

Blackpool Council – Growth & Prosperity

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2018/19 (UNDER)/OVER SPEND B/FWD £000
	2019/20					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GROWTH & PROSPERITY						
NET EXPENDITURE						
GROWTH & PROSPERITY	(6,877)	(909)	(1,571)	(2,480)	4,397	-
TOTALS	(6,877)	(909)	(1,571)	(2,480)	4,397	-

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 10 months of 2019/20 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

There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to have a pressure of £4,397k. The 'Cash Limited Budgeting' policy allows for overspends to be carried forward if there is a plan in place to deliver. The accounting mechanism is that the overspend is to be funded from Earmarked Reserves in 2019/20 and recovered in 2020/21. An income target transferred to Growth & Prosperity during the year from the Business Loans Fund of £1.9m, part of which was to contribute to post-Ofsted costs of £1,188k falling on Children's Services, was to be derived from increased income from investment properties. Due to the complex nature of these projects delays have arisen which will now result in an in-year overspend.

Whilst this is disappointing it is not a result of a failure of projects or even an unexpected shortfall in income but rather a question of timing. All projects that were to contribute to the target are still proceeding well and should deliver beyond the target if taken over the 2 year period from 2019/20 to 2020/21. The target over these 2 years is £12.1m. The income is made up of a number of key projects as follows:-

- Blackpool Central – the land deal has now been agreed and because this took a few months longer than originally anticipated the initial receipt of £4.5m is not now likely to be received until after 2019/20.
- Housing Sites – including Ryscar Way and Blackpool Road have been delayed. The planning process is taking longer than planned. Ryscar Way terms are agreed and will now deliver a significant receipt which will be reported separately to the Executive. Marketing for Blackpool Road has commenced although as planning consent has not yet been achieved we have not invited final bids, but have an indication of values from discussions with developers. Once planning is achieved we are expecting capital receipts including Ryscar Way of c. £10m.

- Several projects yield revenue funding for the Council including for example the ATOS building in Lytham, town centre shops and the Houndshell Shopping Centre. In all, these projects bring some £2.5m of revenue annually.

The total income that is scheduled to arise from all these over the 2 years in question is in the order of £17m – well above the target and as such Growth and Prosperity is confident that the target will be met.

A number of avenues are being explored to enable the use of capital receipts to fund revenue and we are confident that these will be achieved.

In addition, there are a number of other smaller projects in the pipeline that will yield further income and provide for additional contingency.

There have also been other regeneration and non-General Fund financial benefits attributable to Growth and Prosperity initiatives such as job creation and improved business rate yield.

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