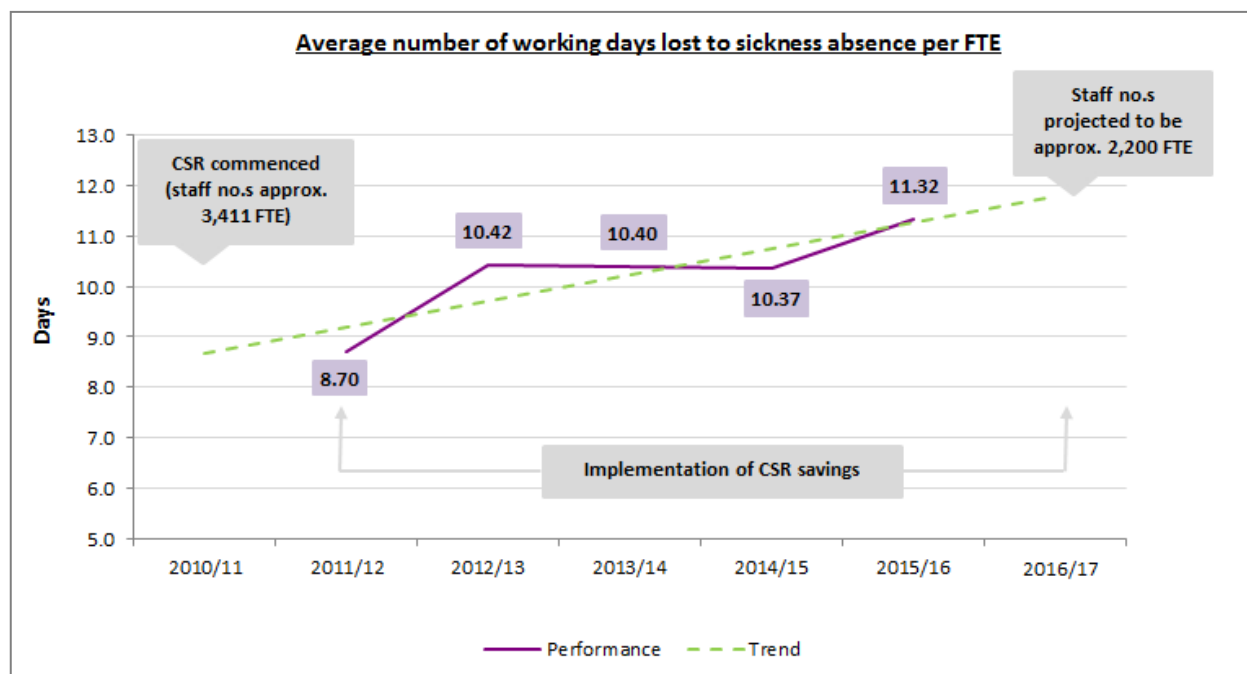
Commentary:

The average number of working days lost to sickness absence is currently 11.34 days per full time employee. Stress, depression and anxiety remain the most common cause at 21.83%, closely followed by other musculo-skeletal problems (excluding neck and back pain) at 19.65%. During the period 1 July 2015 – 30 June 2016, 53.69% of sickness absence was short-term and 46.31% was long-term.

There is a range of support available for employees and managers to help manage attendance; however there is an issue with compliance with corporate policies and procedures by line managers. In order to address this, a Leadership Charter has been created which will be linked to the IPA process and contains a pledge around delivering on promises and compliance.

There is also a whole host of ongoing work to improve employee health and wellbeing, including regular health events, the Myzone workplace challenge, training for coping with pressure and stress management, and access to advice and support for specific health issues such as stopping smoking, reducing alcohol consumption and cancer awareness.

Appendix 10(b) - Exception Reports (Q1 2016/17)



The graph above shows the average number of working days lost to sickness absence per FTE over the last 5 years as well as projected performance for 2016/17. The Comprehensive Spending Review commenced in 2010 which has resulted in the Council having to make considerable budget reductions over the last 5 years. There appears to be a correlation between the decrease in staff numbers as a result of compulsory and voluntary redundancy and the increase in sickness absence.

The main cause of sickness absence in 2011/12 was other musculo-skeletal problems (excluding neck and back pain). However, from 2012/13 onwards this was superseded by stress, depression and anxiety as the most common cause of sickness absence, presumably because there is increasing pressure on existing resources to continue to deliver services.

The table below looks at the most common reason for sickness absence for each department in 2015/16. Unfortunately it is not possible to compare the reasons for sickness absence over the last 5 years for each department due to multiple changes to the structure of the organisation during this time.

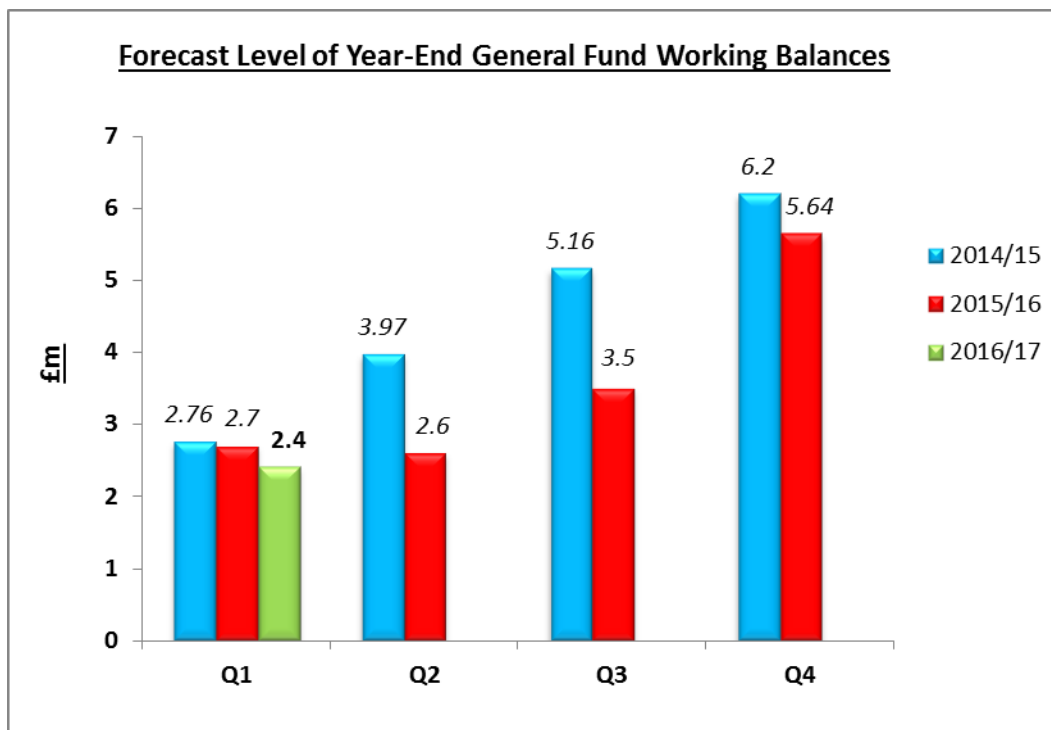
Department	Main Cause	% of Total Absence
Adult Services	Stress, depression and anxiety	36.89%
Chief Executive's	Chest and respiratory	65.2%
Children's Services	Stress, depression and anxiety	31.04%
Community & Environmental Services	Other musculo-skeletal problems	29.58%
Deputy Chief Exec's	Other	23.17%
Governance & Regulatory Services	Infections	27.85%
Places	Infections	21.6%
Public Health	Injury resulting from accident outside work	56.47%
Resources	Other musculo-skeletal problems	28.82%

As this indicator is reported as a 12 month rolling average it is not possible to link changes in performance on a quarterly basis to action taken by the Council or environmental factors. The Committee may like to consider receiving quarterly sickness absence data from 2017/18 instead of the current sickness absence indicator.

Appendix 10(b) - Exception Reports (Q1 2016/17)

Indicator Description	Better to be?
Forecast level of year-end General Fund working balances	High

2014/15	2015/16	2016/17				Target
		Q1	Q2	Q3	Q4	
£6.2m	£5.64m	£2.4m				> or equal to £6m



Commentary:

Further information on this indicator can be found in the Month 3 2016/17 Financial Performance Monitoring Report which will be considered by the Executive on 12 September 2016.

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Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Sharon Davis, Scrutiny Manager.
Date of Meeting	15 September 2016

SCRUTINY ANNUAL REPORT

1.0 Purpose of the report:

1.1 The Committee to consider the Scrutiny Annual Report 2015/2016.

2.0 Recommendation(s):

2.1 To approve the Scrutiny Annual Report 2015/2016.

3.0 Reasons for recommendation(s):

3.1 To ensure the scrutiny process continues to be fully accountable and an important part of the democratic process.

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? N/A

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priorities are

"The economy: Maximising growth and opportunity across Blackpool"

"Communities: Creating stronger communities and increasing resilience"

5.0 Background Information

At the end of each Municipal Year, a report is produced detailing the work carried out by the Council's Scrutiny Committees and Panels during the last year.

The report will be distributed to councillors, key officers and external organisations with an interest in the work of Overview and Scrutiny.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 11(a) - Scrutiny Annual Report 2015/2016

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 None.

10.0 Risk management considerations:

10.1 None.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

Focus

This annual report provides an overview of the work carried out by Scrutiny during the Municipal Year 2015/2016.

In 2015/2016 a new Scrutiny structure based on two committees was introduced to promote an increased focus on the Council's two priorities: The Economy: maximising growth and opportunity across Blackpool *and* Communities: creating stronger communities and increasing resilience. Alongside the new structure, a new culture of effective questioning and challenge of Executive Members, Senior Officers and key priorities and performance has been developed.

The change in structure and culture has made a huge impact to the way in which scrutiny is undertaken in Blackpool with more challenge being provided than ever before.

Resilient Communities Scrutiny Committee

The Committee has considered a number of key issues, including Child Sexual Exploitation, Social Care Placements, Mental Health provision and Respite Care alongside more general reporting from both Children's and Adult's Services on a regular basis.

In addition the Committee has held three special meetings. Two of these meetings have been focused on The Harbour, where Members have raised a number of concerns with Lancashire Care Foundation Trust regarding the provision of services to patients, lack of bed capacity in the mental health sector and lack of community provision.

The third meeting was a joint meeting with Members of the Tourism, Economy and Resources Committee due to the cross cutting nature of the items being considered. Thematic discussions on Homelessness and Domestic Violence were held resulting in recommendations to undertake further scrutiny of the health of homeless people and the Domestic Violence Strategy.

The Committee also undertook the statutory health scrutiny function receiving regular reports on topics such as performance from the Blackpool Clinical Commissioning Group, Blackpool Hospitals Trust and Healthwatch.

Scrutiny @ Blackpool ANNUAL REPORT 2015/2016

Tourism, Economy and Resources Scrutiny Committee

The Committee has successfully undertaken its role to scrutinise the functions and responsibilities within the portfolios of the Leader of the Council and Deputy Leader of the Council. Cabinet Members and senior officers have been held to account in terms of both decisions taken and proposed Key decisions.

Members have developed a focus on scrutinising relevant performance information to ensure that targets are met in order to improve outcomes in areas including Waste Services and Street Cleansing, Transience, Tourism and Car Parking.

The Committee has effectively undertaken its role in financial management monitoring as well as considering the calculated cumulative impact of budget cuts in Blackpool since 2011/2012. The Committee also held a Budget Consultation meeting with Non-Domestic Ratepayers and Trade Union Representatives to consider the budget proposals for 2016/2017.

With regards to the Committee's statutory responsibility, the performance of the Community Safety Partnership has been regularly scrutinised and officers and Members of the Partnership have been held to account.

The Committee has also undertaken its statutory scrutiny duty to consider the delivery of flood risk management and other duties in respect of bathing water management.

Looking Forward 2016/2017

A new Health Scrutiny Committee has been introduced to ensure effective scrutiny of health bodies and concerns in Blackpool. The Committee is developing its workplan to ensure a focused approach to scrutiny of health and will be continuing with the work the Resilient Communities Scrutiny Committee started on The Harbour.

The remit of the Resilient Communities Scrutiny Committee has been amended following the removal of Health Scrutiny and as such will have the capacity to focus on the effective scrutiny of Children's and Adults Services. The Committee hopes to hold a number of thematic discussions on key areas including Care at Home, Early Help and the Youth Justice System. Further joint pieces of work will be undertaken, as appropriate, moving forward.

The Tourism, Economy and Resources Scrutiny Committee will continue to monitor the financial performance of the authority, as well as monitoring performance of the Community Safety Partnership, Tourism, Council-owned Car Parks, Waste Services and Street Cleansing. The Committee will also look to embed scrutiny of the Council Plan in relation to the Council Priority: "The economy: Maximising growth and opportunity across Blackpool".

Pupil Referral Unit Scrutiny Review Panel



The Review Panel was established following concerns raised by the Resilient Communities Scrutiny Committee regarding the size of the Pupil Referral Unit in Blackpool. A single meeting was held to gather evidence and speak to appropriate officers and was a number of conclusions and recommendations were drawn to make improvements, all of which were accepted by the Executive.

Recommendations included providing a consistent approach to school exclusions and providing educational diversity in every school.

The Resilient Communities Scrutiny Committee has been monitoring the implementation of the recommendations and is pleased with the progress made to date.

Public Health Scrutiny Review Panel

The Resilient Communities Scrutiny Committee considered that there were a large number of issues raised in the Public Health Annual Report, which required more detailed consideration and so agreed to establish a Review Panel.

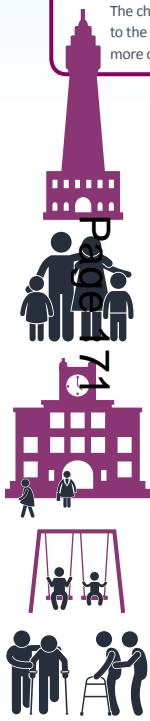
The Panel considered the wider determinants of health, targets and priorities moving forward, the revised Joint Strategic Needs Assessment and the Draft Health and Wellbeing Board Strategy.

The Panel considered that there was a significant amount of work being planned and undertaken to adequately try to address the findings in the Public Health Annual Report. Members made a number of recommendations which focused on helping to tackle health inequalities, reactions the Health and Wellbeing Strategy and identified future areas to be scrutinised. The report is subject to Executive approval.

Licensed Horse Drawn Hackney Carriages Scrutiny Review Panel



Following a referral from the Public Protection Sub-Committee, a Scrutiny Panel was held to review the Council's policy on licensed horse drawn hackney carriages, following an increase in the number of concerns, including the amount of horse droppings and the standard of driving. The Review Panel came to a number of conclusions and made a number of recommendations to the Executive, all of which were approved. Recommendations included undertaking a full health and safety risk assessment and investigating a potential driving test for operators. The Tourism, Economy and Resources Scrutiny Committee is actively monitoring the implementation of the recommendations.



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Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Sharon Davis, Scrutiny Manager.
Date of Meeting	15 September 2016

SCRUTINY WORKPLAN

1.0 Purpose of the report:

1.1 The Committee to consider the Workplan and to monitor the implementation of Committee recommendations, together with any suggestions that Members may wish to make for scrutiny review topics.

2.0 Recommendation(s):

2.1 To approve the Committee Workplan, taking into account any suggestions for amendment or addition.

2.2 To monitor the implementation of the Committee’s recommendations/action.

3.0 Reasons for recommendation(s):

3.1 To ensure the Workplan is up to date and is an accurate representation of the Committee’s work.

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? N/A

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 N/A

5.0 Background Information

5.1 Scrutiny Workplan

- 5.1.1 The Scrutiny Committee Workplan is attached at Appendix 12(a). The Workplan is a flexible document that sets out the work that the Committee will undertake over the course of the year.
- 5.1.2 Committee Members are invited, either now or in the future, to suggest topics that might be suitable for scrutiny in order that they be added to the Workplan.

5.2 Monitoring Implementation of Recommendations

- 5.2.1 The table attached at Appendix 12(b) details the recommendations that have been made by the Tourism, Economy and Resources Scrutiny Committee and an update for Members as to the implementation of those recommendations.
- 5.2.2 The Committee is recommended to monitor its recommendations over the course of the year.

5.3 Scrutiny Review Checklist

- 5.3.1 The Scrutiny Review Checklist is attached at Appendix 12(c). The checklist forms part of the mandatory scrutiny procedure for establishing review panels and must therefore be completed and submitted for consideration by the Committee, prior to a topic being approved for scrutiny.
- 5.3.2 The Committee is recommended to place an emphasis on the priorities and performance of the Council when considering requests for scrutiny reviews.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 12(a) – Tourism, Economy and Resources Scrutiny Committee Workplan

Appendix 12(b) – Monitoring Committee Recommendations table

Appendix 12(c) - Scrutiny Review Checklist

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 None.

10.0 Risk management considerations:

10.1 None.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

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TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE WORKPLAN 2016/2017	
16 June	Impact of Channel Shift and performance of Customer Services Tourism Update report Car Parking 2015/2016 Performance CSP - Annual Performance of the Blackpool Community Safety Partnership.
21 July	Council Plan – Performance Monitoring - Economy Transience Update Performance of Economic Development Company
15 September	Financial Reporting Provisional Revenue Outturn 2015/2016 Treasury Management Outturn Report 2015/2016 Medium Term Financial Strategy Council Plan – Performance Monitoring – Economy Scrutiny Annual Report
27 October	Financial Reporting CSP performance report Waste Collection Annual Customer Feedback Report Economic Development
15 December	Financial Reporting Council Plan – Performance Monitoring - Economy Tourism Update Car Parking 2015/2016 Performance Combined Authority
2 February 2017	Financial Reporting Bathing Water Quality Annual Report Flood Risk Management and Drainage Annual Report
16 March	Financial Reporting Council Plan – Performance Monitoring – Economy
4 May	3GS Evaluation

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MONITORING THE IMPLEMENTATION OF SCRUTINY RECOMMENDATIONS

DATE OF REC	RECOMMENDATION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
21.01.16	To establish a Scrutiny Panel to review target setting for 2016/2017 and to consider the content of future performance reports.	Spring 2016	Chris Kelly / Sally Shaw	The Panel met on 27 June 2016 and endorsed the Corporate Delivery Unit approach to target setting.	Green
21.01.16	A full health and safety risk assessment be undertaken considering Licensed Horse Drawn Hackney Carriage operations on the Promenade, which would specifically include the considerations of operations on a Friday evening.		Sean Powell, Senior Technician (Traffic Management)	Meetings are to be held to discuss proposals/options with all stake holders (Landaus, Licencing, Police etc.).	Amber
21.01.16	The Head of Licensing Services to investigate that the insurance cover required of Licensed Horse Drawn Hackney Carriage Operators is suitable and fit for purpose and if it is found to not be fit for purpose the matter to be brought to the attention of the Tourism, Economy and Resources Scrutiny Committee for its consideration.		Sharon Davies, Head of Licensing Services	Carriage House and Zenith are the main insurance providers to the trade and the licensing service is satisfied that the insurance cover they offer is suitable and fit for purpose. The remaining policies are being checked to ensure that they offer the same level of cover.	Green
21.01.16	The Head of Licensing Services to investigate establishing a more stringent and rigorous driving test for horse drawn		Sharon Davies, Head of Licensing Services	Consultation has taken place on the draft licensing policy which contains details of the extended test. This policy is due to be considered by the Licensing Committee at its next meeting in September/October 2016.	Amber

	<p>carriage operators. The new test should include:</p> <p>a) A theory test element</p> <p>b) Part of the test to be conducted off the public highway to examine drivers' control of the carriage and ability to perform manoeuvres, as well as testing on animal husbandry and attaching the dung catching device.</p> <p>c) An increased amount of test time on the promenade</p> <p>d) Following completion of the above elements of the new test, the Horse Drawn Carriage Operator should be given a 'provisional licence'. A full licence would then only be given following the completion of an appropriate number of supervised hours with an experienced Licensed Horse Drawn Hackney Carriage Operator. It was suggested that 100 hours may be considered.</p>			<p>Discussions have been taking place with the trade on detailed proposals for the test</p>	
21.01.16	<p>A comprehensive review of the Licensed Horse Drawn Hackney Carriage Policy and Fare structure be undertaken by the Head of Licensing Service.</p> <p>a) This review to be undertaken with the Highways Service and representatives of Licensed</p>		<p>Sharon Davies, Head of Licensing Services and Sean Powell, Senior Technician (Traffic Management).</p>	<p>The policy is due to be considered by the Licensing Committee at its next meeting in September/October 2016.</p> <p>Discussions over the fare structure have taken place with the trade and a proposed new fare structure to be considered by Public Protection Sub Committee at their meeting in August 2016</p>	Amber

	Horse Drawn Hackney Carriage Operators, in order to consider where it would be appropriate to prohibit U-turns on the promenade.				
21.01.16	The Head of Licensing Services to investigate the cost and feasibility of ring-fencing part of the licence fee for clean-up operations during busy periods, with a view to allocating appropriate resources to reduce horse waste on the promenade in busy periods.		Sharon Davies, Head of Licensing Services	The licensing service is in the process of paying for three additional bins requested by the trade for them to use to empty the landau nappies into. This will cost approximately £1200. There is no additional income from the fees available to pay for additional street cleansing activities.	Green
21.01.16	The Head of Licensing Services to investigate the possibility of having different, separate stands for horse drawn carriages and motorised licensed hackney carriage vehicles and dedicated change over areas.		Sharon Davies, Head of Licensing Services	It is not legally possible to distinguish between horse drawn and motorised hackney carriages. Discussions with the trade have commenced about change over areas.	Green
21.06.16	A dedicated Forum for Licensing Services and Licensed Horse Drawn Hackney Carriage Operators be established to meet three times per year. It was suggested those times be at the start, once during and after the main tourist season and that Licensing Services would administer that Forum.		Sharon Davies, Head of Licensing Services	The forum has been established and has met on two occasions chaired by Councillor Hutton. A further meeting is to be scheduled in September 2016.	Green

31.03.16	To approve the recommended item for consideration from the Audit Committee to receive a report on the impact and performance of the CCTV Service.	As soon as appropriate data is available	Paolo Pertica	A report into the impact and performance of the CCTV service has been added to the Workplan.	Amber
16.06.16	To request that the total figure for sundry debt write-offs for 2015-2016 be circulated amongst Committee Members following the meeting.	Before next meeting.	Steve Thompson	The information was circulated to Committee Members on 29 June 2016.	Green
16.06.16	To request that the Visitor Economy Performance Indicator report be circulated to Members on a monthly basis.	Before next meeting.	Philip Welsh	The information was circulated to Committee Members on 29 June 2016.	Green
21.07.16	To request that the evaluation of the 3GS Environmental Enforcement Solutions pilot be presented to the Committee once it had been completed.	As soon as appropriate data is available	John Blackledge	To be incorporated into the Committee's workplan.	Amber
21.07.16	To request that the enforcement objectives of 3GS Environmental Enforcement Solutions be circulated to Committee Members for further information.	Before next meeting.	John Blackledge	Information sent to Members on 26/8/2016	Green
21.07.16	To request that in the event of the Combined Authority developing a Lancashire Local Transport Plan, the Committee had the opportunity to consider the impact of the Plan in Blackpool, before its final approval.	No current target date	Alan Cavill	To be incorporated into the Committee's workplan in due course.	Amber

21.07.16	To recommend that the support for officers for dealing with stress also be provided for Members.	As soon as appropriate	Catherine Jones	Invitations for Coping with Pressure training sessions sent out on 30/8/2016.	Green
21.07.16	To request that data on sickness absence over the past five years be circulated to Members outside of the meeting.	At the next meeting.	Ruth Henshaw	To be reported in September's meeting.	Amber
21.07.16	To request that information on the plans to increase the number of people registered on the electoral roll be circulated to Members outside of the meeting.	Before next meeting.	Joanne Johnson	Information sent to Members on 26/8/2016	Green
21.07.16	To request that the evaluation report with a section on how the transience programme was being marketed be considered at a future meeting of the Committee once it had been completed.	Once the evaluation report is completed.	Andy Foot	To be incorporated into the Committee's workplan in due course.	Amber

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SCRUTINY SELECTION CHECKLIST

Title of proposed Scrutiny:

The list is intended to assist the relevant scrutiny committee in deciding whether or not to approve a topic that has been suggested for scrutiny.

Whilst no minimum or maximum number of 'yes' answers are formally required, the relevant scrutiny committee is recommended to place higher priority on topics related to the performance and priorities of the Council.

Please expand on how the proposal will meet each criteria you have answered 'yes' to.

	Yes/No
The review will add value to the Council and/or its partners overall performance:	
The review is in relation to one or more of the Council's priorities:	
The Council or its partners are not performing well in this area:	
It is an area where a number of complaints (or bad press) have been received:	
The issue is strategic and significant:	
There is evidence of public interest in the topic:	
The issue has potential impact for one or more sections of the community:	
Service or policy changes are planned and scrutiny could have a positive input:	
Adequate resources (both members and officers) are available to carry out the scrutiny:	

Please give any further details on the proposed review:

Completed by:

Date: