

Public Document Pack

Blackpool Council

26 January 2024

To: Councillors Benson, N Brookes, Burdess, Farrell, Hobson, Hugo, M Smith, Taylor and Williams

The above members are requested to attend the:

EXECUTIVE

Monday, 5 February 2024 at 6.00 pm
in Committee Room A, Town Hall, Blackpool

A G E N D A

1 DECLARATIONS OF INTEREST

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

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

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 FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2023/24 AND MEDIUM TERM FINANCIAL PLAN 2024/25 - 2026/27 (Pages 1 - 68)

To report the level of spending and exposure against the Council's Revenue budgets and reserves and balances for the first 9 months to 31 December 2023. The report also includes an update on the Medium Term Financial Plan 2024/25 – 2026/27.

3 PROPOSED RENT REVIEW 2024/25 (Pages 69 - 86)

To consider recommending to the Council the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2024/25.

4 GENERAL FUND REVENUE BUDGET, COUNCIL TAX AND DEDICATED SCHOOLS GRANT FOR 2024/25 (Pages 87 - 236)

To recommend to Council to determine the overall level of net expenditure to be included in the General Fund Revenue Budget for 2024/25, to identify a budget savings plan that will ensure a balanced budget in-year incorporating an agreed level of Council Tax, to outline the proposals for the use of the Dedicated Schools Grant and the allocation of schools funding for 2024/25.

5 CAPITAL STRATEGY 2024/25 TO 2026/27 (Pages 237 - 260)

To consider recommending to Council the Capital Strategy for 2024/24 to 2026/27 and its complimentary document the Property Investment Strategy for 2024/25

6 CAPITAL PROGRAMME 2024/25 TO 2026/27 (Pages 261 - 284)

To consider recommending to Council the 2024/25, 2025/26 and 2026/27 Capital Programmes.

7 TREASURY MANAGEMENT STRATEGY 2024/25 (Pages 285 - 320)

To consider and recommend to Council the Treasury Management Strategy 2024/25.

8 EXPANSION OF HIGHFURLONG SPECIAL SCHOOL (Pages 321 - 328)

To seek approval for the increased budget for the development of The Meadow site at Highfurlong School to accommodate a two-storey extension and associated facilities, to ensure sufficient local provision for children and young people with special educational needs and disabilities (SEND).

Venue information:

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

Other information:

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

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

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Meeting:	5 February 2024

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 9 2023/24 AND MEDIUM TERM FINANCIAL PLAN 2024/25 – 2026/27

1.0 Purpose of the report:

1.1 To report the level of spending and exposure against the Council’s Revenue budgets and reserves and balances for the first 9 months to 31 December 2023. The report also includes an update on the Medium Term Financial Plan 2024/25 – 2026/27.

2.0 Recommendation(s):

2.1 To note the report.

2.2 To require the respective directors, Chief Executive and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically the social care services, Growth and Prosperity and Community and Environmental Services.

2.3 To prompt the Scrutiny Leadership Board to continue to independently review the financial and operational performances of Council services.

2.4 To continue to lobby central government (Department for Levelling Up, Housing and Communities, Department for Health and Social Care and Department for Education in particular) along with local authority peers and networks and the Local Government Association for the funding necessary to cope with the burdens and demands presenting as a result of exceptional inflationary pressures and demographic demands upon statutory services.

2.5 To continue to work towards target working balances of £6m by 31 March 2024 rising to £8m by 31 March 2025.

3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council’s Revenue Budget and its reserves and balances is kept under timely review by members.

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

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

4.0 Other alternative options to be considered:

None.

5.0 Council Priority:

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

6.0 Background Information

6.1 Introduction and Context

Over the 13-year period 2011/12 – 2023/24 cumulative Revenue Budget savings amounting to £218.0m have been required to be made by Blackpool Council in order to balance its Revenue Budget each year. This is greater than the Council’s current annual Net Requirement Budget of £176.2m and even more starkly the compound effect over the same period amounts to nearly £1.6bn of resource that has been removed from the Blackpool economy. This reflects one of the highest reductions per head of population across local authorities in England and in an environment of growing demand upon services as befalling an authority with such recognised pockets of significant deprivation.

The principles of the Medium-Term Financial Sustainability Strategies 2016/17 - 2021/22 and 2021/22 - 2026/27 have been used to successfully keep pace with and deliver budget savings plans year after year. However, in tandem the soaring demand for child protection services and adult social care provision plus the rising costs of providing such care are still creating a burden that current levels of local taxation and Government funding struggle to meet. In addition, the financial consequences of Covid have been material (£3.16m in 2020/21 and £2.59m in 2021/22 both net of Government grants) with little prospect now of any further Government financial support.

The last 13 years have seen unprecedented volatility within local government finance: 9 years of successive central government funding cuts between 2011/12 – 2019/20 were followed by the United Kingdom’s exit from the European Union, 2 years of a global pandemic with legacy consequences and a war within the European continent whilst a promised Fair Funding Review has now been delayed by a decade. Indeed the most favourable social care grants currently receivable are based on a relative needs formula of 2013 which themselves are based on 2001 census data. This has all conspired to produce a perfect storm of labour and supply shortages, pay demands, excessive inflation, continually rising interest rates in the Bank of England’s attempt to stem the pressure and a central government funding system that is decades out of synchronisation. During this period the Council has strived to i) deliver its annual budget in line with statutory requirements; ii) maintain its reserves and balances at stable and appropriate levels that reflect the risk environment; iii) consistently fund and deliver the ambitions of successive administrations; and iv) deliver for the people of Blackpool. However, here in the present, sector experts and economic commentators cannot agree how and when these key drivers of the economy will land, which makes medium-term financial planning and financial management extremely challenging.

When the Revenue Budget for 2023/24 was approved by Council on 22 February 2023, realistic service budgets had been agreed and set, an achievable budget savings plan was in place, reasonable levels of working balances and earmarked reserves were available and the medium-term outlook was as favourable as it had been for some time with additional Government support for social care funding having been announced. However, within weeks local government employers had made a pay offer at nearly three times that provided within the Budget, non-pay inflation remained stubbornly high with June CPI at 7.9% and RPI at 10.7% though welcome reductions being seen in electricity and gas costs, the more costlier social care cases experiencing growing demand, the base rate increasing (for the 14th consecutive time in August) and inevitable consequential pressures emerging from some of the Council’s capital schemes.

- 6.2 This report sets out the summary revenue budget position for the Council and its individual directorates for the first 9 months of 2023/24, i.e. the period to 31 December 2023, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council’s latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary. It also incorporates the impact of the Council’s wholly-owned companies for which the Council is parent company and underwriter.

Separate reports have been prepared for each of the Council’s core areas of responsibility:

- Appendix 2b - Chief Executive
- Appendix 2c - Governance and Partnership Services
- Appendices 2c/d - Ward Budgets
- Appendix 2e - Resources
- Appendix 2f - Communications and Regeneration
- Appendix 2g - Strategic Leisure Assets
- Appendix 2h - Growth and Prosperity
- Appendix 2i - Community and Environmental Services
- Appendix 2j - Adult Services
- Appendix 2k - Children's Services
- Appendix 2l - Public Health
- Appendix 2m - Budgets Outside the Cash Limit
- Appendix 2n - Housing Revenue Account
- Appendix 2o - Wholly-owned Companies

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2023/24. 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.

The combined effect of the directorates' financial performances is aggregated in a summary financial statement at Appendix 2a which mirrors the Council's Revenue Budget Book. This summary allows proactive month-on-month monitoring of the Council's forecast working balances to be undertaken to ensure appropriate and prudent levels are maintained.

6.3 **Budget Performance**

At its meeting on 8 November 2021 the Executive approved the Medium-Term Financial Sustainability Strategy for 2021/22 to 2026/27. As part of the Strategy it was agreed that due to the current level of financial risk and volatility the roll forward of service budget under and overspends is suspended in order that finances can be managed more strategically at corporate level. The exception to this related to any underspend in respect of the scheme commitments on Ward Budgets, however because 2023/24 is an election year there will be no carry-forward in accordance with an earlier overriding Executive decision.

The full-year forecast position at this stage of 2023/24 shows an improvement in the Council's financial standing when compared with the estimated draft unaudited position as at the close of 2022/23 which showed working balances of £2,459k. Working balances are expected to increase to a balance of **£5,021k** by the end of 2023/24 after taking account of the budgeted transfer of £4,335k to working

balances. Plans are being developed to address the in-year pressures identified in this report with fortnightly meetings held between the Chief Executive, Director of Resources and respective directors of the more pressured services.

The Council’s Revenue Budget for 2023/24 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 and to continue to work towards target working balances of £6m by 31 March 2024 rising to £8m by 31 March 2025.

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 9 forecast overspend of **£1,773k** for 2023/24 are summarised below:

Directorate	Service	Forecast Variance £000
Children’s Services	<p>An overspend of £6,537k is forecast. Children’s Social Care Placements is forecasting an overspend of £5,830k, mainly due to new-to-care placements being higher than those exiting care and the additional support required following the breakdown of high-cost placements. The actual number of residential placements as at 31 December 2023 is 70 with this forecast to reduce to 68 by 31 March 2024, whereas the plan suggested there would be 63 as at 31 December 2023 reducing to 60 by the end of March 2024. There was also an additional savings target of £1,924k, of which only £1,165k is anticipated to be met this financial year, leaving a budget gap of £759k.</p> <p>However, the number of Children in Care continues to reduce and currently sits at 534 children. This brings Blackpool from a rate of 218 per 0-17 10,000 population to 194. The ambition is to bring ourselves in line with comparator Local Authorities over the next couple of years and we are confident that this ambition will be realised. Officers have seen this reduction as a result of reduced entry into care, and increased numbers exiting our care system. Within the cohort of Children Looked After, the Council has had a higher than national average of children in residential placements. Residential settings, for most children, are not the optimum placement and these children do not usually have the same degree of positive outcomes as children in foster placements, or family placements for example.</p>	6,537

	<p>Residential placements are costly, with unit costs rising year on year by 14.1%. We have seen movement in the numbers of residential placements, from 84 to 70 as a result of a focused, ongoing piece of work led by our newly recruited Head of Service for Supporting our Children. We have reviewed a number of care plans and as a result children have been moved from residential settings to settings that better meet their needs, always ensuring their safety and individual needs are at the forefront when planning.</p> <p>The service has additionally seen a reduction in agency social work staff during the last 12-18 months. In 2021/22 the service had rates of up to 40% agency staff in some teams. A refreshed Workforce Strategy, overseen by a Workforce Board, chaired monthly by the Director of Childrens Services, has seen a reduction of agency staff to under 15% across the social care teams. The national average is now 17% and regionally the rate is much higher. The last set of regional data put Blackpool at the lowest for agency rates. Officers continue to monitor this closely in a challenging and competitive market.</p>	
Adult Services	<p>An overspend of £2,039k is forecast. Adult Commissioning Placements is forecasting an overspend of £2,402k. There are savings shortfalls of £1,012k from the proposal in which the Integrated Care Board (ICB) were expected to provide additional income of £1.6m into the Better Care Fund (BCF) and a further shortfall on additional funding streams of £337K. There is a pressure of £1,607k in Supported Living due to additional packages of care including children’s transitions, along with £563k of pressures due to additional packages of short-term care linked to hospital discharge. £439k pressures relates to Out of Area Residential and Nursing Placements fee uplifts being significantly greater than forecast in addition to a further £515k of pressures across this area of service offset by £2,000k additional client contributions. There is a £139k underspend on Homecare whereby 1:1 hours have been recommissioned correctly as Daycare hours resulting in a pressure on Daycare of £143k. Direct payment pressures of £684k are resulting from a forecasted reduction in claw-backs based on year-to-date actuals and a number of ad-hoc payments being made</p>	2,039

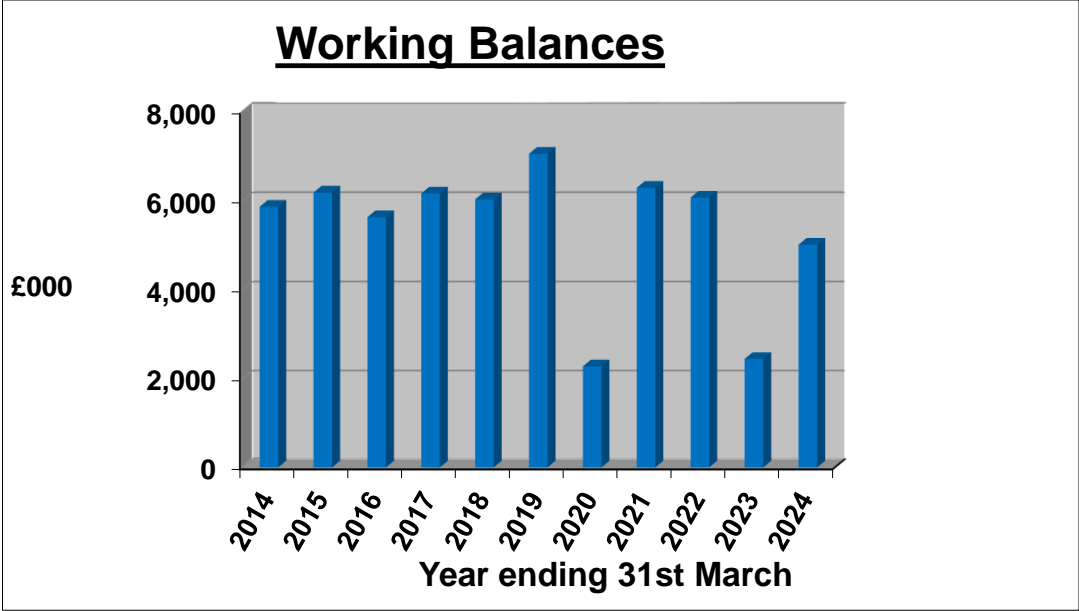
	<p>outside of the Mosaic Interface. There is £602k in the forecast relating to the recently announced Market Sustainability and Improvement Fund which is being used to offset the residential/nursing top-ups and Out of Area fee rates. Savings of £58k have arisen within Supporting People due to additional grant contributions along with a further saving of £99k in Service Management. Adult Social Care and Care and Support are forecasting an underspend of £363k due to the level of vacant positions.</p>	
Community and Environmental Services	<p>An overspend of £690k is forecast. Business Services is reporting a pressure of £1,300k due to ongoing projects being carried out in year by the service. Savings have been identified within the Directorate to deliver these projects. Children’s Transport Services is reporting an overspend of £690k due to an increase in demand for Special Educational Needs transport relating to a growth in Education Health and Care Plans. Public Protection is currently forecasting a saving of £50k due to staff vacancies. There are pressures within Licencing, where the income forecast is currently under budget, however, savings have been identified within other areas of Public Protection which will mitigate this. Leisure Services is forecasting a saving of £150k due to savings within staffing and increased income within the Learn to Swim scheme. Catering is facing a pressure due to the increased cost of provisions, but this is expected to be met through reserves. Waste Services are forecasting savings of £200k. An inflationary uplift has been applied to the contract in Public Conveniences, however, Trade Waste income is forecasting an increase against budget to offset this pressure. Highways and Traffic Management Services is currently forecasting an underspend of £400k due to staffing vacancies within Highways & Engineering and the capitalisation of staff costs. Coastal and Environmental Partnerships is currently forecasting a saving of £500k due to additional Coastal income being received.</p>	690
Communications and Regeneration	<p>An overspend of £26k is forecast. Tourism and Communications is forecasting a pressure of £66k due to increased costs of £50k in Visit Blackpool and a £16k pressure in Illuminations due to storm damage to the display. Economic Development and Cultural Services is currently forecasting an underspend of £40k due to vacant posts.</p>	26

Strategic Leisure Assets	Strategic Leisure Assets is forecasting an underspend of £636k due to a reduction in the forecast repair spend and a release from reserves no longer expected to be required. In accordance with the original decision for this programme by the Executive on 7 February 2011 any under or overspend on Strategic Leisure Assets will be transferred to an Earmarked Reserve. The cumulative deficit as at March 2022/23 was £10,690k. In 2023/24 a transfer of £1,420k has been made to Contributions to Reserves reducing this deficit balance to £9,270k. This transfer is in line with the budget. The above underspend will further reduce this deficit to £8,634k. The latest Leisure Assets medium-term financial plan currently expects the service to break-even, in-year, from 2023/24 and cumulatively by 2034/35.	Nil
Growth and Prosperity	An underspend of £2,500k is forecast. This is due to the expectation of proceeds raised from the current work programme exceeding costs including prudential borrowing. This figure has reduced from period 5 due to a revised forecast relating to the costs of regeneration projects. The Executive at its meeting on 8 November 2021 agreed to the approach to transition out the Growth and Prosperity net revenue budget target over a 2-year period, 2022/23-2023/24, with any proceeds subsequently realised from the existing work programme being directed to bolstering reserves and any new proceeds being retained by Growth and Prosperity for re-investment. This surplus will be transferred to Earmarked Reserves to go against the current balance. The cumulative deficit as at March 2022/23 was £10,125k and it is therefore expected that the balance at the end of 2023/24 will be £7,625k.	Nil
Public Health	A break-even position is forecast. The Public Health Directorate is forecasting spending the full grant of £19,858,394 in the financial year to March 2024.	Nil
Governance and Partnership Services	An underspend of £32k is forecast. Corporate Legal Services is forecasting a £50k overspend due to additional staffing costs. Information Governance is forecasting an underspend of £37k due to increased income and a release of reserves that is now deemed as no longer required. Life Events and Democratic Governance are forecasting an underspend of £45k due to staff turnover.	(32)

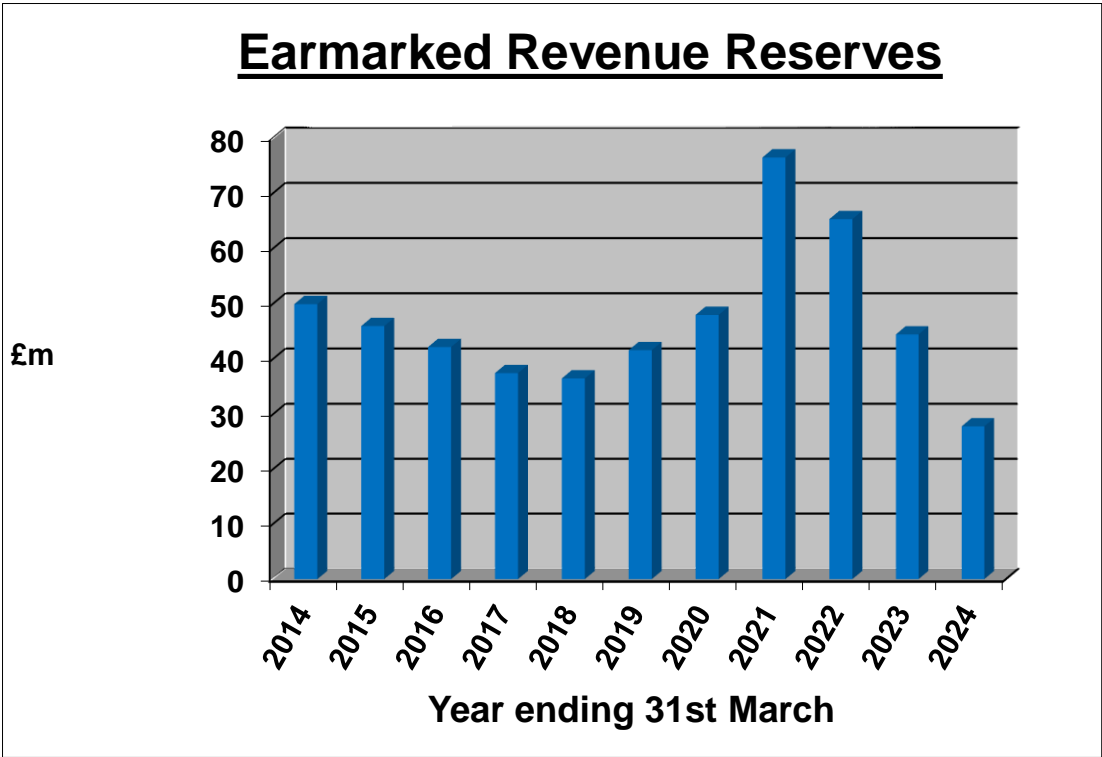
Chief Executive	An underspend of £200k is forecast due to a release of a reserve now deemed as no longer required. Housing is currently forecasting a break-even position. However pressures in Homelessness Services to support people to whom a responsibility is owed are, along with other authorities, high and continue to rise. Despite successful work in year to reduce the number of households requiring emergency temporary accommodation and reducing the time spent in B&B for those for whom another option is not available, the service is projecting to spend over £1m on this accommodation this year alone.	(200)
Resources	An underspend of £276k is forecast. Savings across the Directorate relate to staff vacancies, dis-establishment of posts, additional income from HMRC and other income generation opportunities.	(276)
Budgets Outside the Cash Limit	An underspend of £1,465k is forecast. Parking Services is currently forecasting a £300k overspend due to lower than budgeted income. The ability to maintain this position depends on the impact of the cost of living crisis, the quality of the Easter holiday season, the impact of dynamic parking and the availability of parking due to regeneration projects within the town. Treasury Management is forecasting an underspend of £1,600k, which includes £2,581k of prudential recharges to services and means that the £150k savings target will be met in 2023/24 and an increase in interest received from investments providing additional income of £660k. Offset against this is £1,661k pressure relating to higher interest rates on temporary borrowing and a reduction in the interest charge to the Housing Revenue Account as less borrowing is required in 2023/24 than originally budgeted. However, interest rates are predicted to increase over the duration of the financial year and these increases are likely to have a negative impact on the current position of the service. The Council is currently using 50:50 temporary and long-term borrowing to finance prudentially-funded capital expenditure and this gearing is under continual review by the Treasury Management Panel. The Business Loans Fund has a savings target of £154k and is forecasting a surplus of £20k as new business loans have been awarded at higher repayment rates than originally forecast for 2023/24. The position has worsened since M8 as interest rates have been increased from 4.5% to 5% in the forecast and	(1,465)

	<p>there have been changes in drawdown amounts and dates for certain loans which has resulted in a surplus in year. Following a review of the Minimum Revenue Provision (MRP), which was approved by the Executive on 8 February 2021, a saving of £5,158k is forecast to be achieved in 2023/24. Subsidiary Companies is forecasting a £35k saving due to a reduction in charges, mainly relating to debt management. Concessionary Fares is forecasting a £130k saving due to concessionary passenger numbers being 42% lower than pre-Covid levels, though the Council remains committed to paying at a minimum of a 70% safety net level in line with Department for Transport guidance until March 2024. All other services within Budgets Outside the Cash Limit are forecasting no in-year pressures in 2023/24.</p>	
Contingencies and Reserves	<p>The original Contingencies Cash Limited Budget was £7,722k. Movements out of Contingencies since the beginning of the financial year have been reflected in services' Cash Limited Budgets. There is an overspend of £388k relating to Single Persons Discount. Non-pay inflation is expected to underspend by £804k and there are various minor underspends totalling 313k. Adult Services have updated the Adults Reserve forecast and this is reflected in the Reserve tables below. This has also improved the Contingencies position by £1,000k. There is an additional Public Health saving of £200k and a Business Rate refund relating to Central Car Park of £505k. The overall net impact is therefore an underspend of £2,434k. A Capital Reserve of £3,112k has been released into Working Balances as it is no longer needed.</p>	(5,546)
Total		1,773

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



Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves (ERR) for such longer-term commitments as future Private Finance Initiative payments, uncertainties within the Localised Business Rate system and self-insured risks and insurance excesses. In order to present a complete picture of the Council's financial standing an equivalent graph to that of working balances, including a projection to 31 March 2024, is shown below:



Provisional Available Earmarked Reserves	£m
Provisional Balance at 1 April 2023	47.623
Less: Savings target	(9.946)
Add: Growth and Prosperity Reserve	2.500
Add: Strategic Leisure Assets Underspend	0.636
Less: Savings targets in services to be transferred from reserves	(0.440)
Less: Transfer in 2022/23 to be used in 2023/24	(3.112)
Less: Estimated other movements in 2023/24	<u>(9.394)</u>
Forecast Available Earmarked Revenue Reserves as at 31 March 2024	<u>27.867</u>

6.4 **Budget Savings**

Appendix 2p comprises a summary schedule showing the progress made by directorates in achieving their revenue budget savings targets for 2023/24 which total £23,395k. As at 31 December 2023 72% of the 2023/24 recurrent savings target has been delivered. The full-year forecast predicts that 88% will be achieved by the year-end. All of the saving has now been found recurrently.

6.5 **Collection Rates**

Council Tax

Being the most deprived local authority in England per the Office for National Statistics, collection of Council Tax is a challenge but 2022/23 saw an improvement in collection rate to 5th lowest and this progress has continued with the amount collected for Council Tax (excluding Police and Fire precepts) being £52.3m and the collection rate **75.3%** at the end of month 9. This compares to £49.2m and 75.7% at the same point in 2022/23. The amount collected has risen by £3.1m, which is mainly due to increases in both the Council Tax rate and base.

In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme the target collection rate is still 97.5% over a 4-year collection period as approved on 31 January 2023 as part of the setting of the Council Tax Base for 2023/24.

Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1 April 2013. It is approved annually to ensure that a local Council Tax Reduction Scheme is in place by the start of the following financial year thereby avoiding the financial risks associated with the Government imposing a default scheme. The current 2023/24 Scheme was approved

by the Executive on 23 January 2023 to ensure that Council Tax support is available to pensioners and the working aged based upon a means test.

At the end of month 9 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS either for the first time or in addition to a proportion of their Council Tax was £1.9m and the collection rate was **54.9%**. This compares to £2.5m and 61.3% at the same point in 2022/23.

The likely impact for 2023/24 is that the underlying rate of collection of Council Tax Reduction Scheme will be under similar pressure to 2022/23 due to accumulated arrears, limits on the amount that can be recovered from Attachment of Benefits and the impact of the cost of living crisis on disposable household income.

Business Rates

Prior to 1 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. Since then the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%) other than for an intermittent period when Blackpool Council participated in a Lancashire-wide pooling arrangement.

During 2022/23 Blackpool's collection rate rose significantly from 21st lowest in England to 32nd lowest and this progress has continued with the amount collected for Business Rates being £29.2m and the collection rate **78.0%** at the end of month 9. This compares to £33.2m and 78.0% at the same point in 2022/23. 2022/23 excludes the s31 Extended Retail/Nurseries, etc. relief provided by central government which reduced to 50% in 2022/23. This will have a slight impact on future collection rates.

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

In the 9 months to the end of December 2023 - 845 business rate summonses were issued.

6.6 Capital Monitoring Performance

All active capital schemes have been included within Appendix 2q. 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.

The report includes the Capital Programme as approved by the Executive on 6 February 2023. The month 9 report includes this data for comparative purposes. Future reports may show further changes in the Capital Programme, representing schemes that were approved after submission of the 2023/24 capital programme.

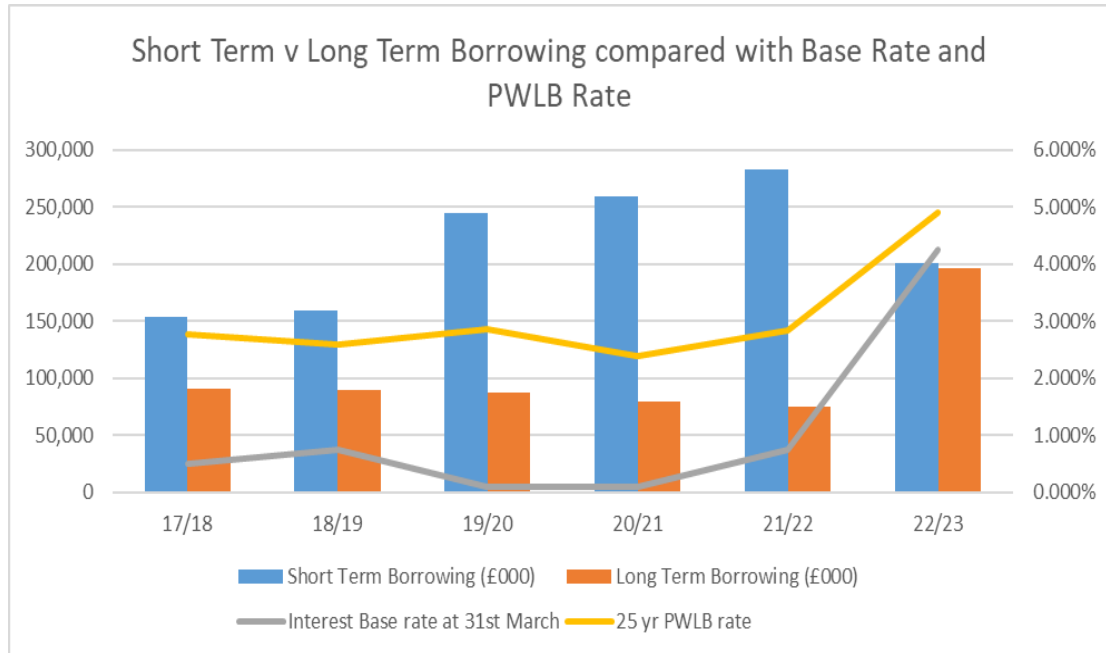
The economic climate remains challenging. High inflation, rising interest rates, supply chain issues (particularly in relation to steel) and a lack of labour are leading to increased costs, primarily on capital schemes that are likely to span a number of years. An ongoing review of capital schemes is therefore being undertaken to establish any schemes where approved budgets may become insufficient and potential overspendings identified. Therefore, in tandem an asset disposal plan is being developed to generate capital receipts that may be applied to offset any such pressures. In some cases, where appropriate, legal challenge/adjudication will be considered to redress the position. Where uncertainties of outcomes (adverse or favourable) still exist, scheme forecast variances are shown as break-even but highlighted as amber.

6.7 Summary Cash Flow Statement

As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 2r. This provides a comparison of the actual cash receipts and payments compared to forecast for 2023/24.

During the first 9 months of the year the Council's net cashflow has resulted in fluctuations in short-term net investment/borrowing balances due to the receipt of up-front grant income in this financial year. The Council fixed £125m of temporary loans in August 2022 at around 3.0%, which resulted in an increase in investment balances and over the next few months short-term borrowing will be repaid using the fixed-term borrowing taken.

The graph below demonstrates the changes in the profile of the Council's borrowings over the last 6 years. It shows that Council borrowing has increased from less than £250m at the end of 2017/18 to nearly £400m at the end of 2022/23. The profile of this borrowing has also changed as we now have a 50:50 split between long-term and short-term borrowing as interest rates have rapidly risen with uncertainties on where they will land and with consequences of increased borrowing costs.



6.8 Summary Balance Sheet

In order to provide a complete picture of the Council’s financial performance Appendix 2s provides a snapshot of the General Fund balance sheet as at the end of month 9. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council’s performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRS/IASs). Each year an accounting adjustment under IAS 19 is made for the value of the pension fund at year-end. In 2022/23, for the first time, this produced a pension asset rather than a pension liability. Paragraph 64 of IAS 19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. This calculation has now been received from the actuary and £42m has been recognised in the balance sheet as a pension asset.

Usable reserves include unallocated General Fund reserves and revenue reserves. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold.

Due to statutory changes regarding the accounting treatment of infrastructure assets

which were approved in Parliament in late November 2022, the 2020/21 accounts were not signed off until November 2023. This has meant that the completion of the audits for the 2021/22 and 2022/23 accounts have been delayed. As the audits are still ongoing the balance sheet as at 31 March 2023 may require amendment, therefore the figures should be treated as draft.

Over the 9-month period there has been an increase in Property, Plant and Equipment of £81.8m due to capital expenditure which is in line with the Council’s approved capital programme for 2023/24. Infrastructure assets have decreased by £10.5m which is the net effect of spend to date less depreciation at month 9. Long-term debtors has increased by £5.9m due to new approved business loans. Cash and cash equivalents have increased by £29.4m and short-term borrowing has increased by £58.4m due to the timing of capital and revenue grants and ensuring that sufficient funds are available between Christmas and New Year.

6.9 Medium-Term Financial Plan Update and Earmarked Reserves Forecast

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

Officers are meeting regularly to review and continuously update the Medium Term Financial Plan and the Corporate Leadership Team were meeting on 26 September 2023 and fortnightly thereafter as part of the budget planning process for 2024/25. An updated position will be reported to a future Executive as part of the financial monitoring, but a latest indication of future Budget gaps based on current information including the announcements in the Autumn Statement, the Provisional Settlement 2024/25 and the Office of Budgetary Responsibility (OBR) CPI forecasts is given below:

Medium Term Financial Plan v1.7		
2024/25	Budget Gap	2026/27
£m	2025/26	£m
	£m	
16.3	14.8	6.0

As part of this budget planning process which consolidates the individual MTFPs of the Children’s, Adult and Growth and Prosperity services, a detailed exercise has also been undertaken on their consequences upon Earmarked Revenue Reserves to check the validity of amounts held and a forecast of when funds will be drawn down over the same period as the latest MTFSS. A summary table is shown below:

Reserves Summary						
Directorate	Draft 31/03/22	Est Balance 31/03/23	Est Balance 31/03/24	Est Balance 31/03/25	Est Balance 31/03/26	Est Balance 31/03/27
	£m	£m	£m	£m	£m	£m
Total	(65.4)	(47.6)	(27.9)	(22.2)	(22.9)	(24.9)

In addition to General Fund Earmarked Revenue Reserves the Council holds a Dedicated Schools Grant (DSG) Reserve to manage the Schools, High Needs and Early Years Blocks of grant. Under a Statutory Override to 2025/26 this reserve is maintained separately from the Council's portfolio of revenue reserves as many local authorities are in significant deficit and their consolidation could tip their overall financial standing into deficit. In Blackpool's case the DSG Reserve stood at a deficit of £2,784k as at 31 March 2023 but with the support of the Department for Education's Safety Valve Programme this reserve is planned to return to surplus in 2024/25.

A further reserve to note is the Council's Housing Revenue Account (Appendix 2n), a ringfenced account for the management and maintenance of the Council's housing stock. As at 31 March 2023 this reserve was at a level of £1,721k and is forecast to be £1,303k at the end of the financial year; still ahead of its minimum agreed level of £1m.

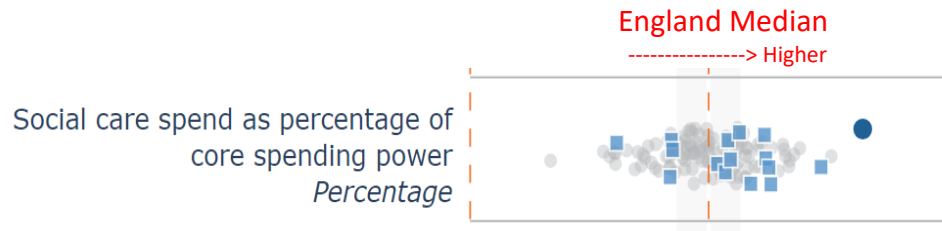
6.10 **Central Government Monitoring and Oversight**

Local government finance is clearly in a fragile and precarious position. There are at least 36 local authorities who have been outed in the media recently for challenges with their financial standing and there are many others who are known to be struggling. In addition, 8 have already filed Section 114 (s114) Notices. Councils are required by law to have balanced budgets. The issuing of a s114 notice stops all but essential spending, making sure that vital services can continue to be provided to the most vulnerable residents. External oversight exists via periodic Local Government Association peer reviews and CIPFA financial healthchecks but local public audit has been unable to keep up the pace with 504 external audits outstanding in England between 2015/16-2021/22 at the last count. On top of this central government does require 29 financial monitoring returns from local authorities each year.

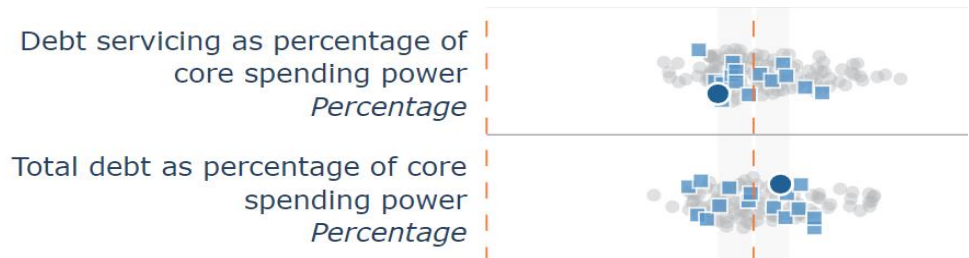
As a result of this perilous climate the Department for Levelling Up, Housing and Communities launched the Office for Local Government (Oflog) in July this year, whose purpose is to increase transparency, foster accountability and use data to further improve performance and help identify problems at an earlier stage. Using most recent financial data from the 2021/22 Revenue Outturn (RO) returns, Oflog has published benchmarking data for local authorities against others and particularly nearest neighbours. These can be found within the following link:

[Local Authority Data Explorer - DLUHC Data Dashboards](#)

As an example of what is available and relevant, the following dashboard shows Blackpool’s social care spend as a percentage of its core spending power which unsurprisingly is in the highest quartile as would be expected for a local authority with such deprivation and demand. The blue circle is Blackpool, blue squares are Blackpool’s statistical neighbours and the grey circles are all other local authorities:



Again, unsurprisingly the level of debt reflecting the magnitude of the generational programme of capital investment is above the median though not significantly, whilst the debt financing is below the median illustrating effective treasury management:



Officers will endeavour to employ this tool in future monthly financial monitoring reports.

6.11 Conclusions and Recommendations

The Council’s Revenue Budget for 2023/24 set a target level of General Fund working balances of around £6m. However, given the current economic climate it is recommended that work continues towards target working balances of £6m by 31 March 2024 rising to £8m by 31 March 2025. Earmarked revenue reserves at the start of the financial year stood at £47.6m, though with known in-year commitments against this the balance will fall to an estimated £27.9m by the end of the year. This should still be sufficient to underwrite the current year’s financial risks with a financial plan in place for the Council’s wholly-owned companies (ref. Appendix 2o).

If the 2023/24 forecast position became the actual outturn, then in accordance with the Council’s Financial Procedure Rules within its Constitution the forecast revenue outturn 2023/24 within this report contravenes neither of the

two specific conditions that excess spending does not:

1. exceed 1% (= £5m) of the authority's total gross revenue expenditure; or
2. have the effect of reducing the authority's Working Balances below 50% of their normal target level (= £3m).

However, these are still unprecedented times for the whole of the local government sector and in the context of relatively healthy levels of Earmarked Revenue Reserves and with 3 months of the financial year still remaining officers are working continuously to improve the position - revised service and financial plans are being developed including the review of technical accounting treatments, a continuing policy of freezing non-essential spend, a robust approach at weekly Resourcing Panel meetings to only allow the filling of critical vacant posts and the prospective redesignation of earmarked reserves should they need to be used.

6.12 Does the information submitted include any exempt information?

No

7.0 List of Appendices:

Appendix 2a - Revenue Summary
Appendix 2b - Chief Executive
Appendix 2c - Governance and Partnership Services
Appendices 2c/d - Ward Budgets
Appendix 2e - Resources
Appendix 2f - Communications and Regeneration
Appendix 2g - Strategic Leisure Assets
Appendix 2h - Growth and Prosperity
Appendix 2i - Community and Environmental Services
Appendix 2j - Adult Services
Appendix 2k - Children's Services
Appendix 2l - Public Health
Appendix 2m - Budgets Outside the Cash Limit
Appendix 2n - Housing Revenue Account
Appendix 2o - Wholly-owned companies
Appendix 2p - Budget Savings performance
Appendix 2q - Capital Monitoring
Appendix 2r - Cash Flow Summary
Appendix 2s - General Fund Balance Sheet Summary

8.0 Financial considerations:

8.1 As outlined in this report and appendices.

9.0 Legal considerations:

9.1 None.

10.0 Risk management considerations:

10.1 Impact of financial performance against approved Revenue budgets and upon Council reserves and balances.

11.0 Equalities considerations and the impact of this decision for our children and young people:

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

12.0 Sustainability, climate change and environmental considerations:

12.1 None directly from this report.

13.0 Internal/ External Consultation undertaken:

13.1 None.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

15.3 If a key decision, is the decision required in less than five days? N/A

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

16.0 Call-in information:

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

No

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members present:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1

Blackpool Council

Revenue summary - budget, actual and forecast:

BLACKPOOL COUNCIL							
FORECAST GENERAL FUND POSITION AS AT 31 MARCH 2024							
SUMMARY							
APP.	GENERAL FUND NET REQUIREMENTS	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
		ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2023/24		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
				PROJECTED SPEND £000	FORECAST OUTTURN £000		
2(b)	CHIEF EXECUTIVE	1,871	(350)	2,021	1,671	(200)	-
2(c)	GOVERNANCE & PARTNERSHIP SERVICES	2,250	1,929	289	2,218	(32)	-
2(c/d)	WARD BUDGETS	269	(31)	300	269	-	-
2(e)	RESOURCES	4,372	6,259	(2,163)	4,096	(276)	-
2(f)	COMMUNICATIONS AND REGENERATION	4,256	3,230	1,052	4,282	26	-
2(g)	STRATEGIC LEISURE ASSETS	1,976	5,080	(3,740)	1,340	(636)	-
	STRATEGIC LEISURE ASSETS - TRANSFER TO/(FROM) RESERVES	-	-	636	636	636	-
2(h)	GROWTH & PROSPERITY	(7,806)	1,325	(11,631)	(10,306)	(2,500)	-
	GROWTH & PROSPERITY - TRANSFER TO/(FROM) RESERVES	-	-	2,500	2,500	2,500	-
2(i)	COMMUNITY & ENVIRONMENTAL SERVICES	52,480	36,710	16,460	53,170	690	-
2(j)	ADULT SERVICES	64,515	46,166	20,388	66,554	2,039	-
2(k)	CHILDREN'S SERVICES	69,428	45,111	30,854	75,965	6,537	-
2(l)	PUBLIC HEALTH	3	(4,924)	4,927	3	-	-
2(m)	BUDGETS OUTSIDE THE CASH LIMIT	17,564	(2,130)	18,229	16,099	(1,465)	-
	CAPITAL CHARGES	(30,209)	(22,657)	(7,552)	(30,209)	-	-
	NET COST OF SERVICES:	180,969	115,718	72,570	188,288	7,319	-
	CONTRIBUTIONS:						
	- TO / (FROM) RESERVES	(13,102)	(11,638)	(4,576)	(16,214)	(3,112)	
	- 2022/23 SERVICE OVER/(UNDERSPENDS)	-	-	-	-	-	
	- REVENUE CONSEQUENCES OF CAPITAL OUTLAY	500	-	500	500	-	
	CONTINGENCIES	3,059	(530)	1,155	625	(2,434)	
	LEVIES	457	74	383	457	-	
	CONTRIBUTIONS, etc.	(9,086)	(12,094)	(2,538)	(14,632)	(5,546)	
	TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS	171,883	103,624	70,032	173,656	1,773	
	ADDED TO/(TAKEN FROM) BALANCES	4,335	-	2,562	2,562	(1,773)	
	NET REQUIREMENT AFTER WORKING BALANCES	176,218	103,624	72,594	176,218	-	
GENERAL BALANCES AS AT 1st APRIL 2023 PER UNAUDITED STATEMENT OF ACCOUNTS 2022/23							2,459
Budgeted In-year (reduction in) / addition to General Fund Working Balances							4,335
							6,794
Forecast In-year (reduction in) / addition to General Fund Working Balances							(1,773)
ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31st MARCH 2024							5,021

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Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHIEF EXECUTIVE NET EXPENDITURE						
CHIEF EXECUTIVE	647	571	76	647	-	-
HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT	85	(438)	523	85	-	-
CHIEF EXECUTIVE TOTAL	732	133	599	732	-	-
CORPORATE DELIVERY UNIT	93	(1,579)	1,472	(107)	(200)	-
HOUSING	1,046	1,096	(50)	1,046	-	-
ASSISTANT CHIEF EXECUTIVE	1,139	(483)	1,422	939	(200)	-
TOTALS	1,871	(350)	2,021	1,671	(200)	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within the Chief Executive's Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Chief Executive

This service is currently forecasting a break-even position.

Human Resources, Organisation and Workforce Development

This service is currently forecasting a break-even position.

Corporate Delivery Unit

This service is currently forecasting a £200k underspend due to the release of a reserve now deemed as no longer required.

Housing

This service is currently forecasting a break-even position. However pressures in Homelessness Services to support people to whom a responsibility is owed are, along with other authorities, high and continue to rise. Despite successful work in year to reduce the number of households requiring emergency temporary accommodation and reducing the time spent in B&B for those for whom another option is not available, the service is projecting to spend over £1m on this accommodation this year alone.

Budget Holder – Mr N Jack, Chief Executive

Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GOVERNANCE & PARTNERSHIP SERVICES						
NET EXPENDITURE						
DEMOCRATIC GOVERNANCE	2,429	2,145	264	2,409	(20)	-
CORPORATE LEGAL SERVICES	31	(399)	480	81	50	-
INFORMATION GOVERNANCE	102	(44)	109	65	(37)	-
LIFE EVENTS	(312)	227	(564)	(337)	(25)	-
GOVERNANCE & PARTNERSHIP SERVICES	2,250	1,929	289	2,218	(32)	-
WARDS	269	(31)	300	269	-	-
TOTALS	2,519	1,898	589	2,487	(32)	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Democratic Governance Service

The Democratic Governance Service is now forecasting an underspend of £20k due to staff turnover.

Corporate Legal Services

This service is forecasting a £50k overspend due to increasing additional staffing costs.

Information Governance

This service is forecasting an underspend of £37k due to increased income and a release of reserves that is now deemed as no longer required.

Life Events

This service is forecasting an underspend of £25k due to staff turnover.

Ward Budgets

Ward budgets are expected to break-even in 2023/24.

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

Blackpool Council
Ward Budgets
2023/24
Month 9

Wards

Ward	Councillors	Total No. of Requisitions Submitted	No. of Requisitions Approved	No. Awaiting Approval	Total No. of Requisitions Completed	Total 2023-24 Budget	2023-24 Budget Committed to Approved Schemes	Remaining 2023-24 Budget
Anchorsholme Ward 61008/61030	Cllr. Galley Cllr. Cooper	1 1	1 1	0 0	1 1	£7,000.00 £7,000.00	£282.00 £282.00	£6,718.00 £6,718.00
Bispham Ward 61009/61031	Cllr. Warne Cllr. Wilshaw	0 1	0 1	0 0	0 1	£7,000.00 £7,000.00	£0.00 £449.00	£7,000.00 £6,551.00
Bloomfield Ward 61010/61032	Cllr. Fenlon Cllr. Hobson	6 12	6 12	0 0	5 10	£7,000.00 £7,000.00	£746.41 £2,272.26	£6,253.59 £4,727.74
Brunswick Ward 61033/61011	Cllr. Marshall Cllr. Thomas	5 4	5 4	0 0	3 3	£7,000.00 £7,000.00	£2,705.42 £2,692.35	£4,294.58 £4,307.65
Claremont Ward 61012/61034	Cllr. Taylor Cllr. L Williams	7 6	7 6	0 0	5 4	£7,000.00 £7,000.00	£4,321.77 £4,156.77	£2,678.23 £2,843.23
Clifton Ward 61035/61013	Cllr. Burdess Cllr. Humphries	8 6	8 6	0 0	7 5	£7,000.00 £7,000.00	£4,570.17 £4,384.16	£2,429.83 £2,615.84
Greenlands Ward 61014/61036	Cllr. Flanagan Cllr. Jones	0 2	0 2	0 0	0 0	£7,000.00 £7,000.00	£0.00 £1,173.00	£7,000.00 £5,827.00
Hawes Side Ward 61015/61037	Cllr. N Brookes Cllr. Critchley	4 4	4 4	0 0	3 3	£7,000.00 £7,000.00	£1,397.47 £1,396.47	£5,602.53 £5,603.53
Highfield Ward 61038/61016	Cllr. Hunter Cllr. B Mitchell	3 0	3 0	0 0	1 0	£7,000.00 £7,000.00	£5,970.00 £0.00	£1,030.00 £7,000.00
Ingthorpe Ward 61017/61039	Cllr. Bamborough MBE Cllr. Farrell	5 6	5 6	0 0	3 5	£7,000.00 £7,000.00	£1,799.57 £1,851.19	£5,200.43 £5,148.81
Layton Ward 61018/61040	Cllr. Benson Cllr. Boughton	12 11	12 11	0 0	9 9	£7,000.00 £7,000.00	£3,916.06 £3,898.05	£3,083.94 £3,101.95
Marton Ward 61019/61041	Cllr. S Brookes Cllr. S Smith	1 2	1 2	0 0	1 1	£7,000.00 £7,000.00	£321.00 £1,571.00	£6,679.00 £5,429.00
Norbreck Ward 61020/61042	Cllr. Ellison Cllr. Sloman	3 1	3 1	0 0	3 2	£7,000.00 £7,000.00	£1,151.00 £1,075.00	£5,849.00 £5,925.00
Park Ward 61021/61043	Cllr. Campbell Cllr. Hoyle	2 1	2 1	0 0	2 1	£7,000.00 £7,000.00	£2,426.00 £1,176.00	£4,574.00 £5,824.00
Squires Gate Ward 61022/61044	Cllr. C Mitchell MBE Cllr. Walsh	0 0	0 0	0 0	0 0	£7,000.00 £7,000.00	£0.00 £0.00	£7,000.00 £7,000.00
Stanley Ward 61023/61045	Cllr. Baker Cllr. Roberts	0 1	0 1	0 0	0 1	£7,000.00 £7,000.00	£0.00 £1,926.00	£7,000.00 £5,074.00
Talbot Ward 61024/61046	Cllr. Hugo Cllr. M Smith	10 10	10 10	0 0	4 4	£7,000.00 £7,000.00	£3,814.38 £3,814.37	£3,185.62 £3,185.63
Tyldesley Ward 61047/61025	Cllr. Webb Cllr. Roe	5 5	5 5	0 0	4 4	£7,000.00 £7,000.00	£751.70 £751.70	£6,248.30 £6,248.30
Victoria Ward 61026/61048	Cllr. Jackson Cllr. P Brookes	4 4	4 4	0 0	3 3	£7,000.00 £7,000.00	£430.70 £430.70	£6,569.30 £6,569.30
Warbreck Ward 61027/61049	Cllr. D Scott Cllr. Mrs M Scott	9 9	9 9	0 0	8 8	£7,000.00 £7,000.00	£5,545.30 £5,545.30	£1,454.70 £1,454.70
Waterloo Ward 61028/61050	Cllr. Cartmell Cllr. D Mitchell MBE	0 0	0 0	0 0	0 0	£7,000.00 £7,000.00	£0.00 £0.00	£7,000.00 £7,000.00

Ward Totals	171	171	0	126	£294,000.00	£78,994.27	£215,005.73
Unallocated Budget	-	-	-	-	(£25,000.00)	£0.00	(£25,000.00)
Income Budget	-	-	-	-	£0.00	£0.00	£0.00
Area Ward Totals	171	171	0	126	£269,000.00	£78,994.27	£190,005.73

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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2023/24		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
RESOURCES						
NET EXPENDITURE						
PROCUREMENT & EXCHEQUER SERVICES	85	(295)	316	21	(64)	-
BENEFITS	(1,393)	1,861	(3,256)	(1,395)	(2)	-
REVENUES SERVICES	1,862	2,215	(353)	1,862	-	-
CUSTOMER FIRST	88	(34)	115	81	(7)	-
ICT SERVICES	861	842	19	861	-	-
ACCOUNTANCY	221	2	126	128	(93)	-
RISK SERVICES	50	(169)	173	4	(46)	-
PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)	2,597	1,872	661	2,533	(64)	-
EQUALITY AND DIVERSITY	1	(35)	36	1	-	-
TOTALS	4,372	6,259	(2,163)	4,096	(276)	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Procurement and Exchequer Services

Procurement and Exchequer Services are forecasting an underspend of £64k. This position has been achieved as a result of measures to deliver savings through dis-establishment of posts and increased income opportunities. Additional one-off, ad-hoc income has been secured in year and there is currently a vacant post within the Procurement team.

Benefits

The Benefits Service is forecasting a £2k underspend. The cumulative Housing Benefit new claims processing outturn figure for November was 24 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications was 9 days.

Revenue Services

Revenue Services are forecasting a break-even position on a gross budget of £2.64m.

Customer First

Customer First is forecasting an underspend of £7k against a gross budget of £1.19m, this is due to unfilled vacancies and additional SLA income has been achieved in year.

ICT Services

ICT is forecasting a contribution to the ICT Infrastructure reserve of £21k on a gross budget of £5.95m. The budget is currently under pressure from inflationary increases in software licences and the hardware supply chain. The budget is currently being balanced from additional income generation and staff turnover.

Accountancy

Accountancy is forecasting an underspend of £93k due to freezing of vacant posts and additional income from HMRC.

Risk Services

Audit and Risk Services are forecasting an underspend of £46k. The majority of the movement relates to staffing slippage due to recruitment struggles and also the generation of additional income.

Property Services (incl. Investment Portfolio)

Property Services are forecasting an underspend of £64k against a gross budget of £14.28m, savings arising from staff vacancies across the service.

Equality and Diversity

Equality and Diversity are forecasting a break-even position on a gross budget of £198k.

Summary of the revenue forecast

After 9 months of the financial year Resources are forecasting a £276k underspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

Budget Holder - Mr S Thompson, Director of Resources

Blackpool Council – Communications & Regeneration

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNICATIONS & REGENERATION						
NET EXPENDITURE						
ECONOMIC DEVELOPMENT & CULTURAL SERVICES	785	896	(151)	745	(40)	-
PLANNING	582	(146)	728	582	-	-
TOURISM AND COMMUNICATIONS	2,889	2,480	475	2,955	66	-
TOTALS	4,256	3,230	1,052	4,282	26	-

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Economic Development and Cultural Services

This service is currently forecasting an underspend of £40k due to vacant posts.

Planning

This service is currently forecasting a break-even position.

Tourism & Communications

This service is forecasting a £66k pressure. This is made up of a £50k pressure in Tourism and Communications due to increased costs in Visit Blackpool as well as a £16k pressure in Illuminations due to storm damage to the display.

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

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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2023/24		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
STRATEGIC LEISURE ASSETS						
NET EXPENDITURE						
STRATEGIC LEISURE ASSETS	1,976	5,080	(3,740)	1,340	(636)	-
TOTALS	1,976	5,080	(3,740)	1,340	(636)	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Key Issues

As at month 9 Strategic Leisure Assets is forecasting an £636k underspend. This is due to a reduction in the forecast repair spend and a release from reserves no longer expected to be required. The underspend reduced in month 8 due to a revised income forecast offset by a reduction in expected borrowing cost due to the timing of capital spend.

In accordance with the original decision for this programme by the Executive on 7 February 2011, any under or overspend on Strategic Leisure Assets will be transferred to Earmarked Reserves to go against the current balance. The cumulative deficit as at March 2022/23 was £10,690k. In 2023/24, a transfer of £1,420k has been made to Contributions to Reserves reducing this deficit balance to £9,270k. This transfer is in line with the budget. The above underspend will further reduce this deficit to £8,634k.

The latest Leisure Assets medium-term financial plan currently expects the service to break-even, in-year, from 2023/24 and cumulatively by 2034/35.

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

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Blackpool Council – Growth & Prosperity

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
GROWTH & PROSPERITY						
NET EXPENDITURE						
GROWTH & PROSPERITY	(7,806)	1,325	(11,631)	(10,306)	(2,500)	-
TOTALS	(7,806)	1,325	(11,631)	(10,306)	(2,500)	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Key Issues

As at month 9, the service is forecasting a surplus of £2,500k. This is due to the expectation of proceeds raised from the current work programme exceeding costs including prudential borrowing. This figure has reduced from period 5 due to a revised forecast relating to the costs of regeneration projects.

The Executive, at its meeting on 8 November 2021, agreed to the approach to transition out the Growth and Prosperity net revenue budget target over a 2-year period, 2022/23-2023/24, with any proceeds subsequently realised from the existing work programme being directed to bolstering reserves and any new proceeds being retained by Growth and Prosperity for their re-investment. It is therefore assumed that this surplus will be transferred to Earmarked Reserves to go against the current balance. The cumulative deficit as at March 2022/23 was £10,125k. It is therefore expected that the balance at the end of 2023/24 will be £7,625k.

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

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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
COMMUNITY & ENVIRONMENTAL SERVICES						
NET EXPENDITURE						
BUSINESS SERVICES	(866)	942	(508)	434	1,300	-
LEISURE AND CATERING	4,729	3,124	1,455	4,579	(150)	-
PUBLIC PROTECTION	1,950	909	991	1,900	(50)	-
HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES	17,639	13,491	3,748	17,239	(400)	-
STREET CLEANSING AND WASTE	19,815	8,138	11,477	19,615	(200)	-
COASTAL AND ENVIRONMENTAL PARTNERSHIPS	6,249	6,700	(951)	5,749	(500)	-
INTEGRATED TRANSPORT	2,964	3,406	248	3,654	690	-
TOTALS	52,480	36,710	16,460	53,170	690	-

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn overspend of £690k is based upon actual financial performance for the first 9 months of 2023/24 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

There is a pressure within Business Services of £1.3m due to ongoing projects being carried out in year by the service. Savings have been identified within the Directorate to deliver these projects.

Leisure and Catering

Leisure and Catering is currently forecasting a saving of £150k. Leisure is reporting a saving of £150k due to savings within staffing and increased income within the Learn to Swim scheme. Catering is facing a pressure due to the increased cost of provisions, but this is expected to be met through reserves.

Public Protection

The service is currently forecasting a saving of £50k due to staff vacancies within Public Protection. There are pressures within Licencing, where the income forecast is currently under budget, however, savings have been identified within other areas of Public Protection which will mitigate this.

Highways and Traffic Management Services

This service is currently forecasting an underspend of £400k due to staffing vacancies within Highways & Engineering and the capitalisation of staff costs.

Street Cleansing and Waste

Waste Services are reporting a saving of £200k. Trade Waste income is expected to be £300k better than budget. There is, however, a £100k pressure within Public Conveniences, where an inflationary uplift has been applied to the contract.

Coastal and Environmental Partnerships

This service is currently forecasting a saving of £500k due to additional Coastal income being received.

Integrated Transport

This service is currently forecasting an overspend of £690k. Childrens Transport Services is reporting an overspend of £690k, due to an increase in demand for Special Educational Needs transport relating to a growth in Education Health and Care Plans.

Conclusion – Community and Environmental Services financial position

At the end of December 2023, the Community and Environmental Services Directorate is forecasting an overspend of £690k. The major pressure is within Integrated Transport where the Childrens Transport Service is forecasting a pressure of £690k. There are other pressures within the Directorate, but these are expected to be covered through other means.

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	2022/23 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2023/24		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
ADULT SERVICES						
NET EXPENDITURE						
ADULT SOCIAL CARE	9,697	7,804	1,630	9,434	(263)	-
CARE & SUPPORT	4,460	3,739	621	4,360	(100)	-
ADULT COMMISSIONING PLACEMENTS	50,282	34,591	18,093	52,684	2,402	-
ADULT SAFEGUARDING	76	32	44	76	-	-
TOTALS	64,515	46,166	20,388	66,554	2,039	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Adult Social Care

Adult Social Care is forecasting an underspend of £263k at month 9 due to a high volume of vacant positions.

Adult Commissioning Placements (Social Care Packages)

The Adult Commissioning Placements budget is forecasting an overspend of £2,402k. There are savings shortfalls of £1,012k from the proposal in which the Integrated Care Board (ICB) were expected to provide additional income of £1.6m into the Better Care Fund (BCF) and a further shortfall on additional funding streams of £337k. There is a pressure of £1,607k in Supported Living due to additional packages of care including children's transitions, along with £563k of pressures due to additional packages of short-term care linked to hospital discharge. £439k pressures relates to Out of Area Residential and Nursing Placements fee uplifts being significantly greater than forecast in addition to a further £515k of pressures across this area of service offset by £2,000k additional client contributions. There is a £139k underspend on Homecare whereby 1:1 hours have been recommissioned correctly as Daycare hours resulting in a pressure on Daycare of £143k. Direct payment pressures of £684k are resulting from a forecasted reduction in claw-backs based on year-to-date actuals and a number of ad-hoc payments being made outside of the Mosaic Interface. There is £602k in the forecast relating to the recently announced Market Sustainability and Improvement Fund which is being used to offset the residential/nursing top-ups and Out of Area fee rates. Savings of £58k have arisen within Supporting People due to additional grant contributions along with a further saving of £99k in Service Management.

Care and Support

Care and Support is forecasting an underspend of £100k at month 9 due to slippage on vacant positions.

Adults Safeguarding

Adults Safeguarding is forecasting a break-even position at month 9.

Summary of the Adult Services financial position

As at the end of December 2023 the Adult Services Directorate is forecasting an overall overspend of £2,039k for the financial year to March 2024 on a gross budget of £107m.

Budget Holder – K Smith, Director of Adult Services

Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
CHILDREN'S SERVICES						
NET EXPENDITURE						
LOCAL SCHOOLS BUDGET - ISB	20,112	17,094	3,018	20,112	-	-
LOCAL SCHOOLS BUDGET - NON DELEGATED	281	161	72	233	(48)	-
EDUCATION	27,385	11,349	16,112	27,461	76	-
EARLY HELP FOR CHILDREN AND FAMILIES	182	137	45	182	-	-
BUSINESS SUPPORT AND RESOURCES	9,330	5,782	3,548	9,330	-	-
DEDICATED SCHOOL GRANT	(57,977)	(40,162)	(17,815)	(57,977)	-	-
CARRY FORWARD OF DSG UNDER/(OVER) SPEND	687	-	659	659	(28)	-
TOTAL DSG FUNDED SERVICES	-	(5,639)	5,639	-	-	-
CHILDREN'S SERVICES DEPRECIATION	1,748	-	1,748	1,748	-	-
EDUCATION	2,061	3,304	(1,186)	2,118	57	-
EARLY HELP FOR CHILDREN AND FAMILIES	6,402	1,828	4,554	6,382	(20)	-
CHILDREN'S SOCIAL CARE	59,556	44,977	20,409	65,386	5,830	-
BUSINESS SUPPORT AND RESOURCES	(155)	641	(126)	515	670	-
LOCAL SERVICES SUPPORT GRANT	(18)	-	(18)	(18)	-	-
SCHOOL IMPROVEMENT GRANT	(166)	-	(166)	(166)	-	-
TOTAL COUNCIL FUNDED SERVICES	69,428	50,750	25,215	75,965	6,537	-
TOTALS	69,428	45,111	30,854	75,965	6,537	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each Head of Service.

Children’s Social Care

Children’s Social Care Placements is forecasting an overspend against the budget of £5,830k, mainly due to new-to-care placements being higher than those exiting care and the additional support required following the breakdown of high-cost placements. The actual number of residential placements as at 31 December 2023 is 70 with this forecast to reduce to 68 by 31 March 2024, whereas the plan suggested there would be 63 as at 31 December 2023 reducing to 60 by the end of March 2024.

However, the number of Children in Care continues to reduce and currently sits at 534 children. This brings Blackpool from a rate of 218 per 0-17 10,000 population to 194. The ambition is to bring ourselves in line with comparator Local Authorities over the next couple of years and we are confident that this ambition will be realised. Officers have seen this reduction as a result of reduced entry into care, and increased numbers exiting our care system. Within the cohort of Children Looked After, the Council has had a higher than national average of children in residential placements. Residential settings, for most children, are not the optimum placement and these children do not usually have the

same degree of positive outcomes as children in foster placements, or family placements for example. Residential placements are costly, with unit costs rising year on year by 14.1%. We have seen movement in the numbers of residential placements, from 84 to 70 as a result of a focused, ongoing piece of work led by our newly recruited Head of Service for Supporting our Children. We have reviewed a number of care plans and as a result children have been moved from residential settings to settings that better meet their needs, always ensuring their safety and individual needs are at the forefront when planning.

The service has additionally seen a reduction in agency social work staff during the last 12-18 months. In 2021/2022 the service had rates of up to 40% agency staff in some teams. A refreshed Workforce Strategy, overseen by a Workforce Board, chaired monthly by the Director of Childrens Services, has seen a reduction of agency staff to under 15% across the social care teams. The national average is now 17% and regionally the rate is much higher. The last set of regional data put Blackpool at the lowest for agency rates. Officers continue to monitor this closely in a challenging and competitive market.

Dedicated Schools Grant Funded Services

The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2024/25 and, in the case of overspends, become the first call on the grant in that year.

Business Support and Resources

Business Support and Resources is forecasting an overspend of £670k. There was an additional Children's Services savings target of £1,924k, of which, only £1,165k is anticipated to be met this financial year, leaving a budget gap of £759k. There is expected to be a £74k underspend on staffing.

Education

Education is expected to be £57k overspent due to unachieved vacancy factor and a SEND contract came in higher than originally planned.

Summary of the Children's Services financial position

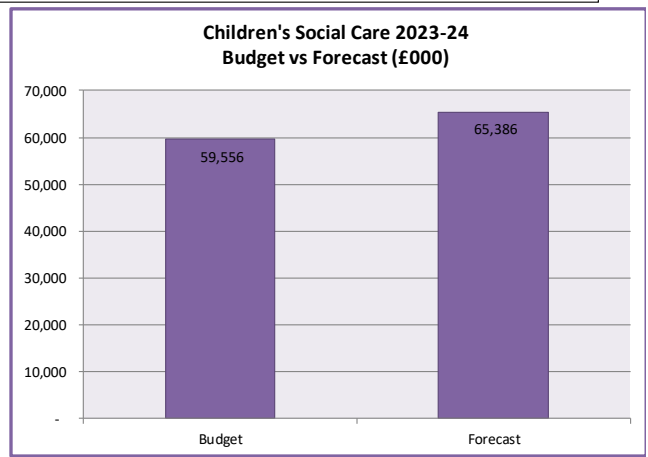
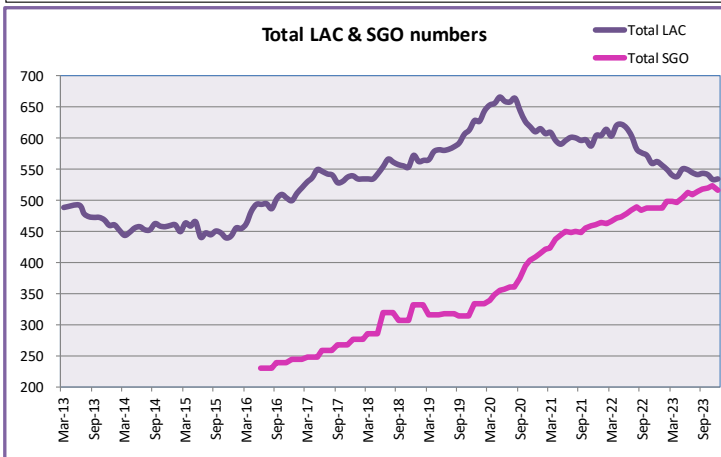
As at the end of December 2023 the Children's Services Directorate is forecasting an overspend of £6,537k for the financial year to March 2024.

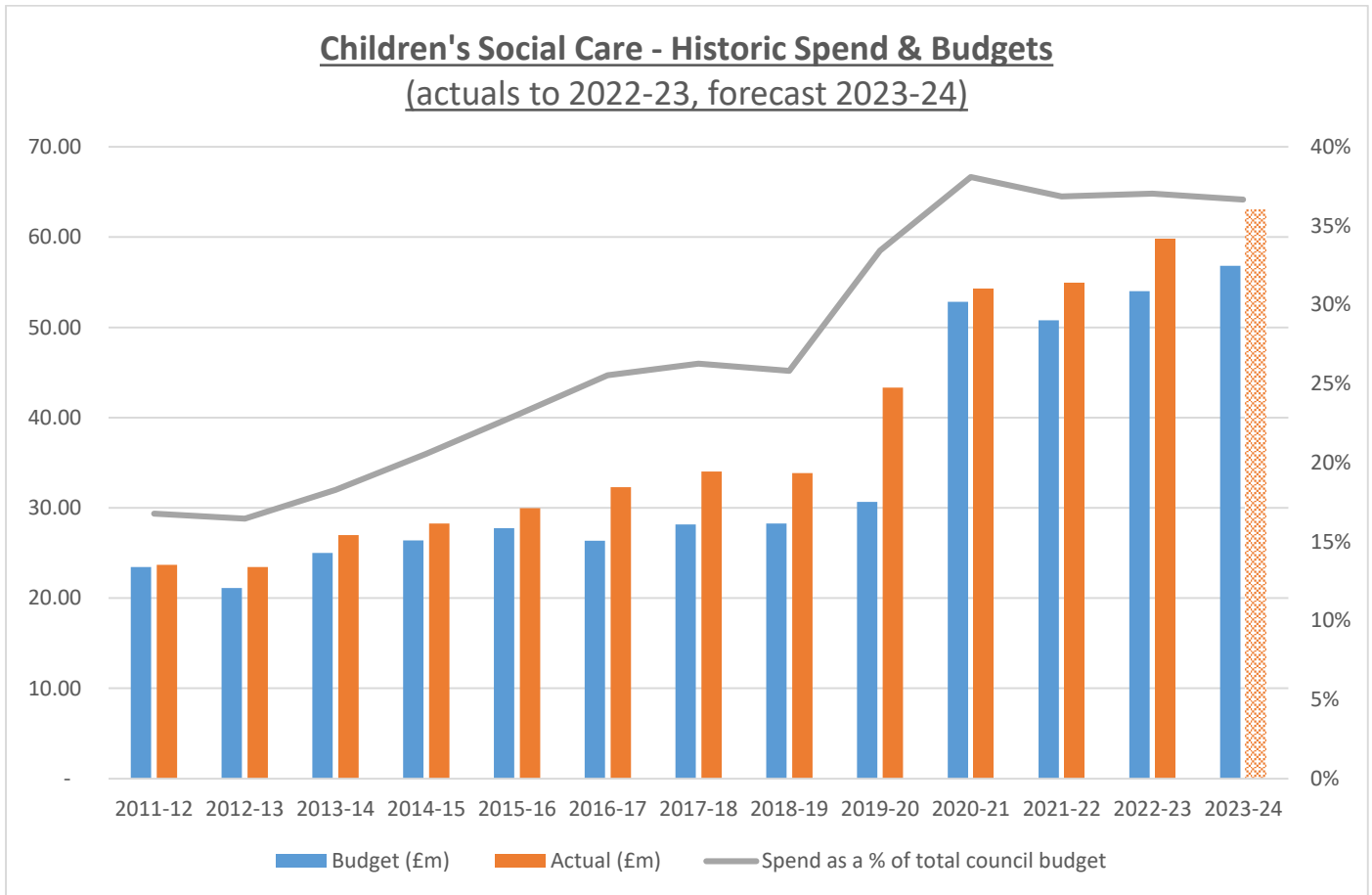
Budget Holder – Victoria Gent, Director of Children's Services

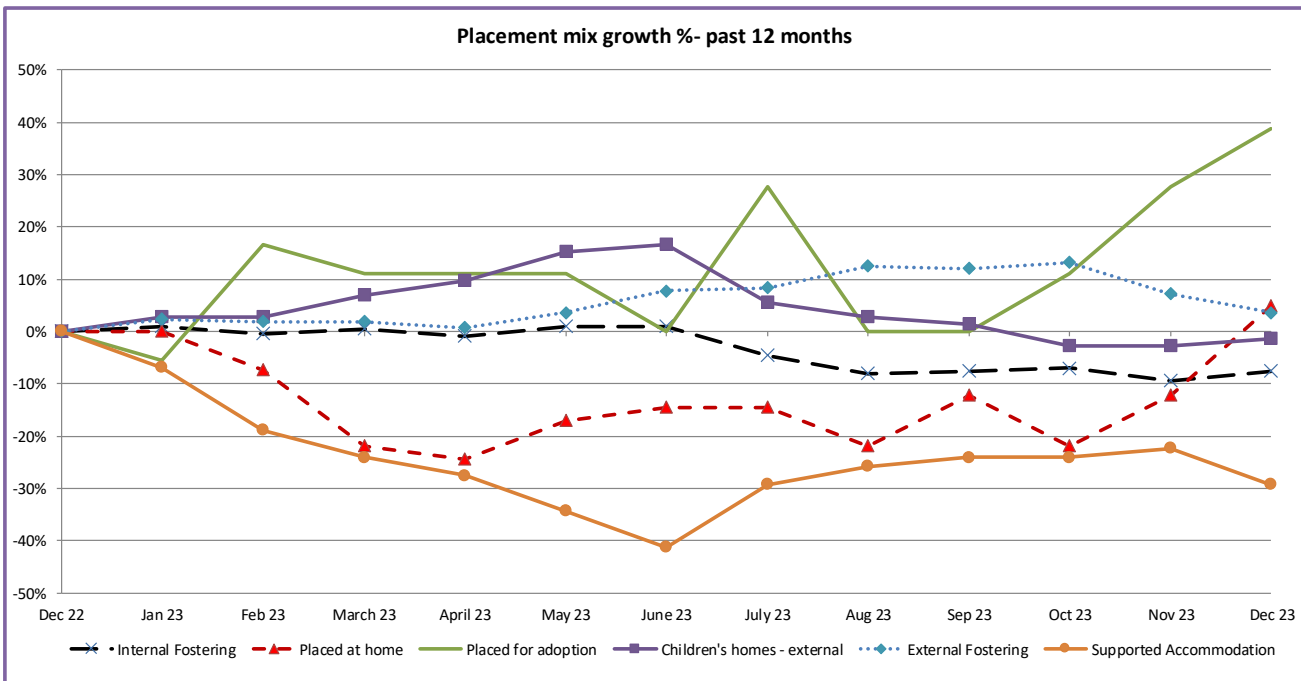
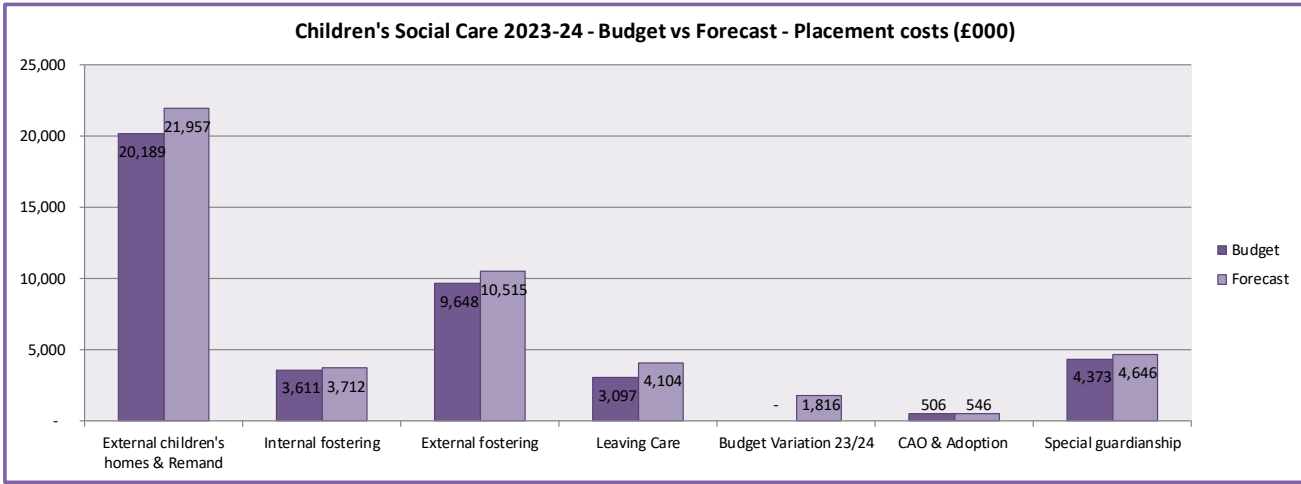
Children's Social Care Trends

Date	External Placements Projection						Internal Fostering			Supported Accommodation			LAC number	SGO	
	Residential			Fostering inc M&B			Number	% of LAC	£ per placement	Number	% of LAC	£ per placement	No.	Number	£ per placement
	Number	% of LAC	£ per placement	Number	% of LAC	£ per placement									
Jun-13	41	8%	111,596	72	15%	36,202	263	53%	11,887	16	3%	no data	492	no data	
Sep-13	33	7%	111,523	66	14%	35,667	272	58%	11,908	17	4%	no data	472	no data	
Dec-13	30	7%	117,073	69	15%	36,560	260	57%	11,828	17	4%	no data	459	no data	
Mar-14	27	6%	118,473	64	14%	34,058	248	56%	11,757	15	3%	no data	443	no data	
Jun-14	25	5%	102,561	74	16%	35,928	250	55%	12,833	18	4%	no data	457	no data	
Sep-14	21	5%	121,210	75	16%	37,655	237	51%	12,570	27	6%	no data	462	no data	
Dec-14	18	4%	124,281	70	15%	38,760	243	53%	12,474	23	5%	no data	459	no data	
Mar-15	23	5%	128,868	73	16%	40,155	244	53%	12,374	19	4%	no data	463	no data	
Jun-15	25	6%	147,777	74	17%	40,625	219	50%	12,541	20	5%	no data	440	no data	
Sep-15	25	6%	142,934	73	16%	40,040	225	50%	12,549	16	4%	no data	450	no data	
Dec-15	27	6%	145,196	70	16%	41,243	217	49%	12,428	17	4%	no data	442	no data	
Mar-16	29	6%	146,120	69	15%	42,215	257	56%	12,453	22	5%	no data	462	no data	
Jun-16	34	7%	157,136	77	16%	42,145	259	53%	12,630	28	6%	38,608	493	230	5,472
Sep-16	32	6%	169,996	84	17%	42,750	254	51%	12,688	27	5%	41,376	502	240	5,582
Dec-16	36	7%	175,954	89	18%	43,038	258	52%	12,857	28	6%	41,037	499	245	5,562
Mar-17	44	8%	179,669	103	19%	43,502	269	51%	12,872	26	5%	42,416	529	249	5,555
Jun-17	49	9%	151,450	100	18%	40,933	272	50%	13,227	26	5%	60,946	546	258	5,576
Sep-17	35	7%	161,487	95	18%	40,991	270	51%	13,213	36	7%	57,928	528	267	5,383
Dec-17	43	8%	162,623	103	19%	41,277	272	50%	13,169	36	7%	58,358	539	277	5,281
Mar-18	44	8%	165,935	98	18%	41,099	273	51%	13,116	30	6%	55,728	534	286	5,109
Jun-18	45	8%	164,794	97	18%	40,083	297	54%	13,403	24	4%	48,006	554	320	5,512
Sep-18	45	8%	159,388	97	17%	40,425	302	54%	13,441	28	5%	46,073	557	308	5,294
Dec-18	47	8%	169,287	99	17%	40,227	305	53%	13,430	33	6%	46,167	572	332	5,175
Mar-19	53	9%	177,477	94	17%	39,536	306	54%	13,289	23	4%	45,845	565	317	5,238
Jun-19	53	9%	172,929	107	18%	42,426	305	53%	13,014	26	4%	68,367	580	318	5,988
Sep-19	58	10%	180,014	116	20%	43,981	294	50%	12,649	32	5%	56,148	592	315	5,693
Dec-19	62	10%	184,396	145	23%	45,812	300	48%	12,854	31	5%	60,289	628	334	5,670
Mar-20	65	10%	183,892	167	26%	45,201	292	45%	13,166	33	5%	61,076	653	339	5,624
Jun-20	69	10%	207,288	175	27%	47,565	284	43%	12,877	32	5%	92,575	659	357	5,882
Sep-20	75	12%	211,328	173	27%	47,125	277	43%	12,979	30	5%	97,225	644	376	6,056
Dec-20	72	12%	209,062	178	29%	47,361	248	41%	14,343	32	5%	105,274	610	410	6,551
Mar-21	72	12%	209,953	189	31%	47,883	230	38%	14,234	25	4%	107,561	609	424	6,685
Jun-21	68	11%	225,246	200	34%	45,809	213	36%	16,619	26	4%	78,324	596	450	7,650
Sep-21	64	11%	229,272	194	33%	47,303	221	37%	17,059	39	7%	70,834	596	448	7,752
Dec-21	66	11%	238,266	186	31%	47,535	219	36%	17,064	40	7%	68,328	604	461	7,884
Mar-22	70	12%	247,935	184	30%	47,718	214	35%	17,348	47	8%	68,576	608	467	8,076
Jun-22	69	11%	251,588	174	28%	50,006	221	36%	17,030	50	8%	74,397	616	479	8,093
Sep-22	70	12%	255,469	164	28%	48,674	193	34%	16,646	57	10%	72,203	576	484	8,186
Dec-22	72	13%	264,844	168	30%	52,295	199	35%	16,770	58	10%	69,007	562	487	8,175
Mar-23	77	14%	267,333	171	32%	52,073	200	37%	16,785	44	8%	67,462	540	499	8,205
Jun-23	84	15%	287,055	181	33%	56,473	201	37%	19,532	34	6%	75,503	549	513	8,873
Sep-23	73	13%	296,811	188	35%	56,747	184	34%	19,615	44	8%	71,339	543	519	8,921
Oct-23	70	13%	292,641	190	35%	59,030	185	34%	19,597	44	8%	69,743	541	520	8,926
Nov-23	70	13%	293,050	181	34%	59,094	180	34%	19,849	45	8%	69,743	533	523	8,972
Dec-23	71	13%	290,033	174	33%	59,151	184	34%	19,711	41	8%	70,539	534	517	9,059

Note:
The variance between the current total number of Looked After Children (534) and the total internal fostering and external placement numbers (470) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs. SGO = Special Guardianship Order.







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Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - DEC £000	2023/24		F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
			PROJECTED SPEND £000	FORECAST OUTTURN £000		
PUBLIC HEALTH						
NET EXPENDITURE						
PUBLIC HEALTH DIRECTORATE & CORPORATE SUPPORT	688	532	156	688	-	-
NHS HEALTH CHECKS - MANDATED	100	(117)	217	100	-	-
CHILDREN (5-19) - PUBLIC HEALTH PROGRAMMES	628	523	105	628	-	-
CHILDREN'S 0-5 SERVICES	2,499	2,065	434	2,499	-	-
TOBACCO CONTROL	363	336	27	363	-	-
MENTAL HEALTH AND WELLBEING	15	15	-	15	-	-
SEXUAL HEALTH SERVICES - MANDATED	1,785	1,165	620	1,785	-	-
SUBSTANCE MISUSE (DRUGS AND ALCOHOL)	2,790	2,337	453	2,790	-	-
HARM REDUCTION (SEXUAL HEALTH, DRUGS AND ALCOHOL)	783	716	67	783	-	-
HEALTHY WEIGHT/WEIGHT MANAGEMENT	120	95	25	120	-	-
MISCELLANEOUS PUBLIC HEALTH SERVICES	10,090	2,303	7,787	10,090	-	-
GRANT	(19,858)	(14,894)	(4,964)	(19,858)	-	-
TOTALS	3	(4,924)	4,927	3	-	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the service leads.

Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced.

The grant conditions require quarterly financial reporting of spend against a prescribed set of headings and spend of the grant must link explicitly to the Health and Wellbeing Strategy, Public Health Outcomes Framework and Joint Strategic Needs Assessment.

The Public Health Directorate are forecasting an overall spend of the full grant, £19,858,394, for the financial year to March 2024.

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 December 2023, the Public Health Directorate are forecasting a break-even position for the financial year to March 2024.

Budget Holder – Dr Arif Rajpura, Director of Public Health

Blackpool Council – Budgets Outside the Cash Limit

Revenue summary - budget, actual and forecast:

FUNCTIONS OF THE SERVICE	BUDGET	EXPENDITURE			VARIANCE	2022/23 (UNDER)/OVER SPEND B/FWD £000
	ADJUSTED CASH LIMITED BUDGET £000	2023/24			F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
		EXPENDITURE APR - DEC £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
BUDGETS OUTSIDE THE CASH LIMIT						
NET EXPENDITURE						
TREASURY MANAGEMENT	16,282	(1,189)	15,871	14,682	(1,600)	-
PARKING SERVICES	(5,331)	(3,591)	(1,440)	(5,031)	300	-
CORPORATE SUBSCRIPTIONS	135	88	47	135	-	-
HOUSING BENEFITS	1,849	1,390	459	1,849	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,894	1,420	474	1,894	-	-
SUBSIDIARY COMPANIES	(926)	(823)	(138)	(961)	(35)	-
LAND CHARGES	(50)	(49)	(1)	(50)	-	-
CONCESSIONARY FARES	4,064	1,654	2,280	3,934	(130)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	(331)	(1,013)	682	(331)	-	-
NEW HOMES BONUS	(22)	(17)	(5)	(22)	-	-
TOTALS	17,564	(2,130)	18,229	16,099	(1,465)	-

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 9 months of 2023/24 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

Treasury Management

Treasury Management is forecasting an underspend of £1,600k. This figure includes £2,581k of prudential recharges to services and means that the £150k savings target will be met in 2023/24 and an increase in interest received from investments providing additional income of £660k. Offset against this is £1,661k pressure relating to higher interest rates on temporary borrowing and a reduction in the interest charge to the Housing Revenue Account as less borrowing is required in 2023/24 than originally budgeted. However, interest rates are predicted to increase over the duration of the financial year and these increases are likely to have a negative impact on the current position of the service. The Council is currently using 50:50 temporary and long-term borrowing to finance prudentially-funded capital expenditure and this gearing is under continual review by the Treasury Management Panel.

The Business Loans Fund has a savings target of £154k and is forecasting a surplus of £20k as new business loans have been awarded at higher repayment rates than originally forecast for 2023/24. The position has worsened since M8 as interest rates have been increased from 4.5% to 5% in the forecast and there have been further changes in drawdown amounts and dates for certain loans which has resulted in a surplus in year.

Following a review of the Minimum Revenue Provision (MRP), which was approved by the Executive on 8th February 2021, a total of £5,158k of saving has been forecast to be achieved in 2023/24.

Parking Services

Parking Services is forecasting a £300k overspend position for 2023/24. This pressure is due to lower than budgeted income. The service's ability to hold this position will depend on the impact of the cost of living crisis, the quality of the Easter holiday season, the impact of dynamic parking and the availability of parking due to regeneration projects within the town.

As at Week 41 (w/e 7th January) parking income is at £5.1m with patronage at 1,022,066. Car Park patronage is down by 14,733 and income up by £37k on 2022/23. On-Street Pay and Display patronage is down by 3,564 and income up by £10k.

The graphs below show, for comparison, the patronage and income figures for 2022/23 and 2023/24.

Housing Benefit

This service is forecasting a break-even position.

Council Tax and NNDR Cost of Collection

This service is forecasting a break-even position.

Subsidiary Companies

This service is forecasting a £35k saving due to a reduction in charges, mainly relating to debt management.

Land Charges

This service is forecasting a break-even position.

Concessionary Fares

The Concessionary Fares Service is currently forecasting a saving of £130k. This is due to concessionary passenger numbers being 42% lower than pre-Covid levels, though the Council remains committed to paying at a minimum of a 70% safety net level in line with Department for Transport guidance until March 2024.

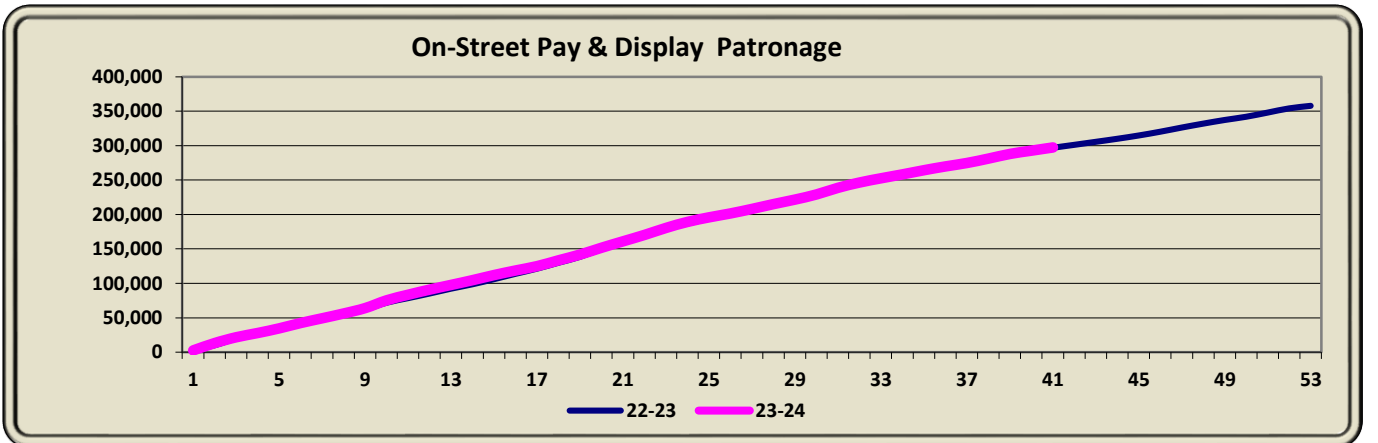
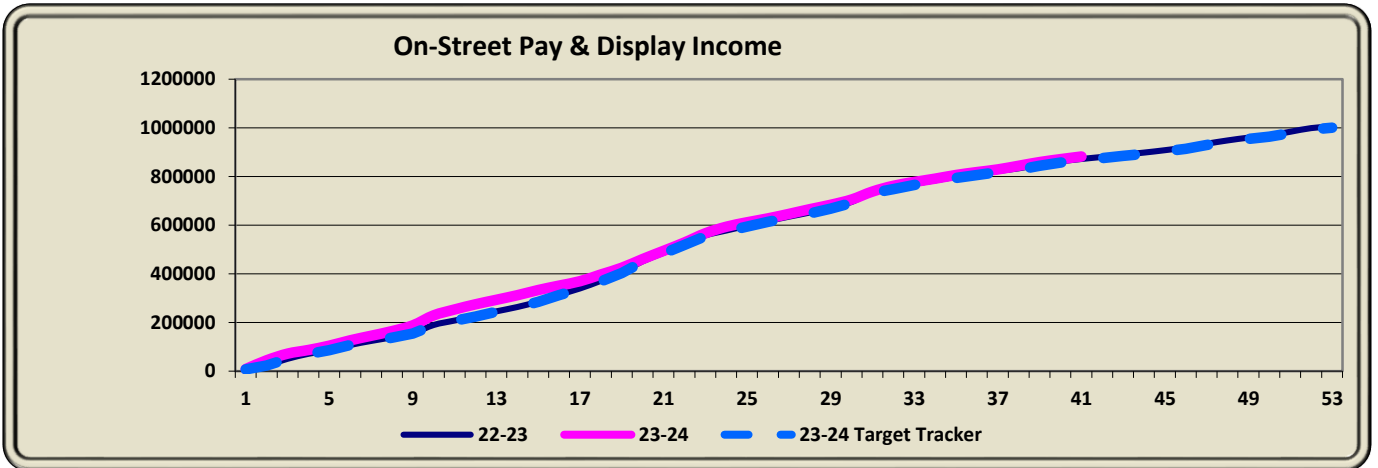
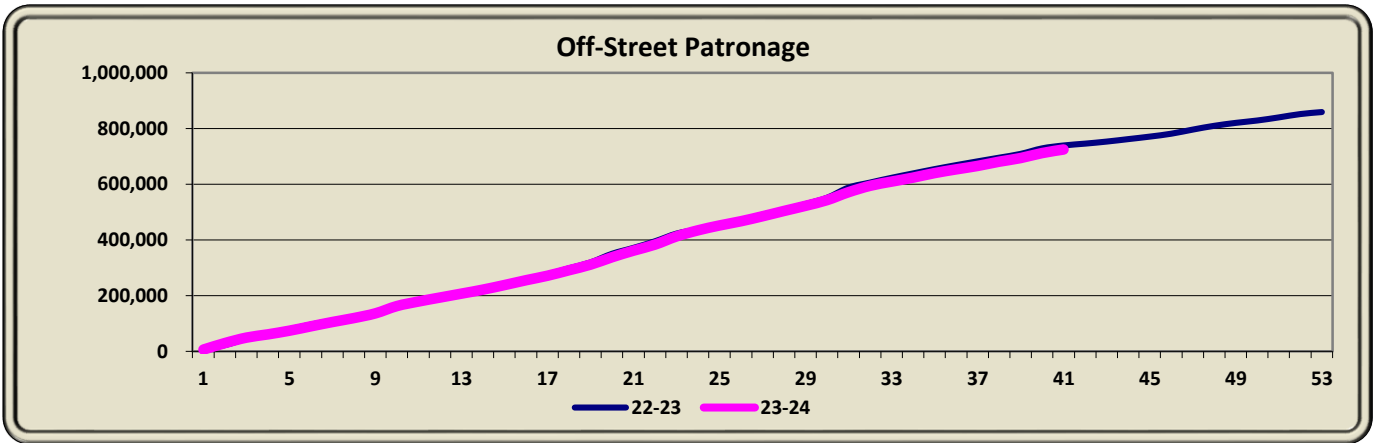
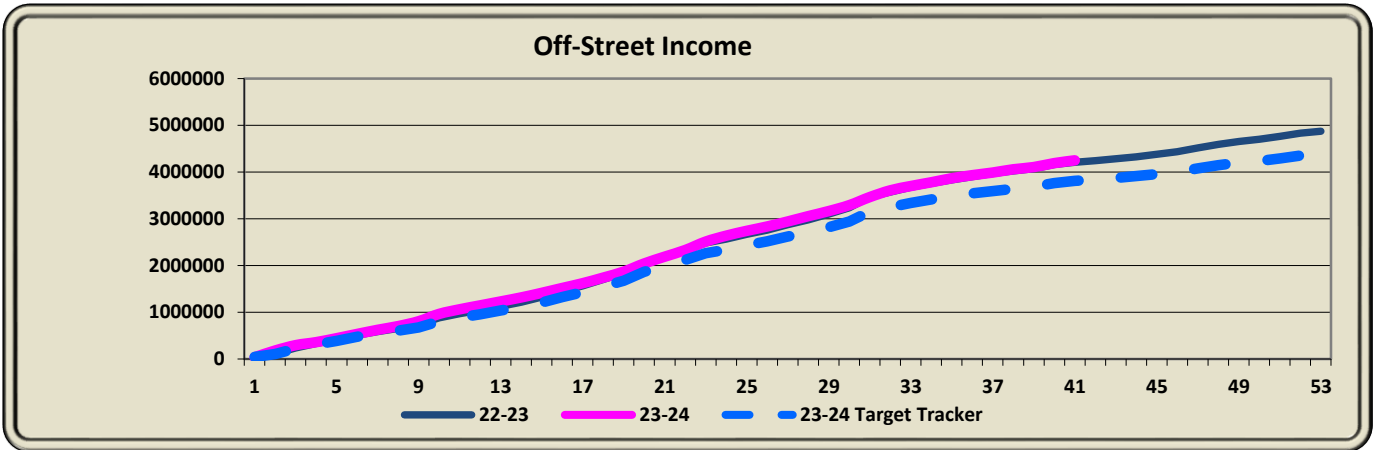
New Homes Bonus

This service is forecasting break-even position.

Summary of the revenue forecasts

After 9 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £1,465k underspend.

Car Parking Trends



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HOUSING REVENUE ACCOUNT

Appendix 2 (n)

BUDGET MONITORING MONTH 9 2023/2024

FUNCTIONS	2023/2024 BUDGET MONTH 9	2023/2024 ACTUAL MONTH 9	2023/2024 VARIANCE MONTH 9	2023/2024 FULL YEAR BUDGET	2023/2024 PROJECTED OUTTURN	2023/2024 VARIATION
	£000	£000	£000	£000	£000	£000
<u>RENT & SERVICE CHARGE INCOME DUE</u>						
Rental Income	14,623	14,538	(85)	19,497	19,369	(128)
Sheltered Housing	551	549	(2)	734	732	(2)
Emergency Housing	475	500	25	668	778	110
Resilience Housing	175	197	22	542	791	249
Other Supported Housing	153	124	(29)	204	165	(39)
Satellite Television Systems	60	60	-	80	80	-
Community Cleaning	20	20	-	27	27	-
Community Lighting	25	25	-	33	33	-
Door Entry Systems	7	7	-	9	9	-
Gardening Scheme	50	49	(1)	67	67	-
Grounds Maintenance	190	190	-	253	253	-
<u>OTHER RENTS & CHARGES</u>						
Garages	65	65	-	86	86	-
Leasehold	189	171	(18)	189	171	(18)
Commercial/Other Rents	54	52	(2)	72	72	-
Other Income	90	179	89	120	179	59
<u>INTEREST INCOME</u>						
Interest on Revenue Balances	-	-	-	185	185	-
TOTAL INCOME	16,727	16,726	(1)	22,766	22,997	231
MANAGEMENT FEE	8,870	8,870	-	11,826	12,206	380
GENERAL FUND SERVICES	-	-	-	2,114	2,114	-
OTHER HRA COSTS	-	-	-	30	30	-
CAPITAL CHARGES	-	-	-	8,681	8,681	-
PROVISION FOR BAD AND DOUBTFUL DEBTS	-	-	-	384	384	-
TOTAL EXPENDITURE	8,870	8,870	-	23,035	23,415	380
CONTRIBUTION TO / (FROM) WORKING BALANCES	7,857	7,856	(1)	(269)	(418)	(149)

WORKING BALANCES	2023/2024 FULL YEAR BUDGET	2023/2024 PROJECTED OUTTURN	2023/2024 VARIATION
	£000	£000	£000
BALANCE AT 1ST APRIL	1,399	1,721	322
CONTRIBUTION TO / (FROM) WORKING BALANCES	(269)	(418)	(149)
BALANCE AT 31ST MARCH	1,130	1,303	173

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Blackpool Council

Wholly-Owned Companies

Covid Support to Council Wholly-Owned Companies

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

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

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

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

To date there have been loan approvals of £16.11m against that facility of which £9.52m has been drawn down. £2.32m of this has subsequently been repaid. The Council's Business Loans Fund Panel monitors progress against the WOCs' respective recovery plans on a regular basis.

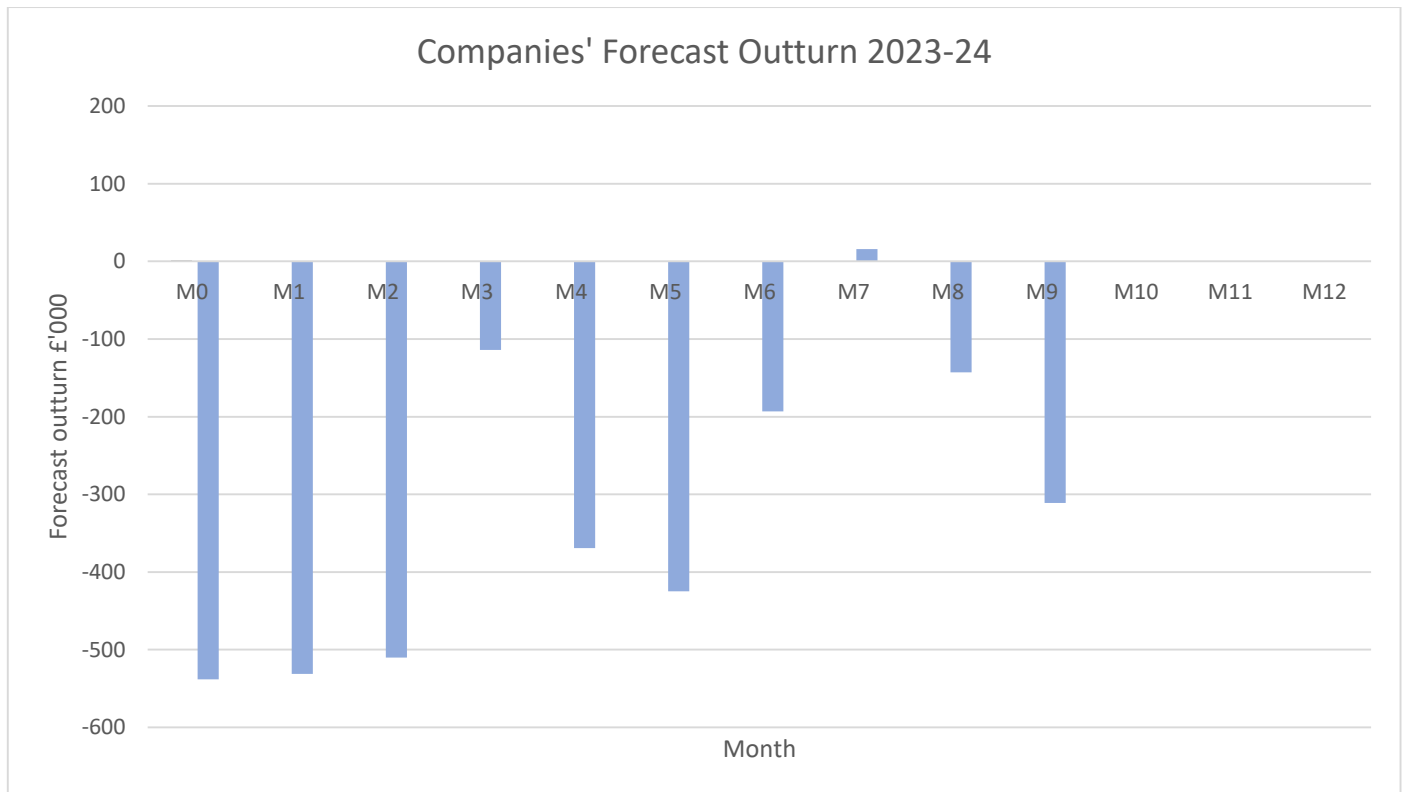
Non Covid-related loan support to WOCs

The Council also supports its WOCs' capital spending (capex) requirements where there is a robust business case demonstrating either a valid 'Spend to Save' initiative or an opportunity to spend to generate income. The Council's exposure to principal and capitalised interest in respect of such WOC capex loans is currently £47.84m.

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

Wholly-owned companies financial performance as at Month 9 2023/24

The consolidated forecast financial position of the Council's wholly-owned subsidiary companies is a loss of £311k based on their Month 9 financial monitoring reports. This represents a deterioration of £168k from the position reported at Month 8. The major factors contributing to this deterioration are the impact of the 2023/24 local government pay award offset by additional income – a combination of increased customer receipts and central government support.



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

Blackpool Council

Budget Savings Target 2023/24

Summary of progress as at 31 December 2023.

	Target	Achieved	Not yet achieved	To be achieved before year-end	Not able to be achieved	Amount of saving not yet found recurrently
	£000	£000	£000	£000	£000	£000
<u>Recurrent Savings</u>						
Corporate Services	12,975	(12,387)	588	0	588	0
Adult Services	3,337	(2,325)	1,012	0	1,012	0
Chief Executive	159	(159)	0	0	0	0
Children's Services	2,044	0	2,044	(1,278)	766	0
Governance & Partnership Services	507	(131)	376	(326)	50	0
Community & Environmental Services	367	0	367	(367)	0	0
Outside Cash Limit	1,349	(949)	400	(100)	300	0
Public Health	0	0	0	0	0	0
Communications & Regeneration	497	(316)	181	(115)	66	0
Growth & Prosperity	1,510	0	1,510	(1,510)	0	0
Resources	650	(583)	67	(67)	0	0
Recurrent Saving	23,395	(16,850)	6,545	(3,763)	2,782	0

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**2023/24 CAPITAL MONITORING
MONTH 9**

Key: Forecast scheme variance undeterminable at this stage

	Total Scheme Budget	Spend as at 31/3/23	Budget Brought Forward 2022/23	Capital Programme 2023/24	Total Available Budget 2023/24	Spend to Date April - December	Forecast to Year End	Forecast Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Director Responsible for Resources								
Property and Asset Management								
Central Business District Phase 1	40,432	38,142	2,290	-	2,290	-	2,290	-
ICT Refresh	924	-	-	924	924	307	617	-
Core CCTV Replacement	2,000	1,179	821	-	821	168	653	-
Finance, HR, Payroll System	3,225	2,535	187	503	690	522	168	-
Central Library/ Grundy Gallery Roof	525	188	337	-	337	279	58	-
South King Street	597	320	277	-	277	287	(10)	-
Other Resources Schemes	828	-	208	620	828	269	559	-
Total Resources	48,531	42,364	4,120	2,047	6,167	1,832	4,335	-
Director Responsible for Adult Services								
Support to Vulnerable Adults - Grants	2,384	-	398	2,159	2,557	1,657	900	-
I-Switch	-	-	-	-	-	-	-	-
Other Adult Services Schemes	2,561	1,233	770	558	1,328	602	726	-
Total Adult Services	4,945	1,233	1,168	2,717	3,885	2,259	1,626	-
Director Responsible for Community and Environmental Services								
Anchorsholme Seawall	30,966	26,632	4,334	-	4,334	10	4,324	-
Coastal Protection Strategy 2021-2025	61,265	1,206	94	7,790	7,884	3	881	-
Coastal Protection Studies	4,520	3,562	958	-	958	115	843	-
Beach Nourishment	57,010	-	-	500	500	17	483	-
Others	1,101	498	396	207	603	648	(45)	-
Total Community and Environmental Services	154,862	31,898	5,782	8,497	14,279	793	6,486	-

Page 61

**2023/24 CAPITAL MONITORING
MONTH 9**

	Total Scheme Budget	Spend as at 31/3/23	Budget Brought Forward 2022/23	Capital Programme 2023/24	Total Available Budget 2023/24	Spend to Date April - December	Forecast to Year End	Forecast Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive								
Housing								
Foxhall Village	12,797	13,471	(674)	-	(674)	7	(681)	-
Work towards Decent Homes Standard	3,985	-	-	3,985	3,985	3,792	193	-
Queens Park Redevelopment Ph2	13,453	13,453	-	-	-	(386)	386	-
Troutbeck Redevelopment	11,970	11,675	295	-	295	(31)	326	-
Grange Park	24,206	11,776	190	12,240	12,430	8,200	4,230	-
Dunsop Court	1,233	1,227	6	-	6	112	(106)	-
Feasibility/ Infill site	2,750	231	2,389	130	2,519	-	2,519	-
Haweside Masterplan	562	82	480	-	480	-	480	-
Garstang Road West	3,495	3,495	-	-	-	-	-	-
Acquisition and Refurbishment	4,871	1,775	3,096	-	3,096	4	-	-
Argosy Avenue	-	-	-	477	477	508	(31)	-
Hornby Road	-	-	-	233	233	1	232	-
Clare Street	-	-	-	318	318	72	246	-
Others	7,101	-	-	6,073	6,073	138	935	-
Total Chief Executive	86,423	57,185	5,782	23,456	29,238	12,417	8,729	-

**2023/24 CAPITAL MONITORING
MONTH 9**

	Total Scheme Budget	Spend as at 31/3/23	Budget Brought Forward 2022/23	Capital Programme 2023/24	Total Available Budget 2023/24	Spend to Date April - December	Forecast to Year End	Forecast Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Director Responsible for Communications and Regeneration								
Regeneration								
College Relocation/Illumination Depot	13,505	13,924	(519)	100	(419)	-	(419)	-
Leisure Assets	68,579	66,346	2,233	-	2,233	808	1,425	-
Tower Steel Replacement	11,000	-	-	3,500	3,500	911	2,589	-
Conference Centre	30,562	31,025	(463)	-	(463)	13	(476)	-
CBD Phase 2 - Hotel	24,500	24,213	287	-	287	6,337	(6,050)	-
CBD Phase 3	99,750	14,631	85,119	-	85,119	28,765	12,902	-
Land Release Fund	3,204	845	2,359	-	2,359	692	1,667	-
Enterprise Zone	29,720	15,123	14,597	-	14,597	860	737	-
Town Centre Parking Strategy	16,000	1,889	14,111	-	14,111	373	738	-
Museum	9,653	8,016	1,637	-	1,637	2,121	(484)	-
Abingdon Street Market	3,634	4,067	(433)	-	(433)	368	(801)	-
HoundsHill Ph2	20,190	13,879	6,311	-	6,311	5,135	1,176	-
Heritage Action Zone	1,566	1,179	387	-	387	96	291	-
Devonshire Road Hospital Land	1,447	1,447	-	-	-	-	-	-
Town Deal	57,190	5,888	51,302	40,000	91,302	5,351	12,353	-
Land Acqn Alfred, Leopold & Adelaide Streets	1,790	1,787	3	-	3	4	(1)	-
Marks and Spencers Acquisition	4,800	4,687	113	-	113	-	113	-
Town Centre Investments	57,100	51,208	5,892	-	5,892	(100)	-	-
Multi-Storey Car Park	1,782	-	-	1,782	1,782	1,516	266	-
Transport								
Local Transport Plan 2021/22	2,630	2,630	-	-	-	-	-	-
Local Transport Plan Project 30 2021/22	283	283	-	-	-	-	-	-
Local Transport Plan 2022/23	2,690	413	2,277	-	2,277	1,566	711	-
Local Transport Plan Project 30 2022/23	223	223	-	-	-	-	-	-
Local Transport Plan 2023/24	2,690	-	-	2,690	2,690	13	2,677	-
Local Transport Plan Project 30 2023/24	223	-	-	223	223	163	60	-
Blackpool/Fleetwood Tramway	99,990	99,990	-	-	-	-	-	-
Tramway Extension	17,054	16,780	274	-	274	791	(517)	-
Tramway Refurbishment	1,053	713	340	-	340	-	340	-
Total Communications and Regeneration	582,808	381,186	185,827	48,295	234,122	55,783	29,297	-

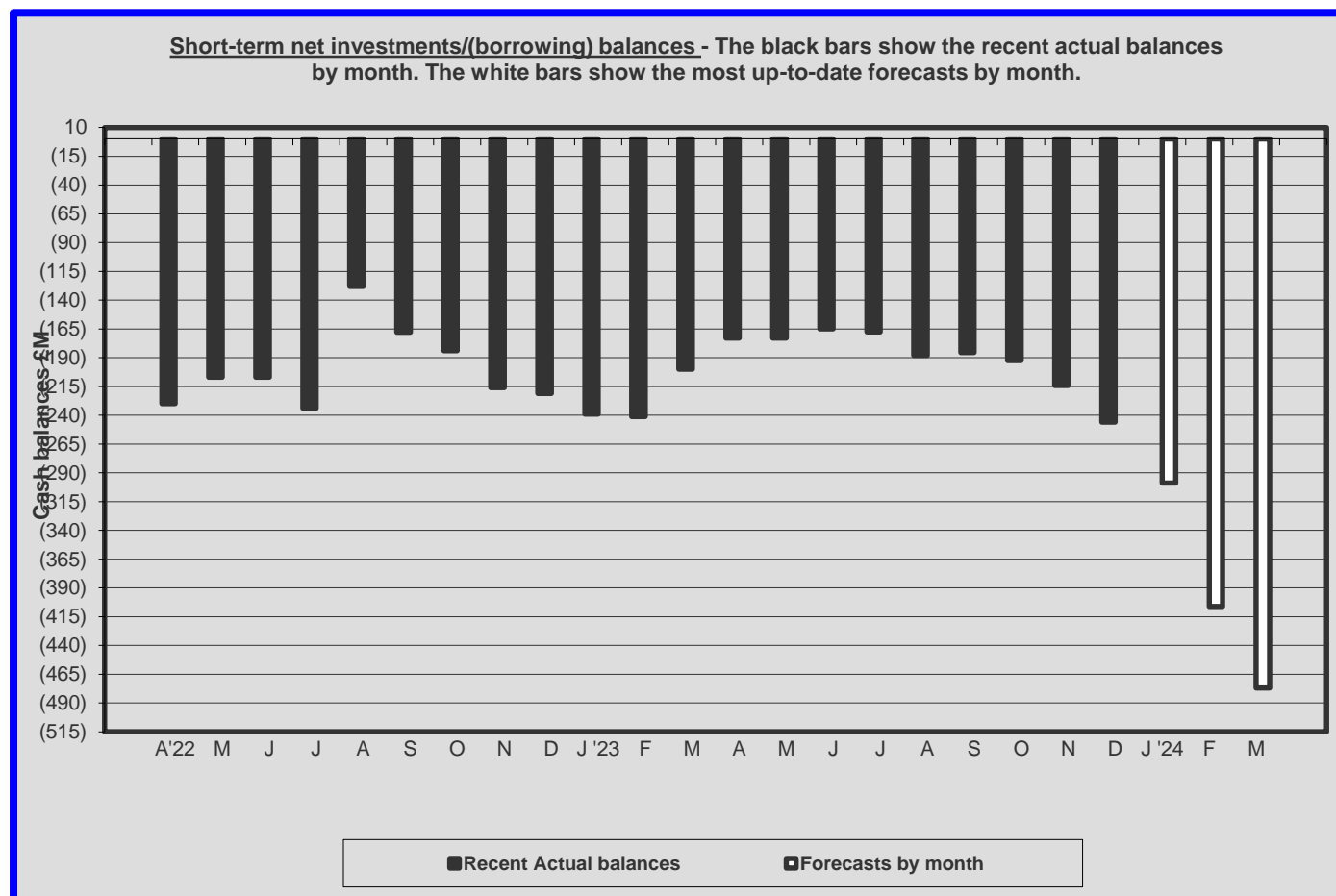
**2023/24 CAPITAL MONITORING
MONTH 9**

	Total Scheme Budget	Spend as at 31/3/23	Budget Brought Forward 2022/23	Capital Programme 2023/24	Total Available Budget 2023/24	Spend to Date April - December	Forecast to Year End	Forecast Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Director Responsible for Children's Services								
Devolved Capital to Schools	846	711	135	-	135	52	83	-
Park Expansion	610	412	198	-	198	-	198	-
Basic Need	1,309	3	933	373	1,306	-	1,306	-
Condition	1,878	527	845	506	1,351	535	816	-
Highfurlong Expansion	4,800	-	-	4,800	4,800	1,255	3,545	-
Pegasus Expansion	800	9	791	-	791	-	791	-
Others	1,852	152	611	1,089	1,700	346	1,354	-
Total Children's Services	12,095	1,814	3,513	6,768	10,281	2,188	8,093	-
CAPITAL TOTAL	889,664	515,680	206,192	91,780	297,972	75,272	58,566	-

Blackpool Council

Cash summary - budget, actual and forecast:

CASH FLOW - SUMMARY - 23/24							
FULL YEAR CASH FLOW ORIGINAL BUDGET (*)	APR-DEC CASH FLOW ORIGINAL BUDGET (*)	APR-DEC CASH FLOW ACTUAL	JAN-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-DEC MORE / (LESS) CASH ACTUAL vs ORIGINAL BUDGET	JAN-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
42	31	30	10	RECEIPTS			
118	93	73	24	Housing Benefit & Subsidy	(1)	(1)	(2)
22	17	15	8	Council tax and NNDR	(20)	(1)	(21)
46	35	76	10	VAT	(2)	3	1
136	99	117	48	RSG & BRR	41	(1)	40
149	111	109	38	Other Grants	18	11	29
-	-	-	-	Other Income	(2)	-	(2)
25	25	515	65	Money Market Transactions Received	-	-	-
				Receipt of Loans	490	65	555
538	411	935	203	RECEIPTS - NORMAL ACTIVITIES	524	76	600
				PAYMENTS			
13	9	11	4	Police & Fire	(2)	-	(2)
421	312	327	126	General Creditors	(15)	(17)	(32)
-	-	-	-	RSG & BRR	-	-	-
127	96	83	32	Salaries & wages	13	(1)	12
37	28	23	9	Housing Benefits	5	-	5
215	120	492	210	Money Market Transactions Paid Out	(372)	(115)	(487)
813	565	936	381	PAYMENTS - NORMAL ACTIVITIES	(371)	(133)	(504)
(275)	(154)	(1)	(178)	NET CASH FLOW IN/(OUT)	153	(57)	96
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 nine months of the financial year, the Council's net cashflow resulted in fluctuations in short-term net investment/borrowing balances due to the receipt of up-front grant income in this financial year. The Council fixed £125m of temporary loans in August 2022 at around 3.0%, which resulted in an increase in investment balances and over the next few months, short-term borrowing will be repaid using the fixed-term borrowing taken.

The chart of actual and forecast month-end balances shows temporary investment and borrowing levels throughout the year. The forecast shows the level of borrowing that may be required to cover planned and approved capital expenditure up to 31 March 2024. Due to the high levels of interest it is likely that the council will fund this expenditure through short-term borrowing until interest rates have fallen.

Blackpool Council

Balance Sheet / Working Capital:

BALANCE SHEET 2023/24				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft Unaudited 31 Mar 23		31 Dec 23	Movement since	31 Mar 24
£000s		Actual £000s	31 Mar 23 £000s	Forecast £000s
587,812	Property, Plant and Equipment	669,631	81,819	801,448
279,731	Infrastructure Assets	269,209	(10,522)	283,712
8,540	Heritage Assets	8,540	-	8,600
2,401	Intangible Assets	2,228	(173)	2,171
27,399	Long-term Investments	29,399	2,000	29,650
77,306	Long-term Debtors	83,201	5,895	87,000
42,000	Pension Asset	42,000	-	42,000
	Current Assets			
76,409	Debtors	78,700	2,291	78,000
836	Inventories	607	(229)	850
14,284	Cash and cash equivalents	43,688	29,404	15,000
1,116,718	Total Assets	1,227,203	110,485	1,348,431
	Current Liabilities			
(200,475)	Borrowing Repayable within 12 months	(258,900)	(58,425)	(203,256)
(81,773)	Creditors	(82,500)	(727)	(82,000)
	Long-term Liabilities			
(196,052)	Borrowing Repayable in excess of 12 months	(196,052)	-	(192,796)
(90,961)	Long-term Creditors	(90,961)	-	(88,131)
(50,576)	Capital Grants in Advance	(50,576)	-	(40,000)
(6,106)	Provisions	(6,152)	(46)	(6,100)
(2,566)	Other Long-term Liabilities	(2,566)	-	(62)
488,209	Total Assets less Liabilities	539,496	51,287	736,086
(83,614)	Usable Reserves	(66,701)	16,913	(71,392)
(404,595)	Unusable Reserves	(472,795)	(68,200)	(664,694)
(488,209)	Total Reserves	(539,496)	(51,287)	(736,086)

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 9. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRS/IAS's). Each year an accounting adjustment under IAS 19 is made for the value of the pension fund at year-end. In 2022/23, for the first time, this produced a pension asset rather than a pension liability. Paragraph 64 of IAS 19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. This calculation has now been received from the actuary and £42m has been recognised in the balance sheet as a pension asset.

Usable reserves include unallocated General Fund reserves and revenue reserves. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold.

Due to statutory changes regarding the accounting treatment of infrastructure assets which were approved in Parliament in late November 2022, the 2020/21 accounts were not signed off until November 2023. This has meant that the completion of the audits for the 2021/22 and 2022/23 accounts have been delayed. As the audits are still ongoing the balance sheet as at 31 March 2023 may require amendment, therefore the above figures should be treated as draft.

Over the 9-month period there has been an increase in Property, Plant and Equipment of £81.8m due to capital expenditure which is in line with the Council's approved capital programme for 2023/24. Infrastructure assets have decreased by £10.5m which is the net effect of spend to date less depreciation at month 9. Long-term debtors has increased by £5.9m due to new approved business loans. Cash and cash equivalents have increased by £29.4m and short-term borrowing has increased by £58.4m due to the timing of capital and revenue grants and ensuring that sufficient funds are available between Christmas and New Year.

Report to:	EXECUTIVE
Relevant Officers:	Antony Lockley, Director of Strategy and Assistant Chief Executive, and Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Mark Smith, Cabinet Member for Levelling Up: Place
Date of Meeting:	5 February 2024

PROPOSED RENT REVIEW 2024/25

1.0 Purpose of the report:

1.1 To consider recommending to the Council the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2024/25.

2.0 Recommendation(s):

To recommend to the Council:

2.1 That the 2024/25 Housing Revenue Account budget as set out in Appendix 3a is approved.

2.2 That rents for all Housing Revenue account properties are increased by 7.7% in 2024/25 to maintain the health and future viability of the Housing Revenue Account in line with official guidance.

2.3 That the minimum level of Housing Revenue Account balances remain protected at £1 million, as previously agreed.

2.4 That Housing Revenue Account service charges (as detailed in Appendix 3b) and that other General Fund service charges (as detailed in Appendix 3c) are charged as outlined.

3.0 Reasons for recommendation(s):

3.1 To ensure that rent levels are appropriate and the Housing Revenue Account is financially secure as the Council Homes Investment Plan is delivered over the next few years. The proposed budget for 2024/25 will ensure that the necessary investment to maintain and grow the Council's stock can continue, alongside measures to decarbonize our stock, whilst continuing to minimise any negative financial impact on tenants. Our expectation is that the vast majority of tenants (approx. 83%) will have rent increases covered by benefit rises.

Retaining the previously agreed minimum reserves level of £1 million ensures that prudent balances are maintained in the Housing Revenue Account.

- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3 Is the recommendation in accordance with the Council's approved budget? Not applicable - the report once approved will be part of the Council's new approved budget

4.0 Other alternative options to be considered:

- 4.1 Rents could be set at a lower level but this would jeopardise the future viability of the Housing Revenue Account. A 7.7% increase enables the necessary investment in our existing council housing stock, steps towards decarbonisation, and investment in new Council homes.

5.0 Council priority:

- 5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 Introduction

As part of the preparation of the draft 2024/2025 Housing Revenue Account (HRA) Budget, Members are asked to consider the level of rents and service charges to be set in connection with Council Housing dwellings during the next financial year.

Attached at Appendix 3a is the draft Budget for the Housing Revenue Account for the year 2024/25.

6.2 National Social Housing Rent Policy

Since 2001, social rents have been set with reference to a formula issued by the Government. This creates a 'formula rent' for each property, calculated based on local income levels and property size and value. The aim is to ensure similar rents are charged for similar social rent properties.

In 2011, the Government introduced 'affordable rents', permitting some rents (inclusive of service charges), to be set at up to 80% of market rents, where specific permission has been

granted under the terms of the Government's affordable homes programmes.

With the advent of self-financing there have been controls on the maximum amount of rent increase a provider of social housing can impose, with the intent of letting providers manage self-financing while removing the possibility of excessive rent rises. A formula of capping rent rises at CPI plus 1% was introduced as a prudent control. Despite this policy in October 2017 the Government announced a period of 1% rent cuts to March 2020. This policy had the effect of reducing the ability of the Housing Revenue Account to effectively deliver the necessary investment to maintain a healthy 30 year Housing Revenue Account Business Plan. In 2020 it was announced there would be a five year period where maximum increases would return to CPI plus 1%.

Each year the Housing Revenue Account 30 year business plan is independently evaluated to help ensure ongoing viability. Blackpool has since the introduction of self-financing been able to run an effective and prudent Housing Revenue Account, allowing it to invest in new stock such as the new developments replacing time expired stock at Queens Park and Troutbeck and new additional stock at Grange Park. Every reduction in the standard formula of CPI plus 1% reduces the ability to invest and repay borrowing to carry out that investment. An external consultant has assisted in modelling the proposed rent increases and concluded that limiting rises below the maximum cap, especially in the face of rising costs and regulation, could carry significant risk to the Housing Revenue Account remaining viable over the long term and reduce the ability to continue to invest in the stock.

For the year 24/25, Government have returned to the formula of CPI plus 1%. This was calculated based on September data, and so the cap on rent increases for 24/25 is 7.7%. A 7.7% rent rise is therefore recommended for 2024/25.

6.3 **Projected Outturn 2023/2024**

The projected outturn position for the Housing Revenue Account is detailed at Appendix 3a.

There is a projected in year contribution from balances of £408,000, compared to a budgeted deficit of £269,000; this is a negative variation of £139,000. Audited balances brought forward on 1 April 2023 were £1,721,000, therefore projected balances on 31 March 2024 are £1,313,000.

Variations against budgets have been reported at quarterly intervals to the board of Blackpool Coastal Housing (BCH), which includes three of the Council's elected members. The Council's Director of Resources and Assistant Chief Executive also receive quarterly budget information on the Housing Revenue Account and explanations for any significant variances in performance. In addition the Shareholder Committee of the Executive considers the performance of Blackpool Coastal Housing including overview of financial management.

6.4 **Housing Revenue Account Budget 2024/25**

6.5 **Blackpool Coastal Housing Management Fee and Management Agreement**

The management fee for Blackpool Coastal Housing in 2024/25 will be £13,220,000. There is an uplift from the fee in 2023/24 largely for inflationary pressures and to ensure key activities identified in the Social Housing White Paper are implemented. Blackpool Coastal Housing is also expected to deliver efficiency savings to meet the increased cost of the 2023/24 pay award.

Blackpool Coastal Housing continues to operate under the terms of the extension to the management agreement referred to in previous rent reports. The Council and Blackpool Coastal Housing are aware of the requirements contained within the new Social Housing (Regulation) Act and are taking steps in the areas of building safety compliance, consumer standards, tenant involvement, and maintaining appropriate levels of governance and Council oversight.

6.6 **Treasury Management**

Treasury Management costs have been calculated with regard to the present and projected levels of interest rates, anticipated borrowing requirements and depreciation. Housing Revenue Account loans are managed by the Council's Accountancy team, but are kept separate from General Fund loans and investments as legally required. The Director of Resources of Blackpool Coastal Housing is a member of the Council's Treasury Management Panel. The Housing Revenue Account is taking on borrowing to fund the cost of the new development on Grange Park and will act on the advice of the Panel on this.

6.7 **Income**

Rental income has been impacted by the impacts of the pandemic on customers and continues to face pressure in the current cost of living crisis. Over 83% of tenants are in receipt of benefit and as such receive direct support for housing related costs. Despite the pressures of the last few years overall rent collection rates have remained high as a result of the balanced approach taken to not just collection of rent but also the support given to tenants to maximise their income with financial advisors working as part of the rents team and a separate project assisting the long term unemployed back into the labour market.

Rent collection arrangements are externally reviewed annually to ensure they are in line with industry practice. New software to assist with the collection of former tenant arrears was implemented last year and the board and senior management team of Blackpool Coastal Housing continue to take action to reduce void turnaround times to ensure that this element of income maximisation is also robust.

6.8 **Value for Money (VFM)**

The Housing Revenue Account operates with a view to generating ongoing operational efficiencies. This has been reflected in procurement activities that have driven down costs and increased the levels of social value generated. Benchmarking with peer organisations also confirms that Blackpool Coastal Housing back office costs continue to be low. The most recent external review of Blackpool Coastal Housing was favourable in its assessment of the value for money of Blackpool Coastal Housing and the Council housing client function. This should stand the Council in good stead in terms of the extension of regulation to Council landlords and their Arms Length Management Organisations outlined in the Social Housing (Regulation) Act.

Blackpool Coastal Housing continues to focus on efficiency options when re-tendering contracts and in service design but this is becoming increasingly tough in the current economic climate. During 2023/24 the grounds maintenance and assisted gardening contract was retendered and as a result the annual value has increased by £157,000.

6.9 **Capital Programme**

The revenue contribution to the Capital Programme is expected to be in the region of £7,290,000 in 2024/25 (compared with £7,430,000 budget and projected outturn in 2023/24). This is to fund agreed redevelopment referred to earlier in this report whilst retaining Housing Revenue Account balances above the agreed minimum level of £1,000,000. Revenue contributions to the capital programme are the preferred option to minimise borrowing costs, however borrowing is required during the year to fund the Grange Park redevelopment in particular.

In terms of climate change the 2024/25 capital programme includes an additional £500,000 to enable all remaining properties to achieve a minimum energy efficiency level of SAP C. There is currently no significant external funding to support this work, and decarbonisation of the whole stock is estimated to cost in the region of £80-90 million on the best available information. The Council remains committed to continued progress in this area however, whilst technological and financial solutions are developed nationally.

The Housing Revenue Account remains an outlier nationally in terms of low levels of borrowing, and the Council Housing Investment Programme reflects a commitment to prudent borrowing to finance additional housing development.

Housing Revenue Account borrowing is expected to rise significantly in the coming years as part of our plans to invest in existing stock and continue to build new council homes. Borrowing is projected to be £32,373,000 on 31 March 2024 and £38,605,000 on 31 March 2025.

6.10 **Housing Revenue Account self-financing for Council Housing**

Since 1 April 2012 self-financing has been in place for local authority housing provision. This replaced the previous subsidy system with a requirement for Councils retaining a Housing Revenue Account to maintain viable 30 year Housing Revenue Account Business Plans on a rolling basis. At the onset of self-financing the Council received a one-off capital sum of £41,523,000 offset against the housing related debt held at that time. A maximum debt cap of £35,739,000 was also imposed on Blackpool's Housing Revenue Account.

In 2018 the government announced the abolition of the debt caps on local authority Housing Revenue Accounts. In practice this puts the Housing Revenue Account into a similar position to the General Fund with regard to capital investment appraisal, in that there is no maximum level of borrowing that can be undertaken but a robust assessment needs to be undertaken to ensure that proposed schemes cover their costs. In exceptional circumstances it could be justifiable to undertake individual investments that do not break even in the required timeframe, but these would need to be offset by surpluses from other schemes.

6.11 **Rent Change for 2024/25**

In 2023/24 the average weekly rent charged in Blackpool was £77.26 for general rent properties and £102.98 for affordable rent properties.

Blackpool has some of the lowest social rents in the country. In 2022/23 they were the 9th lowest in the country, 22% below the national average and 25% below the highest social rents in the North West. Since then rent increases have remained lower than the national average and Blackpool social rents remain below Local Housing Allowance levels, which is the benchmark for rents to qualify for benefit support. While low social rents can be beneficial for tenants not in receipt of support through the benefit system they can have an adverse impact on the ability of the Housing Revenue Account to continue to provide the necessary investment to maintain, improve and grow the social housing stock through a balanced 30 year business plan that is also subject to inflation and cost pressures as a result of the current economic climate.

Over 83% of the Council's tenants are in receipt of benefit and as such would receive support with any rent increase as rents will remain below the Local Housing Allowance rate. Even with an increase at the Government's proposed 7.7% cap, average rent across the stock would still be below the average local housing allowance rent levels. The recently published indicative Local Housing Allowance rates for 2024/25 suggest an average increase of circa 8.8% for Blackpool, i.e. in excess of the proposed 7.7% rent increase.

It is proposed that rents for all Housing Revenue Account homes in 2024/25 increase in line with the national limit of 7.7%. Whilst this will increase Housing Revenue Account balances by c. £1m in 2024/25, this will minimize any adverse impact on the Council's ability to

continue to invest in the maintenance of existing stock, the development of new houses and work to deliver against the Council's aim of becoming carbon zero by 2030.

Vacant properties will continue to be let at the formula/target rent. This is a policy that Blackpool has adopted for several years now.

6.12 **Other Charges**

Service Charges

Councils can charge separately for services such as cleaning communal areas and gardening. These charges should reflect the level of costs to provide the services including any administration and should not be used to make a profit on these charges. Government policy states that councils should provide tenants with a breakdown of the additional services they receive and the charges for them, so they can see how much they pay for rent and services on an individual basis.

Listed below are the services currently provided:

- Communal Lighting
- Alarm Systems
- Satellite Television Systems
- Communal Cleaning
- Door Entry Systems
- Sheltered Community Centres
- Grounds Maintenance
- Intensive Housing Management
- Community Centres
- Fitted Furnishings

All of these service charges are eligible for Housing Benefit / Universal Credit in general needs stock, some ineligible services are provided within supported accommodation.

Attached at Appendix 3b are the proposed service charges for 2024/25 relating to Housing Revenue Account services. Existing service charges are shown for each service, with an indication of what new charges would be based on cost of provision. It is proposed to increase the grounds maintenance charges in 2024/25 in line with the additional cost of provision, which equates to approximately 53 pence per week per household, and to increase all other service charges for the financial year 2024/25 by 7.7%. This is to ensure consistency with increases in Housing Rents.

A full review of all service charges will be undertaken in 2024/25 to enable increases to recover costs to be calculated and proposed in the next Rent Review.

Leaseholder Charges

The Leaseholder Charge, including a management charge, has been calculated to reflect the actual cost of providing the service. Whilst charges to leaseholders are a sensitive area the need to ensure that this customer group is not treated unfairly needs to be balanced against the risk of genuine costs relating to the upkeep of their properties being subsidised by the wider tenant group.

Non-Housing Revenue Account Properties

These rents fall outside the national social housing rent policy set out in section 6.2. It is recommended that these charges be increased as set out in Appendix 3c.

6.13 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 3a: Housing Revenue Account Draft Budget 2024/25
Appendix 3b: Housing Revenue Account charges
Appendix 3c: General Fund housing charges

8.0 Financial considerations:

8.1 These are set out in Background Information section of this report and the attached draft budget at Appendix 3a.

9.0 Legal considerations:

9.1 The proposed rent increase is line with the rent increase allowed by Government for 2024/25.

10.0 Risk management considerations:

10.1 These are set out in the background information section.

11.0 Equalities considerations and the impact of this decision for our children and young people:

11.1 None directly.

12.0 Sustainability, climate change and environmental considerations:

12.1 The Council is committed to achieving climate change targets by 2030 and there are also national policies requiring decarbonisation of housing stock. In common with all other stock holding local authorities Blackpool has many units currently heated by carbon derived options and investment in new technologies and solutions is required.

13.0 Internal/external consultation undertaken:

13.1 The rent report is shared with the board of Blackpool Coastal Housing, which includes tenant and leasehold representatives and independent members.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 24/2023

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

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 26 January 2024 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1

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HOUSING REVENUE ACCOUNT

DRAFT BUDGET 2024/2025

FUNCTIONS	2023/2024 FULL YEAR BUDGET	2023/2024 PROJECTED OUTTURN	2023/2024 VARIATION	2024/2025 DRAFT BUDGET
	£000	£000	£000	£000
MANAGEMENT FEE	11,826	12,206	380	13,220
GENERAL FUND SERVICES	2,114	2,114	-	2,114
OTHER HRA COSTS	30	30	-	50
CAPITAL CHARGES	8,681	8,671	(10)	9,061
PROVISION FOR BAD AND DOUBTFUL DEBTS	384	384	-	420
<u>RENT AND SERVICE CHARGE INCOME DUE</u>				
Rental Income	(19,497)	(19,369)	128	(21,485)
Sheltered Housing	(734)	(732)	2	(788)
Emergency Housing	(668)	(778)	(110)	(938)
Resilience Housing	(542)	(791)	(249)	(972)
Other Supported Housing	(204)	(165)	39	(220)
Satellite Television Systems	(80)	(80)	-	(86)
Community Cleaning	(27)	(27)	-	(29)
Community Lighting	(33)	(33)	-	(36)
Door Entry Systems	(9)	(9)	-	(10)
Furnished Tenancies	-	-	-	(40)
Gardening Scheme	(67)	(67)	-	(118)
Grounds Maintenance	(253)	(253)	-	(400)
<u>OTHER RENTS AND CHARGES</u>				
Garages	(86)	(86)	-	(93)
Leasehold	(189)	(171)	18	(184)
Commercial/Other Rents	(72)	(72)	-	(75)
Other Income	(120)	(179)	(59)	(150)
<u>INTEREST INCOME</u>				
Interest on Revenue Balances	(185)	(185)	-	(193)
CONTRIBUTION (TO) / FROM WORKING BALANCES	269	408	139	(952)

WORKING BALANCES	2023/2024 FULL YEAR BUDGET	2023/2024 PROJECTED OUTTURN	2023/2024 VARIATION	2024/2025 DRAFT BUDGET
	£000	£000	£000	£000
BALANCE AT 1ST APRIL	(1,399)	(1,721)	(322)	(1,313)
CONTRIBUTION (TO) / FROM WORKING BALANCES	269	408	139	(952)
BALANCE AT 31ST MARCH	(1,130)	(1,313)	(183)	(2,265)

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Appendix 3b: BLACKPOOL BOROUGH COUNCIL - HOUSING REVENUE ACCOUNT

REVIEW OF FEES AND CHARGES 2024/25

CLASSIFICATION	DESCRIPTION OF CHARGE	DATE OF LAST REVISION	EXISTING CHARGE	RECOMMENDED CHARGE	INCREASE %
			£	£	
Communal Area Cleaning and Caretaking	Weekly Clean	April-23	1.70	1.83	7.7%
	Fortnightly Clean	April-23	1.18	1.27	7.7%
	Monthly Clean	April-23	0.66	0.71	7.7%
Communal Lighting	Low and Medium Rise Blocks	April-23	0.57	0.61	7.7%
Door Entry Systems	Low and Medium Rise Blocks	April-23	0.38	0.41	7.7%
Grounds Maintenance	Open space grounds maintenance	April-23	1.23	1.76	43.0%
Supported Housing Service Charges	Alarm System	April-23	4.48	4.82	7.7%
	Alarm System (Hoyle)	April-23	19.25	20.73	7.7%
	Intensive Housing Management;				
	Dunsop Court	April-23	28.04	30.20	7.7%
	Other Sheltered Schemes	April-23	9.84	10.60	7.7%
	Dunsop Court;				
	Communal Costs	April-23	9.43	10.16	7.7%
	Heating	April-23	7.64	8.23	7.7%
	Water	April-23	5.18	5.58	7.7%
Community Centres	Dunsop Court	April-23	4.92	5.30	7.7%
	Sheltered Sites with attached Community Centre	April-23	2.82	3.04	7.7%
	Other Sheltered Sites with Access to Community Centre	April-23	1.42	1.53	7.7%
	Private Use of Community Centres				
	- Per Hour (Non Profit Groups)	April-23	6.30	6.79	7.7%
	- Per Hour (Profit-making Groups)	April-23	12.60	13.57	7.7%
Temporary Accommodation	Hostels				
	Housing Benefit Eligible Service Charge;				
	- 1 Bed Unit	April-23	7.58 per day	8.16 per day	7.7%
	- 2 Bed Unit	April-23	15.24 per day	16.41 per day	7.7%
	- 4 Bed Unit	April-23	30.41 per day	32.75 per day	7.7%
	- 5 Bed Unit	April-23	38.02 per day	40.95 per day	7.7%
	Housing Benefit Ineligible Service Charge	April-23	2.36 per day	2.54 per day	7.7%
	Intensive Housing Management	April-23	10.55 per day	11.36 per day	7.7%
	Dispersed Dwellings				
	Intensive Housing Management	April-23	98.79	106.40	7.7%
	Housing Benefit Eligible Service Charge	April-23	78.94	85.02	7.7%
	Clare Street				
	Housing Benefit Eligible Service Charge;	January-24	164.64	164.64	0.0%
	Housing Benefit Ineligible Service Charge	January-24	53.22	53.22	0.0%
	Intensive Housing Management	January-24	340.08	340.08	0.0%
	William Lyons House				
	Housing Benefit Eligible Service Charge;				
	- Bedsits	January-24	195.72	195.72	0.0%
	- Flats	January-24	198.68	198.68	0.0%
	Housing Benefit Ineligible Service Charge	January-24	29.22	29.22	0.0%
Intensive Housing Management	January-24	203.00	203.00	0.0%	
Other Supported Housing	Intensive Housing Management	April-23	80.82	87.04	7.7%
HRA Garages	HRA Tenants -				
	1st Letting	April-23	7.82	8.42	7.7%
	Additional Letting	April-23	7.82 (+VAT)	8.42 (+VAT)	7.7%
	Non-HRA Tenants	April-23	7.82 (+VAT)	8.42 (+VAT)	7.7%
Satellite Television Systems		April-23	0.63	0.68	7.7%
Other Charges	Assisted Gardening Scheme	April-23	8.10 (+VAT)	11.71 (+VAT)	45.0%
	Hoyle House -				
	Infrastructure	April-23	3.43	3.69	7.7%
	Fitted Furnishings	April-23	4.93	5.31	7.7%
Miscellaneous Charges	Any other services will be charged for on a full cost basis				

Notes

1. All charges exclude VAT unless indicated
2. All charges are per week unless otherwise stated, based on a 52 week year

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Appendix 3c BLACKPOOL BOROUGH COUNCIL - GENERAL FUND HOUSING

REVIEW OF FEES AND CHARGES 2024/25

CLASSIFICATION	DESCRIPTION OF CHARGE	DATE OF LAST REVISION	EXISTING CHARGE £	RECOMMENDED CHARGE £	INCREASE %
<u>General Fund Garages</u>	HRA Tenants -				
	1st Letting (Residential)	April-23	7.82	8.42	7.7%
	Additional Letting (Residential)	April-23	7.82 (+VAT)	8.42 (+VAT)	7.7%
	Non-HRA Tenants (Residential)	April-23	7.82 (+VAT)	8.42 (+VAT)	7.7%
	Commercial Tenants	April-23	13.47 (+VAT)	14.51 (+VAT)	7.7%
<u>Traveller Site</u>	Site Charge	April-23	107.80	115.02	6.7%
	Water Charge	April-23	10.15	10.83	6.7%
<u>Miscellaneous Charges</u>	Any other services will be charged for on a full cost basis.				

Notes

- All charges exclude VAT unless indicated
- All charges are per week unless otherwise stated, based on a 52 week year

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Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Meeting:	5 February 2024

GENERAL FUND REVENUE BUDGET, COUNCIL TAX AND DEDICATED SCHOOLS GRANT FOR 2024/25

1.0 Purpose of the report:

- 1.1 The purpose of this report is to determine the overall level of net expenditure to be included in the General Fund Revenue Budget for 2024/25, to identify a budget savings plan that will ensure a balanced budget in-year incorporating an agreed level of Council Tax, to outline the proposals for the use of the Dedicated Schools Grant and the allocation of schools funding for 2024/25.

2.0 Recommendation(s):

The Executive is asked:

- 2.1 To recommend to Council the level of net expenditure for the draft General Fund Revenue Budget 2024/25 of **£194,762,000** (ref. paragraph 9.2 and Appendix 4a)
- 2.2 To recommend to Council a level of budget savings of **£16.3m** (ref. paragraphs 10.1 and Appendix 4b) incorporating a Council Tax increase of **4.99%** made up of 2.99% plus a 2% Adult Social Care precept.
- 2.3 To note that the precepts for Police and Fire will be reported to Full Council on 21 February 2024 as the rates are not agreed until 19 February 2024 and week commencing the 19 February respectively.
- 2.4 To recommend to Council that the Chief Executive be authorised to take any necessary steps to ensure any staffing savings are achieved (ref. paragraph 11.1)
- 2.5 To recommend to Council the proposed use of the Dedicated Schools Grant Budget for 2024/25 (ref. paragraph 7.9 and Appendix 4c)

- 2.6 To recommend to Council the allocation of schools funding for 2024/25 (ref. paragraph 7.9 and Appendix 4c)
- 2.7 To recommend to Council a target level of working balances of **£8m** by 31 March 2025 (ref. paragraph 13.5)
- 2.8 To recommend to Council that due regard is given to the robustness of the estimates and the adequacy of reserves in the budget proposals for 2024/25 (ref. section 13)
- 2.9 To consider any further facts, information and stakeholder feedback which may emerge and report the details to the meeting of the Council on 21 February 2024.

3.0 Reasons for recommendation(s):

3.1 To enable progression to the next stage of the budget process in achieving a balanced budget for the Council.

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

3.3 Is the recommendation in accordance with the Council's approved budget? Not applicable - the report once approved will become the Council's new approved budget.

4.0 Other alternative options to be considered:

4.1 An integral part of the budget setting process is to ensure there has been full consideration of alternative options. Previously rejected budget savings proposals were again reconsidered and several Corporate Leadership Team meetings had the budget as the main agenda item.

5.0 Council priority:

- 5.1 The relevant Council priority is both:
- "The economy: Maximising growth and opportunity across Blackpool"
 - "Communities: Creating stronger communities and increasing resilience"

6.0 Background information and context

6.1 The current Medium Term Financial Sustainability Strategy (MTFSS) covering the period 2021/22 – 2026/27 was approved by Executive on 8 November 2021 and presented a financial outlook, an assessment of risks and indication of the Council's challenges over these 6 years. Since the last 4-year Settlement ending in 2019/20 the Council has had to plan based on 1-year only Settlements, it was hoped that there would be a multi-year Settlement for 2024/25, however, a 1-year only Settlement was again announced for the

forthcoming year.

6.2 The 10 key principles of the Medium Term Financial Sustainability Strategy are:

- the statutory obligation to balance the Council’s budget in each year of the period;
- resourcing services in line with Council priorities;
- embedding a culture of value for money and efficiency savings in all activities;
- keeping local taxes and charges as low as practicable;
- maximising the level and resilience of the resources of cash, assets and people;
- ensuring significant risks are identified and mitigated where possible;
- ensuring financial reserves reflect the levels of business and risk;
- optimising capital spending freedoms;
- a sympathetic but robust approach to income and debt management in accordance with a refreshed Income and Debt Recovery Strategy
- adherence to the Council’s climate emergency declaration of reaching net carbon zero by 2030 (and measures to lead the town towards the same objective).

7.0 The Local Government Finance Settlement 2024/25

7.1 The Local Government Finance Settlement sets the amount of Central Government funding available to councils. The Secretary of State for Levelling Up, Housing and Communities announced the Provisional Local Government Finance Settlement for 2024/25 on 18 December 2023. The Final Settlement is expected to be announced in early February 2024.

7.2 The Settlement Funding Assessment (SFA) for Blackpool Council is split between resources received via Revenue Support Grant, an assessment of its share of Business Rates collectable plus a Top-up element from the Business Rates Retention Scheme. The Provisional Settlement Funding Assessment amounts to **£70,735,000** in 2024/25. This compares with the Settlement Funding Assessment in 2023/24 of £67,623,000.

7.3 There are several other significant components of Central Government funding, some of which have been rolled into the Settlement Funding Assessment and some which remain separate specific grants as set out below.

7.4 Better Care Fund (BCF)

The Better Care Fund is a programme spanning both the NHS and local government which seeks to join up health and care services so that people can manage their own health and wellbeing and live independently in their communities for as long as possible. The aim of the Better Care Fund is to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support and providing them with integrated health and social care services, resulting in an

improved experience and better quality of life.

The Provisional Settlement announcement confirmed the Improved Better Care allocation for Blackpool Council at **£10,875,000**, the same level as in 2023/24.

On publication of the Policy Framework and Planning Requirements in 2024 the Council will work with colleagues within the place-based Integrated Commissioning Board (ICB) to agree the value of the pooled budget for 2024/25.

7.5 Social Care Grant

On 18 December 2023, the Provisional Settlement included an increase of £692m to the Social Care Grant taking the national amount to £4.544bn. This funding was allocated to support local authorities to meet rising demand for adult and children's social care services. Blackpool's allocation for 2023/24 was £16,652,000 and this will increase to **£19,957,000** in 2024/25, an increase of £3,305,000.

7.6 Social Care Grant – Additional

On 24th January 2024, the Secretary of State for Levelling Up, Housing and Communities published a written statement, announcing an increase of £500m in funding for social care that will be reflected in the Final Local Government Settlement. As the final allocations have not been confirmed, an estimate of **£2m** has been assumed in setting the budget based on a pro-rata allocation of the Social Care Grant.

7.7 Adult Social Care (ASC) Market Sustainability and Improvement Fund

The ASC Market Sustainability and Improvement Fund increased by £488m to £1.050bn for 2024/25, this includes the rolling in of the Workforce Fund which totals £205m. The Fund is intended for local authorities to make tangible improvements to adult social care, and, in particular, to address discharge delays; social care waiting times; low fee rates; workforce pressures; and to promote technological innovation in the sector. Blackpool's allocation for 2023/24 was £2,116,000, which rises to **£3,954,000** for 2024/25, an increase of £1,838,000.

7.8 Discharge Funding Grant

The Discharge Funding Grant was introduced in 2023/24 and is provided to upper tier authorities to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible. The Discharge Funding must be pooled as part of the Better Care Fund. Blackpool's allocation for 2024/25 is **£2,541,000**, an increase of £1,016,000 from £1,525,000 in 2023/24.

7.9 Dedicated Schools Grant (DSG)

The Dedicated Schools Grant (DSG) is paid in support of the local authority's schools budget. It is the main source of income for the schools budget, Early Years and High Needs pupils. Local authorities are responsible for determining the allocation of the grant in consultation with local schools forums. Local authorities are responsible for allocating the Schools Block of the grant to individual schools in accordance with the local schools' funding formula.

The Dedicated Schools Grant in 2023/24 prior to academy recoupment was £147,970,724 and the provisional allocation for 2024/25 is **£161,671,622**. This includes a new early years allocation for under two year olds. A breakdown of the DSG across the different blocks is shown in the table below:

Block	2023/24	2024/25	Variance	
	£m	£m	£m	%
Schools	105.6	112.23	6.63	6.3%
Central Schools Services	1.14	1.09	-0.05	-4.4%
High Needs	31.97	33.38	1.41	4.4%
Early Years	9.26	14.97	5.71	61.7%
Total DSG	147.97	161.67	13.7	9.3%

Appendix 4c to this report contains the proposed use of DSG in 2024/25. The estimated in-year surplus of £446,000 would contribute to reducing the cumulative deficit on Dedicated Schools Grant to £1.2m by 31 March 2025. The proposed allocation of resources reflects the plans agreed with the Department for Education as part of the Safety Valve programme, which supports local authorities with Dedicated Schools Grant deficits to develop plans to reform their High Needs systems in order to rapidly place them on a sustainable footing. The budget proposals were discussed with and supported by Blackpool Schools Forum on 16 January 2024.

Appendix 4c to this report also contains the proposed funding formula for Blackpool mainstream schools for 2024/25. The formula mirrors the National Funding Formula for schools, with the exception of a 2.09% reduction in the Basic Entitlement values. This reduction has been approved by Schools Forum in order to allow for a transfer of 0.5% (£561,141) from the Schools Block to the High Needs Block to support the DSG management plan.

7.10 Public Health Grant

The transfer of Public Health services and their responsibility to local government from April 2013 brought with it ring-fenced grant funding.

Blackpool's allocation for 2024/25 was confirmed in the Settlement at **£20,120,069**, an increase of £261,675 (1.3%) from £19,858,394 received in 2023/24.

7.11 2024/25 Services Grant

This grant was introduced in 2022/23 totaling £822m and was distributed via 2013/14 Settlement Funding Assessment shares. For 2023/24, the amount was reduced to £483m due to the cancellation of the increase in National Insurance Contributions and to move funding to the Supporting Families programme. For 2024/25, the national pot has again been reduced to only £77m with funding being diverted to offset increases in the Revenue Support Grant, the Funding Guarantee and the Social Care Grant. In 2023/24 Blackpool's allocation was £1,876,000 but this has reduced to **£307,000** for 2024/25.

7.12 Housing Benefit (HB) Administration Grant

The Housing Benefit subsidy scheme is the means by which local authorities claim subsidy from the Department for Work and Pensions (DWP) towards the cost of administering Housing Benefit in their local areas. Benefit schemes of rent rebates for tenants of a local authority and rent allowances for private tenants are provided for by the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992 (as amended). Claimants obtain these benefits by direct application to the authority. Eligibility for, and the amount of, HB is determined in all cases solely by the local authority. The Council received Housing Benefit Administration Subsidy grant in 2023/24 of £690,542. The Council has not yet received notification of the grant for 2024/25 but it is estimated that the grant will reduce by approximately 5% due to claimants migrating to Universal Credit.

7.13 New Homes Bonus (NHB) Grant

The 2024/25 allocations are £291m, which is the same as 2023/24. There have been no changes to the design of the scheme for 2024/25, with a single year's new allocation. Blackpool's allocation of New Homes Bonus Fund in 2023/24 was £22,400 and this falls to £20,300 for 2024/25. Both of Blackpool's allocations relate to Affordable Homes.

7.14 Funding Guarantee

This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in core spending power that is lower than 4%, before taking into account (i) council tax level decisions and (ii) changes to funding from rolled in grants. The minimum 4% increase is 1% higher than the 3% in 2023/24.

For eligible authorities, the value of the guarantee will be based on the difference between a 4 per cent increase in their 2023/24 Core Spending Power adjusted for actual Council Tax requirement in 2023/24, compared to their increase in Core Spending Power (excluding rolled in grants) before any assumed increases to Council Tax Band D levels in 2024/25.

Blackpool Council's increase is greater than 4%, therefore there is no allocation in 2024/25 from the Funding Guarantee.

7.15 Core Spending Power

Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS).

Core Spending Power	2024/25	2023/24
	£m	£m
Settlement Funding Assessment (SFA)		
- Revenue Support Grant (RSG)	18.67	17.51
- Business Rates Baseline Funding Level	52.07	50.11
Compensation for under-indexing the business rates multiplier	10.37	8.54
Council Tax Requirement	73.62	69.50
Improved Better Care Fund	10.88	10.88
New Homes Bonus	0.02	0.02
Social Care Grant	21.96	16.65
Services Grant	0.31	1.95
Adult Social Care Market Sustainability and Improvement Fund	3.95	2.12
Adult Social Care Discharge Fund	2.54	1.53
Grants rolled in	0.00	1.37
Total	194.39	180.18
Change in Provisional Revenue Spending Power		
Percentage Change	+7.9%	

However, this calculation does not reflect the full inflationary pressures (pay awards, National Living Wage announcements, non-pay) and demand pressures (see 9.7), which have to be met from budget savings elsewhere.

7.16 Blackpool Council Funding for 2024/25

The table below shows what the Local Government Finance Settlement means for Blackpool and how this compares to 2023/24.

Council Tax	(7.4)	Council Tax increase of 5%, increase in Band D properties and review of CTRS assumption
Business Rates	(4.3)	Revaluation exercise plus multiplier increases
Business Rates (late adj to 23/24 budget)	(4.5)	NNDR1 completed after budget setting
Grants	(7.5)	Revenue Support Grant £1.159m, s31 Grant £1.042m, Social Care Grants £5.305m
Funding Total	(23.7)	

Note: The ASC Market Sustainability and Improvement Fund and Discharge Funding Grant are included within services and offset expenditure pressures, see section 9.7.

8.0 Revenue Budget 2023/24 – Projected Outturn

8.1 The summary at Appendix 4a shows the projected adjusted revenue outturn as at month 9 for the current financial year.

8.2 The summary shows that it is now estimated that a sum of £1,773,000 will be taken from working balances as at 31 March 2024.

The main areas of budgetary variance are set out below:

	Budget Variance
	£000
Children's Services	6,537
Adult Services	2,039
Community and Environmental Services	690
Parking Services	300
Communications and Regeneration	26
Governance and Partnership Services	(32)
Subsidiary Companies	(35)
Concessionary Fares	(130)
Chief Executive	(200)
Resources	(276)
Treasury Management	(1,600)
Net Service Overspendings 2023/24	7,319
Net Adjustment from Contingencies / Reserves	(5,546)
Net Overspending 2023/24	1,773

8.3 The reasons for the overspendings are well documented in the Council's monthly Financial Performance Monitoring reports and recovery plans are under constant review. The scrutiny committees continuously review overspending services to seek assurances that effective remedial action is being taken.

9.0 Cash Limited Revenue Budget 2024/25

9.1 There is a statutory requirement upon the Council to set a balanced budget:

- Section 100 of the Local Government Act 2002 requires local authorities to plan each year's revenue at a level sufficient to meet operating expenses and hence achieve a balanced budget.
- Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer of an authority to report to its Members and external auditor if it appears that the expenditure of the authority incurred (or proposed to incur) in a financial year is likely to exceed the resources available to meet that expenditure.

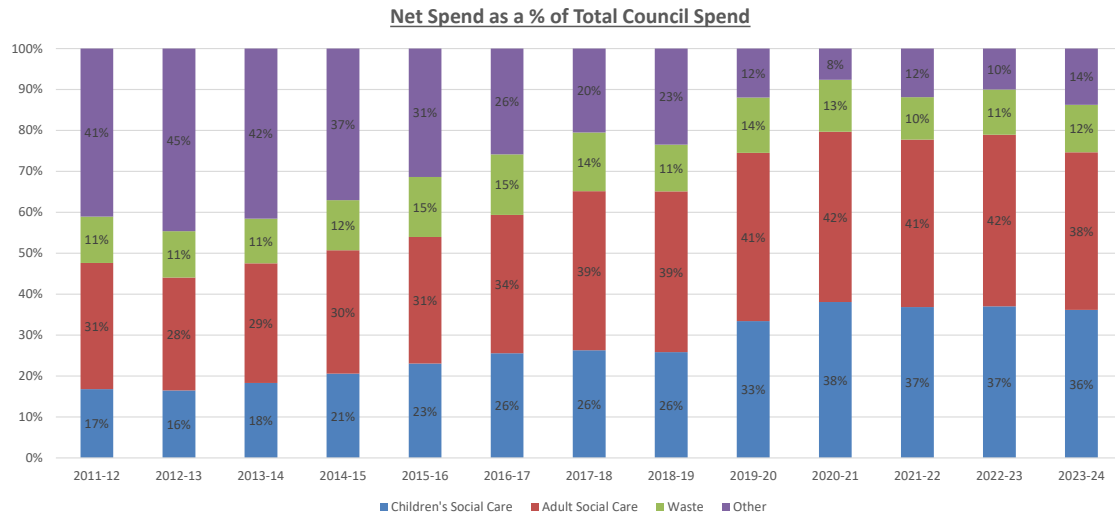
9.2 The cash limit upon the Revenue Budget for 2024/25 is **£194,762,000** (line 22 of Appendix 4a summary). This represents the maximum sum of net expenditure which is sustainable within the resources available.

9.3 The base Revenue Budget for next year incorporates the following key assumptions as outlined in the 2021/22 – 2026/27 Medium Term Financial Sustainability Strategy:

- delivery of the 2023/24 Revenue Budget including Working Balances
- pay award of 3.0% in 2024/25
- the payment of annual increments
- voluntary 5 days' unpaid leave on average
- employer national insurance changes
- auto-enrolment based on previous uptakes
- the payment to providers of commissioned adult services of the Real Living Wage to those that commit to pay it
- growth in the children's social care budget in line with latest projections on Looked After Children unit costs
- non-pay inflation in 2024/25 of 3% based on OBR CPI for all contracts excluding utilities (0%) and insurance (5%)
- growth in the adult social care budget to reflect reasonable demographic pressures and fee rate increases
- Council Tax and Adult Social Care Precept increases of 2.99% and 2.0% respectively
- Treasury Management budget predicated on a weighted average interest rate of 5.0%
- the latest estimates of Settlement Funding Assessment
- the Council fulfils its statutory obligation to balance its budget.

9.4 Children’s Services

The Council has made significant investment in Children’s Social Care over the last decade and at a time when local government budgets have been drastically reduced. The impact of this can be seen in the chart below which highlights that spend in 2023/24 represented 36% of the Council’s revenue spend compared with 17% in 2011/12. Indeed all social care now represents 74% of the Council’s revenue spend compared with 48% around a decade ago.



Children’s Services is also seeing an increase in demand for Special Educational Needs (SEN) transport relating to a growth in Education Health and Care Plans (EHCPs)

A Children’s Social Care Medium Term Financial Strategy is in place and under continuous review to ensure that positive management intervention happens as planned.

9.5 Adult Services

Adult Services has also seen significant investment over the last decade with spend representing 38% of total Council spend in 2023/24 compared to 31% in 2011/12. Growth in Homecare, Learning Disabilities and Mental Health placements alongside fee rate increases in line with National Living Wage and subsequently Real Living Wage have required redirection of Council funding to cover these pressures. Whilst the government has provided financial support through the Better Care Fund and Social Care grants, this funding has not been sufficient to cover costs. An extract from the 2024/25 Medium Term Financial Plan highlights this:

	Year on Year Variance in Funding £000s	Comments
Better Care Fund	0	No increase in funding
Social Care Grant	5,305	This funding is for Adult and Children's Social Care
Adult Social Care Market Sustainability & Improvement Fund	1,838	
Discharge Funding Grant	1,017	
Adult Social Care Council Tax Precept	1,423	Value at 2%
Total Increase in Funding for Social Care	9,583	
Funding required to cover Children's Social Care Pressures	8,205	See table at 9.7
Funding required to cover Adult Social Care Pressures	9,419	See table at 9.7
Total Cost pressures in Social Care	17,624	
Funding Deficit	8,041	

9.6 Growth and Prosperity

Growth and Prosperity continues to pursue, implement and complete a number of regenerative schemes that will benefit Blackpool for many years to come. A state of the art I-MAX cinema will open in 2024 and this will provide a much welcomed night time offer to further encourage families to the resort.

Work on the hotel within Central Business District will also be complete in 2024 and further re-location of a number of Central Government backed organisations is also likely in future years.

The Growth and Prosperity team are also actively compiling an Asset Disposal Strategy to ensure that assets that are no longer required or surplus to needs are marketed in an attempt to ensure capital receipts are realised, therefore mitigating the requirement to prudentially borrow.

Work also continues on a multitude of other schemes to ensure that Blackpool offers opportunity to the young of the town.

9.7 The table below is an extract from Blackpool Council’s Medium Term Financial Plan and summarises the cost pressures outlined above.

	MTFP v1.7 £m	Comments
Pay Award/Increments	3.2	Pay award assumed at 3% plus increments.
Non-pay inflation (exc Children's & Adults)	0.6	Based on 3% Autumn Statement OBR CPI forecast.
Adult Services	9.4	Impact of RLW increases (£10.90 -> £12.00) and demand pressures.
	(2.9)	ASC Market Sustainability & Improvement Fund (£1.84m) and Discharge Grant (£1.02m).
Children's Services	8.2	Based on latest CSC MTFP plus 5% unit cost inflation, SEN transport and unachieved savings target from 23/24.
Waste Disposal	1.3	Increased waste disposal costs linked to contractual obligations with LCC.
Treasury Management	4.4	Estimates predicated on Bank of England interest rates averaging at 5.0% and increased capital spend.
Minimum Revenue Provision	5.2	Reversal of technical accounting adjustment which benefitted previous years.
Non-recurring budget savings from previous year	9.9	One off use of reserves to balance 2023/24 budget.
Other	0.7	
Expenditure Total	40.0	

10.0 Budget Gap 2024/25 and Methodology for Delivering

10.1 Following the Provisional Local Government Settlement and revisions to the Medium Term Financial Plan the budget gap for the next financial year can be analysed as follows:

	£m
Reduction / (Increases) in funding / income (ref. Table 7.16)	(23.7)
Pay- related costs	3.2
Non-pay inflation	0.6
Service pressures / Demand and demographic pressures	26.3
Prior year non-recurrent savings	9.9
Total	16.3

10.2 Savings Programme

Achieving savings of the scale demanded requires 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 constitutes seven thematic workstreams:

- i) Technical savings – these cover areas such as debt and PFI restructurings, pensions, review of reserves and provisions, use of capital receipts and capital-to-revenue transfers and review of Business Rate yield assumptions.
- ii) Income generation and management – fees and charges income will continue to be optimised along with returns on business loan support, regeneration 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 which has accelerated during the pandemic period.
- v) Transformational efficiency measures under the direction of the Chief Executive’s Corporate 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 and a common Management Services Agreement.
 - across the wider public sector including the prospective County Combined Authority, the Integrated Care Board, the Local Resilience Forum and One Public Estate.
 - with the private and voluntary sectors.
- vii) Service reductions and cuts, which are considered once i) – vi) have been exhausted.

This exercise has generated the necessary service budget target savings of **£16.3m** in 2024/25. These are listed at Appendix 4b along with the summary actions required to deliver them.

In setting realistic budgets for the forthcoming year, services will be expected to meet any additional service-specific pressures that may emerge.

11.0 Other Considerations

11.1 Staffing Implications

The Council continues to work incredibly hard throughout the year to mitigate the potential for compulsory redundancies.

In order to achieve this the following action is taken:

- continuation of voluntary unpaid leave arrangements
- strict controls via a weekly Resourcing Panel for recruitment requests
- consideration of applications for early retirement, flexible retirement and voluntary redundancy
- holding vacant posts throughout the year which are subsequently removed resulting in a saving
- enabling employees to voluntarily reduce their hours of work if they wish to do so
- offering unpaid career breaks and unpaid sabbaticals
- cessation or limitation of the use of agency staff and casuals
- redeploying employees into other roles where their role is proposed to cease/change

Due to the actions above, the proposed budget sees more than 50 roles either frozen or removed and as things stand, we are expecting no more than single figures in compulsory redundancies and we will strive to avoid this completely.

11.2 Economic Context

The significant events that have occurred over recent years continue to have an impact on both the Global and UK economy. The consequences of the pandemic, the effects of Britain's exit from the European Union and the war in Ukraine are continuing to have an effect on a number of factors including the supply chain and prices. As a result, UK inflation continued to rise in early 2023 but has now started to fall. It is hoped that this will continue and interest rates will fall as a result but it is important that the Council's treasury and investment affairs continue to be managed in a cautious and prudent manner.

The Bank of England consequently has increased the base rate numerous times from 3.5% in January 2023 to 5.25% on the 14th December 2023. There is however a market expectation that rates will fall during 2024/25 due to lower than expected levels of inflation. For the purpose of the budget, the information provided by the Office of Budget Responsibility has been used and this forecasts the base rate will reduce to a 4.9% in 2024. Money market investment rates for temporary surplus cash balances have also increased with the base rate with the current rate for a three-

month fixed-term deposit with a high street bank being typically 5.1%.

Long-term borrowing rates, influenced by gilt yields, returned to relatively stable levels in 2023 given the extreme volatility in 2022 as a result of the September mini-budget, which caused the Bank of England to announce an emergency bond-buying programme. Following the change in government budget proposals, gilts have largely stabilised and expected to mirror the movements in the base rate.

The Treasury Management Report for 2024/25 sets out the key principles and assumptions, all of which have fed into the budget setting process for 2024/25.

11.3 Business Loans Fund

The 2019/20 Budget increased the Loans Fund to £200m. Loans are available to businesses strongly linked to growing and safeguarding the local economy. The Council has had approvals and expressions of interest totalling over £152m of loans as at 31st December 2023, although this is offset by repayments made to date. The total amount which has been drawn down so far is £117m net of repayments that have been made. These loans have created / safeguarded 1,788 jobs.

The ability of the loans fund to continue to lend is currently under review. This is due to an ongoing consultation currently being undertaken about Minimum Revenue Provision (MRP) being applied to loans provided. The imposition of Minimum Revenue Provision on any future loans is likely to inhibit the loan approval process, but this scenario now appears unlikely.

11.4 Equalities Analysis

The Council has a statutory responsibility under the Equality Act 2010, known as the 'Public Sector Duty', to examine the possible impacts on equality issues of decisions it makes. As part of this, the Council must have due regard to the need to eliminate discrimination and other prohibited conduct, whilst advancing equality of opportunity and fostering good relations between different groups within our communities.

The Council adopts a robust approach to explore the possible impacts of budget proposals. This is in recognition of the often complex effect on service users, staff, residents and visitors of these decisions. Where potentially significant equality implications have been identified within the proposals outlined in this report, these are flagged up to decision makers and if appropriate this leads to the commissioning of detailed impact reviews involving data analysis and consultation with service users and others affected.

The release of population data from the Census 2021 has further helped in ensuring decisions are made in the context of awareness of the growing diversity of our

communities. Each year the Council also assesses the effect of budget reductions on staff diversity issues using a benchmark analysis of the current levels of workforce diversity for each of the key equality strands – Race, Gender, Disability, Age, Religion and Belief, and Sexual Orientation.

A summary of the Council's equalities work of the consequences of the proposed budget savings on services and their users is attached at Appendix 4d.

11.5 Budget Engagement

In line with last year's engagement the Council invited residents to comment on the Council budget and priorities. The online survey was conducted between 12 December 2023 and 4 January 2024 with residents asked to rate the level of importance of services on a 5 point scale ranging from very important to very unimportant.

The survey received 87 responses, with 85 of these from Blackpool residents and 2 from Blackpool workers who live outside Blackpool.

Respondents to the engagement survey identified the most important services to their household or community as "Housing". This includes planning and development for high quality affordable homes and ensuring decent standards are met across all privately rented homes. Of second greatest import, respondents identified "Transport", which included improving local transport services to reduce traffic congestion as well as improving walking and cycling routes. "Things to do", which included running a wide range of activities at the new or improved leisure facilities as well as maintaining libraries and Environmental services, including community safety projects, household recycling and bin collections, street cleaning, maintaining parks, open spaces, clean oceans, flood defences and increasing local wildlife and biodiversity were ranked as joint third in importance across the range of responses received. Fewer respondents consistently scored "Help and Support", including delivering safe services for children and adults including those with additional needs and/or disabilities and benefits advice and welfare services to support households facing financial hardships and homelessness and "Living Well" as significant priorities for Council spend. This may indicate that infrastructure and environmental needs are viewed as the fundamental functions and services of the Council from this group of respondents. This is compared to targeted, specialist and enhanced services for people such as health, help or skills development which were generally voted as less important or were not answered.

The survey also welcomed comments to understand more about the reasons underpinning the relative ranking. Housing was most frequently commented on, which included quality of current housing stock, as well as the supply of homes and affordability. Other areas of comment included: ensuring any training opportunities translate into good quality jobs,

ensuring good coverage, quality and affordability in transport across the town, improving conditions on roads, residents only parking zones, maintaining green space, improving safety and enforcement as well as redeveloping areas of the town, ensuring leisure activities are affordable, well utilised and effective, working with partners, ensuring families and children have conditions to thrive as well as keeping people active and offering preventive mental health support.

A detailed report of the budget engagement survey responses can be found at Appendix 4e.

11.6 Scrutiny Leadership Board

The Informal Scrutiny Leadership Board considered the key Budget pressures and savings required at its meeting on 17 January 2024 and has produced a report attached at Appendix 4f for consideration by the Executive.

12.0 Capital Expenditure

12.1 The Council's Capital Programme for 2023/24 – 2025/26 is also to be considered in a separate report to this Executive meeting. Debt financing costs for the capital programme have been included in the Revenue Budget on the basis of the indicative borrowing allocations received from Government and any Prudential Borrowings.

12.2 The size and value of the capital programme is set in accordance with those allocations plus any available external grants, Prudential borrowing schemes (for which the costs are funded from service budgets), capital receipts and revenue contributions. Schemes being financed by Prudential borrowing continue to require specific approval of the Executive.

12.3 Future revenue costs of capital schemes will also have to be contained within existing bottom-line budgets, except where provision has specifically been agreed in advance.

13.0 Section 25 Report – robustness of estimates and adequacy of reserves

13.1 Section 25 of the Local Government Act 2003 imposes a duty upon the Council's statutory finance officer to report on the robustness of the estimates made for the purposes of the Council Tax requirement calculations and the adequacy of the proposed financial reserves allowed for in the budget proposals. Provision of this information is a legal requirement and ensures that all Members have regard to the professional advice provided by the authority's Chief Financial Officer when final budget decisions are made.

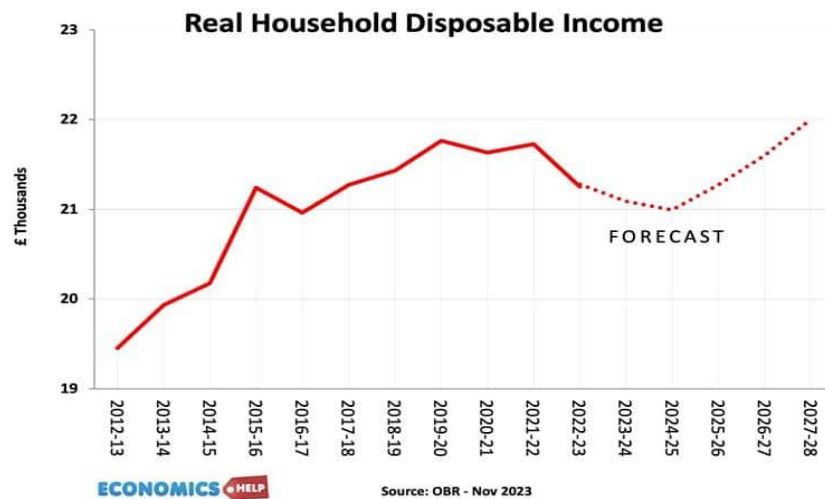
Local Authorities decide every year how much they are going to raise from Council Tax. Decisions are based on a budget that sets out estimates of what the Council plans

to spend on each of its services in the forthcoming year. The decision on the level of the Council Tax is taken before the financial year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by: (a) making prudent allowance in the estimates for each of the services; (b) ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient or unexpected events occur that were not anticipated.

The Section 25 report provides Members with critical context for their budget discussions and the setting of the Council Tax for 2024/25.

13.2 Financial / Economic Context

The Council is significantly impacted by the wider economic climate, which is currently adversely impacting many individuals' ability to meet their commitments and is making others more cautious in terms of their personal spending. This is a real challenge for a town focused on tourism. Many households have seen ongoing falls in their living standards. Disposable income is falling because of weak real wage growth and higher living costs and taxes. Higher interest rates for mortgages are leading to increasing accommodation costs which is also reducing individuals' spending power. This risks the Council facing potential income budget challenges and the possibility of increasing demand for Council support from residents.



The Bank of England forecasts much of the pain of higher interest rates is still to come, with approximately 1.6 million households due to re-mortgage in 2024.

On the positive side, it is widely expected that in 2024 the UK may see positive real wage growth, driven by strong demand for labour and a fall in inflation from the peak of last year.

Whilst consumers remain pessimistic about the economy in the coming year, businesses are becoming more optimistic as energy costs and goods inflation fall and a hope that interest rates have peaked.

The OBR believes the outlook for base rate interest is a weighted average of 5.0% in 2024/25 due to continuing inflationary pressures facing the economy. Debt restructuring opportunities will be kept under continuous review to minimise interest payments.

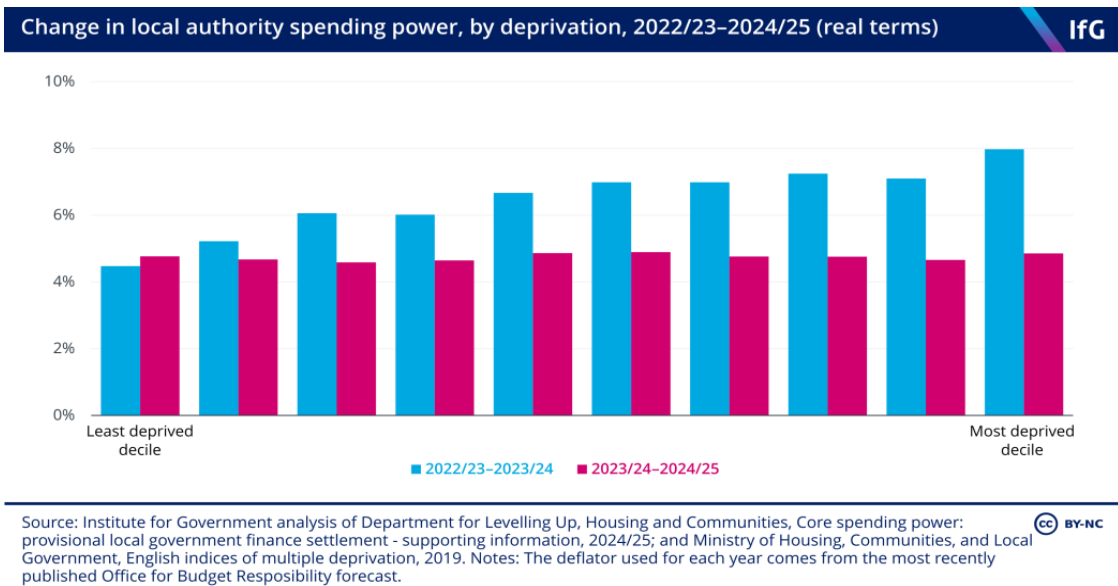
13.3 Risks Affecting Local Government

Councils continue to challenge government over the gloomy outlook given the historic level of underfunding they have faced over the last decade. The sheer number, type, profile and political make-up of those councils claiming to be in financial distress would indicate that the sector is not 'crying wolf'.

Despite the significantly higher inflation being experienced in the sector, the recent provisional finance settlement did not provide any additional funding to address this pressure. As a result authorities' 2024/25 spending power is now 4.7% lower in real terms than it would have been if inflation had remained at the level forecast in 2022 when the indicative figures were announced. £3.1bn of funding would have been needed to bring the figures back to Autumn Statement 2022 levels. This leaves 2024/25 spending power at approximately the same level as in 2013/14 and about 12% lower in real-terms than in 2010/11.

A key pressure was the uplifting of the National Living Wage by 9.8% for 2024/25 after increasing it by 9.7% in 2023/24 resulting in a significant unfunded pressure being passed on to local authorities.

Last year's finance settlement provided the least deprived decile of local authorities with a 4.5% real-terms average increase in spending power while the most deprived decile received an 8.0% increase. Unfortunately, a different approach has been taken this year with uplifts being almost uniform across the board.



By abandoning the redistributive approach of recent finance settlements, the finances of local authorities such as Blackpool, which face some of the most intensive demand pressures, are squeezed further.

The one-year finance settlement for 2024/25 just adds uncertainty over government grants from 2025/26 onwards. This makes planning council finances in the medium to longer term far harder than it needs to be. This is exacerbated by the lack of any certainty over the introduction of the fair funding reforms now delayed by 10 years and the potential redistribution of funding to those with most need.

Pressures in the children’s and adults social care markets have increased steadily over the past decade. With the lack of sufficient market capacity for high needs placements resulting in escalating costs pressures, we need to continue to develop processes to improve the management of cases to prevent them from developing into high needs placements and consider less costly alternative provision.

Another significant area of pressure relates to Special Educational Needs (SEN) transport following the growth in Education Health and Care Plans (EHCPs).

A fourth area of growth is in the Homelessness Service, in which demand is high and continues to rise supporting people to whom a responsibility is owed. Despite successful work in-year to reduce the number of households requiring emergency temporary accommodation and reducing the time spent in B&Bs for those for whom another option is not available, the service is projecting to spend over £1m on this accommodation in 2023/24 alone.

13.4 Robustness of Estimates

The Council has taken a prudent approach to the key assumptions underlying the 2024/25 budget, basing these on the estimates provided by the OBR, the body responsible for providing independent and authoritative analysis and estimates for the UK's public finances.

Assumption	Basis
Staff pay award = 3%	OBR average earning % for 2024/25
Inflation = 3% CPI	OBR estimate 2024/25
Interest rate =5%	OBR weighted average for 2024/25
Utilities = 0%	Technical assessment based on agreed market contracts. Supported by OBR estimates.

As set out in paragraph 8.2, the Council has faced significant challenges in delivering the previous years' outturn within budget. In response, the Council has developed both its 2024/25 budget and the longer term Medium Term Financial Strategy with plans to address key overspend by areas. The reserves are also being targeted for increase to provide a further cushion.

Whilst the above are positive moves, it must be clearly acknowledged that the Council has struggled to find recurring savings to meet its savings target in full. In 2024/25, at most, £4.7m of savings are non-recurrent and this will carry forward and build additional pressure into the 2025/26 budget for addressing on top of that years' forecast pressures. Nonetheless, this is a significant reduction on the £15.1m that was carried forward into 2023/24.

In the view of the Director of Resources (s151 officer), all reasonable and practical steps to identify and make provision for the Council's commitments in 2024/25 have been taken in order to deliver a balanced budget next year.

Looking further forward, the Council's Dedicated Schools Grant is projected to be in deficit by £1.2m by 31 March 2025. A statutory override has been in place to allow this deficit to be ring-fenced from the core Council budget. However, this is due to end in 2026 at which point the Council will need to cover any Dedicated Schools Grant deficit from available reserves, though the current estimated deficit then is only £46k.

13.5 Adequacy of Reserves

Ongoing work is already underway for years 2025/26 to 2026/27 to develop strategies and to identify additional savings with a forecast savings requirement of £20.8m over the final two-year period of the Medium Term Financial Strategy.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Local Authority Accounting Panel (LAAP) produced a guidance note on Local Authority Reserves and

Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA’s Statement on the Role of the Finance Director in Local Government. The guidance, however, states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of the Council’s budget. Each local authority should take advice from its S151 Officer and base its judgement on local circumstances.

Reserves should be held for three main purposes: (a) as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves; (b) as a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves; (c) as a means of building up funds known as ‘earmarked reserves’ to meet known or predicted funding requirements.

The table below shows the level of Council reserves over the last 4 years. The Council was aiming to rebuild its unallocated reserve to £6m by the end of 2023/24 but this has not been possible given the projected 2023/24 outturn.

	Unaudited	Unaudited	Unaudited	Forecast
	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Council Earmarked Reserve	(75,448)	(73,782)	(47,623)	(27,867)
Dedicated Schools Grant Reserve	5,762	4,956	2,784	1,629
HRA Earmarked Reserve	(3,032)	(1,806)	(1,721)	(1,452)
Total Earmarked Reserves	(72,718)	(70,632)	(46,560)	(27,690)
Unallocated Reserve General Fund	(6,293)	(6,075)	(2,459)	(5,021)
Total	(79,011)	(76,707)	(49,019)	(32,711)

The CIPFA guidance highlights a range of factors in addition to cash flow requirements that councils should consider in deciding the level of reserves it may require. These include: (a) the treatment of inflation; (b) the treatment of demand led pressures; (c) efficiency savings; (d) partnerships; (e) the general financial climate, including the impact on investment income. The guidance also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term or sustainable option.

Accounting code of practice requires unapplied grants or partnership funds to be carried over at year-end in an earmarked reserve. This can often skew the balances held from year to year, particularly where funding for the upcoming years’ commitments is paid early. For instance, the Covid years of 2020/21 and 2021/22 swelled the Earmarked Reserves due to specific Government grants which for Business Rate Reliefs were deployed the following year.

A reserves assessment to identify the key financial risks which could impact on the Council's resources in 2024/25 has been undertaken. Whilst the Medium Term Financial Plan modelling includes estimates of future cost pressures, the Council needs to be aware that further sustained pressures in the following areas remain a significant risk requiring appropriate level of reserves to deal with these uncertainties. The key areas considered were:

- a) Risk of demand pressures continuing to grow in both adult and children's social care.
- b) Inflation does not fall back as envisaged within budget projections.
- c) Interests rates are higher than predicted.
- d) Staffing costs are higher than predicted and in particular the take-up of the Real Living Wage place in the care sector.
- e) Reduced personal disposable income impacts upon the delivery of the Council income targets.
- f) The level of savings required in 2024/25 is not delivered.

The Fair Funding Review has been postponed yet again and will not be known until 2025/26 at the earliest, the outcome of which will determine how funding will be allocated to individual local authorities. There must be a significant likelihood that the outcome of the review would be favourable to the town, however, the budget proposals for future years will need to make prudent assumptions on the impact of the Fair Funding Review once we are clear as to the methodology to be used and the timetable to be adopted.

There continues to be other risks associated with the review of Business Rates and the requirements of the Local Council Tax Reduction Scheme. All these risks are set out in the budget report and have been properly assessed and taken into account.

In light of the above review, it is recommended that the Council targets working balances of £8m by 31 March 2025 based upon 4% of the council's net revenue budget for 2024/25 of £194.8m.

14.0 Capping

- 14.1 Under schedule 5 of the Localism Act 2011 the Government introduced a requirement to hold a local referendum when proposed Council Tax increases are deemed excessive. On 18 December 2023 as part of the Provisional Local Government Settlement, it was announced that an increased Council Tax referendum threshold of 5% would apply for 2024/25 (comprising 2% for expenditure on adult social care and 3% for other expenditure).

14.2 This flexibility is offered in recognition of inflationary pressures such as the raising of the National Living Wage and demographic changes which are leading to growing demand for adult social care and increased pressure on Council budgets. A requirement of this flexibility is that the Council spends the additional funds raised through the Adult Social Care Precept on adult social care only.

15.0 Medium Term Financial Prospects

15.1 Local government continues a further period of uncharted territory. In the face of mounting inflationary and demand pressures, it is battling to adapt and in some cases completely revolutionise the services that it provides. The Medium Term Financial Sustainability Strategy lays out the principles that will underpin the Council's financial direction to 2027, over which time it will have to reconcile increasing pressures upon its services with resources that are not increasing commensurately. For 2025/26, there is an estimated budget gap of **£14.8m** with a further saving of **£6.0m** in 2026/27. It is therefore evident that along this journey further services will have to be reprioritised and inevitably some jobs lost, which will not go unnoticed by the residents of Blackpool, the businesses that operate here and the visitors who come to stay.

15.2 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 Council services. Seeking external funding and maximising income opportunities will also be vital.

15.3 Despite being a challenging period with yet another 1-year settlement and many uncertainties for many people including staff, this budget evidences that the commitment to delivering the best possible services to Blackpool residents remains undiminished.

15.4 Does the information submitted include any exempt information? No

16.0 List of Appendices:

16.1 Appendix 4a - General Fund Budget
Appendix 4b - Savings Proposals
Appendix 4c - Dedicated Schools Grant
Appendix 4d - Equality Analysis
Appendix 4e - Budget Engagement
Appendix 4f - Report from the Scrutiny Leadership Board

17.0 Financial considerations:

17.1 Financial considerations form the basis of this report. Human Resources considerations are outlined in paragraph 11.1 above.

18.0 Legal considerations:

18.1 None

19.0 Risk management considerations:

19.1 Details of risk management are set out in section 10.

20.0 Equalities considerations and the impact of this decision for our children and young people:

20.1 Details of the equalities analysis are set out in paragraph 11.4 above and attached at Appendix 4d.

21.0 Sustainability, climate change and environmental considerations:

21.1 None directly from the report, however, the current Medium Term Financial Sustainability Strategy includes 10 key principles, one of which relates to adherence to the Council's climate emergency declaration of reaching net carbon zero by 2030 (and measures to lead the town towards the same objective).

22.0 Internal/external consultation undertaken:

22.1 Details of the engagement exercise undertaken by the Council are set out in paragraph 11.5 and attached at Appendix 4e. The Scrutiny Leadership Board met informally on 17 January 2024 – the report is attached as at Appendix 4e.

23.0 Background papers:

23.1 Local Government Provisional Settlement
[Provisional local government finance settlement: England, 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/provisional-local-government-finance-settlement-england-2024-to-2025)
Medium Term Financial Strategy
[Agenda for Executive on Monday, 8th November, 2021, 6.00 pm \(blackpool.gov.uk\)](https://www.blackpool.gov.uk/Agenda-for-Executive-on-Monday-8th-November-2021-6.00-pm)

24.0 Key decision information:

24.1 Is this a key decision? Yes

24.2 If so, Forward Plan reference number: 26/2023

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

24.4 If **yes**, please describe the reason for urgency: N/A

25.0 Call-in information:

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

25.2 If **yes**, please give reason: N/A

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

26.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 26 January 2024 Date approved:

27.0 Declarations of interest (if applicable):

27.1

28.0 Summary of Discussion:

28.1

29.0 Executive decision:

29.1

30.0 Date of Decision:

30.1

31.0 Reason(s) for decision:

31.1

32.0 Date Decision published:

32.1

33.0 Alternative Options Considered and Rejected:

33.1

34.0 Executive Members in attendance:

34.1

35.0 Call-in:

35.1

36.0 Notes:

36.1

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Blackpool Council

**General Fund Revenue Estimates
for the Year Ended 31st March 2025**

Blackpool Council

General Fund Estimates Year Ending 31 March 2025

Summary

Line No	General Fund Net Requirements	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
	Cash Limited Bottom Line Budgets				
1	Chief Executive	1,775	1,871	1,671	1,164
2	Governance and Partnership Services	2,758	2,519	2,487	2,313
3	Resources	3,083	4,372	4,096	2,640
4	Communications and Regeneration	5,395	(1,574)	(4,684)	(3,793)
5	Community and Environmental Services	50,252	52,480	53,170	53,509
6	Adult Services	67,575	64,515	66,554	66,422
7	Children's Services	69,720	69,428	75,965	75,538
8	Public Health	5	3	3	3
9	Budgets Outside the Cash Limit	1,545	17,564	16,099	23,732
10	Capital Charges	(29,581)	(30,209)	(30,209)	(30,209)
11	IAS 19 Retirement Benefits	(207)	-	-	-
12	Sub Total - Net Cost of Services	172,320	180,969	185,152	191,319
	Contributions and Contingencies				
13	Contributions to/(from) Reserves	(3,547)	(13,102)	(13,078)	(1,657)
14	Revenue Consequences of Capital Outlay	250	500	500	600
15	Contingencies	(5,580)	3,059	625	4,043
16	Sub Total - Contributions and Contingencies	(8,877)	(9,543)	(11,953)	2,986
	Levies				
17	North West Regional Flood Defence Committee	72	72	72	72
18	Apprenticeship Levy	377	385	385	385
19	Sub Total - Levies	449	457	457	457
20	Total Net Expenditure to be met from Public Funds	163,892	171,883	173,656	194,762
21	Less: Amount (Taken from) / Added to Working Balances	(3,616)	4,335	2,562	-
22	Net Requirements after Working Balances	160,276	176,218	176,218	194,762
	Working Balances as at 1st April	6,075		2,459	5,021
	Movement in Working Balances	(3,616)		2,562	-
	General Balances as at 31st March	2,459		5,021	5,021

Chief Executive

Chief Executive
General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Chief Executive	667	647	647	564
HR, Organisation and Workforce Development	16	85	85	-
Corporate Delivery Unit	257	93	(107)	100
Housing	835	1,046	1,046	500
Net Cost of Services	1,775	1,871	1,671	1,164

Cost per '000 population	13	13	12	8
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Budget Holder: Neil Jack- Chief Executive

Finance Manager: Kirsten Whyatt

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	5,332	6,149	6,230	6,155
Premises	1,426	903	1,602	903
Transport	5	11	10	11
Supplies and Services	2,689	354	2,475	354
Third Party Payments	144	137	157	137
Transfer Payments	35	288	116	288
Support Services	1,103	1,028	1,286	1,091
Capital Charges	45	17	17	17
Total Expenditure	10,779	8,887	11,893	8,956
Income				
Customer and Client Receipts	318	268	268	268
Government Grants	2,608	984	4,022	984
Recharges	3,138	3,556	3,767	3,397
Other Grants, Reimbursements and Contributions	2,940	2,208	2,165	3,143
Total Income	9,004	7,016	10,222	7,792
Net Expenditure	1,775	1,871	1,671	1,164

Chief Executive

General Fund Estimates Year Ending 31 March 2025

Chief Executive

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	606	649	659	595
Premises	-	-	-	-
Transport	-	1	1	1
Supplies and Services	56	19	19	19
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	93	84	84	90
Capital Charges	13	13	13	13
Total Expenditure	768	766	776	718
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	68	68	68	68
Other Grants, Reimbursements and Contributions	33	51	61	86
Total Income	101	119	129	154
Net Expenditure	667	647	647	564
Cost per '000 population	5	5	5	4

Budget Holder: Neil Jack - Chief Executive

Finance Manager: Kirsten Whyatt

Notes:

- 1) This budget consists of the Chief Executive and the Executive Support Team. The Executive Support Team provides support to the Council's Executive Members and Chief Officers on the Corporate Leadership Team.

Chief Executive

General Fund Estimates Year Ending 31 March 2025

HR, Organisation and Workforce Development

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,640	1,666	1,666	1,674
Premises	1	-	-	-
Transport	-	3	3	3
Supplies and Services	278	184	184	184
Third Party Payments	-	23	23	23
Transfer Payments	-	-	-	-
Support Services	319	260	260	273
Capital Charges	-	-	-	-
Total Expenditure	2,238	2,136	2,136	2,157
Income				
Customer and Client Receipts	172	70	70	70
Government Grants	-	-	-	-
Recharges	1,469	1,567	1,567	1,673
Other Grants, Reimbursements and Contributions	581	414	414	414
Total Income	2,222	2,051	2,051	2,157
Net Expenditure	16	85	85	-
Cost per '000 population	-	1	1	-

Budget Holder: Linda Dutton - Head of HR, Organisation & Workforce Development

Finance Manager: Kirsten Whyatt

Notes:

- 1) Organisation and Workforce Development helps to ensure that the Council is able to deliver its priorities safely and effectively through the training and development of employees. This includes being commissioned to deliver Children's and Adults Social Care training.
- 2) Recruitment and Safeguarding ensures a right first time approach to recruitment and safeguarding information.
- 3) Systems and Management Information provides the management of HR systems and first rate management information.
- 4) Employee Relations Section supports services with all people management issues to ensure that redundancies, restructures, re-organisations, disciplinaries, grievances and attendance management issues are progressed in line with legislation and internal policies.
- 5) Occupational Health - The service conducts pre-employment medicals, promotes healthy living and provides advice and guidance to managers.
- 6) All services provide services to Council departments, Fylde Borough Council, schools/Academies and Council Wholly-Owned Companies.

Elements of the Service	£000	£000	£000	£000
Central HR	(1,363)	(1,470)	(1,470)	(1,562)
Employee Relations	486	530	530	534
Organisation and Workforce Development	260	378	378	379
HR Systems and Recruitment	331	398	398	400
Occupational Health	302	249	249	249
Net Expenditure	16	85	85	-

Chief Executive

General Fund Estimates Year Ending 31 March 2025

Corporate Delivery Unit

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,695	2,118	2,138	2,146
Premises	2	-	193	-
Transport	2	3	3	3
Supplies and Services	1,720	64	2,033	64
Third Party Payments	-	-	9	-
Transfer Payments	-	-	-	-
Support Services	174	162	362	176
Capital Charges	-	-	-	-
Total Expenditure	3,593	2,347	4,738	2,389
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	1,231	-	2,461	-
Recharges	1,063	1,415	1,475	1,150
Other Grants, Reimbursements and Contributions	1,042	839	909	1,139
Total Income	3,336	2,254	4,845	2,289
Net Expenditure	257	93	(107)	100
Cost per '000 population	2	1	(1)	-

Budget Holder: Kate Aldridge - Head of Delivery & Performance / Antony Lockley - Director of Strategy & Assistant Chief Executive

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Children and Adults Commissioning Teams work in partnership with both internal and external stakeholders to implement the full cycle of commissioning activities. These activities include developing relationships across the market to ensure that there is a range of quality provision to meet current assessed needs and forecasted needs in Blackpool in line with statutory duties and best practice, and support service reviews to drive the availability of sustainable and diverse services.
- 2) Corporate Delivery Unit -This section is responsible for the delivery of corporate Policy, Performance, Research, Evidence, Evaluation and Transformational functions. The purpose of these functions is to properly support the overall leadership and development of the Council, including key areas for transformational change and service improvement such as Children's Services, key areas of policy and delivery such as climate change, alongside the monitoring and review of the delivery of the Council Plan Priorities to ensure the efficient delivery of services alongside our partners for the benefit of Blackpool.

Elements of the Service	£000	£000	£000	£000
Commissioning	479	446	446	449
Corporate Delivery Unit	(222)	(353)	(553)	(349)
Net Expenditure	257	93	(107)	100

Chief Executive

General Fund Estimates Year Ending 31 March 2025

Housing

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,391	1,716	1,767	1,740
Premises	1,423	903	1,409	903
Transport	3	4	3	4
Supplies and Services	635	87	239	87
Third Party Payments	144	114	125	114
Transfer Payments	35	288	116	288
Support Services	517	522	580	552
Capital Charges	32	4	4	4
Total Expenditure	4,180	3,638	4,243	3,692
Income				
Customer and Client Receipts	146	198	198	198
Government Grants	1,377	984	1,561	984
Recharges	538	506	657	506
Other Grants, Reimbursements and Contributions	1,284	904	781	1,504
Total Income	3,345	2,592	3,197	3,192
Net Expenditure	835	1,046	1,046	500
Cost per '000 population	6	7	7	4

Budget Holder: Vikki Piper - Head of Housing / Antony Lockley - Director of Strategy and Assistant Chief Executive

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Housing Service is responsible for the development of the town's housing and homelessness and rough sleeping strategies and the housing renewal plans which flow from these strategies, and includes the Housing Options team which works to prevent and address homelessness and manage the Council's housing register. The Service is also responsible for Council home development programmes, working with private developers and housing associations to bring forward new homes, and for setting up the strategy and tools for the regulation of the private rented sector.

Governance & Partnership Services

Governance and Partnerships

General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Democratic Governance	2,589	2,698	2,678	2,823
Life Events	(37)	(312)	(337)	(510)
Corporate Legal Services	114	31	81	-
Information Governance	92	102	65	-
Net Cost of Services	2,758	2,519	2,487	2,313
Cost per '000 population	20	18	18	16

Budget Holder: Mark Towers - Director of Governance and Partnership Services

Finance Manager: Kirsten Whyatt

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	5,468	5,744	5,687	5,624
Premises	379	333	333	333
Transport	47	115	115	115
Supplies and Services	1,412	1,012	1,012	1,054
Third Party Payments	628	614	614	552
Transfer Payments	-	-	-	-
Support Services	1,036	1,022	1,022	1,162
Capital Charges	89	57	57	57
Total Expenditure	9,059	8,897	8,840	8,897
Income				
Customer and Client Receipts	2,646	2,586	2,611	2,754
Government Grants	(258)	-	-	-
Recharges	2,553	2,559	2,559	2,577
Other Grants, Reimbursements and Contributions	1,360	1,233	1,183	1,253
Total Income	6,301	6,378	6,353	6,584
Net Expenditure	2,758	2,519	2,487	2,313

Governance and Partnerships

General Fund Estimates Year Ending 31 March 2025

Democratic Governance

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,784	1,894	1,874	1,851
Premises	4	4	4	4
Transport	26	32	32	32
Supplies and Services	520	685	685	737
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	623	677	677	793
Capital Charges	-	-	-	-
Total Expenditure	2,957	3,292	3,272	3,417
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	(258)	-	-	-
Recharges	204	187	187	187
Other Grants, Reimbursements and Contributions	422	407	407	407
Total Income	368	594	594	594
Net Expenditure	2,589	2,698	2,678	2,823
Cost per '000 population	18	19	19	20

Budget Holder: Lorraine Hurst - Head of Democratic Governance

Finance Manager: Kirsten Whyatt

Notes:

Democratic Governance includes the following elements of service:

- 1) Corporate and Member Services includes Corporate Management, Members' administration and allowances, Mayoral Services and Special Events.
- 2) Democratic Governance includes meeting support, scrutiny support and the members' support functions. The service provides advice and support to members of the Council and organises all Executive, Council and committee meetings as well as governance support for Council wholly-owned companies and school appeals.
- 3) Electoral Services includes the organisation of individual electoral registration and update of the Register of Electors, and arrangements for Borough, Parliamentary, and Police and Crime Commissioner elections within the Borough. The budget covers the cost of delivering elections and will fluctuate according to the incidence of elections.
- 4) The budget for ward councillor funding is held by Democratic Governance.
- 5) Governor Services includes meetings and governance support for school and academy Governing Boards and Committees.

Elements of the Service	£000	£000	£000	£000
Corporate and Member Services	1,551	1,659	1,639	1,754
Democratic Governance	482	536	536	512
Electoral Services	194	195	195	269
Members' Ward Funding	350	269	269	248
Governor Services	12	39	39	40
Net Expenditure	2,589	2,698	2,678	2,823

Governance and Partnerships
General Fund Estimates Year Ending 31 March 2025

Life Events

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,538	1,509	1,509	1,489
Premises	375	329	329	329
Transport	20	81	81	81
Supplies and Services	737	198	198	188
Third Party Payments	158	171	171	171
Transfer Payments	-	-	-	-
Support Services	236	199	199	219
Capital Charges	89	57	57	57
Total Expenditure	3,153	2,544	2,544	2,534
Income				
Customer and Client Receipts	2,534	2,462	2,487	2,630
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	656	394	394	414
Total Income	3,190	2,856	2,881	3,044
Net Expenditure	(37)	(312)	(337)	(510)
Cost per '000 population	(0)	(2)	(2)	(4)

Budget Holder: Joceline Greenaway - Head of Life Events

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Registrars Service is managed by the authority under the direction of the Registrar General of the Department of Health's Office of National Statistics. The service administers the registration of births, deaths and marriages. The authority has a statutory responsibility to:
 - a) Establish a permanent legal record of every birth, death and marriage and provide documentary evidence of these events;
 - b) Carry out the civil preliminaries to marriage, conduct civil marriage ceremonies and civil partnerships.
 - c) Furnish the Registrar General with relevant returns to assist with population statistics and medical research.
 - d) Conduct citizenship ceremonies.
- 2) The Coroners and Mortuary Service covers the Blackpool and Fylde district, with Blackpool being the lead authority.
- 3) The Council operates and manages Layton, St Pauls churchyard and Carleton cemeteries, along with the Jewish Cemeteries at both Layton and Carleton and the Muslim area at Layton.
- 4) There is a crematorium facility at Carleton which operates throughout the year in accordance with the standards required by the Environmental Protection Act 1990 regarding pollution of the environment and reduction of emissions.

Elements of the Service	£000	£000	£000	£000
Registrars	135	103	103	93
Coroners and Mortuary	614	553	553	556
Burials	(276)	(212)	(212)	(236)
Carleton Crematorium Services	(523)	(770)	(795)	(937)
Public Funerals	13	14	14	14
Net Expenditure	(37)	(312)	(337)	(510)

Governance and Partnerships

General Fund Estimates Year Ending 31 March 2025

Corporate Legal Services

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	1,783	1,935	1,935	1,900
Premises	-	-	-	-
Transport	1	2	2	2
Supplies and Services	122	124	124	124
Third Party Payments	470	443	443	381
Transfer Payments	-	-	-	-
Support Services	157	125	125	128
Capital Charges	-	-	-	-
Total Expenditure	2,533	2,629	2,629	2,535
Income				
Customer and Client Receipts	112	124	124	124
Government Grants	-	-	-	-
Recharges	2,179	2,148	2,148	2,085
Other Grants, Reimbursements and Contributions	128	326	276	326
Total Income	2,419	2,598	2,548	2,535
Net Expenditure	114	31	81	-
Cost per '000 population	1	-	1	-

Budget Holder: Dawn Goodall - Head of Legal Services

Finance Manager: Kirsten Whyatt

Notes:

- 1) Legal Services is made up of the Property and Commercial section, Litigation and Risk section, Childcare section, Adult Social Care section as well as the Practice Management section. Legal Services is Lexcel accredited by the Law Society and supports all parts of Blackpool Council , its wholly owned Council companies, Schools and Academies.

Governance and Partnerships

General Fund Estimates Year Ending 31 March 2025

Information Governance

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	363	406	369	384
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	33	5	5	5
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	20	21	21	22
Capital Charges	-	-	-	-
Total Expenditure	416	432	395	411
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	170	224	224	305
Other Grants, Reimbursements and Contributions	154	106	106	106
Total Income	324	330	330	411
Net Expenditure	92	102	65	-
Cost per '000 population	1	1	-	-

Budget Holder: Jonathan Pickup - Head of Information Governance

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Information Governance Service provides advice and assistance in relation to compliance with data protection legislation, including the statutory role of the Data Protection Officer. The Service processes requests for information including requests made under the UK General Data Protection Regulation and Freedom of Information Act 2000. The Information Governance Service supports Council Directorates, Wholly Owned Companies and Schools. The Customer Relations Team facilitates the processes for compliments, comments and complaints.

Resources

Resources

General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Procurement & Exchequer Services	7	85	21	43
Revenue Services	1,715	1,862	1,862	1,880
Benefits	(1,151)	(1,393)	(1,395)	(1,498)
ICT Services	58	861	861	-
Customer First	19	88	81	33
Accountancy	182	221	128	1
Risk Services	(55)	50	4	-
Property Services (Incl. Investment Portfolio)	2,210	2,597	2,533	2,181
Equality and Diversity	98	1	1	-
Net Cost of Services	3,083	4,372	4,096	2,640
Cost per '000 population	22	31	29	19

Budget Holder: Steve Thompson - Director of Resources

Head of Accountancy: Mark Golden

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	13,772	14,817	14,462	14,666
Premises	7,276	6,247	7,171	6,248
Transport	76	61	63	61
Supplies and Services	5,890	4,567	5,061	4,560
Third Party Payments	226	880	899	880
Transfer Payments	342	218	330	218
Support Services	3,135	2,862	3,800	2,909
Capital Charges	5,769	6,145	5,210	6,145
Total Expenditure	36,486	35,797	36,996	35,687
Income				
Customer and Client Receipts	5,624	4,959	5,059	5,452
Government Grants	847	73	306	73
Recharges	22,171	23,031	23,420	24,037
Other Grants, Reimbursements and Contributions	4,761	3,362	4,115	3,485
Total Income	33,403	31,425	32,900	33,047
Net Expenditure	3,083	4,372	4,096	2,640

Resources

General Fund Estimates Year Ending 31 March 2025

Procurement & Exchequer Services

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	1,611	1,734	1,735	1,712
Premises	29	-	-	-
Transport	1	2	2	2
Supplies and Services	215	238	272	238
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	347	264	264	256
Capital Charges	-	-	-	-
Total Expenditure	2,203	2,238	2,273	2,208
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	8	-
Recharges	2,027	2,086	2,120	2,093
Other Grants, Reimbursements and Contributions	169	67	124	72
Total Income	2,196	2,153	2,252	2,165
Net Expenditure	7	85	21	43
Cost per '000 population	-	1	-	-

Budget Holder: Cath Bagley - Head of Procurement & Exchequer Services

Head of Accountancy: Mark Golden

Notes:

- 1) Corporate Procurement co-ordinate and manage the contractual process and procurement of goods and services for the whole of the Council and provides advice on all issues relating to procurement. The Team is also responsible for strengthening the approach to delivering social value.
- 2) The Project Team support and strengthens performance management and business planning approach across the directorate.
- 3) The Energy and Sustainability Team maintains robust energy provisions and delivers the energy and water management service in line with the carbon management plan and climate change agenda.
- 4) Transactional Services is responsible for creditor payments, sundry debt recovery, debtor management and cashiers' services.
- 5) Payroll is responsible for providing the Council's payroll & pension service and also provides external payroll services to a number of organisations including the Council's Wholly-Owned companies.

Resources

General Fund Estimates Year Ending 31 March 2025

Revenue Services

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	1,280	1,448	1,442	1,422
Premises	-	-	-	-
Transport	7	9	9	9
Supplies and Services	496	388	432	388
Third Party Payments	1	-	-	-
Transfer Payments	-	-	-	-
Support Services	872	895	895	939
Capital Charges	-	-	-	-
Total Expenditure	2,656	2,740	2,778	2,758
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	61	2	29	2
Recharges	599	576	643	576
Other Grants, Reimbursements and Contributions	281	300	244	300
Total Income	941	878	916	878
Net Expenditure	1,715	1,862	1,862	1,880
Cost per '000 population	12	13	13	13

Budget Holder: Louise Jones - Head of Revenues, Benefits and Customer Services

Head of Accountancy: Mark Golden

Notes:

- 1) The Revenues team administer and maximise the collection of Council Tax and Business Rates including the establishment of liability, entitlement to discounts, reliefs and exemptions. It also undertakes appropriate enforcement action and carries out collection on behalf of the Business Improvement District (BID).

Resources

General Fund Estimates Year Ending 31 March 2025

Benefits

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	3,394	3,336	3,320	3,238
Premises	3	-	-	-
Transport	1	1	2	1
Supplies and Services	553	393	467	386
Third Party Payments	1	-	-	-
Transfer Payments	327	203	315	203
Support Services	165	128	128	128
Capital Charges	-	-	-	-
Total Expenditure	4,444	4,061	4,232	3,956
Income				
Customer and Client Receipts	171	154	206	154
Government Grants	605	10	208	10
Recharges	4,040	4,353	4,513	4,353
Other Grants, Reimbursements and Contributions	779	937	700	937
Total Income	5,595	5,454	5,627	5,454
Net Expenditure	(1,151)	(1,393)	(1,395)	(1,498)
Cost per '000 population	(8)	(10)	(10)	(11)

Budget Holder: Louise Jones - Head of Revenues, Benefits and Customer Services

Head of Accountancy: Mark Golden

Notes:

- 1) Housing Benefit administration which includes processing new claims and changes of circumstances, reviewing on-going claims, verifying statutory requirements to entitlements and recovery of overpayments. Council Tax Reduction Scheme administration for Working Age Customers and Statutory Scheme for Pension Age customers which includes processing new claims and changes of circumstances, reviewing on-going claims, verifying requirements to entitlement and recovery of overpayments. Administering applications for and changes to Free School Meals entitlement.
- 2) Social Care financial assessment processing, which includes assessing client contributions towards the cost of residential and non-residential care, collection of contributions and payments to care providers. Administration of Discretionary Awards for Housing Benefit and Council Tax Reduction. Administration of the Debt Advice and Outreach Benefits Service. Administration of the Local Discretionary Support Scheme which replaces elements of the DWP Social Fund and provides emergency support (Crisis) and grants to enable residents to move back into or remain in the community. Administration of the Client Finances money management function.

Elements of the Service	£000	£000	£000	£000
Benefits Administration	(1,447)	(1,597)	(1,597)	(1,702)
Discretionary Support Scheme	296	204	202	203
Net Expenditure	(1,151)	(1,393)	(1,395)	(1,499)

Resources

General Fund Estimates Year Ending 31 March 2025

ICT Services

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	1,770	1,827	1,799	1,837
Premises	41	40	43	40
Transport	4	7	8	7
Supplies and Services	3,050	2,532	2,669	2,532
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	188	132	132	125
Capital Charges	1,515	2,287	2,287	2,287
Total Expenditure	6,568	6,825	6,938	6,828
Income				
Customer and Client Receipts	400	330	299	330
Government Grants	23	-	-	-
Recharges	4,535	4,450	4,497	5,206
Other Grants, Reimbursements and Contributions	1,552	1,184	1,281	1,292
Total Income	6,510	5,964	6,077	6,828
Net Expenditure	58	861	861	-
Cost per '000 population	-	6	6	-

Budget Holder: Tony Doyle - Head of ICT Services

Head of Accountancy: Mark Golden

Notes:

- 1) Information and Communications Technology (ICT) underpins activities of the Council, Blackpool schools and the local community. ICT Services enables the Council to utilise new technologies and systems to deliver a better, more convenient and cost effective service. The ICT Services budget covers all the costs for managing and supporting the Council's ICT infrastructure, the hosting and back up of data, network and telephony services, corporate applications and providing suitable hardware for employees of the Council to carry out their business on. The costs for business application licences and telephones are paid directly by the services. The costs of the Council ICT is offset significantly by a shared service approach that allows other public sector bodies across the Fylde Coast and beyond to access services provided by the Council's ICT Service.

Elements of the Service	£000	£000	£000	£000
Corporate ICT	(397)	411	411	5
Systems Development	427	450	450	(5)
Digital Media Manager	28	-	-	-
Net Expenditure	58	861	861	-

Resources

General Fund Estimates Year Ending 31 March 2025

Customer First

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	846	946	938	892
Premises	-	-	-	-
Transport	33	-	-	-
Supplies and Services	93	89	95	89
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	188	226	229	228
Capital Charges	-	-	-	-
Total Expenditure	1,160	1,261	1,262	1,209
Income				
Customer and Client Receipts	14	11	10	11
Government Grants	61	61	61	61
Recharges	1,035	1,035	1,036	1,038
Other Grants, Reimbursements and Contributions	31	66	74	66
Total Income	1,141	1,173	1,181	1,176
Net Expenditure	19	88	81	33
Cost per '000 population	-	1	1	-

Budget Holder: Louise Jones - Head of Revenues, Benefits and Customer Services

Head of Accountancy: Mark Golden

Notes:

- Customer First is the first point of contact for many of the Council's customer enquiries. The service operates from the Municipal Building supporting all the main contact channels - counter, phone, web, email and post. Additional services provided include the incoming and outgoing mail hub and reception service for Council Offices. The service also administers the application of disabled parking permits.

Resources

General Fund Estimates Year Ending 31 March 2025

Accountancy

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,900	2,036	1,953	2,048
Premises	1	-	-	-
Transport	-	3	3	3
Supplies and Services	254	201	287	201
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	278	211	211	211
Capital Charges	134	230	230	230
Total Expenditure	2,567	2,681	2,684	2,693
Income				
Customer and Client Receipts	181	184	185	184
Government Grants	37	-	-	-
Recharges	1,555	2,065	2,148	2,287
Other Grants, Reimbursements and Contributions	612	211	223	221
Total Income	2,385	2,460	2,556	2,692
Net Expenditure	182	221	128	1
Cost per '000 population	1	2	1	-

Budget Holder: Mark Golden

Head of Accountancy: Mark Golden

Notes:

- Accountancy provide a corporate finance stewardship role in setting the governance framework, preparing the Council's statutory final accounts, managing its financial information system, it's cashflow and providing financial planning, budget monitoring and financial management support to officers and elected Members, provision of specialist financial support re. central government funding, taxation, leasing and one-off technical projects.

Resources

General Fund Estimates Year Ending 31 March 2025

Risk Services

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	805	1,004	933	1,019
Premises	-	-	-	-
Transport	-	1	1	1
Supplies and Services	93	33	26	33
Third Party Payments	60	63	61	63
Transfer Payments	15	15	15	15
Support Services	184	114	114	124
Capital Charges	-	-	-	-
Total Expenditure	1,157	1,230	1,150	1,255
Income				
Customer and Client Receipts	10	10	3	10
Government Grants	60	-	-	-
Recharges	1,024	1,078	994	1,153
Other Grants, Reimbursements and Contributions	118	92	149	92
Total Income	1,212	1,180	1,146	1,255
Net Expenditure	(55)	50	4	-
Cost per '000 population	-	-	-	-

Budget Holder: Tracy Greenhalgh - Head of Audit and Risk

Head of Accountancy: Mark Golden

Notes:

- 1) Services under the Head of Audit and Risk - provision of an independent internal audit appraisal function that reviews the adequacy and effectiveness of controls in operation within the Council, corporate fraud investigations, lead investigators on disciplinary and grievance cases, provision of risk management and insurance cover, emergency planning and business continuity management, health and safety. There is a statutory requirement to provide internal audit services within the Council prescribed in Section 151 of the Local Government Act 1972. This was further clarified by the Accounts and Audit Regulations 2011 which require local authorities to maintain an adequate and effective system of internal audit.

Resources

General Fund Estimates Year Ending 31 March 2025

Property Services (Incl. Investment Portfolio)

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,997	2,324	2,187	2,339
Premises	7,197	6,207	7,128	6,208
Transport	30	38	38	38
Supplies and Services	1,134	692	810	692
Third Party Payments	164	817	838	817
Transfer Payments	-	-	-	-
Support Services	863	850	1,785	855
Capital Charges	4,120	3,628	2,693	3,628
Total Expenditure	15,505	14,556	15,479	14,577
Income				
Customer and Client Receipts	4,846	4,263	4,355	4,756
Government Grants	-	-	-	-
Recharges	7,235	7,195	7,276	7,139
Other Grants, Reimbursements and Contributions	1,214	501	1,315	501
Total Income	13,295	11,959	12,946	12,396
Net Expenditure	2,210	2,597	2,533	2,181
Cost per '000 population	16	18	18	15

Budget Holder: Paul Jones - Head of Property Services

Head of Accountancy: Mark Golden

Notes:

- 1) Property Services undertake the Corporate Landlord role to manage and maintain the Council's land and property portfolio, ensuring it is safe, secure, accessible and maintained to an appropriate and defined standard. Supports the Carbon Management Plan and Climate Change agenda to develop a sustainable and efficient property portfolio which has a minimum impact on the environment and climate. Maintains the Asset Management database system, holding all core property data on all Council's land and property assets. Delivers the Office Accommodation Strategy and Asset Management Strategy to rationalise and reduce the cost base and ensure the most effective use of land and property. Provides a professional Valuation and Estates Service to manage the Council's land and property estate, undertaking valuations, disposals, acquisitions and Compulsory Purchase Orders. The service is responsible for the delivery of key property-related projects to develop the town, economy and local communities.
- 2) The above figures include the operating costs of administrative and operational premises owned by the Council. These include Bickerstaffe House, Town Hall, Municipal Buildings, Festival House, Sports Centres and Solaris Centre.
- 3) The Solaris Centre incorporates a centre of environmental excellence promoting sustainability, and small business incubator units with rooms for training, seminars and meetings. It is also a base for partnerships delivering projects in the community and displays exhibitions of local art and photographs.

Elements of the Service	£000	£000	£000	£000
Property Services Management	(935)	(1,127)	(1,129)	(1,241)
Buildings	107	2,211	2,274	2,227
Capital Projects and Development	10	69	42	69
Estates	153	201	191	202
Property and Portfolio Management	550	852	681	861
Business Development and Strategy	255	262	301	263
Dual Use Properties	1,798	(162)	(53)	(161)
Investment Portfolio/AEV	272	291	226	(39)
Net Expenditure	2,210	2,597	2,533	2,181

Resources

General Fund Estimates Year Ending 31 March 2025

Equality and Diversity

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	170	162	155	159
Premises	5	-	-	-
Transport	-	-	-	-
Supplies and Services	2	1	3	1
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	50	42	42	43
Capital Charges	-	-	-	-
Total Expenditure	227	205	200	203
Income				
Customer and Client Receipts	2	7	1	7
Government Grants	-	-	-	-
Recharges	121	193	193	192
Other Grants, Reimbursements and Contributions	6	4	5	4
Total Income	129	204	199	203
Net Expenditure	98	1	1	-
Cost per '000 population	1	-	-	-

Budget Holder: Andy Divall - Head of Equality and Diversity

Head of Accountancy: Mark Golden

Notes:

- 1) Services under the Head of Equality and Diversity include provision of an professional Equality and Diversity advisory, inspection, training and management support function that deals with all aspects of the Council and its companies Equality , Diversity and Community Cohesion statutory responsibilities and well as driving the authority's own policy objectives and goals in this field.

The service is also responsible for day to day trade union management support, and management of the Council's responsibilities under the Crime and Disorder Act 1998 to provide a third party Hate crime reporting system.

The legislative requirements in respect of the principal equality functions are mainly contained in the Equality Act 2010 , and in particular section 149 of this Act , which is known as the Public Sector Equality Duty.

Communications and Regeneration

Communications and Regeneration
General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Strategic Leisure Assets	2,426	1,976	1,340	816
Economic Development and Cultural Services	280	785	745	798
Growing Places	(964)	(7,224)	(9,724)	(8,195)
Tourism & Communications	3,653	2,889	2,955	2,788
Net Cost of Services	5,395	(1,574)	(4,684)	(3,793)

Cost per '000 population	38	(11)	(33)	(27)
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Budget Holder: Alan Cavill - Director of Communications and Regeneration

Finance Manager: Kirsten Whyatt

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	9,310	7,207	8,129	7,178
Premises	2,900	1,317	3,580	1,317
Transport	203	222	184	222
Supplies and Services	11,412	4,682	10,352	3,368
Third Party Payments	1,197	-	81	-
Transfer Payments	50	-	50	-
Support Services	2,804	2,484	2,639	2,619
Capital Charges	5,889	(3,930)	5,720	(3,930)
Total Expenditure	33,765	11,982	30,735	10,774
Income				
Customer and Client Receipts	10,724	2,256	13,370	2,432
Government Grants	2,872	154	1,952	154
Recharges	5,619	5,835	6,036	5,854
Other Grants, Reimbursements and Contributions	9,155	5,311	14,061	6,127
Total Income	28,370	13,556	35,419	14,567
Net Expenditure	5,395	(1,574)	(4,684)	(3,793)

Communications and Regeneration

General Fund Estimates Year Ending 31 March 2025

Strategic Leisure Assets

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	131	69	110	(2)
Premises	266	-	663	-
Transport	8	-	-	-
Supplies and Services	2,823	2,413	1,567	1,320
Third Party Payments	35	-	20	-
Transfer Payments	50	-	50	-
Support Services	49	54	55	58
Capital Charges	3,470	1,259	3,259	1,259
Total Expenditure	6,832	3,795	5,724	2,635
Income				
Customer and Client Receipts	3,538	300	2,865	300
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	868	1,519	1,519	1,519
Total Income	4,406	1,819	4,384	1,819
Net Expenditure	2,426	1,976	1,340	816
Cost per '000 population	17	14	9	6

Budget Holder: Lee Frudd - Head of Strategic Leisure Assets

Finance Manager: Kirsten Whyatt

Notes:

1) Strategic Leisure Assets includes the following premises:

- Blackpool Tower
- The Winter Gardens
- Madame Tussauds
- The Golden Mile Buildings

Communications and Regeneration

General Fund Estimates Year Ending 31 March 2025

Economic Development and Cultural Services

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	4,255	2,168	2,606	2,164
Premises	1,055	557	552	557
Transport	18	16	21	16
Supplies and Services	2,157	561	3,209	561
Third Party Payments	1,157	-	-	-
Transfer Payments	-	-	-	-
Support Services	639	416	493	510
Capital Charges	308	299	299	299
Total Expenditure	9,589	4,017	7,180	4,107
Income				
Customer and Client Receipts	224	175	1,105	252
Government Grants	1,543	-	1,633	-
Recharges	3,483	2,931	2,937	2,931
Other Grants, Reimbursements and Contributions	4,059	126	760	126
Total Income	9,309	3,232	6,435	3,309
Net Expenditure	280	785	745	798
Cost per '000 population	2	6	5	6

Budget Holder: Peter Legg - Head of Economic & Cultural Services

Finance Manager: Kirsten Whyatt

Elements of the Service	£000	£000	£000	£000
Economic Development	60	583	543	613
Library Service	143	84	84	112
Arts and Heritage	47	47	47	19
Blackpool Learning Rooms	(42)	8	8	(15)
Museum	72	63	63	69
Net Expenditure	280	785	745	798

Notes:

1) Economic & Cultural Services combines the Economic Development, Cultural & Adult Learning Services.

These discrete but inter-linked services promote economic and cultural growth and prosperity for all residents as set out below:-

- 2) The Business Growth Team** provides tailored advice and workspace provision for new and existing businesses to start up, grow and create jobs. The team has recently commissioned two new business academies providing advice and mentoring for new start and growth businesses, and decarbonisation advice. The portal, Blackpoolunlimited.com, alerts local businesses to available advice and funding as well as relevant economic regeneration news.
- 3) Work Programmes** - pioneering support to resident job seekers to help them gain and sustain employment. The team is expanding and delivers a number of contracts across Blackpool, Lancashire and south Cumbria. It also manages the award winning Platform, a youth employment centre set up in 2022 to support unemployed 16-24 year olds to move into employment, education or training. The service is 100% self funded via contract and project revenue.
- 4) The Library Service** delivers a full range of library service offers across its network of eight community libraries, promoting children's and adult literacy and learning, digital services such as ebooks and emagazines and an at-home library outreach service for vulnerable residents unable to visit a local library. The service has expanded its engagement activity through partnership initiatives such as Better Start and the National Literacy Trust.
- 5) The Arts Development Service** includes the management and development of the Grundy Art Gallery, an Arts Council National Portfolio Organisation. The team deliver quality contemporary exhibitions, workshops and community oriented events, engaging with schools and community organisations. It works closely with Leftcoast and oversees the Council's sponsorship of the Grand Theatre. The team has contributed to the development of a new Cultural Strategy for Blackpool with various local partners, joining up leadership and maximising Blackpool's 'priority status' as set by Arts Council England.
- 6) The Heritage Service** includes the strategic lead and planning function for Heritage, including the care and management of Blackpool Council's extensive heritage collections, public access through the Local History Centre and the delivery of community heritage activities through the Community Heritage Programme. The management of the Heritage Service will transfer to the new Showtown Museum in 2024.
- 7) Blackpool Learning Rooms** (formerly called Adult Community & Family Learning) - provides accredited and non-accredited learning programmes to thousands of residents. It also leads on the delivery of Project Search, an employability programme which supports young people with mild learning difficulties to enhance their skills and gain vital work experience. BLR leads on the new Multiply programme aimed at enhancing adult numeracy. The service is funded by grants from the ESFA and the Shared Prosperity Fund.

Communications and Regeneration
General Fund Estimates Year Ending 31 March 2025
Growing Places

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,936	2,354	2,469	2,326
Premises	895	83	1,763	83
Transport	10	12	8	12
Supplies and Services	3,684	127	2,927	127
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	468	351	427	383
Capital Charges	1,859	(5,740)	1,910	(5,740)
Total Expenditure	8,852	(2,813)	9,504	(2,809)
Income				
Customer and Client Receipts	6,526	1,242	8,800	1,341
Government Grants	1,144	56	94	56
Recharges	227	361	505	396
Other Grants, Reimbursements and Contributions	1,919	2,752	9,829	3,593
Total Income	9,816	4,411	19,228	5,386
Net Expenditure	(964)	(7,224)	(9,724)	(8,195)
Cost per '000 population	(7)	(51)	(69)	(58)

Budget Holder: Nick Gerrard - Growth and Prosperity Programme Director

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Growing Places Division is made up of two core functions: Planning Services, and Growth and Prosperity.
- 2) Planning Services includes the full range of statutory planning functions as well as the formulation of strategic policy surrounding land use and transport. Planning Services are housed in two teams: Planning Quality and Control (Development Management, Building Control, Heritage and Divisional Support including Land Charges); and Planning Strategy (Strategic Planning and Transport Policy).
- 3) Growth and Prosperity was established in March 2017 and brings together a team that delivers the Growth and Prosperity Programme which includes a wide range of property-based projects to deliver on Council Priority 1, and the wider growth and prosperity objectives of the Council.

Elements of the Service	£000	£000	£000	£000
Planning	597	582	582	446
Growth Team	(1,561)	(7,806)	(10,306)	(8,641)
Net Expenditure	(964)	(7,224)	(9,724)	(8,195)

Communications and Regeneration
General Fund Estimates Year Ending 31 March 2025
Tourism & Communications

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	2,988	2,616	2,944	2,690
Premises	684	677	602	677
Transport	167	194	155	194
Supplies and Services	2,748	1,581	2,649	1,360
Third Party Payments	5	-	61	-
Transfer Payments	-	-	-	-
Support Services	1,648	1,663	1,664	1,668
Capital Charges	252	252	252	252
Total Expenditure	8,492	6,983	8,327	6,841
Income				
Customer and Client Receipts	436	539	600	539
Government Grants	185	98	225	98
Recharges	1,909	2,543	2,594	2,527
Other Grants, Reimbursements and Contributions	2,309	914	1,953	889
Total Income	4,839	4,094	5,372	4,053
Net Expenditure	3,653	2,889	2,955	2,788
Cost per '000 population	26	20	21	20

Budget Holder: Philip Welsh - Head of Tourism & Communications

Finance Manager: Kirsten Whyatt

Notes:

- 1) Visit Blackpool is the resort's Destination Management Organisation (DMO) which carries responsibility for delivering a major events programme and attracting millions of visitors through various year-round marketing activities. The service also includes the Corporate Communications function which is responsible for managing media enquiries and digital channels, and marketing a range of Council services to residents. The service also manages advertising across a portfolio of Council assets including tram and bus shelters, and poster sites.
- 2) The Illuminations Service is responsible for designing and delivering one of the town's most popular and enduring attractions, attracting circa three million visitors during the autumn season.
- 3) Corporate Print Services provides a design and print service for the authority and some external customers.
- 4) Beach Patrol offers a year-round service with a full-time staff resource augmented by seasonal staff during peak summer months.

Elements of the Service	£000	£000	£000	£000
Visit Blackpool/Corporate Communications/ Advertising	1,213	594	644	343
Illuminations	2,121	2,014	2,030	2,165
Print Services	40	17	17	13
Beach Patrol	279	264	264	267
Net Expenditure	3,653	2,889	2,955	2,788

Community & Environmental Services

Community and Environmental Services
General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Business Services	991	(866)	434	(939)
Leisure, Parks and Catering	5,187	4,729	4,579	4,745
Public Protection	1,242	1,950	1,900	1,965
Coastal and Environmental Partnerships	4,728	6,249	5,749	5,908
Highways and Traffic Management Services	17,737	17,639	17,239	17,065
Street Cleansing and Waste	17,192	19,815	19,615	21,490
Integrated Transport	3,175	2,964	3,654	3,275
Net Cost of Services	50,252	52,480	53,170	53,509
Cost per '000 population	356	371	376	379

Budget Holder: John Blackledge - Director of Community and Environmental Services

Finance Manager: Kirsten Whyatt

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	15,049	16,723	16,590	16,587
Premises	4,926	3,242	3,958	3,469
Transport	1,727	1,823	1,632	2,123
Supplies and Services	8,859	3,029	6,249	2,973
Third Party Payments	30,082	31,109	28,670	32,888
Transfer Payments	240	200	202	200
Support Services	4,541	5,519	7,454	5,667
Capital Charges	19,476	18,330	18,313	18,330
Total Expenditure	84,900	79,975	83,068	82,237
Income				
Customer and Client Receipts	11,748	10,965	11,927	11,120
Government Grants	3,668	2,846	3,053	2,846
Recharges	7,021	6,573	7,285	7,223
Other Grants, Reimbursements and Contributions	12,211	7,111	7,633	7,539
Total Income	34,648	27,495	29,898	28,728
Net Expenditure	50,252	52,480	53,170	53,509

Community and Environmental Services
General Fund Estimates Year Ending 31 March 2025
Business Services

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	515	635	649	637
Premises	154	42	52	42
Transport	117	138	138	138
Supplies and Services	165	(693)	(535)	(694)
Third Party Payments	15	85	103	85
Transfer Payments	-	-	-	-
Support Services	25	27	27	28
Capital Charges	-	-	-	-
Total Expenditure	991	234	434	236
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	-	1,100	-	1,175
Total Income	-	1,100	-	1,175
Net Expenditure	991	(866)	434	(939)
Cost per '000 population	1	-	-	-

Budget Holder: John Blackledge - Director of Community and Environmental Services

Finance Manager: Kirsten Whyatt

Notes:

- 1) This budget relates to the management and administration for Community and Environmental Services which includes the costs of employee related insurance.

Community and Environmental Services

General Fund Estimates Year Ending 31 March 2025

Leisure, Parks and Catering

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	5,712	6,420	6,154	6,391
Premises	589	297	460	297
Transport	30	13	21	13
Supplies and Services	4,187	2,901	4,031	2,846
Third Party Payments	876	-	6	-
Transfer Payments	240	200	200	200
Support Services	3,173	3,347	3,351	3,449
Capital Charges	395	-	-	-
Total Expenditure	15,202	13,178	14,223	13,196
Income				
Customer and Client Receipts	5,758	5,982	6,327	5,984
Government Grants	410	160	118	160
Recharges	1,536	869	967	869
Other Grants, Reimbursements and Contributions	2,311	1,438	2,232	1,438
Total Income	10,015	8,449	9,644	8,451
Net Expenditure	5,187	4,729	4,579	4,745
Cost per '000 population	37	33	32	34

Budget Holder: Lisa Arnold - Strategic Head of Community & Wellbeing Services

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Leisure Service provides comprehensive leisure opportunities to the whole community, ensuring all interest groups, abilities, age groups and backgrounds are provided for. In excess of one million visits to leisure facilities and programmes are made by local people each year, which includes a whole range of activities, lessons, club sports activities, junior sports coaching and opportunities for the town's most vulnerable children, young people and adults. The health referral programmes provide support and physical activity opportunities for people with cardiac, respiratory, clinical and general health conditions.
- 2) The Parks Service is responsible for the management of over 90 open spaces across the town, including the SSSI site, Marton Mere Nature Reserve and Stanley Park, which is Blackpool's largest piece of public open space. The two hundred and fifty six acre park is a landmark in Blackpool's heritage and history. The park was officially opened in 1926 and was designed by the internationally renowned Thomas Mawson. The park received Grade II status on the National Register of Historic Parks and Gardens in 1995 and benefitted from a six million pound Heritage Lottery Fund related restoration in 2007. The park boasts an impressive range of facilities which includes: ornamental gardens, a rose garden, water fountains, a boating lake and statues along with the historic Art Deco Café.
- 3) Catering Services provide a range of services to schools and community settings throughout Blackpool. The core service is a hot lunchtime meal served at 14 Primary, Special and Secondary schools. A range of other provisions are available throughout the extended school day, including breakfast, morning break and after-school food offers. The various Pupil Referral Units are provided with a delivered packed lunch service for pupils on a daily basis. The Free School Breakfasts scheme provides a breakfast to over 8,500 primary school children a day. The service also offers a corporate buffet service and provision of lunch meals for the adult day care service.

Elements of the Service	£000	£000	£000	£000
Leisure and Sport	3,190	3,542	3,392	3,528
Parks	725	290	290	266
Catering	669	660	660	712
Building Cleaning	603	-	-	-
Youth Hub	-	237	237	239
Net Expenditure	5,187	4,729	4,579	4,745

Community and Environmental Services

General Fund Estimates Year Ending 31 March 2025

Public Protection

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	3,768	4,354	4,101	4,356
Premises	52	29	40	29
Transport	125	105	126	105
Supplies and Services	757	498	849	498
Third Party Payments	69	153	76	153
Transfer Payments	-	-	2	-
Support Services	492	555	555	574
Capital Charges	3	236	236	236
Total Expenditure	5,266	5,930	5,985	5,951
Income				
Customer and Client Receipts	982	1,120	1,153	1,123
Government Grants	196	18	76	18
Recharges	2,176	2,270	2,257	2,270
Other Grants, Reimbursements and Contributions	670	572	599	575
Total Income	4,024	3,980	4,085	3,986
Net Expenditure	1,242	1,950	1,900	1,965
Cost per '000 population	9	14	13	14

Budget Holder: Jennifer Clayton - Head of Public Protection and Enforcement

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Public Protection and Enforcement Division comprises of CCTV, Trading Standards, Licensing Service, Licensing Enforcement, Health & Safety Enforcement, Food Control, Housing Enforcement and Licensing, Environmental Protection, Planning Enforcement, Community Safety / ASB, Security, Animal Wardens, Area Intervention team and Civil Enforcement Officers.
- 2) The areas of business of the Division involve working with partner agencies to protect the vulnerable and elderly, tackle crime and anti-social behaviour, protecting public safety, health and the environment, and promoting good business practice.

Community and Environmental Services
General Fund Estimates Year Ending 31 March 2025
Coastal and Environmental Partnerships

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	91	156	156	156
Premises	2,645	2,395	2,395	2,395
Transport	-	1	1	1
Supplies and Services	58	(4)	(4)	(4)
Third Party Payments	3,681	6,874	7,007	6,874
Transfer Payments	-	-	-	-
Support Services	140	156	156	165
Capital Charges	2,211	1,199	1,199	1,199
Total Expenditure	8,826	10,777	10,910	10,786
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	2,627	2,627	2,627	2,627
Recharges	153	153	153	153
Other Grants, Reimbursements and Contributions	1,318	1,748	2,381	2,098
Total Income	4,098	4,528	5,161	4,878
Net Expenditure	4,728	6,249	5,749	5,908
Cost per '000 population	33	44	41	42

Budget Holder: Clare Nolan-Barnes - Head of Coastal and Environmental Partnerships

Finance Manager: Kirsten Whyatt

Notes:

- 1) The team concentrates on the procurement and delivery of projects primarily concerned with the holistic management of water and the environment. This includes flood risk, coastal protection, surface water management and bathing waters. The team work in partnership with the Lancashire Strategic Partnership and the Fylde Peninsula Partnership in the delivery of statutory duties and on some projects. The team lead on and are responsible for ensuring that the Council complies with the relevant legislative duties in respect of flood risk management. It receives funding for the delivery of statutory duties under the Flood and Water Management Act. The team also delivers the street lighting and traffic signal Private Finance Initiative (PFI).

Elements of the Service	£000	£000	£000	£000
Coastal and Environmental Partnerships	(494)	(182)	(682)	(524)
Street Lighting	5,222	6,431	6,431	6,432
Net Expenditure	4,728	6,249	5,749	5,908

Community and Environmental Services
General Fund Estimates Year Ending 31 March 2025
Highways and Traffic Management Services

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	2,226	2,273	2,369	2,151
Premises	1,377	472	939	699
Transport	212	208	227	208
Supplies and Services	2,855	329	600	329
Third Party Payments	3,107	757	608	757
Transfer Payments	-	-	-	-
Support Services	443	483	484	494
Capital Charges	15,551	15,088	15,071	15,088
Total Expenditure	25,771	19,610	20,298	19,726
Income				
Customer and Client Receipts	998	792	955	832
Government Grants	252	-	100	-
Recharges	214	386	446	1,036
Other Grants, Reimbursements and Contributions	6,570	793	1,558	793
Total Income	8,034	1,971	3,059	2,661
Net Expenditure	17,737	17,639	17,239	17,065
Cost per '000 population	126	125	122	121

Budget Holder: Ian Large - Head of Highways & Traffic Management Services

Finance Manager: Kirsten Whyatt

Elements of the Service	£000	£000	£000	£000
Highways and Engineering	17,101	16,717	16,340	16,543
Highways and Traffic	636	922	899	522
Net Expenditure	17,737	17,639	17,239	17,065

Notes:

- 1) The Council as a Highway Authority has a statutory duty to maintain the highway network. Highways & Traffic Management Services is responsible for the Highways Asset Management Plan and all aspects of planned, routine and reactive maintenance arising from it.
- 2) Highway & Traffic Management Services have produced a Road Asset Management Strategy (RAMS) which is a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure to meet the needs of current and future customers. This includes collecting and managing the necessary condition data required to recommend how to use the Council's funding in the right place at the right time. This area also provides a statutory highway inspection service whereby all the roads are regularly inspected in line with a Blackpool Council Code of Practice.
- 3) Engineering Services (located at Layton Depot) is part of the Division and carries out the day to day routine maintenance required as part of the RAMS. Engineering Services also plays an important part in project delivery for most highway and/or public realm schemes. They also undertake projects for external clients which contributes towards the income generation of the Division.
- 4) The 2004 Traffic Management Act places a duty on the Council to manage the road network to secure the expeditious movement of traffic, considering the needs of all road users. Related to these duties, the service deals with traffic monitoring and management, the implementation of traffic regulation orders, parking management and restrictions and the control of utility works on the highway. This area also underpins the regeneration projects being undertaken.
- 5) Highway & Traffic Management Services have produced a Tramway Asset Management Plan (TAMS) which is a strategic approach for maintenance of the Track. The operation of the Tramway is governed by an Operating and Maintenance Agreement between the Council (as owner) and Blackpool Transport Services Ltd (as operator). The Council is responsible for the maintenance of the permanent way (including track, stops and platforms) but not operation or the service of vehicles.
- 6) Highway & Traffic Management Services have produced a Bridge Asset Management Plan (BAMS) which is a strategic approach for the maintenance of bridge and structures infrastructure.
- 7) The transport strategy of the Council is set down in the Local Transport Plan (LTP), which is required by the Department for Transport (DfT). The LTP also sets out a programme of improvements and works funded by DfT and delivered by Highways & Traffic Management Services. The service actively liaises with DfT, neighbouring authorities and transport operators to ensure Blackpool's needs are put forward and considered.

Community and Environmental Services

General Fund Estimates Year Ending 31 March 2025

Street Cleansing and Waste

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	112	74	97	74
Premises	96	7	65	7
Transport	(114)	130	(107)	130
Supplies and Services	(110)	132	384	132
Third Party Payments	21,987	22,964	20,595	24,743
Transfer Payments	-	-	-	-
Support Services	268	951	2,881	957
Capital Charges	999	1,504	1,504	1,504
Total Expenditure	23,238	25,762	25,419	27,547
Income				
Customer and Client Receipts	3,407	3,009	3,405	3,119
Government Grants	-	-	-	-
Recharges	1,633	1,515	1,634	1,515
Other Grants, Reimbursements and Contributions	1,006	1,423	765	1,423
Total Income	6,046	5,947	5,804	6,057
Net Expenditure	17,192	19,815	19,615	21,490
Cost per '000 population	122	140	139	152

Budget Holders: John-Paul Lovie - Head of Waste Policy and Partnerships

Finance Manager: Kirsten Whyatt

Notes:

- 1) The Street Cleansing Team are responsible for general cleaning around Blackpool which includes the removal of litter and dog fouling from public footpaths, fly tipping investigation and removal, clearing away wind blown sand, removal of dead animals, removal of unwanted/illegal graffiti, removal of road traffic debris and the supply and service of litter bins. All residential streets are regularly inspected and swept. In addition, any justified requests for street cleansing services will be carried out as required. This is delivered by the Council's wholly owned waste and environmental company, Blackpool Waste Services (Enveco), with the transfer of service taking place on 1st September 2021.
- 2) The Council operates a three stream containerised domestic waste kerbside collection service.
- 3) The Household Waste Recycling Centre at Bristol Avenue has facilities for the disposal of household waste from any domestic properties within Blackpool. Help is available at the site to direct, advise and provide practical physical assistance to ensure the safe disposal of waste. Around 80% of waste disposed of at the site is recycled or diverted from landfill. Wrapping for the safe disposal of asbestos waste is also supplied. Commercial waste is not allowed at the site and permits are required to enter the facility in a van or trailer. The site also operates a re-use shop. This is delivered by the Council's wholly owned waste and environmental company, Blackpool Waste Services (Enveco) (BWS), with the transfer of service taking place on 1st September 2021.
- 4) Trade Waste Services provides a service to the local business market (including Wyre BC) as well as schools, delivered via a sub-contract by BWS.
- 5) Prior to August 2014, the Council's statutory waste disposal function was delivered in partnership with Lancashire County Council under a PFI Contract let to a consortium led by Global Renewables Ltd. However at the end of July 2014 Lancashire County Council and Blackpool Council reached consensual termination of this contract. From August 2014 Lancashire County Council (87.5%) and Blackpool Council (12.5%) own 100% of the operating company (now called Lancashire Renewables Ltd) that previously provided the waste disposal function. The current arrangements provide the authorities with ongoing waste recycling, treatment, processing and disposal and aims to meet Government targets to reduce the amount of waste sent to landfill and deliver the against central government's Resources & Waste Strategy and also the Environment Bill 2020.

Elements of the Service	£000	£000	£000	£000
Street Cleansing	4,332	4,707	5,144	5,068
Waste	12,261	14,525	13,788	15,688
Public Conveniences	599	583	683	734
Net Expenditure	17,192	19,815	19,615	21,490

Community and Environmental Services
General Fund Estimates Year Ending 31 March 2025
Integrated Transport

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	2,624	2,811	3,064	2,822
Premises	13	-	7	-
Transport	1,358	1,228	1,226	1,528
Supplies and Services	948	(134)	924	(134)
Third Party Payments	346	276	275	276
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Charges	318	303	303	303
Total Expenditure	5,607	4,484	5,799	4,795
Income				
Customer and Client Receipts	603	62	87	62
Government Grants	184	41	132	41
Recharges	1,310	1,380	1,828	1,380
Other Grants, Reimbursements and Contributions	335	37	98	37
Total Income	2,432	1,520	2,145	1,520
Net Expenditure	3,175	2,964	3,654	3,275
Cost per '000 population	22	21	26	23

Budget Holder: Lisa Arnold - Strategic Head of Community & Wellbeing Services

Finance Manager: Kirsten Whyatt

Notes:

- 1) The service provides a transport service for Children's and Adult's social care.
- 2) Blackpool Council's Rideability service provides transport to anyone who can't use a conventional bus. This may be because of a disability or health problem preventing service users from getting to the nearest bus stop or because they are elderly or frail.
- 3) The service is responsible for the vehicle operating license of the council. The CVMU corporate vehicle maintenance unit is delivered by the Council's wholly owned waste and environmental company, Blackpool Waste Services (Enveco), with the transfer of service taking place on 1st September 2021.
- 4) The service also delivers the School Crossing Patrol Service.

Elements of the Service	£000	£000	£000	£000
CVMU	434	334	334	334
Integrated Transport	2,563	2,635	3,325	2,946
Travel and Road Safety	178	(5)	(5)	(5)
Net Expenditure	3,175	2,964	3,654	3,275

Adult Services

Adult Services

General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Adult Social Care	8,523	9,697	9,434	9,327
Care and Support	5,357	4,460	4,360	3,890
Adults Commissioning Placements	53,540	50,282	52,684	53,129
Adults Safeguarding	155	76	76	76
Net Cost of Services	67,575	64,515	66,554	66,422
Cost per '000 population	478	457	471	470

Budget Holder: Karen Smith - Director of Adult Social Services

Head of Accountancy: Mark Golden

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	23,547	25,950	25,595	24,955
Premises	208	68	(20)	65
Transport	1,015	966	967	966
Supplies and Services	4,011	2,238	1,999	2,521
Third Party Payments	70,496	69,750	71,869	75,360
Transfer Payments	5,906	4,409	5,112	4,893
Support Services	3,377	3,353	3,354	3,550
Capital Charges	-	455	455	455
Total Expenditure	108,560	107,189	109,331	112,765
Income				
Customer and Client Receipts	18,834	17,116	18,668	18,703
Government Grants	1,999	388	258	388
Recharges	29	27	27	27
Other Grants, Reimbursements and Contributions	20,123	25,143	23,824	27,225
Total Income	40,985	42,674	42,777	46,343
Net Expenditure	67,575	64,515	66,554	66,422

Adult Services

General Fund Estimates Year Ending 31 March 2025

Adult Social Care

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	9,703	11,606	11,089	11,158
Premises	2	2	2	2
Transport	63	61	74	61
Supplies and Services	901	272	550	272
Third Party Payments	292	325	393	325
Transfer Payments	76	55	55	55
Support Services	642	711	711	789
Capital Charges	-	-	-	-
Total Expenditure	11,679	13,032	12,874	12,662
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	22	22	22	22
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	3,134	3,313	3,418	3,313
Total Income	3,156	3,335	3,440	3,335
Net Expenditure	8,523	9,697	9,434	9,327
Cost per '000 population	60	69	67	66

Budget Holders: Karen Smith - Director of Adult Social Services, Liz Russell - Head of Learning Disabilities, Autism and Mental Health, Gill Nixon-Smith - Head of Adult Social Care

Head of Accountancy: Mark Golden

Notes:

- 1) Adult social care social work services are provided across three specialist areas - Learning Disability, Mental Health, and Adult Social Care. The service works in conjunction with the health community services across all areas and operates a fully integrated team within Learning Disability and also work co-located with NHS Mental Health staff.
- 2) The service provides assessment and case management functions incorporating risk assessment and safeguarding responsibilities for all adults who are in need of social care support and who meet Care Act eligibility criteria.
- 3) The services are focused on assessing, reassessing and reviewing support packages in light of the reduced commissioning budget and according to the revised Care Act eligibility criteria. Long term professional support is provided to a number of service users, this being more prevalent in Mental Health and Learning Disability teams.
- 4) Mental health provider services include day care provision, community support services, residential rehabilitation and crisis services.

Elements of the Service	£000	£000	£000	£000
Adult Social Care Management	1,300	-	-	-
Adult Social Care (Business Support)	4,099	1,333	1,257	1,207
Learning Disabilities Team	640	-	-	-
Mental Health Team	2,484	-	-	-
Learning Disabilities & Mental Health Combined (new 2024)	-	3,644	3,635	3,615
Adult Social Care Community Teams and Management	-	4,720	4,542	4,505
Net Expenditure	8,523	9,697	9,434	9,327

Adult Services

General Fund Estimates Year Ending 31 March 2025

Care and Support

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	12,995	13,335	13,478	12,785
Premises	113	53	58	50
Transport	119	136	105	136
Supplies and Services	1,654	624	1,014	607
Third Party Payments	99	138	96	138
Transfer Payments	-	3	4	3
Support Services	1,618	535	536	535
Capital Charges	-	111	111	111
Total Expenditure	16,598	14,935	15,402	14,365
Income				
Customer and Client Receipts	621	503	597	503
Government Grants	-	-	-	-
Recharges	29	27	27	27
Other Grants, Reimbursements and Contributions	10,591	9,945	10,418	9,945
Total Income	11,241	10,475	11,042	10,475
Net Expenditure	5,357	4,460	4,360	3,890
Cost per '000 population	38	32	31	28

Budget Holder: Nick Henson - Head of Care & Support

Head of Accountancy: Mark Golden

Notes:

- 1) The Adult Provider Services (Care and Support), have seen various services change direction over the last few years - from long stay residential, domiciliary and day care to focused, short term interventions or bespoke support packages for people with complex or challenging needs, aimed at keeping people out of hospital, independent and able to choose the life they wish to lead. We aim to deliver high quality, niche, competitively priced services that our customers, individuals and organisations want to choose to "buy" and access.
- 2) Care and Support delivers the Council's in house services relating to Mental Health, Learning Disability, Older Adults and Physical Disability and include Phoenix, Keats, Coopers Way, The ARC, Extra Support, Care at Home (Reablement, Primary Night Care, End of Life Care and Urgent Response), Langdale, Vitaline, Blackpool Centre for Independent Living (BCIL), Volunteers and Shared Lives.
- 3) Care and Support is delivering a number of health and social care system resilience projects as part of the iBCF/Adult Social Care Grants and other Temporary funding to (1) reduce the numbers of DtOC (Delayed Transfers of Care) and (2) reduce the LOS (Length of Stay) of patients in an acute setting and (3) help maintain people to be cared for at home for longer thus preventing hospital admission. These projects include investment to create additional capacity in the Council's Homecare and Assistive Technology Services to support a 'same day' response to care referrals and installation requests for people awaiting discharge from hospital.

Elements of the Service	£000	£000	£000	£000
Management and Administration	1,453	343	310	344
Day Centre	1,300	1,359	1,356	1,364
Coopersway Residential Respite	568	601	601	601
Phoenix Centre	(19)	(12)	(12)	(218)
Extra Support	(162)	(117)	(117)	(179)
Hornby Road Respite	45	85	83	87
Provider Support Hub	286	324	303	75
Shared/Lives/Volunteer Service	301	357	315	360
Homecare	997	934	935	901
ARC	86	13	13	13
Vitaline	502	573	573	542
Net Expenditure	5,357	4,460	4,360	3,890

Adult Services

General Fund Estimates Year Ending 31 March 2025

Adult Commissioning Placements

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	903	933	943	936
Premises	57	13	(114)	13
Transport	833	769	788	769
Supplies and Services	1,365	1,342	429	1,642
Third Party Payments	69,953	69,287	71,380	74,897
Transfer Payments	5,830	4,351	5,053	4,835
Support Services	1,117	2,107	2,107	2,226
Capital Charges	-	344	344	344
Total Expenditure	80,058	79,146	80,930	85,662
Income				
Customer and Client Receipts	18,190	16,613	18,071	18,200
Government Grants	1,987	366	235	366
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	6,341	11,885	9,940	13,967
Total Income	26,518	28,864	28,246	32,533
Net Expenditure	53,540	50,282	52,684	53,129

Cost per '000 population	379	356	373	376
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Budget Holder: Karen Smith - Director of Adult Social Services

Head of Accountancy: Mark Golden

Notes:

- 1) There are a variety of social care and housing related support services for adults and children living in Blackpool such as nursing and residential placements, care at home, and equipment and adaptations. These services are commissioned in a number of ways including block contracts, spot contracts and framework agreements. Where appropriate, this work is carried out in conjunction with our health colleagues in NHS Blackpool in order that we can commission a range of health and social care services via a joint approach. Other stakeholders include service users, carers and local community representatives. Social workers and other assessing professionals help to inform current and future need from their assessments and care planning activities with individuals.

Elements of the Service	£000	£000	£000	£000
Physical Support 18-64	5,322	5,293	6,946	5,293
Physical Support 65 and over	15,299	17,353	15,743	20,183
Sensory Support 18-64	317	365	354	365
Sensory Support 65 and over	338	417	328	409
Mental Health Support 18-64	5,975	5,921	5,908	6,561
Mental Health Support 65 and over	2,725	3,288	3,278	3,200
Support with Memory and Cognition 18-64	749	878	626	878
Support with Memory and Cognition 65 and over	4,709	5,471	4,513	5,130
Learning Disability Support 18-64	17,591	17,506	19,419	19,247
Learning Disability Support 65 and over	1,797	2,747	2,147	2,747
Social Support - Substance Misuse	146	33	84	65
Social Support - Social Isolation and Other	525	547	485	538
Social Support - Support for Carers	522	210	378	223
Other Commissioning Placements	13	(74)	(74)	(74)
Housing Related Support	59	58	-	58
Other	(2,547)	(9,731)	(7,451)	(11,694)
Net Expenditure	53,540	50,282	52,684	53,129

Adult Services
General Fund Estimates Year Ending 31 March 2025

Adult Safeguarding

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	(54)	76	85	76
Premises	36	-	34	-
Transport	-	-	-	-
Supplies and Services	91	-	6	-
Third Party Payments	152	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Charges	-	-	-	-
Total Expenditure	225	76	125	76
Income				
Customer and Client Receipts	23	-	-	-
Government Grants	(10)	-	1	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	56	-	48	-
Total Income	70	-	49	-
Net Expenditure	155	76	76	76
Cost per '000 population	1	1	1	1

Budget Holder: Karen Smith - Director of Adult Social Services

Head of Accountancy: Mark Golden

Notes:

- 1) The Safeguarding team is responsible for policy and practice development in relation to safeguarding adults, providing consultation to fieldwork staff and overseeing practice in relation to Deprivation of Liberty and Mental Capacity Act requirements.

ELEMENTS OF THE SERVICE	£000	£000	£000	£000
Adults Safeguarding Board	79	-	-	-
Training	76	76	76	76
Net Expenditure	155	76	76	76

Children's Services

Children's Services

General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Local Schools Budget	22,115	22,143	22,094	22,143
Business Support and Resources	9,786	10,441	10,408	10,370
Education	27,495	30,133	30,208	30,032
Targeted Intervention	5,519	6,584	6,564	6,751
Children's Social Care	59,734	58,287	64,850	64,403
Grants	(54,929)	(58,160)	(58,159)	(58,161)
Net Cost of Services	69,720	69,428	75,965	75,538
<i>COST PER '000 POPULATION</i>	493	491	538	535

Budget Holder: Victoria Gent - Director of Children's Services

Head of Accountancy: Mark Golden

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	57,077	56,986	56,572	56,790
Premises	2,641	2,426	2,524	2,426
Transport	857	712	782	712
Supplies and Services	20,429	19,414	22,719	19,442
Third Party Payments	55,657	52,054	60,900	56,866
Transfer Payments	17,175	15,007	16,727	16,273
Support Services	8,401	6,015	5,678	6,215
Capital Charges	1,750	1,767	1,767	1,768
Total Expenditure	163,987	154,381	167,669	160,492
Income				
Customer and Client Receipts	2,178	1,545	1,830	1,545
Government Grants	72,090	65,671	72,247	65,672
Recharges	8,715	8,360	7,152	8,360
Other Grants, Reimbursements and Contributions	11,284	9,377	10,475	9,377
Total Income	94,267	84,953	91,704	84,954
Net Expenditure	69,720	69,428	75,965	75,538

Children's Services

General Fund Estimates Year Ending 31 March 2025

Local Schools Budget

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	25,727	23,395	23,435	23,395
Premises	2,321	2,216	2,215	2,216
Transport	118	160	160	160
Supplies and Services	3,009	4,410	4,339	4,410
Third Party Payments	4	-	-	-
Transfer Payments	462	168	168	168
Support Services	2,613	119	119	118
Capital Charges	1,750	1,746	1,746	1,747
Total Expenditure	36,004	32,214	32,182	32,214
Income				
Customer and Client Receipts	1,148	960	920	960
Government Grants	2,411	1,121	2,889	1,121
Recharges	9,473	6,515	4,752	6,515
Other Grants, Reimbursements and Contributions	857	1,475	1,527	1,475
Total Income	13,889	10,071	10,088	10,071
Net Expenditure	22,115	22,143	22,094	22,143
Cost per '000 population	157	157	156	157

Budget Holder: Victoria Gent - Director of Children's Services

Head of Accountancy: Mark Golden

Notes:

- 1) The Individual Schools Budget (Delegated) figure represents the total of the budgets allocated to each maintained school. The Blackpool Fair Funding Formula, which must adhere to specific government statutory regulations, forms the basis for this apportionment. Special School budgets are now analysed as High Needs Top-up Payments under Education.
- 2) The Individual Schools Budget (Non-Delegated) figure represents the budget centrally retained by the Local Authority specifically for schools. Typically this allocation is used for school licences, pupil growth, statutory and regulatory duty costs, and capital charges.

Elements of the Service	£000	£000	£000	£000
Non Delegated	2,024	2,027	1,979	2,027
Delegated to Primary Schools	20,091	20,116	20,115	20,116
Net Expenditure	22,115	22,143	22,094	22,143

Children's Services

General Fund Estimates Year Ending 31 March 2025

Business Support and Resources

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	789	816	816	742
Premises	11	4	64	4
Transport	1	3	1	3
Supplies and Services	8,550	8,473	8,493	8,473
Third Party Payments	4,130	4,367	4,308	4,367
Transfer Payments	86	472	472	472
Support Services	785	868	868	871
Capital Charges	-	-	-	-
Total Expenditure	14,352	15,003	15,022	14,932
Income				
Customer and Client Receipts	248	259	259	259
Government Grants	3,033	3,024	3,024	3,024
Recharges	114	105	99	105
Other Grants, Reimbursements and Contributions	1,171	1,174	1,232	1,174
Total Income	4,566	4,562	4,614	4,562
Net Expenditure	9,786	10,441	10,408	10,370
Cost per '000 population	69	74	74	73

Budget Holders: Paul Turner, Assistant Director - Education

Head of Accountancy: Mark Golden

Notes:

- 1) Departmental Management - this budget contains the costs relating to the Director of Children's Services and the Head of Business Support and Resources as well as management expenditure for Children's Services including telephones, support services and capital charges.
- 2) Adults & Children's Funding - implements and operates funding formulae and other procedures for schools and early years providers, manages the schools PFI contract, develops and reviews adult social care financial policy issues, and provides financial and business support across Adult Services and Children's Services. Also includes school PFI contractual costs.
- 3) School Organisation - plans for the provision of school places and manages the Council's education capital programme, including construction management of schemes delivered through the Local Education Partnership.
- 4) The mandatory provision of free part-time Early Education places for 3 and 4 year-old children ensures they make a successful start to the Foundation Stage (the curriculum for 0 to 5 year olds), benefiting children when they commence in full-time primary education. Funding relating to 2 year-old places is available for children meeting certain criteria.

Elements of the Service	£000	£000	£000	£000
Departmental Management	1,354	1,469	1,437	1,398
Early Years	8,432	8,972	8,971	8,972
Net Expenditure	9,786	10,441	10,408	10,370

Children's Services

General Fund Estimates Year Ending 31 March 2025

Education

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	9,334	10,072	9,707	10,113
Premises	133	196	202	196
Transport	404	387	272	387
Supplies and Services	3,648	4,814	5,585	4,614
Third Party Payments	8,961	9,482	9,643	9,482
Transfer Payments	9,996	8,516	10,074	8,516
Support Services	1,788	1,490	1,155	1,548
Capital Charges	-	-	-	-
Total Expenditure	34,264	34,957	36,638	34,856
Income				
Customer and Client Receipts	651	304	611	304
Government Grants	488	222	1,552	222
Recharges	1,320	648	518	648
Other Grants, Reimbursements and Contributions	4,310	3,650	3,749	3,650
Total Income	6,769	4,824	6,430	4,824
Net Expenditure	27,495	30,133	30,208	30,032
Cost per '000 population	195	213	214	213

Budget Holders: Paul Turner, Assistant Director - Education

Head of Accountancy: Mark Golden

Elements of the Service	£000	£000	£000	£000
Education Management	2,126	2,452	2,221	2,463
School Improvement, Management and Strategy	765	822	826	675
Pupil welfare and Attendance	307	429	424	429
Access and Inclusion	139	153	153	153
School Admissions	168	177	181	177
Music Services	(65)	(28)	(28)	(28)
Outdoor Education	35	32	32	32
Educational Diversity and Pupil Referral Units	2,386	3,767	3,695	3,767
Special Educational Needs	1,289	1,120	1,155	1,137
Educational Psychology	483	479	477	491
Specialist Advice and Resources including Sensory Service	1,413	1,642	1,586	1,642
Out of Borough Placements	4,465	5,280	5,334	5,280
Transport	301	-	-	-
High Needs Top Up Payments	11,967	11,610	11,914	11,610
Post - 16 Provision	1,491	1,866	1,968	1,866
Virtual School	222	324	262	330
Other Support for Disabled Persons	3	8	8	8
Net Expenditure	27,495	30,133	30,208	30,032

Notes:

- 1) School Improvement activities are wide and varied and are supported to varying degrees by all staff within the School Standards, Safeguarding and Inclusion Division. There is a small core team of School Improvement Officers providing Blackpool's statutory school improvement. This is supplemented by external consultancy and a small intervention budget to assist maintained schools.
- 2) The Pupil Welfare team has statutory duties regarding school attendance and supports schools to address attendance and welfare issues. This budget line includes the Courts and Licensing team, which has a duty regarding licensing young people performing or taking part in paid sports or modelling.
- 3) Access and Inclusion – staff in this area provide support to schools to enable pupils to remain within mainstream settings, and advise around exclusion policy and practice. The service provides guidance and signposts support for parents considering Elective Home Education or those already doing so. Support to schools is also provided under this heading for complex non routine admissions.
- 4) School Admissions - co-ordinates the arrangements for the admission of pupils into schools, both at routine and non-routine times of the year, and liaises with other admissions bodies, such as voluntary-aided schools and academies, to ensure that the allocation of school places follows practices and criteria that are fair, clear and objective.
- 5) The Pupil Referral Unit fulfils the local authority's statutory responsibility to provide suitable education for pupils who are unable to access a school place due to medical / emotional / behavioural and social reasons, delivered by skilled and qualified staff.
- 6) The local authority has a statutory duty to assess, identify, monitor and ensure appropriate resources and provision are in place to meet the needs of children and young people who have special educational needs and disabilities. It has a duty to support families of children with a disability by providing supplementary care and resources including providing placements for those children who are unable to remain with their families.
- 7) Out of Borough costs are those associated with educational placements of children with social, emotional, mental health needs / learning difficulties and / or disabilities, whose needs cannot be met in Blackpool, in non-maintained / independent special schools.
- 8) High Needs top-up payments include payments to mainstream schools to cover the costs of additional support for children with Special Educational Needs, and Special School budgets.

Children's Services

General Fund Estimates Year Ending 31 March 2025

Targeted Intervention

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	7,749	8,105	8,753	8,204
Premises	132	10	29	10
Transport	90	87	109	87
Supplies and Services	3,991	860	3,554	860
Third Party Payments	1,952	1,437	1,863	1,437
Transfer Payments	715	52	963	52
Support Services	769	970	970	1,038
Capital Charges	-	-	-	-
Total Expenditure	15,398	11,521	16,241	11,688
Income				
Customer and Client Receipts	3	22	12	22
Government Grants	7,737	3,021	6,675	3,021
Recharges	822	788	788	788
Other Grants, Reimbursements and Contributions	1,317	1,106	2,202	1,106
Total Income	9,879	4,937	9,677	4,937
Net Expenditure	5,519	6,584	6,564	6,751
Cost per '000 population	39	47	46	48

Budget Holder: Joanne Stewart - Head of Targeted Intervention Services, Sara McCartan - Head of Adolescent Services

Head of Accountancy: Mark Golden

Elements of the Service	£000	£000	£000	£000
Early Help Management and Strategy	1,066	820	1,221	888
Early Help	4,120	3,694	3,289	3,763
Youth Justice	333	519	491	527
Families in need including Sure Starts		1,551	1,563	1,573
Net Expenditure	5,519	6,584	6,564	6,751

Notes:

- 1) Early Help and Support Services- The Early Help and Support Service delivers a range of services for children and their families (pre-birth to 19 and up to 25 for those with SEND) including:
 - Family Hubs: The service delivers three family hubs that are open to all children (pre-birth to 19, up to 25 where there are SEND needs) and their families regardless of their levels of needs. Each hub offers range services on site, out in their local communities or virtually through the Family Hub Webpage or apps. Family Hubs benefits from additional funding through the governments Family Hub and Start for Life national programme.
 - Family Support: delivery of individual packages of support for families at the early help level on the continuum of need and support to the partnership to take the lead professional role for Early Help work. This work is partially funded through the Supporting Families Programme.
- 2) Blackpool's Adolescent Service provides targeted support to vulnerable young people:
 - The Youth Justice Team provides a multi-agency partnership whose aim is to prevent children from offending and to help them restore the damage caused to their victims. The service works in accordance with the Crime and Disorder Act 1998 and subsequent Criminal Justice Acts. The service supervises and supports children aged between 10 to 18 years who have committed offences and have received a Youth Caution, Youth Conditional Caution or an order from the Court. The team also provides support to victims and Appropriate Adult support, where needed, for children detained at the police station or being interviewed by the police. The Service will also currently deliver the Turnaround MoJ Early Intervention programme (until March 25).
 - The Family Worker Team provides destination tracking for 3500 young people and targeted support, as part of a statutory duty, to promote the effective participation in Education, Training or Employment. The team also provides holistic support for children aged 16 & 17 who are homeless following a joint assessment of need via Childrens Services & Housing.
 - The Drug, Alcohol and Sexual Health Practitioner Team provides psychosocial, non-clinical support, for young people at risk of poor sexual health outcomes and young people misusing substances up to the age of 25 years old. The team facilitate access to clinical support including, prescribing, community and residential detox and rehabilitation.
 - The Leaving Care Team provides corporate parenting support for our care experienced young people up to 25 years old, providing a statutory duty to enable 'Our Children and Young People' to achieve their potential and to prepare for independence.

Children's Services
General Fund Estimates Year Ending 31 March 2025
Children's Social Care

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	13,478	14,598	13,861	14,336
Premises	44	-	14	-
Transport	244	75	240	75
Supplies and Services	1,231	857	748	1,085
Third Party Payments	40,610	36,768	45,086	41,580
Transfer Payments	5,916	5,799	5,050	7,065
Support Services	2,446	2,568	2,566	2,640
Capital Charges	-	21	21	21
Total Expenditure	63,969	60,686	67,586	66,802
Income				
Customer and Client Receipts	128	-	28	-
Government Grants	230	123	439	123
Recharges	424	304	504	304
Other Grants, Reimbursements and Contributions	3,453	1,972	1,765	1,972
Total Income	4,235	2,399	2,736	2,399
Net Expenditure	59,734	58,287	64,850	64,403
Cost per '000 population	423	413	459	456

Budget Holder: Chris Coyle - Assistant Director of Children's Social Care

Head of Accountancy: Mark Golden

Notes:

- 1) The division is responsible for ensuring the timely assessment of need for those children who are within the most vulnerable groups in Blackpool. The service aims to deliver timely and high quality services to the public and partner agencies within the legal framework laid down by government and with a suitably skilled and experienced workforce. All Local Authorities face high pressure on budgets however high cost services such as those for children in care are being reviewed and where possible and without compromising safe are being reduced.
- 2) The Safeguarding, Quality Review Service is statutory responsible to quality audit Children's Social Care and partnership agencies and regarding children supported via Child Protection Plan, children in our Care and Fostering Carers. The service includes the Child Protection Chair Team, the Independent Reviewing Officer (IRO) Team, Fostering Independent Reviewing Officers, Local Authority Designated Officer function and participation lead for children in our care.

Elements of the Service	£000	£000	£000	£000
Children's Services Management and Strategy	1,776	3,681	3,388	3,758
Supporting & Strengthening Families	5,152	6,020	5,918	6,088
Assessment and Support Teams	2,587	3,041	2,818	3,085
Looked After Children Management and Support	260	354	630	354
Supporting our Children Team	2,013	1,246	1,378	1,262
Section 17 Children in Need Expenditure	560	497	936	497
Adoption Services	2,280	1,578	1,633	1,808
Fostering Services	5,024	5,161	5,445	5,178
Special Guardianship Support and Residence Orders	3,957	4,373	4,646	4,373
External Placements	28,851	26,547	31,329	32,193
16+ Placements	4,382	2,632	3,621	2,632
External Legal Fees	625	807	758	807
Safeguarding, Quality and Review	2,267	2,350	2,350	2,368
Net Expenditure	59,734	58,287	64,850	64,403

Children's Services

General Fund Estimates Year Ending 31 March 2025

Grants

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Charges	-	-	-	-
Total Expenditure	-	-	-	-
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	58,191	58,160	57,668	58,161
Recharges	(3,438)	-	491	-
Other Grants, Reimbursements and Contributions	176	-	-	-
Total Income	54,929	58,160	58,159	58,161
Net Expenditure	(54,929)	(58,160)	(58,159)	(58,161)
Cost per '000 population	(389)	(412)	(412)	(412)

Budget Holder: Victoria Gent - Director of Children's Services

Head of Accounting: Mark Golden

Notes:

- 1) Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved to schools and Early Years settings through the school, high needs and nursery budgets, together with centrally-retained pupil-related services.
- 2) Up to and including financial year 2016/17, certain education functions provided by local authorities for maintained schools were funded from the Education Services Grant (ESG). Since April 2017 when the ESG ceased, local authorities are able to retain funding from maintained schools relating to the provision of these functions, subject to approval from the Schools Forum.

Elements of the Service	£000	£000	£000	£000
Dedicated Schools Grant	(54,753)	(57,977)	(57,978)	(57,977)
Former Education Services Grant	(176)	(166)	(166)	(166)
Other Education Grants	-	(17)	(15)	(18)
Net Expenditure	(54,929)	(58,160)	(58,159)	(58,161)

Public Health

Public Health
General Fund Estimates Year Ending 31 March 2025
Summary

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	1,588	1,735	1,897	1,735
Premises	1	-	-	-
Transport	41	5	5	5
Supplies and Services	118	58	100	58
Third Party Payments	39,468	20,198	20,221	20,198
Transfer Payments	-	-	-	-
Support Services	269	240	240	240
Capital Charges	-	-	-	-
Total Expenditure	41,485	22,236	22,463	22,236
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	21,742	20,728	20,728	20,728
Recharges	8	676	805	676
Other Grants, Reimbursements and Contributions	19,730	829	927	829
Total Income	41,480	22,233	22,460	22,233
Net Expenditure	5	3	3	3
Cost per '000 population	0	0	0	0

Budget Holder: Dr Arif Rajpura - Director of Public Health

Head of Accountancy: Mark Golden

Elements of the Service	£000	£000	£000	£000
Public Health Directorate and Corporate Support	4,234	688	688	688
NHS Health Checks - Mandated	132	100	100	100
Children (5-19) - Public Health Programmes	627	628	628	628
Children's 0-5 Services	8	2,499	2,499	2,499
Tobacco Control	292	363	363	363
Mental Health and Wellbeing	15	15	15	15
Sexual Health Services	1,236	1,785	1,785	1,785
Substance Misuse (Drugs and Alcohol)	2,515	2,790	2,790	2,790
Healthy Weight/Weight Management	157	120	120	120
Miscellaneous Public Health Services	9,280	10,090	10,090	10,090
Harm reduction	773	783	783	783
Public Health Grant	(19,264)	(19,858)	(19,858)	(19,858)
Net Expenditure	5	3	3	3

Notes:

- 1) The Public Health team work with a range of partners to commission public health services to improve the health of the population of Blackpool. A range of mandated services moved to the Authority from the NHS in April 2013.
- 2) Partners include Blackpool Integrated Care Board (ICB), NHS England , UK Health Security Agency (UKHSA), Office for Health Improvement and Disparities (OHID), Police and the voluntary sector. The work involves engaging with service providers, service users and local community representatives at every stage of the commissioning process and ongoing service review.
- 3) Through evidence base and best practice the Public Health team deliver cost efficient and high quality customer services that meet local population's needs.
- 4) Provide a robust financial management system to include planning, budget monitoring to ensure balance at year end; ensuring policies, procedures and democratic processes are adhered to and contracts regularly reviewed and performance managed.
- 5) Develop the Joint Strategic Needs Assessment (JSNA); a process that identifies 'the big picture' in terms of health and wellbeing needs and inequalities of a local population. This information is used to develop strategies and plan service development to improve the public's health in Blackpool.
- 6) Provide population level public health advice to the NHS.
- 7) Community Engagement- this is a core corporate function, supporting the councils second priority – Communities. The team along with the Fairness Commission work to support, advise and shape community development within the council, developing strategy, tools and support frameworks to ensure a consistent approach to engagement. Corporate Engagement takes place when undertaking budget proposals. It provides information to shape proposals and works to gather information from community groups.

Budgets Outside the Cash Limit

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Summary

Functions of Service	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Treasury Management	2,505	16,282	14,682	25,882
Parking Services	(5,457)	(5,331)	(5,031)	(5,728)
Corporate Subscriptions	127	135	135	137
Housing Benefits	1,546	1,849	1,849	1,819
Council Tax and NNDR Cost of Collection	1,003	1,894	1,894	1,393
Subsidiary Companies	(967)	(926)	(961)	(2,922)
Land Charges	(51)	(50)	(50)	(50)
Concessionary Fares	3,545	4,064	3,934	3,614
Employers Previous Years Pension Liability	(495)	(331)	(331)	(393)
New Homes Bonus	(211)	(22)	(22)	(20)
Net Cost of Services	1,545	17,564	16,099	23,732
Cost per '000 population	11	124	114	168

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	(96)	67	138	5
Premises	1,546	1,431	1,370	1,431
Transport	41	17	38	17
Supplies and Services	4,393	5,150	5,365	4,201
Third Party Payments	54	23	-	23
Transfer Payments	44,907	41,274	41,286	41,275
Support Services	4,332	4,385	4,394	4,322
Capital Charges	15,936	24,959	27,602	29,605
Total Expenditure	71,113	77,306	80,193	80,879
Income				
Customer and Client Receipts	5,092	5,707	5,706	6,678
Government Grants	45,328	40,579	40,579	40,528
Recharges	2,447	3,275	3,279	3,275
Other Grants, Reimbursements and Contributions	16,701	10,181	14,530	6,666
Total Income	69,568	59,742	64,094	57,147
Net Expenditure	1,545	17,564	16,099	23,732

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Treasury Management

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	79	-	73	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	272	328	371	328
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	418	364	364	374
Capital Charges	15,385	24,320	27,147	28,966
Total Expenditure	16,154	25,012	27,955	29,668
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	2,443	3,259	3,259	3,259
Other Grants, Reimbursements and Contributions	11,206	5,471	10,014	527
Total Income	13,649	8,730	13,273	3,786
Net Expenditure	2,505	16,282	14,682	25,882
Cost per '000 population	18	115	104	183

Budget Holder: Steve Thompson - Director of Resources

Head of Accountancy: Mark Golden

Notes:

- 1) The Treasury Management function deals with the financial management of Blackpool Council's cashflows, borrowings and investments. It ensures that the borrowings, investments, and cash balances best match the receipts and payments profile of the Council, both on a strategic long-term basis and from day to day.
- 2) The Council's own long-term borrowings currently stand at £187 million. The maturity profile and mix of fixed/variable rate debt chosen attempts to maximise the financial benefit, and minimise the financial risk, to the Council.
- 3) Investments (usually with retail banks, building societies, local authorities and other recognised banking institutions) are made when possible to place surplus funds. Priority is given to the security and liquidity of the investments. The highest rate of return (yield) is sought so long as this is consistent with the specified levels of security and liquidity.
- 4) The supplies and services budget includes debt management expenses. This comprises premiums on the early redemption of debt, commission to brokers, etc.
- 5) Capital charges represent the cost of maintaining debt financing, particularly the cost of interest payable to external providers of loan funding, and the cost of setting aside a provision for repaying that funding.
- 6) Recharges consist of the net contribution from the Housing Revenue Account and subsidiary companies in respect of transactions relating to municipal housing and costs of debt. It also includes amounts charged to Leisure Assets.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Parking Services

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	301	371	366	371
Premises	1,546	1,431	1,370	1,431
Transport	41	17	38	17
Supplies and Services	518	371	434	371
Third Party Payments	54	23	-	23
Transfer Payments	-	-	-	-
Support Services	150	105	114	108
Capital Charges	207	270	111	270
Total Expenditure	2,817	2,588	2,433	2,591
Income				
Customer and Client Receipts	4,383	5,157	4,892	5,557
Government Grants	-	-	-	-
Recharges	-	-	4	-
Other Grants, Reimbursements and Contributions	3,891	2,762	2,568	2,762
Total Income	8,274	7,919	7,464	8,319
Net Expenditure	(5,457)	(5,331)	(5,031)	(5,728)
Cost per '000 population	(39)	(38)	(36)	(41)

Budget Holder: Philip Welsh - Head of Tourism & Communications

Finance Manager: Kirsten Whyatt

Notes:

- 1) Parking Services manages 20 surface pay & display car parks, as well as three multi-storey car parks and numerous on-street parking facilities. The team assists millions of car park users in the resort every year. The service also has an Administration team which carries out duties associated with the management of Penalty Charge Notices for both parking and bus lane camera infringements, as well as the issuing and management of parking permits.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Corporate Subscriptions

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	122	130	130	131
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	8	8	8	9
Capital Charges	-	-	-	-
Total Expenditure	130	138	138	140
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	3	3	3	3
Other Grants, Reimbursements and Contributions	-	-	-	-
Total Income	3	3	3	3
Net Expenditure	127	135	135	137
Cost per '000 population	1	1	1	1

Budget Holder: Steve Thompson - Director of Resources

Head of Accountancy: Mark Golden

Notes:

- The budget comprises of corporate subscriptions payable to organisations such as Local Government Association, North West Employers Organisation, LG Futures and North Western Sea Fisheries.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Housing Benefits

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	(332)	(289)	(289)	(289)
Third Party Payments	-	-	-	-
Transfer Payments	44,872	41,249	41,249	41,250
Support Services	1,513	1,651	1,651	1,571
Capital Charges	-	-	-	-
Total Expenditure	46,053	42,611	42,611	42,532
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	44,771	40,557	40,557	40,508
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	(264)	205	205	205
Total Income	44,507	40,762	40,762	40,713
Net Expenditure	1,546	1,849	1,849	1,819
Cost per '000 population	11	13	13	13

Budget Holder: Louise Jones - Head of Revenues, Benefits and Customer Services

Head of Accountancy: Mark Golden

Notes:

- Housing Benefits are paid to private tenants in the form of rent allowances and to council house tenants in the form of rent rebates. These are means tested and the bulk of the payments attract government subsidy.

Budgets Outside the Cash Limit
General Fund Estimates Year Ending 31 March 2025
Council Tax and NNDR Cost of Collection

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	136	554	554	51
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,181	2,183	2,183	2,185
Capital Charges	-	-	-	-
Total Expenditure	2,317	2,737	2,737	2,236
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	346	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	968	843	843	843
Total Income	1,314	843	843	843
Net Expenditure	1,003	1,894	1,894	1,393
Cost per '000 population	7	13	13	10

Budget Holder: Louise Jones - Head of Revenues, Benefits and Customer Services

Head of Accountancy: Mark Golden

Notes:

- 1) This budget represents the cost of collection of Council Tax and National Non-Domestic Rates.
- 2) The Council Tax Reduction Scheme (CTRS) was introduced in April 2013. Under this scheme the Government introduced a Council Tax Support Grant equivalent to 90% of the Government's forecasted level of Council Tax Benefit that would have existed if the benefit system had continued. The Council is required to determine the approach to funding the gap. The level of Support Grant is fixed and the Council is responsible for the costs of any increase in caseload. The Council Tax Reduction Scheme (CTRS) must incorporate the national pensioner scheme, decided by Government. This ensures that pensioners support continues at existing levels. The 2024/25 CTRS applies a reduction of 27.11% (27.11% in 2023/24) to the support provided to Working Age claimants. Additional support is provided to certain vulnerable groups of claimants by amending the percentage applied to their award from 27.11% to 13.56%. The major preceptors (Police and Crime Commissioner for Lancashire and Lancashire Fire Authority) also receive a proportionate share of the overall Council Tax Support Grant and this has been taken into account as part of their budget net requirements.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Subsidiary Companies

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	9	14	9	14
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	142	5	250	5
Third Party Payments	-	-	-	-
Transfer Payments	-	2	2	2
Support Services	28	32	32	36
Capital Charges	344	369	344	369
Total Expenditure	523	422	637	426
Income				
Customer and Client Receipts	590	448	698	1,019
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	900	900	900	2,329
Total Income	1,490	1,348	1,598	3,348
Net Expenditure	(967)	(926)	(961)	(2,922)
Cost per '000 population	(7)	(7)	(7)	(21)

Budget Holder: Alan Cavill - Director of Communications & Regeneration

Finance Manager: Kirsten Whyatt

Notes:

- 1) This budget shows the costs charged to and benefits derived by the Council from its wholly-owned subsidiary companies which are not included in other service budgets.
- 2) The Blackpool Airport group of companies are wholly-owned by the Council.
- 3) Blackpool Transport Services Limited (BTS) is a wholly-owned company of the Council.
- 4) Blackpool Operating Company Limited is a wholly-owned company of the Council, established to operate and manage the Sandcastle Waterpark.
- 5) Blackpool Housing Company is a wholly-owned company of the Council.
- 6) Blackpool Waste Services Limited is a wholly-owned company of the Council.

Elements of the Service	£000	£000	£000	£000
Airport	8	8	8	9
BTS	18	45	20	(374)
Sandcastle Waterpark	(993)	(979)	(989)	(1,628)
Blackpool Housing Company	-	-	-	(429)
Blackpool Waste Services	-	-	-	(500)
Net Expenditure	(967)	(926)	(961)	(2,922)

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Land Charges

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	9	-	8	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	13	14	14	14
Third Party Payments	-	-	-	-
Transfer Payments	35	23	35	23
Support Services	4	5	5	5
Capital Charges	-	-	-	-
Total Expenditure	61	42	62	42
Income				
Customer and Client Receipts	112	92	112	92
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	-	-	-	-
Total Income	112	92	112	92
Net Expenditure	(51)	(50)	(50)	(50)
Cost per '000 population	-	-	-	-

Budget Holder: Nick Gerrard - Growth and Prosperity Programme Director

Finance Manager: Kirsten Whyatt

Notes:

- 1) From November 2018 Her Majesty's Land Registry (HMLR) is responsible for the provision of the LLC1 search service and for Personal Searches and the Planning Department is responsible for the provision of the CON29 search service.
- 2) The Planning Department remains responsible for the ongoing maintenance of the Local Land Charges Register in accordance with statutory provisions and the updating of the register for use by HMLR.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Concessionary Fares

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	3,522	4,037	3,901	3,590
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	30	37	37	34
Capital Charges	-	-	-	-
Total Expenditure	3,552	4,074	3,938	3,624
Income				
Customer and Client Receipts	7	10	4	10
Government Grants	-	-	-	-
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	-	-	-	-
Total Income	7	10	4	10
Net Expenditure	3,545	4,064	3,934	3,614
Cost per '000 population	25	29	28	26

Budget Holder: Alan Cavill - Director of Communications & Regeneration

Finance Manager: Kirsten Whyatt

Notes:

1) As required by the Transport Act 2000, a concessionary public transport fares scheme has been established for Blackpool in partnership with Blackburn with Darwen Council, Lancashire County Council and the Cumbria councils. This is branded as NoWcard. The scheme covers older and disabled eligible residents. It provides concessionary bus ridership, and tram ridership for Blackpool and Wyre residents only.

2) The Concessionary Bus Travel Act 2007 required that from From April 2008 the English National Concessionary Travel Scheme allow free travel on public transport for the elderly and the disabled as detailed below:

The entitlements :-

Holder of Elderly NoWcards:

- English National Concession*

Holder of Disabled NoWcards issued by Blackpool:

- English National Concession*

- £1 flat fare before 9.30am on local bus journeys starting within the Blackpool boundary, Monday to Friday.

* English National Concession: Free off peak travel (after 9.30am and before 11.00pm Monday to Friday, all day Saturday, Sunday and Bank Holidays) on local bus services throughout England.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

Employers Previous Years Pension Liability

Subjective Analysis	2022/23 Actual £000	2023/24 Adjusted Cash Limit £000	2023/24 Forecast Outturn £000	2024/25 Cash Limit £000
Expenditure				
Employees	(494)	(318)	(318)	(380)
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Charges	-	-	-	-
Total Expenditure	(494)	(318)	(318)	(380)
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	-	-	-	-
Recharges	1	13	13	13
Other Grants, Reimbursements and Contributions	-	-	-	-
Total Income	1	13	13	13
Net Expenditure	(495)	(331)	(331)	(393)
Cost per '000 population	(4)	(2)	(2)	(3)

Budget Holder: Steve Thompson - Director of Resources

Head of Accountancy: Mark Golden

Notes:

- 1) The authority participates in the Local Government Pension Fund (LGPS) which is administered by Lancashire County Council. The fund has a full valuation every 3 years with the latest valuation being at 31st March 2022. Following the latest valuation the pension fund is currently in a surplus position.

Budgets Outside the Cash Limit

General Fund Estimates Year Ending 31 March 2025

New Homes Bonus

Subjective Analysis	2022/23 Actual	2023/24 Adjusted Cash Limit	2023/24 Forecast Outturn	2024/25 Cash Limit
	£000	£000	£000	£000
Expenditure				
Employees	-	-	-	-
Premises	-	-	-	-
Transport	-	-	-	-
Supplies and Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Charges	-	-	-	-
Total Expenditure	-	-	-	-
Income				
Customer and Client Receipts	-	-	-	-
Government Grants	211	22	22	20
Recharges	-	-	-	-
Other Grants, Reimbursements and Contributions	-	-	-	-
Total Income	211	22	22	20
Net Expenditure	(211)	(22)	(22)	(20)
Cost per '000 population	(1)	-	-	-

Budget Holder: Steve Thompson - Director of Resources

Head of Accountancy: Mark Golden

Notes:

- 1) A New Homes Bonus grant is paid to local authorities by the Government as a stimulus to the provision of new homes. This is an unringfenced grant which is distributed between local authorities based upon the net growth in housing provision within their areas.

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Draft Budget Saving Proposals 2024/25			
	£000s	£000s	Description
2024/25 Revised Budget Gap		16,260	
Budget Savings			
Companies	422		Housing Company recharges and review of company overheads for BHC/BCH
Companies	427		New rent from tram depot
Companies	500		Improved performance from Sandcastle and Winter Gardens
Companies	500		Enveco dividend
Companies	151		Sandcastle rent increase
Concessionary Fares	448		Reduction in subsidy to reflect actual usage
Car Parking	400		Visitor car parking estate
Total Corporate		2,848	
Children's Services - Placements	1,500		Reduce the use of high cost placements, developing alternative provision that is OFSTED compliant and delivered in Blackpool where appropriate. Increase placement stability, with fewer placements breaking down and leading to cost escalation without improvement in outcomes.
Staffing	430		Reduction in use of agency and freezing vacant posts
Family Safeguarding	400		Use of grant funding and demand management
Education plus SEND	200		General efficiencies including removal of vacant posts, increased income targets and reduction in supplies and services
Business Support & Resources	35		Removal of vacant post
Total Children's Services Directorate <i>(Gross Budget £114m, Net Budget £46m, FTEs 640 - excluding Schools)</i>		2,565	
Blackpool Central	792		Renegotiation of an external contract
Visit Blackpool	120		Retender Switch-on contract
Marketing Campaigns	100		Review contribution to joint marketing campaign
Communications & Regeneration - All services	80		Increase in fees and charges
Communications & Regeneration - All services	75		Freezing vacant posts
Strategic Leisure Assets	70		Post funded from additional income
Transport Policy	50		Post funded from external funding
Positive Steps	50		Efficiencies on external contracts
Town Deal	50		External funding
Communications	40		Removal of vacant post or seeking funding for
Growth & Prosperity	35		Admin post funded from additional income
Economic Development & Libraries	25		Reduction in supplies and services
Total Communications & Regeneration Directorate <i>(Gross Budget £14m, Net Budget £0.7m, FTEs 240)</i>		1,487	
Adults Commissioning	1,140		Revert to paying shift allowance for sleep ins in line with actual market practice
Adults Commissioning	1,000		Impact of embedding the work to implement asset based assessments
Adults Commissioning	520		Embedding a Blackpool first approach to commissioning of residential care beds
Adults Commissioning	357		Right-sizing of budget to reflect demand
Adults Commissioning	300		Estimated saving through reducing review backlog
Adults Commissioning	378		Commissioning review of the model in 24 hour community support settings
Adults Commissioning	109		Standardising the supported living rate
Adults Commissioning	100		Standardising the cost of 1:1 support in residential settings
Care & Support	459		Service reviews of Phoenix and Provider Hub

Draft Budget Saving Proposals 2024/25			
	£000s	£000s	Description
Care & Support	62		Reduction in outreach support standby capability from the Extra Support Service. May allow for extension of in reach support with alternative income
Care & Support	45		Use of Assessment and Rehabilitation Centre (ARC) as Short Term Care preferred destination
Staffing	487		Freezing of vacant posts across the directorate
Total Adult Services Directorate <i>(Gross Budget £107m, Net Budget £64m, FTEs 610)</i>		4,957	
Accountancy/CFO	69		Removal of frozen vacant post and additional Service Level Agreement income
Audit & Risk	37		Additional Service Level Agreement income
ICT	108		Removal of frozen vacant posts, external income and reduction in third party spend
Procurement & Exchequer Services	75		Removal of frozen vacant post and additional Service Level Agreement income
Property Services	330		Property investment portfolio additional lease rent income and insurances re-procurement savings
Property Services	163		Removal of frozen vacant posts and additional lease rent income
Revenues, Benefits and Customer First	198		Removal of frozen vacant hours and posts
Total Resources Directorate <i>(Gross Budget £34m, Net Budget £3m, FTEs 340)</i>		980	
Coastal	350		Fees from a range of sea defence works
Community & Environment - All services	75		Freezing vacant posts
Highways	325		Funding Highways posts through external grants
Highways & Traffic Management	160		Freezing vacant posts & increase in fees and charges
Highways Engineering	350		Income generation from highways engineering projects
Leisure	95		Service operational review
Parks	30		Service operational review
Public Protection	24		More effective use of the out of hours noise app
Public Protection	6		Increase in fees and charges
Waste	110		Increase in fees and charges for green waste, trade waste and bulky matters
Total Community & Environment Directorate <i>(Gross Budget £81m, Net Budget £53m, FTEs 427)</i>		1,525	
Life Events	233		Increase in fees and charges, reduction in supplies & services, additional income and disestablishment of vacant posts
Legal	110		Removal of vacant post and reduction in childcare external counsels' fees
Democratic Governance	50		Removal of vacant post
Information Governance	25		Removal of vacant post
Ward Budgets	21		Reduction of £500 per councillor / £1000 per ward
Total Governance & Partnerships Directorate <i>(Gross Budget £9m, Net Budget £2m, FTEs 95)</i>		439	
Commissioning & Corporate Delivery	335		Ensuring resources and commissioned services that support the delivery of grant funded projects, initiatives and interventions are funded within the grant envelope
Housing	600		Maximising the use of new burdens and grant funding to meet challenges of increased needs and demand, the development of new services to reduce overall spend on temporary accommodation
Chief Executive	60		Management review
Total Chief Executive Directorate <i>(Gross Budget £9m, Net Budget £2m, FTEs 143)</i>		995	
Public Health	462		Use of Public Health funding on health related council services
Total Public Health Directorate <i>(Gross Budget £23m, Net Budget £0m, FTEs 35)</i>		462	

Draft Budget Saving Proposals 2024/25			
	£000s	£000s	Description
Total Savings Proposals		16,258	
2024/25 Budget Gap / (Surplus)		2	Rounding

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1. Dedicated Schools Grant Budget 2024/25

	2024/25	2023/24	Movement	% Change	Notes
	Total	Total			
Schools Block					
Local Schools Budget	111,467,018	104,594,484	6,872,534	6.6%	After 0.5% transfer to HN
- Union Duties (de-delegated)		18,351	(18,351)	-100.0%	Approved at Schools Forum on 16th January 2024
- Free School Meals Eligibility Checks (de-delegated)		18,543	(18,543)	-100.0%	Approved at Schools Forum on 16th January 2024
- School Improvement (de-delegated)		47,794	(47,794)	-100.0%	Approved at Schools Forum on 16th January 2024
- Education Functions (retained)		158,186	(158,186)	-100.0%	Approved at Schools Forum on 16th January 2024
Business Rates reserve		-	-		
Transfer to growth contingency	200,000	231,246	(31,246)	-13.5%	
	111,667,018	105,068,604	6,598,414	6.3%	
Central Schools Services Block					
Servicing of Schools Forum	18,113	18,113	-	0.0%	
Licences & Subscriptions	104,433	104,433	-	0.0%	Actual figures provided by DfE
School Admissions	176,827	176,827	-	0.0%	
Former ESG retained duties					
- Education Welfare	259,786	259,786	-	0.0%	Proposed funding changes
- Asset Management	71,758	71,758	-	0.0%	
- Statutory / Regulatory duties	101,318	101,318	-	0.0%	
	24,832	(0)	24,832		
	757,067	732,235	24,832	3.4%	
High Needs Block					
Special Schools					
Place Funding	6,003,000	6,054,167	(51,167)	-0.8%	
Top-up Funding	5,700,000	5,242,040	457,960	8.7%	
Total Special Schools	11,703,000	11,296,207	406,793	3.6%	
Resource Provision					
Place Funding	431,000	454,000	(23,000)	-5.1%	
Top-up Funding	958,000	873,043	84,957	9.7%	
Total Resource Provision	1,389,000	1,327,043	61,957	4.7%	
Alternative Provision					
Place Funding	1,750,000	1,750,000	-	0.0%	
Top-up Funding	1,637,776	1,520,054	117,722	7.7%	
Other AP Provision	300,000	300,000	-	0.0%	
Total Alternative Provision	3,687,776	3,570,054	117,722	3.3%	
Mainstream Schools					
Top-up Funding	3,122,000	2,948,802	173,198	5.9%	
Exceptional Circumstances Funding	158,000	158,000	-	0.0%	
Total top-up for Mainstream Schools	3,280,000	3,106,802	173,198	5.6%	
Post-16 Education	3,547,000	3,299,446	247,554	7.5%	
Out of Borough	6,400,636	5,673,224	727,412	12.8%	
Specialist Advisory and Referral Service (SARS)	1,588,000	1,549,669	38,331	2.5%	
Access and Inclusion	1,460,000	1,629,424	(169,424)	-10.4%	
Other High Needs Central Services	771,865	771,865	-	0.0%	
(Management, Central Support Costs, Admin Support, Pension Top-slice)					
	33,827,277	32,223,734	1,603,543	5.0%	
Early Years Block					
2 Year Old Grants	4,641,354	1,674,649	2,966,705	177.2%	
3 & 4 Year Old Grants	8,319,369	6,983,151	1,336,218	19.1%	
Under 2's	1,644,755	-	1,644,755	#DIV/0!	
Early Years Pupil Premium	219,751	117,916	101,835	86.4%	
Disability Access Fund	149,240	74,520	74,720	100.3%	
Early Years Inclusion Fund		60,000	(60,000)	-100.0%	
Other Early Years Central Services		348,238	(348,238)	-100.0%	
(Management, Central Support Costs, Training, Admin Support, Pension Top-slice)					
	14,974,469	9,258,474	5,715,995	61.7%	
Total	161,225,831	147,283,047	13,942,784	9.5%	
DSG	(161,671,622)	(147,970,724)	(13,700,898)	9.3%	
ESFA special free school funding			-		
Transfer from growth contingency			-		
Dedicated Schools Grant Allocations	(161,671,622)	(147,970,724)	(13,700,898)		
Deficit / (Surplus)	(445,791)	(687,677)	241,886		
		Central Schools Services Block	High Needs Block	Early Years Block	Total
Original DSG Allocations 2023/24	112,228,159	1,085,067	33,383,927	14,974,469	161,671,622
Additional allocation - Spending Review 2022	-	-	-	-	-
Proposed transfers between blocks	(561,141)	-	561,141	-	-
	111,667,018	1,085,067	33,945,068	14,974,469	161,671,622
Estimated spend as above	111,667,018	757,067	33,827,277	14,974,469	161,225,831
Reduction/(addition) to cumulative DSG deficit	-	328,000	117,791	-	445,791

2. Schools Formula Allocation 2024/25

Local Authority Funding Reform Proforma										
LA Name:		Blackpool								
LA Number:		890								
Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level				Disapplication number where alternative MFG values are used			
£4,610.00	£5,771.00	£6,331.00	£5,995.00							
Pupil Led Factors										
Reception uplift		No	Pupil Units		0.00					
Description		Amount per pupil		Pupil Units		Sub Total		Total		
1) Basic Entitlement		£3,521.72		11,678.00		£41,126,679		36.99%		
Age Weighted Pupil Unit (AWPU)		£4,965.85		4,196.00		£20,836,725		18.74%		
Key Stage 3 (Years 7-9)		£5,597.36		2,679.00		£14,995,316		13.49%		
Key Stage 4 (Years 10-11)								0.00%		
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total		Total	Proportion of total pre MFG funding (%)	
2) Deprivation		£490.00	£490.00	4,608.93	3,171.00	£3,812,166		£19,118,206	17.19%	
FSM		£820.00	£1,200.00	4,656.93	3,353.00	£7,842,282				10.00%
FSM6		£235.00	£340.00	1,247.93	693.08	£528,910				10.00%
IDACI Band F		£285.00	£450.00	1,376.75	793.17	£749,302				50.00%
IDACI Band E		£445.00	£630.00	403.77	249.09	£336,602				50.00%
IDACI Band D		£485.00	£690.00	1,011.83	612.20	£913,160				50.00%
IDACI Band C		£515.00	£740.00	1,337.36	841.24	£1,311,255				50.00%
IDACI Band B		£680.00	£945.00	2,785.65	1,830.99	£3,624,528		50.00%		
IDACI Band A										
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total		Total	Proportion of total pre MFG funding (%)	
3) English as an Additional Language (EAL)		£590.00		827.08		£487,980		£1,061,362	0.71%	
EAL 3 Primary			£1,585.00		188.07	£298,088				0.00%
EAL 3 Secondary								0.00%		
4) Mobility		£960.00	£1,380.00	205.27	56.69	£275,294		0.25%	0.00%	
Pupils starting school outside of normal entry dates								0.00%	0.00%	
Description		Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total		Total	Proportion of total pre MFG funding (%)	
5) Low prior attainment			£1,170.00	33.91%	3,960.26	£4,633,506		£7,501,502	6.75%	
Primary low prior attainment										75.00%
Secondary low prior attainment (year 7)		55.77%		24.88%	1,615.77	£2,867,996				75.00%
Secondary low prior attainment (year 8)		54.47%		23.92%						
Secondary low prior attainment (year 9)		54.47%	£1,775.00	24.08%						
Secondary low prior attainment (year 10)		64.53%		22.22%						
Secondary low prior attainment (year 11)		64.53%		22.26%						
Other Factors										
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)		Proportion of total pre MFG funding (%)		
6) Lump Sum		£134,400.00	£134,400.00			£5,107,200		4.59%		
7) Sparsity factor		£57,100.00	£83,000.00			£0		0.00%		
Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.										
Primary distance threshold (miles)		2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF		
Secondary distance threshold (miles)		3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF		
Middle schools distance threshold (miles)		2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF		
All-through schools distance threshold (miles)		2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF		
8) Fringe Payments					Fringe multiplier	1.0000	£0	0.00%		
9) Split Sites			Basic eligibility funding	£53,700.00	Distance funding rate	£27,572.00	£53,700	0.05%		
10) Rates							£752,615	0.68%		
11) PFI funding							£379,999	0.34%		
12) Exceptional circumstances (can only be used with prior agreement of ESFA)										
Circumstance							Total (£)	Proportion of total pre MFG funding (%)		Notional SEN (%)
Additional lump sum for schools amalgamated during FY23-24							£0	0.00%		0.00%
Additional sparsity lump sum for small schools							£0	0.00%		
Exceptional Circumstance3							£0	0.00%		
Exceptional Circumstance4							£0	0.00%		
Exceptional Circumstance5							£0	0.00%		
Exceptional Circumstance6							£0	0.00%		
Exceptional Circumstance7							£0	0.00%		
Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)						£110,933,303	99.77%			
13) Additional funding to meet minimum per pupil funding level						£253,537	0.23%			
Total Funding for Schools Block Formula (excluding MFG Funding Total)						£111,186,840	100.00%			
14) Minimum Funding Guarantee						0.50%	£141,405			
Where a value less than 0% or greater than 0.5% has been entered please provide the disapplication reference number authorising the value										
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)										
No										
Capping Factor (%)		Scaling Factor (%)								
Total deduction if capping and scaling factors are applied										
£0										
MFG Net Total Funding (MFG + deduction from capping and scaling)						£141,405	0.13%		Notional SEN (%)	
Total Funding for Schools Block Formula						£111,328,245		£10,523,450		
Notional SEN		Top-up - proportion of NOR	1.89%	SEN support plus EHCP minus Top-up - proportion of NOR	17.10%	Notional SEN funding per eligible pupil		£2,655		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)						£0.00				
Additional funding from the high needs budget:						£0.00				
Growth fund (if applicable)						£300,000.00				
Falling rolls fund (if applicable)						£0.00				
Other Adjustment to 23-24 Budget Shares						£38,773				
Total Funding for Schools Block Formula (including growth and falling rolls funding)						£111,667,018				
% Distributed through Basic Entitlement						69.22%				
% Pupil Led Funding						94.11%				
Primary: Secondary Ratio						1:		1.38		
24-25 NFF NNDR allocation, excluding prior year adjustments						£765,025				
Total Funding for Schools Block Formula (including growth and falling rolls funding) after deduction of 24-25 NFF NNDR allocation						£110,901,993				

Equality Analysis (EA) Record Form

Formerly Equality Impact Assessment

January 2024Department: **Corporate**

Team or Service Area Leading Assessment:

Coordinated by Head of Equality and Diversity

Title of Policy/ Service or Function:

Council Budget 2024-2025

Committee:

Executive

Lead Officer:

Steve Thompson / Andy Divall

STEP 1 - IDENTIFYING THE PURPOSE OR AIMS

1. What type of policy, service or function is this?

Revenue Budget for 2024/25

2. What is the aim and purpose of the policy, service or function?

The proposals are intended to support the management of a reduction in funding which have led to a gap of approximately £16.3 million in 2024/25 and further pressures anticipated in future years, as set out in the Medium Term Financial Sustainability Strategy , and in the main Executive report.

The purpose of this equality analysis is to:

- 1) Describe the work and decision making processes which assess potential impacts on key equality groups (protected characteristics) of the Budget proposals and if necessary, highlight potential areas of adverse impact that could constitute discrimination.
- 2) This year we also have included an analysis related to wider socio- economic inequality , taking account of the impacts on poverty and income inequality
- 3) Set out actions to ensure procedures are in place to continue to monitor and review the Equality impact of reduced revenue funding and consequent effects on services and staffing.

Background and legal context

Over the 14-year period since 2011/12, the Council has had to make annual large Revenue Budget savings. The compound effect means that nearly £1.4bn of resource has been removed from the Blackpool economy, one of the highest cuts per head of population across local authorities in England. The demography and needs of Blackpool's communities are described in detail later in this analysis. The Council serves, as is widely noted by many independent sources, the most deprived area in the country. Local government services are generally universal in scope, however we know the poor and vulnerable often rely on them most. Given the wider context of the UK economic outlook combined

with the current cost of living crisis, the outlook for vulnerable people and groups in our community, is more uncertain than it has ever been.

The central concern of the Council's work to explore equality impacts of its budget proposals, is to give appropriate attention, throughout the process, of equality considerations as laid out in Section 149 of the Equality Act 2010. Through this, we seek to find ways, wherever possible to mitigate the adverse effects – whilst delivering the legal requirement to produce a balanced budget.

The Council's statutory duty under section 149 of the Equality Act 2010, is known as the "Public Sector Duty". It requires a conscientious and systematic examination of impacts on equality issues on all relevant decisions. Specifically :

- Eliminate discrimination, harassment, victimisation and other prohibited conduct
- Advance equality of opportunity
- Foster good relations between different (defined) groups

Council commitment to Equality and Diversity

The Council's priorities and commitments are contained in a). The Equality Objectives ¹b) The Council Plan. The Council has recently reviewed its Equality Objectives in line with a statutory four yearly process. These objectives inform a key aspect of the context for the work in assessing budget related equality impacts – on staff, service users and the wider public.

The Councils approach to Equality Analysis of the 2024-25 Budget proposals

As with previous budgetary cycles the Council has implemented a multi-level approach to the equality analysis exploring the impact of the Budget decisions arising from the Government's financial settlements.

This year, the government has published it's own assessment of the equality impacts of the provisional financial settlement. This analysis explores possible impacts – with the issues relating to age (over 65 years in particular) being identified as the protected characteristics most positively affected by the additional grants through the various Social care funding pots.

¹ The Council's current Equality Objectives are :

Services – We will ensure all functions and services comply with our Equality Duty responsibilities , and we will monitor and inspect to ensure this

Staff – We will ensure that the workforce is representative of the community the Council serves and equality and diversity is embedded in our staff culture

Decision making – We will involve people from diverse backgrounds in decision making at every level

Cohesion – We celebrate the growing diversity in Blackpool and increase respect and understanding for all

The Minister for Women and Equalities has also recently wrote to all local authority Leaders and Chief Executives to remind them of the need to adopt a conscientious and robust approach to ensuring compliance with the PSED².

This has provided additional context to the Council's own work to scope and assess the implications of revenue budget decisions.

The context for this process has also been greatly influenced by the lasting effects of the Pandemic. The Council produced its own Equality Assessment of the effect of the pandemic on the community. This assessment and its conclusions has provided us with a solid foundation for the Council to explore the equality impacts of this and future years budget proposals.

In particular, we have been at every stage mindful of the following :

Direct physical and mental health impacts

1. Older people, disabled people and BAME communities are more likely to have been directly impacted through serious illness/ death if they contract COVID 19. Many more, in and around these groups whilst not directly affected, will have felt more impacts of the pandemic on their physical and emotional wellbeing – than other groups of people.
2. In addition, these groups, alongside others such as LGBT, people with mental health conditions and people living alone or in care institutions may well have been more vulnerable or disproportionately affected by the impact of policies like social distancing as a result of Covid19, and be affected by the emotional and wellbeing issues around this.

Economic impacts

3. The economic impact on people (employment and income levels) is going to take time to play out, but in the longer term is most likely to more adversely affect younger people, women, some BAME groups and people with mental health related disability

Social and cohesion impacts

4. It is clear that young people and children who live in particularly vulnerable households, due to domestic violence, drugs and alcohol abuse or parental mental health issues – will have suffered more emotional health and wellbeing issues during Covid19 lockdown, and hence many more will be at further risk and affected than before.
5. It is also the case that children and young people who live in households near or under the poverty lines, will, in aggregate, have suffered more than their peers – and the adverse impact on their education and general wellbeing is likely to be more sustained and damaging.
6. Past experience of significant economic contraction suggests we can expect to see, over time, a rise in community tensions and a deterioration in social cohesion. A piece of research has further highlighted this risk , and it's methodology has placed Blackpool as the local authority

² Rt Hon Kemi Badenoch MP- Minister for Women and Equalities Letter dated 18th December 2023.

area “ *where stresses on social cohesion are most likely to have been amplified by the economic consequences of the pandemic* ”ⁱⁱ

Process and procedures underpinning the budget Equality Analysis

In recognition of the complex effect on service users, staff, citizens and visitors of these decisions. This process involves a number of elements , key stages are summarised as :

- Initial service level proposals and scoping of equality issues. Focus is on the expected and known impact of service reduction proposals on key equality groups / protected characteristics; this work is led by Senior Managers/ Directors responsible for the services with briefing sessions with all Directorate heads to explore possible scope and impact of specific proposals on key Equality issues.
- The work is to identify the scope of possible impacts, in order to inform Chief Officer’s deliberation and Elected Members selection of proposals to take forward to consultation.
- All budget related proposals with significant equality implications are identified to decision makers, an appropriate level of impact work is commissioned through data analysis and consultation with service users, and other stakeholders affected.
- Assessing staffing impacts. At this stage, we don’t anticipate a significant direct impact on staffing as a result of this year’s proposals. The Council works incredibly hard throughout the year to mitigate the potential for compulsory redundancies as a result of the annual budgetary process. In order to achieve this the following action is taken:
 1. continuation of voluntary unpaid leave arrangements
 2. strict controls via a weekly Resourcing Panel for recruitment requests
 3. consideration of applications for early retirement, flexible retirement and voluntary redundancy
 4. holding vacant posts throughout the year which are subsequently removed resulting in a saving
 5. enabling employees to voluntarily reduce their hours of work if they wish to do so
 6. offering unpaid career breaks and unpaid sabbaticals
 7. cessation or limitation of the use of agency staff and casuals
 8. redeploying employees into other roles where their role is proposed to cease/change

As things stand this year, we are expecting no more than single figures in compulsory redundancies and we will strive to avoid this completely.

- In circumstances (fortunately not this year) when staffing impacts are projected to be greater than a few people, we prepare benchmark analysis of the current levels of workforce diversity for each of the key equality characteristics – Race, Gender, Disability, Age, Religion and Belief,

and Sexual Orientation. This is then compared to the demographic profile of the pools of staff that would be placed at risk of redundancy through the specific service proposals, and any significant variances highlighted and investigated.

This work is important for two reasons, firstly, to ensure there is no discrimination through the selection processes and secondly, to track our process in working towards a workforce that better represents the community we serve. This assessment forms the basis of discussion and consultation with staff representatives through the Trade Union JCC structures.

- At appropriate stages, all the above is communicated and discussed with senior decision makers at Chief Officer and Elected Member levels. This in turn informs the final decisions, which are included within the finalised 2024-25 Revenue Budget report.
- Ongoing Departmental Equality review and compliance monitoring

To reinforce specific equality analysis of budget related decisions, the Council operates a rigorous Equality performance and compliance process, which applies to all departments and all our Companies. This process aims to build on the annual work on budget equality analysis by focusing on the systems and procedures in place across the councils departments and companies that ensure compliance with the Public equality duty, as well as wider good practice in equality and diversity.

3. Please outline any proposals being considered.

Funding and budgetary proposals as set out in the Executive report entitled General Fund Revenue Budget 2024/25 and in the report's other appendices.

4. What outcomes do we want to achieve?

To manage the impact of a further large reduction in funding which have led to a funding gap of approximately £16.3 million in 2024/25 and further pressures anticipated in future years as set out in the Medium Term Financial Sustainability Strategy.

5. What are the impacts or effects for Key Protected Characteristics?

Protected Characteristics Census 2021 Information

Census 2021 indicates the population of Blackpool is around 141,000.

The total population of Blackpool has decreased by 0.7% since the last census in 2011, whilst the overall population of England increased by 6.6% and the North West region increased by 5.2%. Therefore Blackpool is going against both the regional and national trends.

Over the last 10 years, Blackpool's population has changed composition.

There are slightly more residents in the population who are female. There is a higher proportion of residents aged over 66

There are higher numbers of single residents who have never been married.

There is a small increase in proportion of residents who are of Mixed, Black or Asian ethnicities.

There is a decrease in the proportion of residents who identify as Christian, to identify as no religion.

Sex

Sex	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents	10 year change (number of people)	Population percentage point change	2011 number of Blackpool residents	2011 % of Blackpool residents
F	51.0%	50.9%	71413	50.9%	↓ 877	+0.5%	72290	50.4%
M	49.1%	49.1%	69627	49.1%	↓ 148	-0.5%	69775	49.6%

Blackpool's population is composed of 49.1% males and 50.9% females. This is very similar to both the national and regional composition. Over the last 10 years the proportion of residents in Blackpool has pivoted by half a percentage point towards females.

Age

Age	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents	10 year change (number of people)	Population percentage point change	2011 number of Blackpool residents	2011 % of Blackpool residents
0-15	18.56%	18.76%	24699	17.51%	↓ 667	-0.35%	25366	17.86%
16-65	64.05%	63.60%	88873	63.02%	↓ 2216	-1.1%	91089	64.12%
66 and over	17.37%	17.63%	27461	19.47%	↑ 1851	1.44%	25610	18.03%

Blackpool has a slightly older demographic in comparison to the regional and national average with 19.47% of people over the age of 65 compared to 17.63% for the North West and 17.37% for England. The percentage of people who are of working age in Blackpool marginally below that of the regional and national averages with 63.02% of people aged between 16 and 65 compared to 63.6% in the North West and 64.05% for England. The number of people aged under 16 in Blackpool is also slightly lower than average at 17.51% compared to 18.76% in the North West and 18.56% for England.

Ethnic Groups

Ethnic Group	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents	10 year change (number of people)	Population percentage point change	2011 number of Blackpool residents	2011 % of Blackpool residents
White	81.0%	85.6%	133547	94.7%	↓ 3792	-2.0%	137339	96.7%
Asian	9.6%	8.4%	3678	2.6%	↑ 1051	0.8%	2627	1.8%
Black	4.2%	2.3%	715	0.5%	↑ 369	0.3%	346	0.2%
Mixed	3.0%	2.2%	2213	1.6%	↑ 460	0.4%	1753	1.2%
Other	2.2%	1.5%	891	0.6%	–	–	–	–

Blackpool has a predominantly white population with 94.7% of people describing themselves as White. 1.6% of residents describe themselves as Mixed. Blackpool residents who describe themselves as Asian or Black make up 3.1% of Blackpool's total population, whilst another 0.6% of the population describe themselves as other groups such as Arab.

For households with more than 1 person; 2% of households are composed of residents whose ethnic groups differ between generations but not within partnerships, 4% of households are composed of residents whose ethnic groups differ within partnerships.

National identity

National identity	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents
British	56.83%	58.94	80247	56.90%
English and British	14.26%	16.0%	25886	18.35%
English	15.25%	15.0%	22934	16.26%
Scottish	0.41%	0.46%	1915	1.36%
Polish	1.01%	0.85%	1878	1.33%

Other national identities with populations over 100 residents in Blackpool include:

UK identities	
Other identity and UK identity	937
Scottish and British	712
Welsh	455
Any other combination of UK only identities	241
Welsh and British	165
European identities	
EU members post 2001	503
Irish	471
European	374
Italian	277
EU members pre 2001	149
Spanish (including Canary Islander)	102
Portuguese	100
Asian Identities	
Indian	372
Filipino	340
Pakistani	149

Chinese	107
Other South-East Asian	107

English is the main language spoken by 95.58% of Blackpool residents. This is higher proportion than average for England of 90.8%.

1.4% of Blackpool residents' main language is Polish which is slightly above the England average of 1.1%

0.65% of Blackpool residents' main language is Romanian and this is slightly lower than the England average of 0.85%.

Other languages spoken as the main language by more than 100 residents include:

Tagalog or Filipino	0.23%
Malayalam	0.21%
Chinese other than Mandarin or Cantonese	0.12%
Arabic	0.12%
Urdu	0.12%
Hungarian	0.11%
Kurdish	0.11%
Bengali including Sylheti or Chatgaya	0.11%
Italian	0.10%
Tamil	0.10%
Latvian	0.09%
Thai	0.07%

Religion

Religious Group	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents	10 year change (number of people)	Population percentage point change	2011 number of Blackpool residents	2011 % of Blackpool residents
Christian	46.3%	52.5%	71710	50.8%	↓ 23716	-16.4%	95426	67.2%
No religion	36.7%	32.6%	57808	41.0%	↑ 22993	16.5%	34815	24.5%
Muslim	6.7%	7.6%	2007	1.4%	↑ 946	0.7%	1061	0.7%
Other religion	0.6%	0.4%	707	0.5%	↑ 136	0.1%	571	0.4%
Hindu	1.8%	0.7%	507	0.4%	↑ 170	0.2%	337	0.2%
Buddhist	0.5%	0.3%	499	0.4%	↑ 49	0.1%	450	0.3%
Jewish	0.5%	0.4%	227	0.2%	↓ 25	0%	252	0.2%
Sikh	0.9%	0.2%	108	0.1%	↑ 47	0.1%	61	0.0%
Not answered	6.0%	5.3%	7464	5.3%	↓ 1628	-1.1%	9092	6.4%

The majority of the Blackpool population are Christian, with 50.8% of people describing themselves as Christian compared with 52.5% in the North West and 46.3% in England. 41% of people in Blackpool describe themselves as having no religion. This is higher than to the national figure of 36.7%.

The remaining population is relatively small with 1.4% of people describing themselves as Muslim, This is considerably lower than the figures for both the North West and England with 7.6% and 6.7% respectively. Blackpool also has lower proportions of its population who describe themselves as Buddhist, Hindu, Jewish and Sikh compared with the rest of the country.

Marital Status

Marital Status	2021 England %	2021 North West %	2021 number of Blackpool residents	2021 % of Blackpool residents	10 year change (number of people)	2011 number of Blackpool residents	2011 % of Blackpool residents
Never married and never registered a civil partnership	37.93%	39.4%	47575	40.9%	↑6377	41198	35.3%
Married: Opposite sex	44.2%	42.3%	40912	35.2%	↓4610	45522	39.0%
Divorced	9.0%	9.1%	14511	12.5%	↓807	15318	13.1%
Widowed	6.0%	6.5%	8786	7.6%	↓1626	10412	8.9%
Separated, but still married	2.2%	2.3%	3387	2.9%	↓319	3706	3.2%
In a registered civil partnership: Same sex	0.1%	0.1%	281	0.2%	↑131	543	0.5%
Married: Same sex	0.3%	0.3%	674	0.6%			
Formerly in a civil partnership now legally dissolved	0.0%	0.0%	60	0.1%			
In a registered civil partnership: Opposite sex	0.1%	0.1%	77	0.1%			
Separated, but still in a registered civil partnership	0.0%	0.0%	50	0.0%			

Surviving partner from civil partnership	0.0%	0.0%	29	0.0%			
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Blackpool has a higher proportion of residents who are described single 40.9% compared to the England average of 37.9% and smaller proportion of residents, 35.2% who are married to someone of the opposite sex, compared to the average for England at 44.2%. Blackpool has a slightly higher proportion of same sex couples who are married or in civil partnerships than the England and regional averages.

Sexual orientation

Sexual Orientation	2021 England %	2021 North West %	2021 % of Blackpool residents	2021 number of Blackpool residents
Sexual orientation: Straight or Heterosexual	89.37%	90.12%	88.45%	102898
Sexual orientation: Gay or Lesbian	1.54%	1.69%	3.26%	3794
Sexual orientation: Bisexual	1.29%	1.22%	1.35%	1572
Sexual orientation: Pansexual	0.23%	0.20%	0.20%	237
Sexual orientation: Asexual	0.06%	0.05%	0.06%	67
Sexual orientation: Queer	0.03%	0.02%	0.01%	8
Sexual orientation: All other sexual orientations	0.02%	0.02%	0.01%	14
Sexual orientation: Not answered	7.46%	6.68%	6.66%	7749

Blackpool has a higher proportion of residents (nearly double) who describe themselves as gay or lesbian than the regional and national averages. Blackpool has a similar proportion of gay and lesbian residents as Manchester and Salford.

0.8% of the Blackpool population aged 16 and over are in same sex relationships either as married or civil partners.

Gender identity

Gender Identity	2021 England %	2021 North West %	2021 % of Blackpool residents	2021 number of Blackpool residents
Gender identity the same as sex registered at birth	93.47%	94.19%	94.30%	109709
Gender identity different from sex registered at birth : no specific identity given	0.25%	0.23%	0.27%	316
Trans woman	0.10%	0.09%	0.11%	124
Trans man	0.10%	0.09%	0.12%	134
Non-binary	0.06%	0.06%	0.05%	59
All other gender identities	0.04%	0.03%	0.04%	44
Not answered	5.98%	5.31%	5.12%	5955

Blackpool has a higher than national and regional average percentage of residents who have a different gender identity to the sex assigned at birth. Blackpool also has a higher proportion of Trans residents compared to the North West and England averages and it also has a higher than average proportion of residents whose gender identity is the same as assigned at birth. The higher proportions in each category is underpinned by the higher percentage of residents who chose not to skip this question.

Health and Disability

9509 (5.74% of residents aged over 16 are economically inactive due to long term health or disability).

Blackpool has poor life expectancy, with life expectancy at birth for males the poorest in England at 74.5 years compared to 79.6 years for the rest of England. Life expectancy for females is equally poor, at 79.5 years, compared to 83.2 years for the rest of England.^[xi] Blackpool has the lowest life expectancies for both men and women of all upper tier local authorities. The gap in life expectancy between those who live in the most deprived quintile in Blackpool and those who live in the least deprived is estimated to be 10 years. The biggest contributors for both men and women are circulatory diseases [heart disease or strokes for example] (21.8% in males, 24.1% in females), cancer (15.7% in males, 15.6% in females), respiratory diseases [flu, pneumonia and chronic obstructive respiratory disease and digestive diseases including chronic liver disease and cirrhosis (14.5% in males, 15.9% in females). These four areas contribute over half of the overall life expectancy gap in Blackpool.^[xii]

In Blackpool, from July 2021 to June 2022, 24.7% of working age people are classed as economically inactive, this higher figure than average for England which has 21.2% of working age people classified as economically inactive in the same period.

From July 2021 to June 2022, 40.7% of economically inactive people in Blackpool were classed as being 'long-term sick' which is higher than the average for England 24.4%^[xiii]

Substance and Alcohol misuse is high, with alcohol-related mortality the highest for males in England and 2nd highest in females in England^[xiv]. Admissions to hospital in Blackpool for alcohol-related conditions (narrow definition) are much more prevalent than the regional and national average. With 1,020 per 100,000 compared to 740 in the North West and 660 in England.^[xv] Further estimates suggest that the prevalence of opiate (e.g. heroin, morphine or codeine) and/or crack cocaine use in Blackpool was 23.45 per 1,000 population amongst 15-64 year olds^[xvi]. Blackpool has the highest drug prevalence rate across the North West region, and has the second highest rate nationally, second only to Middlesbrough.

Blackpool's 2020/21 prevalence of GP diagnosed depression is the highest in the country at 19.8% (up from 18.5% in 2019/20), significantly higher than the national average of 12.3%. There were 3,100 new diagnoses of depression recorded on GP practice disease registers in Blackpool in 2020/21, 2.2% of the GP registered population. This is a reduction from 2018/19 when the rate was 2.7%. Across England the rate of new diagnoses was 1.4% in 2020/21 (down from 1.7% in 2018/19).^[xvii]

Within the Blackpool NHS CCG area, Projecting Adult Needs and Service Information (PANSI) estimates that by 2030 amongst 18-64 years old, 1,867 adults are estimated as having a borderline personality disorder, 2,617 as having an anti-social personality disorder and 545 people being diagnosed with a psychotic disorder. 5607 people in Blackpool's 18-64 population are estimated as having two or more psychiatric disorders.^[xviii] NHS Blackpool CCG GP practices have some of the highest rates of prescribing anti-depressants in England.^[xix] Blackpool has the seventh highest rate of suicide in England with 18.7 per 100,000 cases per year.^[xx]

Conception rates in Blackpool females under 18 year old, are the third highest in England (32.9 conceptions per 1,000 females aged 15-17).^[xxi] In addition, Blackpool has a lower proportion of teenage pregnancies leading to abortion (33.8%) compared to England (52%).^[xxii] This implies a greater relative proportion of teenagers go on to become parents. Teenage conceptions have associated risks for both parent and child’s health and social wellbeing.

The Royal National Institute of Blind People (RNIB) estimate that across 2016/17 there are 1,560 people registered blind or partially sighted in Blackpool.^[xxiii] According to the Department of Education, most children with hearing and visual impairments are educated within the mainstream school system and do not generally attend special schools.^[xxiv]

As of December 2022, there were a total of 663 children or young people with a statement of SEN (Special Educational Needs) or EHC (Education, Health and Care) plans. This is approximately 4.9% of pupils in Blackpool and is slightly higher with the proportions the North West (4.2%).^[xxv] The largest grouping of children and young people in Blackpool with an EHC plan are aged 11-15 (38.7%) with those aged 5-10 representing 31.6% of the total number of children and young people with EHC plans. Analysis of School Census data by Blackpool Council shows that SEN is more prevalent among boys than girls. As of January 2019, 65.5% of all SEN pupils are boys compared to 34.5% girls.^[xxvi]

When looking at the number of children who require SEN support (children identified as having Special Educational Need but do not necessary have a SEN statement or EHC plan). Blackpool supports around 3,957 children. This is around 20.4% of all pupils in Blackpool, higher than England (14.9%) and the North West (15.2%). 83.8% of pupils with SEN receive SEN support, greater than England (79.4%) and the North West (79.1%).^[xxvii]

Learning Disabilities

The Blackpool adult population has a higher prevalence of learning disabilities compared to the national figure with 4.44 adults per 1,000 people with a learning disability getting long-term support from local authorities compared to 3.38 per 1,000 people in England and 3.84 per 1,000 people in the North West.^[xxviii] As of May 2019, 846 people in Blackpool (0.6%) claimed a Disability Living Allowance for learning disabilities, which is slightly higher than the national average and the North West (0.5% respectively).^[xxix] There are relatively few children with severe learning difficulties in the mainstream education system; in Blackpool, 24% of all special school pupils have severe learning disabilities. In addition a large proportion (26.3%) of special school SEN pupils are considered autistic.^[xxx]

People with learning disabilities and autism are one of the most excluded groups in the community and more likely to be living in poverty than the general population, partially because they are less likely to be in paid employment. Analysis by ONS of the Annual Population Survey revealed that in 2021, the pay gap in median pay between disabled and non-disabled workers was 13.8%.^[xxxi]

<p>6. <i>General impacts covering protected characteristics</i></p>
<p>In drawing together the detailed proposals the authority has been mindful of the need to assess the Equality impacts and wherever possible and mitigate any adverse effects on service provision.</p> <p>Although the scale and continuing annual cycle of cuts have made it impossible to protect all services to the most vulnerable children and adults in our community, we have made these decisions having regard to the impact this will have on people who share protected characteristics, and have tried to mitigate and reduce impact, wherever we can. A very large proportion of the Council’s revenue</p>

budget is now spent on statutory adults and children's services, which means there is very little room to make savings that don't in some way affect services.

The collective long-term effects on people and groups of combined service cuts alongside other government initiatives such as tax and welfare reform are difficult to judge at this stage and will only really become apparent over time. The opportunity for these issues to be explored further through consultation and engagement with key community groups and service providers will be important in the period ahead.

The effect of the Budget in respect of the Council's workforce diversity will continue to be measured and assessed for the impact on the overall composition of employees, compared with the Blackpool population. This will help us to assess progress towards our target of becoming an employer that better reflects the composition of the community we serve.

7. Specific impacts

As the budget report explains, the approach is based on securing the Council's sustainability through implementing our Medium-Term Financial Sustainability Strategy (MTFSS.) The plan makes clear that service reductions and cuts were the last resort and only considered after other options have been exhausted. Some of the specific proposals taken forward at this stage could affect (direct and indirectly) equality issues and protected groups. And in particular, this year within a suite of complex measures we are now exploring in our Adult social care directorate. In all these measures, we will be consulting with affected staff and service users, exploring mitigations within detailed impact analysis before final decisions are made.

It is also recognised that continued year on year reduction in direct services , and their back office support systems, can and does have a real impact on the response times and quality of front line public services. These impacts , although spread across all service users and residents , will affect vulnerable people and groups more , given that many Council services are disproportionately used by them. The Council has been very conscious of this during the process of developing these proposals and as a consequence, reductions in staffing have been considered only as a last resort, when all other options to reduce budgets have been explored.

8. Relationships between or within communities (cohesion)

The continued reduction in Council funding for deprived communities across much of Blackpool will have an inevitable effect on services and support for these neighbourhoods, and therefore could add to the pressures and tensions within these areas. The research paper highlighted above, **Building back resilient Communities** –has also reinforced the need for vigilance on this.

The Council will keep a close dialogue with key community groups and leaders, to monitor this, and react if / when required.

The Council will also continue to fulfil obligations and responsibilities in recording and monitoring Hate Crime and related incidents. Monitoring the levels and patterns of Hate Crime will be a very

important means of tracing the effects on community tensions of the reductions in the wider public sector spend in a post pandemic Blackpool in the year ahead.

Economic and Social Disadvantageⁱⁱⁱ

The Council has decided to systematically analyse the impact on socio- economic inequality of its policies and strategies.

Socio-Economic Profile of Blackpool

A number of factors have a cumulative impact on a person's social and economic position. This includes, access to high quality education, skills and jobs, access to good quality homes and access to resources such as financial services, hospitals. It also includes factors such crime rates, occupation of parents and carers, community cohesion and household income. Blackpool has a resident population of 141,574. [ONS](#).

Cumulative Deprivation:

There were 64,790 households in Blackpool. [Census 2021](#). The census breaks down households into 4 dimensions of deprivation including: having lower than level 2 qualifications, or unemployment, or disability, no central heating at home. Using these measures; 302 households in Blackpool are impacted by all of these factors and a further 4169 are impacted by 3 out of the 4.

- 31.6% of Blackpool households are classified as not deprived (England: 48.4%)
- 32.2% of Blackpool households are classified deprived in 1 dimensions (England: 48.4%)
- 25.6% of Blackpool households are classified deprived in 2 dimensions (England: 33.5%)
- 9.3% of Blackpool households are classified deprived in 3 dimensions (England: 3.7%)
- 1.4% of Blackpool households are classified deprived in 4 dimensions (England: 0.2%)

Housing Tenure: There is a high percentage of private rented dwellings in Blackpool and a slightly lower owner-occupier rate than seen nationally. [Census 2021](#)

- 57.8% - owner occupied (England: 62.3%)
- 31.9% - privately rented (England: 20.6%)
- 10.3% - social rented (England: 17.1%)

Household Compositions:

- 38.0% of households in Blackpool single person households. (England: 30.1%)
- 15.1% of single person households are aged over 66.
- 13.7% are lone parents to dependent children. (England: 11.1%)

Average Earnings: The median hourly pay for workers in Blackpool in 2023 is £13.64. (England £17.50)

Universal Credit: As of October 2023, 22,824 people in Blackpool claim universal credit. [DWP](#)

Economic Inactivity: As of April 2021, 8,300 households were categorised as 'workless' where no adults of working age were in employment.

Qualifications: 24.6% of adults in Blackpool hold no formal qualifications. (England: 18.1%)

Approximated Social Grade:

- 10.9% of Blackpool adults are classified as AB Higher and intermediate managerial/administrative/professional occupations. (England: 23.5%)
- 31.0% of Blackpool adults are classified as C1 Supervisory, clerical and junior managerial/administrative/professional occupations (England: 32.7%)
- 22.4% of Blackpool adults are classified as C2 Skilled manual occupations (England: 21.3%)
- 35.6% of Blackpool adults are classified as DE Semi-skilled and unskilled manual occupations; unemployed and lowest grade occupations (England: 22.5%) [Census 2021](#)

Technological Exclusion: In 2023, 84.71% of properties had signal strong enough for mobile phone calls indoors from any provider which means around 15% of properties are unable to switch providers. 90 properties were unable to receive at least 10Mb of broadband speed. [OFCOM](#) In 2020, the ONS found 12.4% of over 16s in Blackpool were classified as internet non—users because they had not used the internet in 3 months or more. [ONS](#)

Child Poverty: The Income Deprivation Affecting Children Index (IDACI) is an estimation of children aged 0-15 living in income poverty based on IMD data. Using calculations based on this index, in 2019 almost 7,800 (30.7%) children in Blackpool were estimated to be living in income deprived families, compared to 17.1% nationally. This was the highest level in the North West, and second highest nationally. [BlackpoolJSNA](#)

In 2022, 5,743 children lived in ‘absolute low income families’, where families do not have sufficient income to meet all basic food and housing needs. [DWP](#)

Young people not in education employment or training.

In 2023, 11.1% of young people aged 16 or 17 were not enrolled in training or in employment. (England 5.2%) [DfE](#)

As we describe above, given the widespread and deep levels of deprivation in Blackpool, and the combined effects of multiple years of cuts to the Council’s revenue budget. Further cuts, can at best only serve to reduce the scope of the Council to take effective direct action here.

The levelling up and regeneration programme has successfully managed to deliver a suite of key projects aimed at transforming Blackpool’s visitor economy. In time, these initiatives will increase, and spread prosperity and opportunity. However, although economic outcomes will increase, for many people vulnerable because of disability or other deprivation factors, this will take time and targeted effort to improve outcomes. All of these matters are considered and balanced by decision makers throughout this process, however in the final analysis the Council is obliged to set a balanced budget and must also give account to prescribed service levels for statutory services.

10.. What can be done to improve the policy, service, function or any proposals in order to reduce or remove any adverse impact or effects identified?

Significant budget reductions on this scale, by their very nature, have an unavoidable adverse impact on service delivery and people. However, the decisions on individual service areas, as far as possible, have been made with due regard to the impact on particular vulnerable groups and people sharing protected characteristics.

The impact on staff sharing protected characteristics will also be equality monitored to ensure, groups do not suffer disproportional adverse impact due to this and make sure that our policies do not indirectly discriminate on people who share protected characteristics.

In due course, further Equality engagement will be important as the effect of combined service cuts are difficult to measure at this stage and will only really become apparent over time. The budget reductions over the last decade are unprecedented in scale and the opportunity for these issues to be explored further through consultation and engagement with key community groups and service providers will be important in the year ahead.

The effect of the reduction in budget in respect of the workforce diversity will be measured and assessed and the long term impact on the staffing profile in respect of the overall balance of the workforce will be tracked.

11. Consultation / engagement

Consultation briefings on the broad budget position facing the Council have been undertaken with the community equality groups during the last 13 budget cycles. The Council's Director of Resources or his representative has often personally attended and briefed a number of these groups. Once the specific Budget proposals are published in February 2023, specific consultations with key affected stakeholders-amongst them staff, service users and other key stakeholders – will take place. The outcomes of these consultations will then be considered by key decision makers, and will be regarded alongside equality impacts, and all other important factors in the final decisions.

Consultation with the Trades Unions with regards to staffing issues has been embedded into normal working practices and has also met all formal consultation requirements.

The approach we adopt to engagement is an ongoing dialogue. We will utilise initiatives during the period ahead to give staff and the wider community's opportunity to feedback to us on the collective and specific impacts of the budget.

ACTION PLAN

Issues/ adverse impact identified	Proposed action/ objectives to deal with adverse impact	Targets/Measure	Timeframe	Responsibility	Comments
1. Need for continued dialogue and engagement with vulnerable groups / communities and providers on the long term impact of this year's budgetary reductions	To maintain support for structures of community engagement in equality and diversity. Further , draw on the proposals for new methods of direct Councillor engagement with hard to reach groups	To engage key groups over the long term impact of service reductions on specific Equality issues in Blackpool	On-going throughout 2024 and beyond.	Director of Resources Head of Equality and Diversity	New Elected Member equality champions, for key Equality issues.
2. Need for a full examination of the effect of service reduction on workforce diversity and continued dialogue and engagement with staff over budgetary reductions in future years	<p>If adverse impacts on staffing levels become apparent – to conduct equality monitoring on staff at risk of redundancy and take appropriate action if adverse impacts are identified</p> <p>To track staff equality monitoring data to ensure an accurate picture of current workforce diversity.</p> <p>Utilise staff engagement forums for key Equality characteristics to encourage dialogue over the impacts on Budget reductions.</p>	To mitigate any disproportional effect on staff who share protected characteristics, and monitor the target of becoming a more diverse employer.	Within current and any future redundancy processes	Head of HR/OD Head of Equality and Diversity	Working primarily with the Trade Unions through the Joint Consultative Committee.

Appendix 4d

Issues/ adverse impact identified	Proposed action/ objectives to deal with adverse impact	Targets/Measure	Timeframe	Responsibility	Comments
3. Need for detailed examination of the effect of service reductions on specific service users and continued dialogue / engagement with them over budgetary reductions in future years	To conduct equality analysis as part of service redesign /commissioning review proposals and take appropriate action if possible to mitigate adverse impacts are identified	To mitigate any disproportionate effect on service users who share protected characteristics if possible, and monitor the outcome of changes.	Within current and any future budget reduction exercises	Relevant Chief Officers	
4. Deepen awareness and compliance with Public duties and decision making	Embed the new Equality Performance and compliance assessment process across all Council Dept. Roll out new Equality Duty course to all Cabinet Members, senior and key staff.	To ensure the authority is fully compliant with all aspects of the public sector equality duties.	On-going throughout 2024 and beyond.	Head of Equality and Diversity & Relevant Chief Officers	Priority for 2024 to ensure all Council Members elected in May 2023, have appropriate Equality duty training.

ARRANGEMENTS FOR MONITORING AND REVIEW

Agreed action	Monitoring arrangements	Timeframe	Responsibility	Comments
1. To maintain current support for structures of service user and provider engagement.	To be built into the Directorate Business planning and Compliance review processes	2023 and ongoing	Chief Officers Head of Equality and Diversity	
2. To conduct equality monitoring on staff at risk of redundancy and take appropriate action	To be built into the Directorate Business planning and Compliance review processes	2024 and ongoing	Head of HR	

Agreed action	Monitoring arrangements	Timeframe	Responsibility	Comments
if adverse impacts are identified To track staff equality monitoring data to ensure an accurate picture of current workforce diversity.			Head of Equality and Diversity	
3. Where appropriate to conduct equality monitoring on service changes and take appropriate action if adverse impacts are identified	To be built into the Directorate Business planning and Compliance review processes	2024 and ongoing	Relevant Chief Officers Head of Equality and Diversity	

ⁱ <https://www.gov.uk/government/consultations/consultation-provisional-local-government-finance-settlement-2024-to-2025/consultation-provisional-local-government-finance-settlement-2024-to-2025>

ⁱⁱ Page 16 , Building back resilient Communities – Hope Charitable Trust 2021

^[xi] ONS Life Expectancy, 2016-18

^[xii] Public Health England based on ONS death registration data and mid-year population estimates, and Ministry of Housing, Communities and Local Government, Index of Multiple Deprivation, 2015

^[xiv] Alcohol-related mortality, Public Health England (based on ONS source data), 2018

^[xv] Calculated by Public Health England: Health and Social Care Information Centre - Hospital Episode Statistics (HES) and Office for National Statistics (ONS) - Mid Year Population Estimates, 2020

^[xvi] Opiate and crack cocaine use: prevalence estimates by local area, Public Health England, 2019

^[xvii] [Mental Health \(blackpooljsna.org.uk\)](https://blackpooljsna.org.uk)

^[xviii] Blackpool JSNA based on Projecting Adult Needs and Service Information (PANSI) data, 2022

^[xix] 'Antidepressants prescribed far more in deprived English coastal towns', Gayle, Damien, <https://www.theguardian.com/society/2017/apr/14/antidepressants-prescribed-deprived-seaside-towns-of-north-and-east-blackpool-sunderland-and-east-lindsey-nhs>

^[xx] Suicide registrations in England and Wales by local authority, 2019 to 2021, 2022

^[xxi] Conception statistics, England and Wales, Office for National Statistics, 2019

^[xxii] Under 18s conceptions leading to abortion (%), Conceptions in England and Wales: 2017, Office for National Statistics, 2019

^[xxiii] Registered Blind and Partially Sighted People, NHS Digital, 2017

[xxiv] Statements of SEN and EHC plans: England, Department for Education, 2022

[xxv] Special educational needs in England: January 2019, Department for Education, 2019

[xxvi] SEND Census Data 2016-2019, Business Intelligence Team, August 2019

[xxvii] Special educational needs in England: January 2019, Department for Education, 2019

[xxviii] Adults (18 and older) with learning disability getting long term support from Local Authorities, NHS Digital Adult social care activity and finance report, Short and Long Term Care statistics 2017/18, 2019

[xxix] DLA by condition, Department of Work and Pensions, May 2019

[xxx] Special educational needs in England: January 2019, Department for Education, 2019

[xxxi] Disability pay gaps in the UK: 2021, ONS, 2022

iii Understanding the wider impact on Socio-economic disadvantage

This covers the ways in which some people and communities experience negative outcomes and have less opportunities than others in our society due to particular social and economic factors. This could be having little to no income or savings, living in an area identified as being at high risk of deprivation, or being unable to access basic goods and services. This in turn can have severe impacts which lead to widening gaps of inequality of outcome for people, including in educational attainment, health and employment opportunities. Structural discrimination and inequality can also intensify the risk of these issues for individuals and communities who share particular protected characteristics as laid out in the Equality Act, 2010.

Socio-economic disadvantage has close links to poverty, but is manifested in a wider sense of social exclusion that just a lack of income

“socio-economic disadvantage applies to anyone who is denied, through low income or lack of resources, the opportunity to participate fully in the life of the community and have quality access to education, healthcare and leisure activities, as well as the necessities of life including good housing and adequate food and clothing.”

Whilst socio-economic disadvantage is a complex problem, much of what is already being done within our services and regeneration programmes aims for everyone to reach their full potential and live prosperous and fulfilling lives free from poverty and inequality. The questions below are intended to add to reflection on both the potential for positive and negative impacts of the plans here.

What does our data and intelligence tell us about the impact on people and groups suffering socio-economic disadvantage of what we intend to do?

Have/will people in communities directly affected by socio – economic disadvantage have an active say in the development of these proposals?

Can the policy/proposals actively contribute to reducing socio – economic inequality? What specific and measurable targets can be set to track and judge if we achieve this?

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Budget Engagement Survey Results

An online survey was conducted between December 12th 2023 and 4th January 2024. 87 responses were received. Residents were asked to rate the level of importance of services on a 5 point scale ranging from very important to very unimportant. The services were presented in line with the 2 Council priority areas.

Resilient Communities

Help and Support	This includes delivering safe services for children and adults including those with additional needs and/or disabilities. It also includes benefits advice and welfare services to support households facing financial hardships, homelessness.
Living Well	This includes working with local partners and charities to deliver services such as parenting support, free blood pressure and oral health check-ups.
Environment	This includes community safety projects, household recycling and bin collections, street cleaning, maintaining parks, open spaces, clean oceans, flood defences and increasing local wildlife and biodiversity.
Housing	This includes planning and development for high quality affordable homes and ensuring decent standards are met across all privately rented homes.

Resilient Economy

Jobs and Skills	This includes a wide range of adult learning classes, The Platform for wrap-around youth employment support, investing in apprenticeships, business start-ups as well as a new Multiversity town centre campus.
Transport	Improving local transport services to reduce traffic congestion as well as improving walking and cycling routes.
Things to do	This includes running a wide range of activities at the new or improved leisure facilities as well as maintaining libraries.

Representation

85 residents and 2 people who work in Blackpool but live outside of the town submitted responses. Responses were received from a number of residents with disabilities. Responses were received from a range of ethnic and gender identities, age brackets and sexual orientations. However, there were no responses from residents under age 25, therefore the overall findings are unlikely to be representative of the general Blackpool population. This response rate is 40% lower than the previous engagement survey which saw 122 responses. The number of questions skipped over also increased compared to 12 months ago.

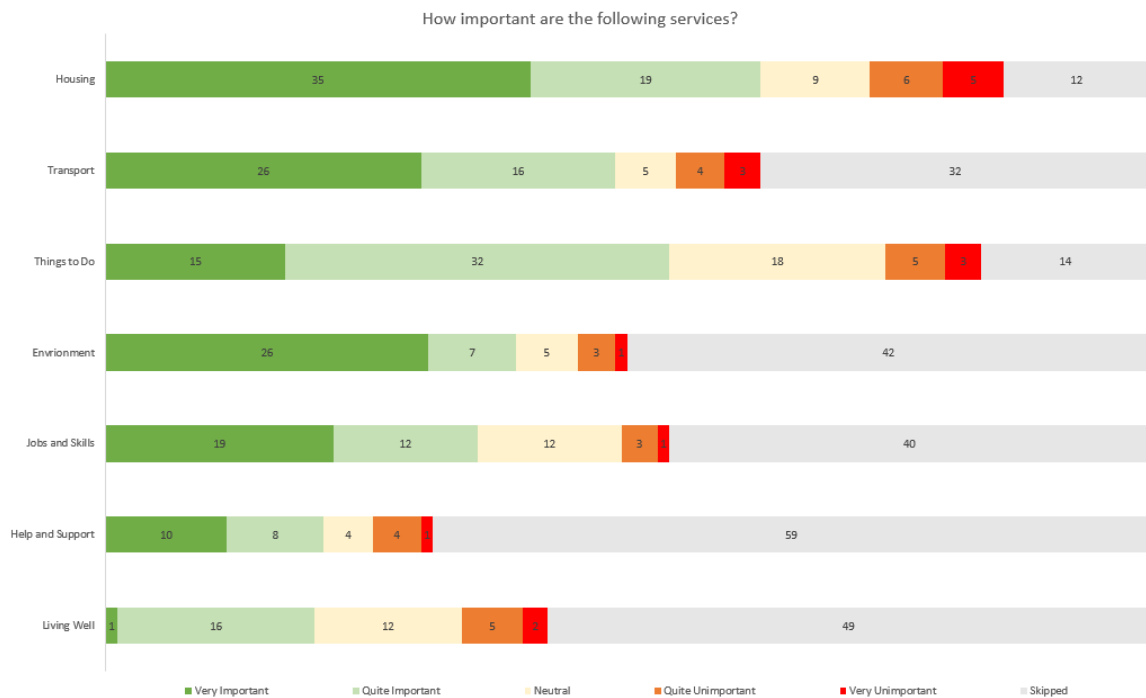
Scoring

Respondents were able to skip rating a service area and therefore the number of votes per service area differed. Findings are ranked and then also given a score relative to the area that was voted the most important to be able to draw comparisons.

Rank

Rank	Relative Importance	
1	10 out of 10	Housing
2	8 out of 10	Transport
3	7 out of 10	Things to do
4	7 out of 10	Environment
5	6 out of 10	Jobs and Skills
6	3 out of 10	Help and Support
7	1 out of 10	Living Well

Responses (87)



Respondents identified housing, transport, things to do and environmental services were the most important services and that jobs and skills, help and support and living well were comparatively less important. Generally, this may indicate that infrastructure and environmental needs are viewed as the fundamental functions and services of the Council from this group of respondents. This is compared to targeted, specialist and enhanced services for people; such as health, help or skills development which were generally voted as less important or skipped over.

The survey also welcomed comments to understand more about the reasons underpinning the scores. Housing was most frequently commented on, which included quality of current housing stock, as well as the supply of homes and affordability.

Other areas of comment included; ensuring any training opportunities translate into good quality jobs. ensuring good coverage, quality and affordability in transport across the town, improving conditions on roads, residents only parking zones, maintaining green space, improving safety and enforcement as well as redeveloping areas of the town, ensuring leisure activities are affordable, well utilized and effective, working with partners, ensuring families and children have conditions to thrive as well as keeping people active and offering preventive mental health support.

The survey also welcomed suggestions about income generation or savings. A full list of comments and suggestions is included from page 5.

Who took part?

85 responses from Blackpool Residents. 2 responses from Blackpool workers who live outside of Blackpool.

Sex

Female	36	41.38%
Male	28	32.18%
Non-Binary	2	2.30%
Skipped	22	21.14%

Age

16-24	0	0.0%
25-34	9	10.34%
35-44	13	14.94%
45-54	13	14.94%
55-64	19	21.84%
65-74	19	21.84%
75+	3	3.45%
Skipped	12	12.64%

Disability

No	32	36.78%
Yes, but it doesn't limit me	13	14.94%
Yes, limited a little	18	20.69%
Yes, limited a lot	13	14.94%
Skipped	12	12.64%

Disabilities included: Angina, Arthritis, Autistim, Chronic Obstructive Pulmonary Disease, Diabetes (Types 1 and 2), Hearing loss, Mental Health Conditions (Depression and Anxiety), Mobility impairments, Multiple Sclerosis.

Ethnicity

Mixed (Caribbean/African)	1	1.15%
Jewish	1	1.15%
White (British/Irish)	72	82.76%
Skipped	14	14.94%

Sexual Orientation

Bisexual	1	1.15%
Heterosexual	33	37.93%
Homosexual	5	5.75%
Skipped	49	55.17%

Comments

Homes: shortages, unaffordable and poor quality.

"Housing has to be number one priority. Availability of affordable housing is shockingly bad. Transparency in decision making is key. Confidence in decision making for the benefit of residents, not tourists, is low."

"Quality and affordable housing is vital for people's wellbeing and quality of life."

"Very important that they ARE affordable for WORKING families who don't get benefits and cannot get on the housing ladder as they are being strangled by overhyped private landlord's rents."

"Everybody should have access to affordable homes "

"People should have access to affordable housing that is well maintained. More NHS dentists are needed. Social services are short staffed and need more money"

"The planning SHOULD be for AFFORDABLE homes as what are being built at present are certainly not affordable, especially to first time buyers. Privately rented homes are at present form some, an eyesore. Landlords do not seem to care about how the properties look and the affect it has on the area. Tatty houses make people think that it's not worth doing anything to keep the areas clean and tidy."

"If we start with the basics of good quality housing majority of things will follow suit with better living standards becomes better health and prospect."

"We have too many rentals in need of tidying up. Also householders that need help with or grants to maintain and help with heating costs."

"Having 4 hostel with in a five minute walk of my home and quiet a lot of badly maintained rental home's you ask the questions why do I look after where I live when a lot of other people don't care. Not the council or the private landlords?"

"Housing is one of the biggest issues in this town, rent accommodation is ridiculous price and the properties are of a low standard. I haven't spoken to anyone in the last 12 months who doesn't know a family living in a hotel because the landlords are selling up because they know Blackpool are going to clamp down on shoddy properties being rented. The hotels must be full of homeless families we need more social housing that is affordable and priority given to working families so that the council can recoup the money they spend on building these houses and more effort should be given to those homeless parents not working to get them into some sort of employment or at least must be on a volunteering programme to be able to get social housing that way they are giving back."

"Fed up of people wanting everything for free , but yes private landlords need to stop renting bad housing ,makes blackpool look more deprived than it is."

"Many areas of Blackpool are run down and residents unsupported in the community. The standard of housing is in parts abysmal. The example of housing east of Tyldesley Rd should be extended as far as possible."

"I feel very housing insecure. My family have been on the council housing waiting list for more than a year and we are never lower than 50th in the bidding queue."

"The measure of a good council is how it cares and protects its people and the environment. Supporting families in crisis is vital to ensure quality of life in the future. Concerning rented accommodation, in my years managing an estate agency and rental agency I inspected many properties in Blackpool which failed to provide safe, sanitary and secure accommodation for renters. Due to the volume of people needing rental properties and the grave shortage of suitable homes to rent, people are being forced to live in unsuitable accommodation, impacting on their health and wellbeing."

"The whole country is in the grip of a housing crises. Given we seem to import people with chaotic life style and other issue once this is reduced and we improve our local economy the other issue should start to reduce"

"Landlord licensing are taxes, the more the taxes, the more landlords will leave, the more rents will rise. It's simple supply and demand. Rents will continue to increase due to the open door immigration policy, the population has risen by 15m since 1997, totally unsustainable."

"The job skills one while I score it high the idea of a town centre campus they may attract students from out the town I do not rate as a high priority as this is going to make the housing crisis worse as landlords will just start to change the rent accommodation into multi occupancy with or without permission and families will continue to struggle to find accommodation. Youth wrap around and adult classes if the question was just for them I would of scored it very important as we need to give more help and opportunities to the youth and then we need more help for adults that have slipped through the net."

Jobs and Skills: ensuring any training opportunities translate into good quality jobs.

"Blackpool is one of the most economically deprived areas in the country for low wages. Investing in education, apprenticeships and start-up businesses to promote economic growth and a sense of pride in being part of a workforce is an essential part of regenerating the area."

"Why is it the council's responsibility for Adult & Youth learning? Surely this will be funded by central government for those on benefits who will actually do something with the learning as it will help get more people into work?"

"The youth need jobs so provide training and transport provided is adequate."

"I believe education across age ranges should be funded by central government. Everything should be done to improve public transport and pedestrian improvement to assist non car use. Libraries and leisure facilities help physical and mental wellbeing reducing people's need of the NHS."

"Residents needs are deprioritised for the benefit or tourism too often. Skills and employment opportunities need to focus on BETTER jobs not just MORE jobs."

"Blackpool is an area of deprivation offering insufficient job prospects."

"Sacrifices have to be made and to help address the issues local skilled jobs will be key."

"Jobs at all skill levels are needed for an inclusive population. There is a great need for practical skills and physical jobs in today's world if people are to enjoy active and healthy lives. Too much time spent looking at screens by the youth of our population even when crossing the road!"

"I am not sure if there is an endgame to those adult courses other than the organisations that are behind it get money and people have a place to meet. For the most part they do not give any real qualifications or accreditations which maybe for example used in searching for a job. Public transport is quite awful if one wants to be environment friendly and leave the car at home. Bus rarely on time (mostly late or very late, sometimes too early), drivers do not know where all the stops are, unpractical bus routes and unpredictability of the service makes it hard to choose it instead of a car. Unfortunately some of us have no choice in the matter."

"We need the multi university and redevelopment in Blackpool"

"A resilient economy, including new jobs, education and training opportunities is extremely important for Blackpool residents, as this creates opportunities and aspirations for everyone of any background."

"The worst thing the Council did was to drop the evening classes. It's not just academic subjects but craft based ones. Then latter could lead to someone setting up a small business, and being self-sufficient. It's not all about qualifications but what people can do to help themselves. At present there is very little in the way of creative classes."

Jobs and prospects are key to the underling economy and values with also key transport links that measure up to professional standards. Things to do are also very important to keep everyone ticking "

Transport: ensuring good coverage, quality and affordability.

"Local transportation should be accessible and affordable."

"I would love to be able to rely on buses more as the car is very expensive to run. Some only run hourly which I can't rely on to get to college on time because if one bus doesn't come i would end up extremely late. A lot also stop running by five which means i can't get to my evening class."

"There is significant need for a park and ride system. There are a considerable number of spaces out towards the airport and elsewhere which could run a circulating bus that goes from the park and ride, going down Yeadon Way, with a couple of stops along the way and back again. There should be more residents only parking in the side streets which come directly off the Prom such as St Chads Road, Woodfield Road, Wellington Street. Residents such as myself who have mobility issues cannot find anywhere near my house to park so that means I have to rely on taxis. The council could charge for residents' permits and would earn a decent revue ticketing those visitors who ignore it and park there anyway!"

"Reducing traffic congestion."

Appendix 4e

"There is a lot of money going waste, people in Blackpool see that. all the time, when they are having to wait on transport to their work or appointment or to job interviews, or hospital, the local Blackpool council housing is in urgent need of repairs and a lot of other things that need urgent attention then you get things that say we can't do this or we can't do that, there needs to be a proper building where people can go to get help with benefits, housing, help with paying bills at present there is nothing...and until it's addressed you have the same problems and let will not stop."

"Transport is crucial if we are to reduce car use and improve the environment. Providing walking and cycling routes also aids general health and wellbeing and helps with motivation."

"Because the current transport service sucks! It's truly the worse I have ever used."

Environment: improving conditions on roads, residents only parking zones, maintaining green space, improving safety and enforcement as well as redeveloping areas of the town.

"I feel that our local area needs more attention paid towards potholes, road and path surfaces. Replacing lost trees and shrubs that help soak up water are very important to me. Whilst I appreciate we need SOME new housing, I feel that bungalows would be of benefit in building plans asap! Our transport links and bin collections are excellent. The rubbish amnesty was an excellent idea too."

"The roads are a disgrace potholes everywhere white circles round them does not help resurface the roads."

"Stop wasting money on things we don't need. Our roads need doing the amount of pot holes is just ridiculous."

"I'd like to see more money invested in road repairs. Some of our local roads are virtually undriveable - Ansdell Road for example."

"The roads are awful, must be one of the worst in the country."

"The state of the roads need sorting lots pot holes everywhere & in certain areas speed limit signs too small or non-existent. White lines marking end of roads need redoing in lots of areas before more accidents occur. Zebra crossing at Welcome bridge needs more 'attention' 'notice' cars come racing thru from the lights & don't slow down, even seen them go over crossing with a child on it. It's a main crossing for kids for Marton Primary from that area!! Maybe a speed camera just by bridge would slow them down or paint crossing luminous yellow."

"I am happy to pay my council tax but parking is a huge frustration, hence why I strongly believe many streets that have businesses close would benefit from resident permit parking. Drainage concerns me when we have heavy rainfall as the drains seem to back up terribly on the roads, I assume this is due to poor maintenance/clearing of drains. I think the money spent on policing is relevant, my issues are with CPS and how little punishment is given to the gangs, street crime, and repeat offenders. CCTV is critical in improving the safety on our streets in Blackpool."

"Investing in the town is a good thing but they seem to forget about the residents of the town. Money needs injecting into Central drive and down Waterloo road as it's just not a good image."

"As a taxpayer I feel there's enough help for homelessness etc. I'm more for improving the area I live in."

"Clean and healthy environments the basis for clean and healthy lives improving living standards for communities creating green spaces including planting trees in built up areas. Mental health can be improved living in a better environment let people be proud of where they live encourage planting in gardens increasing local wildlife. Easy access to facilities so that large items are not left to rot in gardens or alleys. Housing in disrepair breeds criminal and anti-social activity, take care of our streets keep them clean take pride in area. Remove buildings not in use/ derelict and replace with housing. Create housing suitable for starter tenancies for young people leaving care or otherwise homeless."

"Blackpool has become very dirty and unpleasant due to the lack of bins, public awareness and indifference. It is not a nice town to live in at the moment. Everyone who comes says it is messy and unwelcoming."

"In regards to transport there's only congestion because of all the building works and tram tracks being built over the last few years we do not need any more cycle lanes etc. Blackpool is pedestrian friendly enough we do not need anymore. Please think of disabled people."

"Because Blackpool residents need clean streets and there bins emptied and to feel safe and have nice parks and green spaces."

"CCTV around Blackpool residential areas and more bins on Talbot road outside mecca Bingo and better bus stops and pot holes need filling on Beresford Street and Talbot road outside the shell garage and surrounding streets. Speed cameras on Talbot road before somebody gets seriously hurt and bike lanes to promote cycling and more green spaces and Trees around residential areas in inner Blackpool and more police and housing enforcement to cut crime."

"The budget needs directing to the run down parts of Blackpool Central drive and the shop front at the back of the metropolitan hotel."

"Build for the future."

"Improve the main street in town Church Street."

"Yes I would say the main street Church Street from the winter gardens down to the Prom needs some urgent attention for a main street it lets Blackpool down badly the council should take a walk from the Winter gardens to the Grand Theatre and think about reviving this street. And putting in a camera to cover the Street at night the shop owners have had more than their fair share of broken windows."

"Everyone should have the chance to lead their best life in the best environment that it is possible to provide for them. This includes good housing and access to help when required, but it is also important that the town looks well-presented and with as much green space and trees as it is possible to accommodate, as this has been shown to improve general wellbeing and reduce vandalism."

"When Blackpool Allotments were managed by Blackpool Federation the Council provided £10,000 to the Federation for running costs. Now all Blackpool Allotments are self-managed and receiving NO monies from Blackpool council, what had happened to the £10,000 previously allocated."

"I would like to know where the money has gone for residential parking applications. I have been informed that there will not be any applications processed for the forcible future. If this is true, WHY? Has the money been diverted to house migrants in our town? This a subject very very close me and my fellow neighbours hearts. It needs to be a priority to have this done because we are living close to the Pleasure Beach/Sea front and more and more holiday/tourist are taking our very limited spaces."

"Ensuring landlords keep standards high for rentals is important however do not feel we need any more housing they'll be no green spaces left if we carry on."

Help and support services: working with partners and ensuring families and children have conditions to thrive.

"Blackpool residents will benefit from working with local charities and partners to improve access to housing, hardship funds, foodbanks and support for emotional/mental wellbeing. Charities provide essential work to support individuals and families in re-establishing their lives, achieving goals and providing a changed perspective in order to improve their standard of living. Housing in Blackpool is of a generally poor standard. Enforcing decent standards is essential to promote a healthy standard of living which in turn promotes a sense of pride for a community. Landlords are frequently permitted to allow their tenants to live in squalid conditions, offering low rent as a substitute for poor living quarters."

"ASB in pockets of the town can be at times really high I have noticed through social media and the Gazette when you engage with other organisations that ASB reduces. For example Talbot and Brunswick area my mother would not leave her house after 4 at one point due to fear of the group of kids on the corner of Caunce Street you worked with the youth workers who were out walking the streets engaging with this group and had more police walking the streets and that is no longer a huge issue."

"Services for children, children with additional needs and their families are vital to keep families together and children safe. Families with children with additional needs often need extra support especially if the child has complex needs. Life is very difficult without the added stress of coping alone with a complex child."

"Anyone can fall on hard times especially at this time. Support for those who need it is vital to balance a fairer society. The environment we live in plays an important part in our mental health. Maintaining and improving all aspects of that environment increases individual enjoyment respect and value in the environment they live in."

"Blackpool has some of the most deprived areas in the Country. Many people are struggling with the cost of living crisis."

"Get people into work, many unemployed low self-esteem poor mental health feeds into other areas of life. Childcare such as holiday and after school activities helping parents get to work"

"There doesn't seem to be many places for the young ones to go result in them hanging around the streets causing anti-social behaviour."

"As a children's social worker and employee of Blackpool council, I believe it is extremely important to invest more in local support services, in particular statutory social services. This is to ensure the

welfare of social workers is being prioritised, due to them working in high pressure environments, and so they can continue to support our children and families."

"Only one thought about Anchorsholme Park. Why can charities not get involved as per the excellent park in Lytham? Facilities such as public lavatories (only1!!!) And extended hours for the cafe. Maybe even licensed. Not a lot for older children either."

Health: keeping people active and preventive support.

"Blackpool has fallen behind in many areas of health protection mental health in particular."

"It's all part of the bigger picture for people's wellbeing getting out meeting new people taking part in new activities keeping healthy "

Things to do: ensuring activities are affordable, well utilized and effective.

"Not a lot of people can afford the leisure activities anymore so apart from maintenance of the facilities, I don't believe more should be spent on them. Why is it the council's responsibility for Adult & Youth learning? Surely this will be funded by central government for those on benefits who will actually do something with the learning as it will help get more people into work?"

"We need to keep leisure facilities affordable and accessible. The cycling routes are debatable as you rarely see anyone using them."

"Tourism and expensive attractions are not affordable for many. There should be alternatives for the local population."

"Libraries and sports centres need to stay open More jobs are needed and so is appropriate training. Apprenticeships should be better paid."

"People need to be doing something. But again they have nothing to give them hope."

"Libraries and leisure facilities are often a hub for people to get together. Reducing congestion and improving travel would keep roads in better condition and help people who don't have access to a car."

"Not a lot of people can afford the leisure activities anymore so apart from maintenance of the facilities, I don't believe more should be spent on them."

"Libraries I feel are important but are they actually being used these days with all the technology available?"

All services are important:

"Street cleaning, bins, unsafe pavements, road pot holes, high standard private rental properties, CCTV, drainage (after heavy rain), benefit advice, mental health services, child services, and homelessness are all very important."

"They are all very important."

"All the thing mentioned are basic services in my opinion."

"How could anyone think they weren't important?"

"Jobs and prospects are key to the underling economy and values with also key transport links that measure up to professional standards. Things to do are also very important to keep everyone ticking."

Suggestions for savings and income generation:

Tourism taxes:

"Taxpayers once received special discounts to access certain activities, bring them back. It will encourage locals into town and support local businesses."

"Switch from focus on visitors to focus on residents. Make hotel owners keep their buildings to a decent standard."

"Charge visitors for the Illuminations. Make it mandatory and stop taking it from council tax money people can ill afford, residents don't get the benefit and don't wish to pay for them"

"Perhaps a tax on hotels like the one implemented in Manchester."

"Think about residents this year, not the holidaymakers and spending millions on the Prom."

Social housing:

"My main idea is as mentioned above, priority for social housing must be for working people that way revenue is generated through rent. A volunteering programme should be set up for those able to work but have no job that they must be on that programme to have social housing this then gets adults back into a routine of getting up getting out of the house and going to "work" the programme should be split into 4 sections that the adults could have a session if 12 weeks in each - volunteer at a local youth club, volunteer at a local care home for the elderly, volunteer in retail and get some big companies signed up like Asda, Tesco, BnM's and home bargains etc. and finally volunteer at your local council you could set up a 12 week programme where they go around different departments for example park and community gardening team, the local recycling centre, your admin department and maybe your partner organisation for example BCH, Active Blackpool, the Family hubs etc. You could also open a Council charity shop that is staff and ran by volunteers. This will give adults not working not only the chance to break that cycle of staying home but also gain them work experience they may get offered jobs. DBS for volunteers is also free. I think this programme would in a way be a revenue generator as if they worked they would have to contribute towards rent, council tax etc.

My final idea is a team dedicated to helping older generations still sat alone in 3 bedroom social housing who maybe with the support of someone would downsize, I know of a number of people who would downsize but the thought of going through all their stuff overwhelm s them, if you had a team supporting them not only would you have items to sell in the council ran charity shop idea you would then have more family homes the older person would then have less worries and stress downsizing which is always a good knock on effect to better health."

"By building more affordable social housing this would increase revenue in the long term as it would save too much housing benefit being paid to private landlords, many are not keeping their homes in a good state of repair both inside and out, private rents need to be capped as many of Blackpool residents only earn the minimum wage and rely on the council's housing benefit paid to the private landlords. More social housing, more money coming to the council. Need to look to the future not just the here and now!!"

Local discounts and offers:

"Advertise chargeable activities better, such as exercise classes. Charge holiday makers a 1 off fee for staying in the town as some European cities do, it doesn't have to be a lot £5per room. The Blackpool transport day trips out of town seemed a good idea but I think poorly promoted and then fizzled out. Reduce expenses council workers can claim, I think general expenses such as travel or food should not be claimed for, everyone has to make provision for commuting and eating. Don't give council workers financial bonuses."

"Advertise chargeable activities better, such as exercise classes. Charge holiday makers a 1 off fee for staying in the town as some European cities do, it doesn't have to be a lot £5per room. The Blackpool transport day trips out of town seemed a good idea but I think poorly promoted and then fizzled out."
"Let families not on benefits take part in activities offered by Families Hubs for a fee. Right now the Family Hubs are mostly for those on benefits and exclude the rest, so in fact they are neither inclusive, nor serve social integration between different families living in the same area."

Children's needs:

"I don't agree with the ring fencing of resources. There are financially strapped people in all areas. Many local councillors are frustrated at funds being targeted by the same areas. Supporting children should be equally spread throughout all areas. Residents should not feel there areas are under resourced when youth provision is centred around wards which denies children access simply because they don't live in a certain ward."

"Would it be possible to give all children in Blackpool a free school meal - I would suggest the head of the council gets someone looking into the cost ratio benefit - how much the scheme would cost, against the amount of money the council pay a whole range of staff to work the existing free school meal system - admin/IT/Managers/support/school admin etc. Perhaps the school could make a financial commitment to a meals for all scheme if it can be proved their staff will have less work to do. If you factor in the amount of time council staff work on the Free School Meals project I believe this would go for a long way to pay for the scheme."

Enforcement and fines:

"Stop pursuing kids for hanging out anywhere doing anything and calling it antisocial behaviour."

"Stanley Park already provides enough but what about a 'dog play area' only. Owners could allow pets to run free but MUST clean up after their animal, failure to do so would incur a fine."

"These areas are cesspits of old, dilapidated properties that have been allowed to decay for years. Compulsorily purchase many of them, raise them to the ground and build new, affordable ones. Ensure businesses maintain acceptable frontages by cleaning them up, especially in the town centre

and south shore. Streets swept regularly (although I have not seen one here in 20 years), including residential areas. Resident parking permits in south shore. Build huge parking lot at the end of M55 with a one of parking payment of £5 which will allow each car occupants a journey to and from town centre car park only via Yeadon Way, buses running each half hour. Clean up the town by enforcing B+B's to have bathrooms in every room, ban 'hen and stag' nights and make Blackpool a place to visit. STOP BUILDING HOTELS."

"Cut down on all the freebies and make people work for it. Start applying fines for law breakers, especially irresponsible dog owners and litter louts."

"Fine the people who consistently park on double yellows, single yellows, and the zebra crossing zigzags at schools! It's every day, especially by aspire. "

"Use CCTV to capture drivers on their phones whilst driving, fine all drivers who are captured on CCTV. Make more streets permit parking only for residents. Reduce your business fees so more shops open in the town centre. I personally think the new regeneration ideas are great and should increase footfall in the town."

Events:

"Why have we not attracted the major craft fairs to Blackpool? Manchester lost the one next to Trafford Centre and with all the hotels being built and the new conference centre, we should be attracting these to Blackpool. It's not all about Liverpool and Manchester, we are a major part of the North West and should have a good share of this business."

"Put more money into training and educating for a more educated society and more huts on prom like barre hutte in Manchester or igloos to rent for drinking and eating trendier venues create a road for socialising that's classy like cathedral quarter in Belfast."

Businesses:

"The council needs to open the town up for all year round the airport needs to be reopened for a key link to the outside world also to advertise blackpool to other countries the town has lots to offer. The council also need to build or buy more houses to rent out for a steady stream of income also investing into enterprises."

"The council would generate more revenue if they fixed the parking meters/app in local car park. A lot of money is lost as visitors who are happy to pay for parking are unable to pay, either because the machine is broken or the Wi-Fi signal is not strong enough to download the App."

Cease:

"Close the illuminations in November again! Stop wasting money on arty installations. Put solar panels on new buildings and car parks to feed into the national grid."

"The illuminations could only be lit from sunset to 10pm and restricted to after schools half term."

"Stop the illuminations in the week after November or do weekends only".

"Bulky Matters, stop giving large items to another charity to sell at large prices. Put in storage and furnish properties for those who do not have anything to move in with. Charity always starts at home."

"Attitude of council staff needs to be focused on serving the community and listening to residents' needs. Too many services focused on those out of work, nudge people who already have skills and motivation rather than focusing on those "hardest to help" would see better value and greater benefit."

"Stop spending on projects that in good times may be a good idea."

"Stop squandering money, just because it's not your money, doesn't mean that it shouldn't be spent responsibly."

"Stop buying properties and putting more eateries in Blackpool. We need reasons for visitors to come and stay here. Having visited the Abingdon Street Market, many I have spoken to are very disappointed in the conversion. How are these businesses going to survive out of season? The retail side is a disappointment also. We don't want tat in Blackpool just attract businesses that want to stay and serve not just visitors but the residents as well. Put your money into attracting sustainable businesses that people want and your budget will go much further and be of use to the residents, who feel they are being let down."

"Stop giving out everything free for people that won't help themselves, too easy for people to get free housing ,benefits and expect everything for free, while people who work get nothing, the whole of blackpool needs a good sort out, and sick of paying council take for nothing "

"Cut back on silly cycling routes that only last about 100 yards. Also switch off the illuminations after the season but only leave them on at weekends until the Xmas season is over. We have driven down the prom many times at night time (to visit daughters) and the all the illuminations are on and there is hardly anyone about, so a total waste of electricity. Many of my friends have said the same."

"Stop building silly statues and the like that are not important at all. Think about residents as well as holiday makers; we are not all involved with the entertainment business or have B&Bs. Think before spending IF it's necessary."

"Stop investing in pointless statues and actually improve areas of blackpool. Help renovate the areas where shops have closed."

"I think you need to stop thinking the same way you have done for years, think outside the box and actually listen to the communities. This is a great step and I am not saying all my ideas would 100% work but one may and it could be something you have never thought of before. "

Council Workforce:

"Reduce higher paid council employees' salaries to max £30k/year? Scrap the Talbot tram extension and use the money to build a proper town centre bus hub Get the Central car park open!"

"Lower your wages first "

"Why not open up VR this year?"

"Reduce expenses council workers can claim, I think general expenses such as travel or food should not be claimed for, everyone has to make provision for commuting and eating. Don't give council workers financial bonuses."

"No one working for the council should receive a six figure salary. Get rid of any unnecessary departments, roles, such as diversity."

"Better staff retention schemes within the council to save on agency expenses."

Council Tax:

"Keep the poll tax low."

"Stop screwing people who work with high council tax."

"In the current cost of living crisis the council can't possibly justify an increase on council tax to more than 1%. Council taxes have increased year on year at a rate over/above inflation, but to be Frank, council services remain crappie."

Council Assets:

"Adults and SEND are out of control but there is little that can be done. Reserves are finite and running out the problem is on a national scale. Look to reduce costs (employee's, building, energy, and borrowing). Use receipts to pay off borrowing and pay for change. Increase income where possible. Encourage green energy."

"Turn the heating down in council offices and tell people to wear a jumper if necessary. You would not have the heating on high at home, but because people think they are not paying they insist on it being on. Get real and remember that your council tax pays for the heating. Investigate all benefit claims thoroughly. Check all works are really value for money and do not continue with the present attitude of "it's not my money" in fact it really is your money. If people are going to use libraries as a crèche, then charge them. Whatever happened to silence in libraries? If properties are not occupied for over two years then they should be taken over by the council and rented out. There seems to be various hotels that fit that idea."

"Residential and commercial properties including should be impounded and disposed of by the council. Owners of neglected commercial properties must be forced to restore or dispose of them."

"Look to dispose of assets to pay off borrowing"

National Government:

"More money from central government."

"I think the council does a brilliant job to balance the books under very difficult circumstances. We need a better funding system in which councils are not penalised for not being run by the ruling party and we need a fixed budget rather than the current raffle of bidding for random schemes and funds. You couldn't run a household budget on the basis of pots of money which may or may not come to fruition, and councils should not have to do so either. Fairly allocated funds based on the scale of our statutory duties should be a given."

Improve engagement process:

"There is no information on this website as to what the 2023/34 budget is, so therefore impossible to comment on."

"The council should be more transparent with their spending and possibly ask the residents more frequently what they should budget for. Often the council have ideas and when the public are consulted their views are ignored, despite being in the majority."

"Have more street wardens to hand out fines to cyclists who cycle on the pavement. I see three or four every day cycling on the pavements endangering people who are there. I have even seen a couple cycling whilst on their mobile phones! An offence in itself."

General Comments:

"Just love Blackpool but think the council doesn't listen to the residents."

"Residents in all sectors of society are feeling the devastating effects of the cost of living crisis. Prices will not go down if inflation is reduced. Now more than ever the Council needs to be responsible in setting the budget in 23/24 as every bill dropping through people's letter box has risen beyond CPI. 2024 is going to be a very hard financial year for most of the population."

"Invest in more renewable energy. Support independent businesses. Develop work schemes for school leavers."

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Budget Scrutiny: Scrutiny Leadership Board Informal meeting 17 January 2024

The Scrutiny Leadership Board met informally on the 17 January 2024 to consider an overview of the budget proposals for 2024/2025. The Director of Resources, Head of Accountancy, Head of Corporate Delivery, Performance and Commissioning and Leader of the Council attended the meeting to set out the current budget position, key items in the provisional local government finance settlement 2024/2025, what this meant for Blackpool, recommendations for bridging the budget gap, a review of reserves and an overview of the budget engagement process. This report provides a summary of the main comments made during the meeting.

The Board challenged the proposed end of year budget position, noting the positive trajectory and queried the level of expected working balances which were forecast to be £5.6 million. It was reported that an overspend of £1.1 million at the end of year was expected at month 7 should current forecasts be correct. The overspend was a result of overspends of £6.4 million in Children's Services and £2.4 million in Adult Services and had been offset by lower than budgeted energy costs and contingencies that had not been utilised amongst other smaller underspends.

A large proportion of the Children's Services overspend was as a result of the commissioning budget and the high cost of residential placements. The number of young people in residential placements had been safely reduced from 84 to 68 during the course of the financial year and the budget for 2024/2025 assumed a further realistic reduction in this area. Other targets in relation to fostering and special guardianship orders had been included in the budget in order to reduce costs further.

The Board considered the cumulative budget savings since 2011, how the profile of spending had changed over the years and the financial performance of the Council's wholly-owned companies.

Members went on to consider the significant capital investments made and queried how best to ensure a positive return on investment. It was noted that all projects had a business case, risk register and were audited to provide a range of methods of assurance. It was noted that inflation and interest rates had had an adverse impact.

Mr Thompson advised of an estimated £18.3 million budget gap for 2024/2025 comprising of increases to Children's and Adult Services' budgets, treasury management pressures and the £9.9 million of non-recurrent savings made in 2023/2024. He noted that borrowing for capital programmes was expected to increase to £500 million due to a 25% increase as a result of the completion of the new civil service hub. However, the building supported regeneration, was pre-let with a tenant and would increase business rate yield. It was considered that the level of debt was affordable and sustainable and that the Council continued to have the ability to pursue schemes it considered as beneficial for the town.

In order to address the budget gap, an increase to Council Tax of 4.99% was to be recommended, the number of properties paying Council Tax had also increased with efficiency work also undertaken on the Council Tax Reduction Scheme. Directorates had also been set targets to reduce budgets.

The Board queried how the assumptions utilised when setting the budget had been tested for robustness. Mr Thompson advised that setting the budget was a complex process and that very regular meetings were held throughout the year in order to challenge assumptions and monitor performance. In addition, periodic Internal Audit Reviews were carried out and monthly financial reporting to the Executive and Scrutiny Leadership Board was also very detailed.

The Leader of the Council advised that in order to ensure maximum staffing efficiency, all vacant posts were held open with consideration given to whether it was an essential position moving forward. She considered that the Council was operating on minimum staffing levels and the importance of retention and succession planning was noted. Each year the identification of budget savings that were realistic and deliverable became more difficult. Mr Thompson added that the Council Plan and Medium Term Financial Strategy were inter-related and the budget continued to support the long term strategy of the Council.

Concern was raised regard the potential Council Tax increase and it was noted that Blackpool had the lowest Council Tax collection rates nationally. The Leader of the Council advised that it was a necessary increase in order to achieve a balanced budget and continue front line services. However, the potential impact on residents in the cost of living crisis was recognised.

Reference was also made to the Integrated Care Board and ensuring that appropriate funding was sought in order to share the added social care costs that supported the operation of the health system.

Ms Aldridge provided an overview of the budget engagement process and noted its limitations due to the late notification of the Local Government settlement. She noted that housing quality, availability and homelessness had presented as the biggest issue through the engagement.

The Board welcomed sight of the comments made through the engagement process and queried how they would be used to inform the budget. It was noted that due to the tight timescales involved it was difficult to utilise the comments to inform the budget and that earlier engagement would be welcomed. The outcomes could also therefore be considered by the Scrutiny Committees earlier in the process allowing more meaningful input.

The key comments made by the Scrutiny Leadership Board for consideration by the Executive were as follows:

- That a breakdown of income be provided alongside the details of historical savings achieved to provide additional context e.g. changes to grant funding and level of income from Council Tax per year.
- That the profile of how spending had changed over the years be included as a monetary figure in addition to the percentages currently provided.
- To consider whether the budget engagement process could run either throughout the year or early enough within the budget setting process to inform decision making and that this be fed back to the relevant Scrutiny Committees earlier for ongoing consideration.
- Members of the Scrutiny Leadership Board were invited to email additional, specific suggestions to the Director of Resources for consideration.

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member	Councillor Lynn Williams, Leader of the Council
Date of Meeting	5 February 2024

CAPITAL STRATEGY 2024/25 TO 2026/27

1.0 Purpose of the report:

- 1.1 To consider recommending to Council the Capital Strategy for 2024/24 to 2026/27 and its complimentary document the Property Investment Strategy for 2024/25, attached at Appendices 5a and 5b.

2.0 Recommendation(s):

- 2.1 To recommend to the Council to approve the Capital Strategy 2024/25 to 2026/27 attached at Appendix 5a.
- 2.2 To recommend to the Council to approve the Property Investment Strategy for 2024/25 attached at Appendix 5b.

3.0 Reasons for recommendation(s):

- 3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a Capital Strategy. The Capital Strategy is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implication for future financial sustainability.
- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3 Is the recommendation in accordance with the Council's approved budget? Not applicable - the report once approved will become part of the Council's new approved budget

4.0 Other alternative options to be considered:

4.1 None.

5.0 Council priority:

5.1 The relevant Council priority is: “The economy: Maximising growth and opportunity across Blackpool”.

6.0 Background information

6.1 The CIPFA Prudential Code requires local authorities to produce a Capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

6.2 The Capital Strategy aligns with the priorities set out in the Council Plan and other key Council strategies. The strategy is in line with the Capital Programme and Treasury Management Strategy included on this agenda.

6.3 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 5a: Capital Strategy 2024/25 and 2026/27
Appendix 5b: Property Investment Strategy 2024/25

8.0 Financial considerations:

8.1 These are set out in the Capital Strategy.

9.0 Legal considerations:

9.1 None.

10.0 Risk management considerations:

10.1 The Capital Strategy includes the Council’s Risk Appetite Statement in section 12 of Appendix 5a.

11.0 Equalities considerations and the impact of this decision for our children and young people:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 None

13.0 Internal/external consultation undertaken:

13.1 None.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 29/2023

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

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 26 January 2024 Date approved:

18.0 **Declarations of interest (if applicable):**

18.1

19.0 **Summary of Discussion:**

19.1

20.0 **Executive decision:**

20.1

21.0 **Date of Decision:**

21.1

22.0 **Reason(s) for decision:**

22.1

23.0 **Date Decision published:**

23.1

24.0 **Alternative Options Considered and Rejected:**

24.1

25.0 **Executive Members in attendance:**

25.1

26.0 **Call-in:**

26.1

27.0 **Notes:**

27.1

Appendix 5a:
CAPITAL STRATEGY 2024/25 - 2026/27

1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 The Capital Strategy aligns with the priorities set out in the Council Plan and other key Council strategies. The Strategy is integrated with the Capital Programme and Treasury Management Strategy.

2. Capital Expenditure

- 2.1 Capital expenditure is incurred on the acquisition or creation of assets, or expenditure which enhances and adds to the life or value of an existing non-current asset that is needed to provide services. Non-current assets are tangible or intangible assets that yield benefits to the Council generally for the period of more than one year, e.g. land, buildings, roads, vehicles. This is in contrast to revenue expenditure which is spending on day to day running costs of services such as employee costs and supplies and services.
- 2.2 The Capital Programme is the Authority's plan of capital works for future years, including details on the funding of the schemes. Included are projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. Also included could be service and commercial investments. The Council's Capital Programme is the subject of a separate report and will be presented to Executive with the Capital Strategy.

3. Treasury Management Investments

- 3.1 Treasury management investment activity covers those investments which arise from the organisation's cashflows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- 3.2 For treasury management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Strategy 2024/25 which is the subject of a separate report and will be presented to Executive with the Capital Strategy.
- 3.3 The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These may include service or commercial investments.

4. Service and Commercial Investments

- 4.1 These are investments for policy reasons outside of normal treasury management activity. These may include:
- 4.2 Service Investments

These are investments held clearly and explicitly in the course of the provisions and for the purposes of operational services, including regeneration.

- 4.3 Commercial Investments

These are investments taken for mainly financial reasons. These may include:

- Investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers;
- Investments taken with the aim of making a financial surplus for the Council.

Commercial investments also include non-current assets which are held primarily for financial benefit, such as investment properties.

Due to the nature of the assets or for valid service reasons, such investments do not always give priority to security and liquidity over yield. In these cases, the decision will be explicit, with the additional risks set out in the impact on financial sustainability identified and reported.

The Director of Resources will ensure that the Council has the appropriate legal powers to undertake such investments and also ensure the proportionality of all investments so that the Council does not undertake a level of investing which exposes it to an excessive level of risk compared to its financial resources.

Commercial investments cannot include borrowing to invest for the primary purpose of financial return. The Council will have regard to Section 51 to 53 of the Prudential Code when considering whether a commercial investment is appropriate.

5. Due Diligence

5.1 For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered. Due diligence process and procedures will include:

- identification of the risk to both the capital sums invested and the returns;
- understanding the extent and nature of any external underwriting of those risks;
- the potential impact on the financial sustainability of the Council if those risks come to fruition;
- identification of assets being held for security against debt and any prior charges on those assets;
- where necessary independent and expert advice will be sought.

The Director of Resources will ensure that Executive is adequately informed and understands the risk exposures being taken on.

6. Property Investment Strategy

6.1 The Council has a typical local authority property portfolio. This consists of operational property, investment property and property held for specific community or regeneration purposes. The Council has specific reasons for owning and retaining property:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the Council
- Community – to support specific local community projects
- Regeneration – enabling strategic place shaping and economic growth.

6.2 The Property Investment Strategy:

- Sets out reasons for acquiring property assets for investment purposes
- Identifies the issues of the economy, the general property market and the possible risks for the Council in acquiring investment property
- Clarifies the legal powers used to operate the Strategy and ensure continued compliance
- Includes an outline of the process involved in acquiring property assets for investment purposes.

6.3 A Property Investment Strategy is a formal approach to investing in property. This is done by either buying or leasing property. The Council seeks tenants who are of sound financial standing and leases are preferable within commercially popular locations.

6.4 The Council funds the purchase of non-commercial property by borrowing money or uses the surplus of income derived from the property to meet the lease commitment. The rental income paid by the tenant should exceed the cost of repaying the borrowed money over the lifetime of the scheme. The annual surplus then supports the Council's budget position and enables the Council to continue to provide services for local people.

6.5 The reasons for purchasing and owning property investment are primarily for:

- Financial gain to fund local services
- Market and economic opportunity
- Economic development and regeneration activity in Blackpool and the Lancashire Economic Area.

The Council does not invest in property as an Investment Strategy solely to achieve financial income.

6.6 All investment properties that cost or were previously valued at or in excess of £500k are revalued on an annual basis to provide a fair value for the preparation of the Council's accounts. The investment properties that cost or were previously valued under £500k, are valued on a rolling 4 year programme. The Council believes there is no benefit to valuations being completed within 12 months of acquisition unless a material change in the occupation or condition of the building occurs and/or the market undergoes significant change. If any investment properties valued as part of the 4 year rolling programme have changed significantly in value, an additional exercise will be carried out to assess if the cause of the material valuation change would impact on the investment assets not valued in year. Investment properties have been valued on this basis since financial year 2019/20.

6.7 The Council's Property Investment Strategy 2024/25 is attached at Annex 1.

7. Priorities and Risk in Property Investment

7.1 The priorities for the Council when acquiring property interests for investment purposes are:

- **Covenant Strength** - in the case of a let property, the quality of the tenant and, more importantly, their ability to pay the rent on time and in full. It is however worth noting that the Council as a public body may not wish to invest in properties where the occupiers are generally seen to be undertaking a business which is contrary to its corporate values.
- **Lease length** - in the case of a let property, the unexpired length of the term of the lease or a tenant's break clause is of key importance in ensuring that the landlord's revenue stream is uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacement tenants at acceptable rental levels.
- **Rate of return** - the rate of return from the property (for example through annual rental incomes) will need to be equivalent or better to the returns that could be earned from alternate investments, such as placing monies on deposit, following adjustment for risks and potential growth. The property will also need to produce an annual return in excess of the cost of borrowing.
- **Risk** – rate of return is one side of the coin; risk is the other. In general, the higher the sought level of return from an investment, the higher level of risk that it carries. For example, if a property is let at an attractive rent which would create a good return, it

could still be risky if the tenant does not possess good covenant strength and could default at any time.

- **Lease Terms** – The terms of leases vary and even those held on an “institutionally acceptable basis” can be very different in nature particularly as such leases have developed over time. The Council, where possible, will seek to invest in leases with full repairing and insuring obligations on the Tenant and a full Service Charge recovery to include any management fees. This will ensure a certain income/return to the Council.
- **Growth** - property has the potential for both revenue and capital growth. The Council will take into account that potential when assessing the strength of the investment opportunity. Property values can fall as well as rise and mechanisms to minimise revenue reductions should be identified. Generally the nature of standard, institutional leases is that rent review clauses are upward only which protects landlords from any downward pressure on rental income giving some security as to the level of income.
- **Location** - should a tenant default or vacate, the location of the property is the key factor in influencing the ability to re-let and find another tenant. Location is also important when considering future redevelopment or regeneration opportunities. Ideally the Council will be able to undertake inspections and to deal with any management issues without the need to employ specialists or agents. Preference should be given to properties located within Blackpool and the Lancashire Economic Partnership Area. This does not prevent investment outside of these areas, subject to the appropriate justification and business case and correct governance procedures.
- **Sector** - information as to the sector of use of the property (e.g. office, retail, industrial, leisure) will assist in deciding on the risks associated with specific properties and the mix of sectors within the portfolio.
- **Building Age and Specification** - in the case of a let property, whilst the Council, as an investor, may be principally concerned with the characteristics of the tenant and lease, the age and specification of the property will also affect the ability of the Council to let or sell the property in the future. It must also be taken into consideration the cost of protecting the investment. An example of this would be the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant.

7.2 In summary, the strategy for acquiring investment property assets is therefore to:

- Seek property let to tenants who are of strong covenant strength and sound financial standing.
- Minimise risk.
- Maximise rental income to mitigate budgetary pressures and minimise management costs to ensure the best return is generated.
- Identify opportunities for future growth, redevelopment or regeneration via property in commercially popular or development areas.
- Prioritise Blackpool and the Lancashire Economic Partnership Area if the right opportunity arises.

- Pursue opportunities to increase returns and improve the investment value of commercial assets.

7.3 The Council has invested in a number of investment property assets and lease agreements as well as a Business Loan Fund. A fair value assessment was conducted on purchase and provides sufficient security for the underlying capital invested. These assets will be revalued in line with the Council's revaluation programme.

8. Revenue Budget Implications from Capital Investment Decisions

8.1 Capital expenditure for the Council is financed through a variety of sources:-

- Receipts from the sale of capital assets
- Capital grants
- External contributions such as S106
- The use of reserves or from revenue budget contributions.

8.2 Any capital expenditure not financed by the above will need to be funded by borrowing. Existing council debt is therefore the consequence of historical capital expenditure. The Council can temporarily utilise other resources in lieu of external borrowing to fund capital expenditure. This is referred to as internal borrowing.

8.3 In approving the inclusion of schemes and projects within the capital programme, the council ensures all of the capital and investment plans are affordable, prudent and sustainable. In doing so the council will take into account the arrangements for the repayment of debt, through a prudent Minimum Revenue Provision (MRP) policy. The Council's MRP policy is included in Appendix 7f to the Treasury Management Strategy.

8.4 The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and medium term financial plans. This enables Members to consider the consequences of capital investment alongside other competing priorities for revenue funding. The financing costs of prudential borrowing are charged to directorate budgets.

8.5 Capital investment decision-making is about not only ensuring the initial allocation of capital funds meets the corporate and service priorities but ensuring the asset is fully utilised, sustainable and affordable throughout its whole life. This overarching commitment to long-term affordability is a key principle in any capital investment appraisal decision. In making its capital investment decisions the Council must have explicit regard to consider all reasonable options available.

9. Business Loans Fund

9.1 In 2009/10 the Council set up a £3m fund for businesses to safeguard and create jobs in Blackpool during the recession. The aim of the fund is to provide a lifeline for local, normally sound businesses that are experiencing difficulty in getting finance from the banks because of the economic slowdown. A number of small unsecured loans were issued to local businesses.

9.2 As part of the 2019/20 budget process the Business Loans Fund was increased to £200m. A number of secured loans have since been issued and are treated as capital expenditure.

- 9.3 By issuing these loans the Council is exposing itself to the risk that the borrower defaults on repayments. The Council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications.
- 9.4 The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits with the risks. All loans are agreed as below and are subject to close, regular monitoring.

Loan Amount	Agreed by
Loans under £200,000	Chief Executive
£200,000 to £499,999	Cabinet Member
£500,000 and above	Executive

- 9.5 The Council makes loans through the Business Loans Fund for a number of reasons primarily economic development, regeneration and investment objectives.
- 9.6 The Council in making these loans mitigates associated risk by:
 - Carrying out a full independent due diligence exercise
 - Ongoing monitoring of the loans
 - Ensuring adequate security is in place
 - The financial exposure of the Council is proportionate to its size. This is currently set at £200 million
 - All loans of £500,000 and above are agreed by the Council’s Executive.
- 9.7 The Department for Levelling Up, Housing and Communities (DLUHC) is currently consulting on changes to the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which will affect the accounting for and impact of MRP. The Treasury Management Panel is currently reviewing the proposals and potential impacts in respect of business loans. It is unclear at this stage how these changes will affect the ability of Blackpool Council to provide these loans in the future if at all.

10. Governance Framework

- 10.1 It is important given the risks surrounding Growth and Regeneration Projects that the appropriate governance framework is in place hence the following processes are in place:
 - The Capital Strategy to be presented annually at Full Council
 - All schemes and the overall Capital Programme are subject to approval by the Executive and Full Council
 - Cabinet Members are assigned projects in line with their responsibilities
 - A senior officer group exists known as the Growth and Prosperity (G&P) Board which is chaired by the Director of Communications and Regeneration. The group monitors the delivery of the G&P programme on an ongoing basis.
 - Directorate Management Teams must agree all deletions and additions to their directorate capital programme before they go to Corporate Asset Management Group
 - The Capital Programme is guided by the Council’s Capitalisation Policy and Financial Procedure Rules of the Council

- The Capital Programme is subject to Internal and External Audit Review
- Scrutiny Committee can call in Executive Reports
- The Investment Strategy will be reviewed on a monthly basis by Growth and Prosperity and reported as part of the monthly budget monitoring reporting process.

11. Commercial Activity

- 11.1 The Council has a strong governance framework. It has a Treasury Management Panel (TMP) in addition to the usual local government audit and corporate governance committees. The TMP is made up of leading officers from across the authority and is led by the Section 151 officer.
- 11.2 Due diligence is of paramount importance. All of the Council's commercial investments have individual business cases that are subject to risk assessment. Where risks are identified attempts are made to mitigate and sensitivity calculations undertaken as a result. Where appropriate to the size and scale of the project the Council may also commission independent technical and legal reviews to ensure that the correct decisions are being made.
- 11.3 Performance monitoring takes place after the scheme is completed and is reported to Members and senior officers on an ongoing basis and is reported to Members and senior officers as part of the monthly budget monitoring process.
- 11.4 Audits will be carried out during the lifecycle of investments.
- 11.5 The Council follows a beyond prudence approach to governance of commercial activities. It ensures that all commercial schemes are fully aligned with priority outcomes.

12. Risk Appetite Statement

- 12.1 This outlines Blackpool Council's risk appetite with regard to its investment and commercial activities, i.e. the amount of risk that the Council is prepared to accept, tolerate or be exposed to at any point in time. It is important to note that risk will always exist in some measure and cannot be removed in its entirety.
- 12.2 The risk appetite statement sets out how the Council balances risk and return in pursuit of achieving its objectives. It is intended to aid careful decision-making, such that the Council takes well thought through risks to aid successful delivery of its services and obligations, while also understanding the adverse aspects of risk undertaken and taking appropriate measures to mitigate these in line with its stated goals. Thereby, the Council's risk judgements are more explicit, transparent and consistent over time.
- 12.4 Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and

appreciate the element of risk in all their activities.

- 12.5 The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. To manage financial risk effectively the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 12.6 It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies. An assessment of risk should be built into every capital project and major risks recorded in the Risk Register.
- 12.7 **Credit Risk** – This is the risk that a third party the Council has invested capital monies in becomes insolvent and is unable to pay the investment returns or complete the agreed contract. Accordingly, the Council will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.
- 12.8 **Liquidity Risk** – This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. The Council's exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Where possible appropriate interventions will occur as early as possible.
- 12.9 **Interest Rate Risk** – This is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations. Covid loans to wholly owned companies, have left the authority exposed to interest rate risk but have been provided in order to give certainty in uncertain times.
- 12.10 **Exchange Rate Risk** – This is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- 12.11 **Inflation Risk** – This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the on-going monitoring

arrangements to identify such adverse effects. As far as possible the Council's exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

12.12 Legal and Regulatory Risk – This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, the Council will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

12.13 Fraud, Error and Corruption – This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the Council's policies and procedures. This is supported by the Employee Code of Conduct and policies such as Anti-Fraud and Corruption, Anti Money Laundering and Declaration of Interests.

12.14 Risk management is not a stand-alone discipline. In order to maximize risk management benefits and opportunities, it is integrated with existing business processes.

12.15 Some of the key business processes with which risk alignment exists are:

- Capital Strategy
- Medium-Term Financial Plan
- Internal Audit
- Business Planning (including budget)
- Performance Management
- Treasury Management
- Council-owned subsidiaries and joint ventures
- External Audit review

13. Knowledge and Skills

13.1 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive local government finance experience between them. They follow a Continuous Professional Development Plan (CPD) and attend courses on a regular basis to keep abreast of new developments and skills. The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is also a professionally qualified accountant and follows an ongoing CPD programme.

13.2 All the Council's commercial projects have project teams from all the professional disciplines across the Council as and when required. External professional advice is taken where required and usually sought in consideration of any major commercial property investment decision.

- 13.3 Internal and external training is offered to Members on an annual basis to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions.
- 13.4 The Council's Treasury Management Panel (senior officer group) reviews all commercial and investment deals at inception. Responsibility for the projects is then passed to specific Project Boards and any areas of financial concern are reported back to Panel.

14. Treasury Management

- 14.1 The Council also produces a Treasury Management Strategy which is approved by Full Council annually as part of the budget setting process.
- 14.2 There are close links between the Capital Strategy, Capital Programme and Treasury Management Strategy. The capital programme determines the borrowing need of the Council, essentially the longer term cashflow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cashflow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 14.3 At the end of 2026/2027 it is forecast that the Council's long-term debt will be £268m.
- 14.4 The Council's Authorised Limit for 2024/25 is £727m and represents a limit beyond which external debt is prohibited, this limit needs to be set or revised by the Full Council.
- 14.5 The Council's Operational Boundary debt forecast for 2024/25 is £717m. This represents the limit beyond which external debt is not normally expected to exceed.
- 14.6 The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding. Over the period 2024/2025 – 2026/2027 the Council is forecast to make a provision of £43.6m for the repayment of debt. The bulk of Council borrowing is linked to the Business Loans Fund and Economic Regeneration Schemes. These schemes generally generate a financial return to the Council above the borrowing cost and are usually asset-backed.
- 14.7 The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its treasury management activities.
- 14.8 The Executive is the body responsible for the governance of Treasury Management within the Council. It recommends an annual Treasury Management Strategy to Full Council for approval as part of the annual approval of the Budget. It also receives a half-year review report and the annual Treasury Management outturn report.
- 14.9 The Treasury Management Panel, which comprises the Director of Resources, Finance Manager and representatives from Corporate Finance and Blackpool Coastal Housing, has responsibility for managing the risks associated with treasury management

activities on an operational basis.

14.10 Treasury Management is also subject to regular Internal and External Audit reviews.

15. Prudential Indicators

15.1 The Prudential Code requires the production of prudential indicators, which are included at Appendix 7e to the Treasury Management Strategy.

PROPERTY INVESTMENT STRATEGY 2024/25
1.0 Introduction

- 1.1 This Property Investment Strategy has been updated with effect from December 2022 to meet the requirements of Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Property Investment Guidance published in November 2019. It focuses mainly on non-cash investments as shown in the table below.

Type of Investment	Strategy
Day to day investment of surplus cash balances – Treasury Management Investments	Treasury Management Strategy
Loans and acquisition of shares in wholly owned companies, joint ventures and other organisations for service and economic regeneration purposes	Investment Strategy
To earn investment income	Investment Strategy

2.0 Treasury Management Investments

- 2.1 The Council holds cash balances for day-to-day use, to make payments to suppliers, contractors and payroll. Balances arise as there are timing differences between Council Tax and Business Rates collected and distributed, and between other income generated and the associated service or debt management costs. The timing of long-term borrowing will be determined depending on the interest rates available which may mean that funds are held for a short period before they are required. The Council also holds reserves for future expenditure.
- 2.2 The consequential cash surpluses are invested in accordance with guidance from CIPFA. The balance of treasury management investments is expected to fluctuate with changing cash surpluses throughout the financial year. The management of cash surpluses are detailed in the Treasury Management Strategy.
- 2.3 Treasury Management Investments are reported monthly to the Treasury Management Panel with regular updates provided to the Executive.

3.0 Loans for Service purposes

- 3.1 The Council may lend money to its subsidiary companies and joint ventures, suppliers, local businesses and charities, other local service providers, local residents and its employees to support local public services and stimulate economic generation and growth.
- 3.2 These loans are generally provided on a commercial basis and are funded by borrowing. Loan repayments of principal are treated as a capital receipt and are available to offset against the Capital Financing Requirement (CFR). As a result there is no need to set aside a Minimum Revenue Provision (MRP) to repay individual borrowing.
- 3.3 The Council assesses the risk of loss before entering into, and whilst holding, service loans and undertakes further work where necessary to assess:
- who the loan is to be made to - with appropriate enquiries to fully understand the entity where the entity is not already known/associated with the Council
 - the revenue stream associated with the loan to be made
 - that the loans will be secured against capital assets where possible, ensuring the Council receives the asset in the event of non-repayment
 - credit ratings are not routinely used for known associated entities, but would be used for supplier loans
- 3.4 Many of the most significant loans are made to subsidiary undertakings, and appropriate due diligence is undertaken. Where loans are made to external parties, these are subject to a thorough due diligence process using a range of internal and external advisors with appropriate expertise and experience to ensure appropriate risks are considered and highlighted prior to a report appraising the application being submitted to the Loans Panel.
- 3.5 The main risk when making loans is that the borrower will be unable to repay the principal lent and/or the interest due. To mitigate this risk, loans are generally fully secured against assets and only in specific and special cases would the Council consider making loans that exceed 70% loan-to-value of assets.

3.6. The following table sets out the loan facilities available (exceeding £2m) as at 31 December 2023:-

ORGANISATION	TOTAL LOAN FACILITY (£m)
Blackpool Housing Company	41.1
Blackpool Transport Services	46.2
Ocean Boulevard III	12.0
Blackpool Teaching Hospitals	9.2
Coolsilk	9.2
Create Developments (Blackpool) Ltd	7.8
Create Developments (Bispham) Ltd	5.5
Blackpool Entertainment Company	9.4
Blackpool Pleasure Beach	5.6
Blackpool Airport Operations	3.7
TOTAL	149.7

3.7 These facilities are the upper limits on the outstanding loans to each borrower approved by the Council. Any additional loan would have to be subject to further consideration by the Council.

3.8 Loans when issued are expected to be repaid in full with interest. The loans are continuously monitored and if at any time during the monitoring there any indications that the loan is not are expected to be repaid in full, the Officer Due Diligence Group will report this to Loans Panel. The Panel will implement the credit control arrangements it has in place to prevent and recover overdue sums, as appropriate. The after effects of the Covid pandemic and current economic uncertainties as a result of inflationary pressures are likely to continue to have an impact on businesses in 2024/25 and their ability to repay loans drawn down. It is however hoped that interest rates may fall in 2024/25 and that this risk will be mitigated. Any recovery action plans will be monitored and reported to the Business Loans Fund Panel on a monthly basis.

4.0 Shares for Service Purposes

- 4.1 The Council may invest in the shares of its subsidiaries and other jointly owned public sector led activities. In exceptional circumstances it will consider investing in its suppliers, local businesses and organisations to support local service provision and or stimulate local economic growth and regeneration.
- 4.2 Where an investment in shares is treated as capital expenditure and is financed by borrowing, Minimum Revenue Provisions (MRP) is set aside for repayment of the borrowing which may be calculated to match asset life, or over a shorter period in line with the Council's MRP policy (Treasury Management Strategy, Annex F).
- 4.3 Shares are not held by the Council solely as an investment to achieve dividend income and for future sale, however a fall in value whereby the initial outlay may not be recovered would be a risk. To mitigate this risk, a full due diligence exercise is carried out before the purchase of shares and a business case will balance benefits with the risks. The accounts of subsidiary companies are also subject to regular monitoring.
- 4.4 The Authority does not invest in any non-specified investment types. The government defines a non-specified investment as a financial investment that is not a loan and does not meet the criteria to be treated as a specified investment see Treasury Management Strategy, Annex D for definitions of specified and non-specified investments. Shares are treated as capital investment and therefore do not meet this definition.

5.0 Strategic Property Investments

- 5.1 The Department of Levelling Up, Housing and Communities (DLUHC) defines property to be an investment if it is held primarily or partially to generate a profit. The Council's Commercial Property Portfolio, including assets held for future redevelopment, are included in this category.
- 5.2 As the Council does not currently have significant levels of funds for long-term investment, the Council does not invest in property as an Investment Strategy **solely** to achieve financial income.
- 5.3 The Council does invest in property if there is a strategic reason for the acquisition and there is a legal power to do so. Strategic property assets may be affordable to hold in the long term if they also generate a profit that can be spent on local public services. Strategic properties may be held for a variety of reasons including:
 - a) Proposed redevelopment of the site or surrounding area
 - b) Future potential redevelopment of a site or surrounding area
 - c) To influence commercial use of a site
 - d) Consolidation of interests in a site
 - e) To acquire part of a site for an alternative use
 - f) To maintain a property with an existing use, or to make it available for an alternative use

- g) As a result of a relationship with a strategic partner, other public sector body or business within the Borough.

- 5.4 The Council's Commercial Property Portfolio has been acquired over time and comprises office, retail and industrial assets within Blackpool and the surrounding Local Economic Partnership area.
- 5.5 DLUHC guidance on Local Government Investments (2018) considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. Valuations vary depending on many factors including the local, national and global economic climate. For property investments, the valuation is directly related to the rental income achieved, a vacant area may therefore have a significant impact on the valuation. Whilst it is important to monitor the property valuations, the Council has treated these acquisitions as capital expenditure and appropriately funded these assets. The property assets are not being held for sale solely as a means to repay borrowing, the intention is for them to be held for the long term.
- 5.6 All investment properties that cost or were previously valued in excess of £500k are revalued on an annual basis to provide a fair value for the preparation of the Council's accounts. The investment properties that cost or were previously valued under £500k are valued on a 4-year rolling programme. The Council believes there is no benefit to valuation being completed within 12 months of acquisition, unless a material change in the occupation or condition of the building occurs and/or the market undergoes significant change.
- 5.7 The Council assesses the risk of loss before entering into and whilst holding property investments. Consideration is given to the operational service or strategic benefit/opportunity provided by acquisition of the asset set against the risk of loss of income to service the capital expenditure. In each case the Council/Executive will receive information on the tenancies and likely income to be achieved from any vacant areas. Investment is in the context of the long-term development plans and vision for Blackpool, the Medium-Term Financial Sustainability Strategy and level of reserves to mitigate any downturn.
- 5.8 Property is held as a long-term strategic asset and not a short-term financial asset. It is funded as capital expenditure and it is not therefore being held with a view to being able to convert to cash at short notice, as a treasury investment would be. Where the source of funding is borrowing, the debt taken falls within the Council's Borrowing Strategy and MRP Strategy which form Annex C and Annex F of the Treasury Management Strategy.

6.0 Proportionality

- 6.1 The Council has only been able to maintain and increase service activity and support to the local community in recent years through use of the income generated from investments in group companies and strategic commercial income. Without this

income services would have had to be reduced at a time when they are most needed as other support for the vulnerable in Blackpool is under severe pressure.

- 6.2 Income has also supported the Council’s long-term redevelopment of Blackpool Town Centre, achieving a better offer for local people, attracting businesses and employers to the Borough and contributing towards housing needs. This is a long-term vision and the development continues with further town centre improvements such as the Holiday Inn Hotel and the Tramway link helping make Blackpool a town with a sustainable future.
- 6.3 The contribution made on profit-generating investment activity helps maintain this level of regeneration whilst achieving a balanced revenue budget. The table below shows the proportion of income derived from investments as a percentage of the Council’s net service expenditure. The revenue consequences of capital investment will be monitored throughout the year.

	2023/24	2024/25	2025/26	2026/27
	Forecast	Budgeted	Budgeted	Budgeted
	£'000	£'000	£'000	£'000
Net Service Expenditure	176,276	192,762	188,098	190,039
Treasury Management Investment Income	845	150	150	150
Commercial Rental Income	6,500	7,000	7,200	7,500
Proportionality of investments	3.68%	3.74%	3.83%	3.95%

- 6.4 The Council utilises reserves to manage short-term fluctuations in income. Investment performance data will be monitored on a monthly basis. Should there be a significant permanent reduction in income, service provision would need to be reviewed.

7.0 Capacity, Skills and Culture

- 7.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Director of Resources, Head of Accountancy, Finance Managers and senior members of the Finance team are qualified accountants with many years’ experience. The Council has a Strategic Asset Manager and Estates Management team with experience in managing properties and valuation. The Council also has an in-house legal team led by the Head of Legal Services and Director of Governance and Partnerships (Monitoring Officer).

- 7.2 External advisors and consultants are used where the Council does not have the technical knowledge, experience or skills required, or the magnitude of the investment warrants external verification or support. They are also used to supplement the internal resource if Council staff do not have the capacity to manage the Council's requirements.
- 7.3 The Council supports training towards professional qualifications and for staff to attend relevant training courses for continued professional development. A management training programme is also being completed by senior members of staff. Blackpool Council is accredited by the Chartered Institute of Management Accountants (CIMA), the Association of Chartered Certified Accountants (ACCA) and CIPFA, and provides a working environment to support members and trainees of these accounting bodies. Specific training and briefing sessions are organised on subjects or projects as needs are identified.

8.0 Investment Indicators

- 8.1 The Authority has set the following quantitative indicators to provide information on the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure and funding

- 8.2 Total risk exposure is the Authority's total exposure to potential investment losses. Blackpool Council has a revenue budget of £192.76m and its larger investments are budgeted to contribute around £7m towards this in 2024/25. In line with CIPFA guidance Blackpool Council investment risk will be reviewed on a monthly basis by the Growth and Prosperity Board and six monthly by the Executive.
- 8.3 At 31st March 2024 the Council is estimated to under borrow by approximately £121m. This means that the Council's reserves and working capital balance were being used to reduce the actual borrowing taken. This is prudent as investment returns are low and short-term finance is readily available on the market.

Rate of return

- 8.4 Blackpool Council has been analysing the return it derives from the larger assets within its investment portfolio. As recommended by the CIPFA Prudential Property Investment Guidance the Council will improve on reporting on the rate of return derived by investments to ensure returns do not fall below expected levels. This information will form part of the six-monthly Executive report on Investments.
- 8.5 The Council expects investments to deliver the following rates of return (investment income less all associated costs as a proportion of the sum invested). This rate of return is reflective of normal circumstances and not the environment that has materialised since the initial Covid outbreak. Property investors across the world have suffered as a result of the pandemic.

Investment	Normal Expected Rate of Return
Treasury Management Investment	>3.5%
Loans	>2.15%
Shares in Council Companies	nil
Property Investment	>2%

Consideration of Other Indicators

- 8.5 The Treasury Management Strategy includes additional focussed indicators which are not replicated here. Consideration will be given to further performance indicators to be included in future years, which would complement the information included in this report.

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member	Councillor Lynn Williams, Leader of the Council
Date of Meeting	5 February 2024

CAPITAL PROGRAMME 2024/25 TO 2026/27

1.0 Purpose of the report:

1.1 To consider recommending to Council the 2024/25, 2025/26 and 2026/27 Capital Programmes.

2.0 Recommendation(s):

2.1 To recommend to Council:

1. To approve the Capital Programme for 2024/25 and exemplifications for 2025/26 and 2026/27 as set out at Appendix 6a
2. To agree that Executive approvals will continue to be required for all prudential borrowing schemes (reference paragraph 6.10).
3. To agree to continue with the Single Capital Pot approach as outlined in Section 6 with a top slice of 12.5% to allow for investment in key priority areas and overspends that are not otherwise fundable (reference paragraph 6.11).
4. To approve the Capital Prudential Indicators as identified in Appendix 6b.

3.0 Reasons for recommendation(s):

3.1 To ensure delivery of the Council's key objectives and priorities in line with the other elements of the Council's budget framework.

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

- 3.3 Is the recommendation in accordance with the Council's approved budget? Not applicable - the report once approved will become part of the Council's new approved budget
- 4.0 Other alternative options to be considered:**
- 4.1 None.
- 5.0 Council priority:**
- 5.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool"
- 6.0 Background information**
- 6.1 The Council's 2024/25 Capital Programme runs concurrently with the 2024/25 revenue budget and reports on both are submitted to this meeting for approval. Capital schemes usually extend over a number of years and for that reason the programme projects forward indicative spending for 3 years. This report updates the programme reported in last year's budget and seeks to ensure that capital expenditure is allocated to areas that will contribute to meeting the Council's priorities, the report also takes into account the effects of the impacts of Covid, labour shortfalls, supply chain bottlenecks and inflationary pressures on progress of the programme. The capital programme submitted for approval for 2024/25 is £25.6m and over a three-year period is estimated at £143.3m (See Appendix 6a).
- 6.2 The 2025/26 and 2026/27 programmes have been drawn up based upon known allocations and provisional bids. Government announcements in respect of some allocations have once again been delayed this year due to this situation Blackpool Council has chosen to include estimates of these figures. An update will be provided to Executive once these allocations have been announced. These will be reviewed as part of the budget processes for 2025/26 and 2026/27 in the light of changing priorities and final funding levels, which means that no commitment can be made as yet in respect of those new schemes identified for 2025/26 and 2026/27.
- 6.3 The Council has suffered from severe cuts in capital funding. It has continued to be proactive in seeking additional funding for schemes, and has been the beneficiary of a number of multi-million pound grants in recent years.
- 6.4 The status of the Capital Programme is reported monthly to the Corporate Leadership Team (CLT) and the Executive as well as the Tourism, Economy and Communities Scrutiny

Committee.

- 6.5 The Capital Programme now submitted is consistent with that agreed for 2023/24. It includes identified commitments for housing developments. The scale of these commitments means that there are very limited resources to deliver additional schemes that are not fully funded.
- 6.6 The Capital Programme prepared for 2024/25 does not include budgeted expenditure that has previously been approved by Executive. Blackpool Council has approximately £100m available for capital projects, e.g. Tower Steel, Town Deal and Central Business District phase 3 that have been approved in previous years but not yet expended. The total capital budget therefore for 2024/25 is in reality approximately £102.7m.
- 6.7 The programme does not yet take account of funding announcements anticipated in respect of Capital schemes. Additional funding streams are expected to be confirmed after the approval of this Capital Programme and reference will be made in the subsequent financial monitoring report to Executive.
- 6.8 The Capital Programme proposed demonstrates the increased investment that Blackpool Council is making in the town to ensure that Blackpool develops a year round economy that both attracts visitors and encourages growth in the town.

6.9 **Capital Funding**

The Council's capital spending is funded from specific capital grants, capital receipts and revenue contributions. In addition to these traditional forms of funding the Council can undertake Prudential Borrowing within limits set by the Council itself.

6.10 **Prudential Borrowing**

A relaxation of controls upon local authority borrowing was introduced from 2004/05 and requires prudent management because the debt financing costs of such borrowings are not supported by Government grant and fall directly upon Council Tax unless the schemes themselves generate sufficient savings or income to meet the financing costs. The approach agreed by this Council is that Prudential schemes can only take place in the following circumstances:

- (1) Prudential Borrowing schemes must be specifically authorised by the Executive.
- (2) The financing costs of such schemes will be charged to identify service budgets by means of a budget virement to the central Treasury Management budget.
- (3) The total level of Prudential borrowing must remain within the limits set in the Council's annual Treasury Management Strategy (see separate report to this Executive meeting).

Therefore, in most cases Prudential Borrowing will only be approved where the scheme is likely to be self-financing over a reasonable payback period (such as energy management initiatives) or where there is an identified budget which can meet the costs.

In recent years suppressed interest rates have encouraged the use of Prudential borrowing and provided an opportunity for Blackpool Council to invest in schemes that may not have been viable in the past. The investment made in capital schemes is monitored via the monthly report provided to Executive. The movement in interest rates is also monitored via the Treasury Management Panel.

Interest movement over the last twelve months have led to review of capital schemes and their ongoing viability.

The Council adheres to CIPFA's *Prudential Code for Capital Finance in Local Authorities* which requires authorities to set a range of 'Prudential Indicators' as part of the Budget-setting process. Those relating specifically to the Capital Programme are as follows with more detailed information in Appendix 6b:-

- (1) The actual capital position – (Non-HRA and HRA) for 2023/24 will be reported as part of the 2024/25 Capital Outturn report to Executive.
- (2) Prudence – capital expenditure including commitments for non-HRA and HRA for 2024/25 will be reported monthly to the Executive by means of the Capital Monitoring report.

6.11 **Single Capital Pot**

The Council has capital funding made available to it by the Government in the form of capital grants. These fall into two categories of ring-fenced and non-ring-fenced. The ring-fenced capital grants can only be used for specifically named schemes. An example of this type of funding is the Devolved Formula Capital grant that is specifically allocated to individual schools. In addition, the Government makes available non-ring-fenced capital grants. These allocations come from individual Government departments but fall into the category known as Single Capital Pot. This means they can be used for any proper capital expenditure on any service. Good practice shows that the Council would allocate this funding to a capital programme to meet its priorities and objectives without regard to the source Government department providing the funding. However, the problem with this approach is that there is a possibility of these allocations being reduced in future years. It has therefore previously been agreed that the central government allocations to individual services should remain broadly as originally notified.

- 6.12 There is clearly a balance to be had in looking at the overall investment needs of the Council and individual service priorities. It is proposed that the Council uses some non- ring-fenced

capital grants in future for its corporate priorities, thereby allowing key schemes to proceed. The intention would be to retain the top-slice at 12.5% (12.5% first applied in 2005/06) of basic service capital grant in 2024/25 for corporate priorities including additional expenditure anticipated on existing schemes. The impact of this 12.5% proposal is set out below (excluding Disabled Facilities Grant - see 6.15):

Department	2024/25 Non-ring-fenced Allocations £000	12.50% Top-slice £000	Net Total £000
Communications and Regeneration	2,567	321	2,246
Adult Services (see 6.15 below)	2,615	71	2,544
Children's Service	579	73	506
TOTAL	5,761	465	5,296

- 6.13 Regular capital monitoring identifies schemes for which there is a contractual and legal obligation to fund and these become a call on available resources. There are 3 areas that fall into this category:

	£000
Previously approved legacy costs	100
Carleton Crematorium - Cremators	214
Development of Carleton cemetery	125
Unallocated	26
TOTAL	465

- 6.14 As can be seen from the table below the non-ring-fenced capital grant allocation demonstrates no change from 2023/24 to 2024/25:

Department	2023/24 £000	2024/25 £000	Increase £000
Communications and Regeneration	2,567	2567	0
Adult Services	2,615	2615	0
Children's Service	579	579	0
TOTAL	5,761	5761	0

- 6.15 Disabled Facilities Grant of £1,986k has been identified for 2024/25. This is an integral part of the Better Care initiative (formerly Integrated Transformation Fund) to support the integration of health and social care and as such will be protected for this purpose.

6.16 **Capital Receipts**

The Council has and will continue to commit capital receipts to the support of the capital programme. The realisation of capital receipts is essential in ensuring future schemes can proceed. In order to offset increased pressures as a result of inflation and interest rate rises, consideration is given to offsetting capital expenditure using capital disposals via the formation of an asset disposal programme.

6.17 **Priority Led Budgeting**

During 2013/14 the Corporate Asset Management Group formally agreed that a Priority Led approach would continue to be adopted in approving capital schemes from the available corporate resource.

The agreed approach allocates capital resources in line with the legislative framework, i.e. priority schemes are deemed to be those which include statutory obligations or health and safety issues.

A range of categories was agreed that could be assigned to each scheme:

Category 1 – have to do – statutory obligations, health and safety, committed schemes, overspends

Category 2 – need to do – schemes that generate future revenue savings or support transformational process

Category 3 – able to do - fully prudentially funded schemes / School schemes where resources available

Category 4 – want to do – aspirational schemes that the Council would like to progress should resources be available and which align with Corporate Priorities

Category 5 – do not want to do – schemes that do not align with Corporate Priorities.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy incorporates the Capital Programme.

6.18 Capital Programme

The proposed Capital Programme takes account of all available resources including capital receipts and the top-sliced resource to fund corporate priorities and other costs. These are identified at Appendix 6a.

The proposed schemes that will proceed or are in progress are set out in detail at Appendix 6a The expenditure by directorate is:-

Directorate	2024/25 £000	2025/26 £000	2026/27 £000
Communications and Regeneration	3,104	3,425	3,425
Housing Revenue Account	16,534	10,133	7,608
Community and Environment	1,857	37,589	49,128
Adult Services	2,544	2,615	2,615
Children's Services	1,133	579	579
Resources			
Governance and Partnerships			
Net top-slice	465	TBD	TBD
TOTAL	25,637	54,341	63,355

The proposed Capital Programme supports key priorities, in particular regeneration of the town. The key schemes to be undertaken in the next twelve months are:-

- (1) Central Business District Phase 3
- (2) Multiversity site acquisition
- (3) Enterprise Zone

Furthermore, capital schemes are inevitably incurring pressures due to inflation, interest rates and supply chain issues. The Council is working with partners to develop options for the overdue Foxhall Village housing scheme and a separate report is due at Executive later in the New Year.

A number of long-term strategic schemes such as the Blackpool Central development are referred to elsewhere in this report. On occasion the opportunity to purchase small parcels of land or property associated with these may arise and where these purchases are essential to the project and can be completed within officer delegations this will be done within the existing contingency.

6.19 **Management of the Risks Associated with the Capital Programme**

The key risks in terms of the management of the proposed capital programme are:-

- (1) Interest rates
- (2) Inflation and supply chain issues
- (3) Expected revenue streams derived from capital schemes are not delivered.
- (4) Private sector developers unable to raise finance, renegotiating or pulling out of deals
- (5) Contractors likewise getting into financial difficulty
- (6) Anticipated funding, e.g. grant, capital receipts and s.106 monies, not being realised and / or the clawback of external funding resulting in funding shortfalls
- (7) Delivery of the scheme over-budget and / or late
- (8) Increased reliance on borrowing, which is linked to the interest rate risk.

Regular monthly capital monitoring reports are provided and Finance staff aim to meet with project managers of the larger and more complex schemes on a monthly basis. A risk register and details of projected overspends on schemes are also provided on a regular basis.

Schemes that have specific funding attached should only proceed where the external funding has been formally agreed. There is no commitment upon the Council to fund a shortfall in such circumstances.

In addition, 2023/24 saw the emergence of interest and inflation as major areas of risk within the Capital Programme. These are reported to the Corporate Leadership Team and work is ongoing to address these issues and mitigate where possible. A risk-based reserve strategy continues to be operated through the Medium-Term Financial Sustainability Strategy and paragraph 10.2 recommends the creation of a top-slice contingency in the result of any overspends arising.

A review of the property portfolio of the Authority is currently underway which may identify properties that may be disposed of in future years in order to ensure the funding of current / future regenerative schemes.

6.20 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 6a- Capital Programme Summary and by Service
Appendix 6b- The Prudential Code for Capital Finance- Prudential Indicators

8.0 Financial considerations:

8.1 Once approved, capital budget monitoring will be reported to the Executive on a monthly basis with effect from Month 3 2024/25.

9.0 Legal considerations:

9.1 As outlined in the report.

10.0 Risk management considerations:

10.1 As outlined in the report

11.0 Equalities considerations and the impact of this decision for our children and young people:

11.1 As outlined in the report.

12.0 Sustainability, climate change and environmental considerations:

12.1 As outlined in the report.

13.0 Internal/external consultation undertaken:

13.1 Internally with Capital Asset Management Group and the Corporate Leadership Team.

14.0 Background papers:

14.1 Individual scheme business cases and budget working papers.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 25/2023

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

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 26 January 2024 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1

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BLACKPOOL COUNCIL

Appendix 6a

CAPITAL PROGRAMME 2024/25 TO 2026/27

SERVICE	FOR APPROVAL	FOR INFORMATION	FOR INFORMATION
	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
COMMUNICATION & REGENERATION	3,104	3,425	3,425
HOUSING REVENUE ACCOUNT	16,534	10,133	7,608
COMMUNITY & ENVIRONMENT	1,857	37,589	49,128
ADULT SERVICES	2,544	2,615	2,615
CHILDREN'S SERVICES	1,133	579	579
RESOURCES	-	-	-
GOVERNANCE AND PARTNERSHIPS	-	-	-
TOP-SLICE TO BE ALLOCATED	465	TBD	TBD
TOTAL PROGRAMME	25,637	54,341	63,355

FUNDING SOURCES	FOR APPROVAL	FOR INFORMATION	FOR INFORMATION
	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
GRANTS / CONTRIBUTIONS	9,222	7,830	7,270
PRUDENTIAL BORROWING	6,392	2,303	338
SPECIFIC CAPITAL GRANTS	9,103	44,208	55,747
CAPITAL RECEIPTS	920	-	-
REVENUE CONTRIBUTIONS	-	-	-
TOTAL FUNDING	25,637	54,341	63,355

Please note that capital funding and spend approved in previous years that has slipped into this period is not reflected in this schedule.

BLACKPOOL COUNCIL

CAPITAL PROGRAMME 2024/25 TO 2026/27

	FOR APPROVAL	FOR INFORMATION	FOR INFORMATION
	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
GRANTS / CONTRIBUTIONS / ETC.			
C & YP - Devolved Capital			
HRA Revenue	7,290	7,000	7,000
Homes England	1,662	560	
Leaseholder Income	62	62	62
BCH Various	208	208	208
Revenue - Towns Fund			
BFC - Towns Fund			
PRUDENTIAL BORROWING			
CBD Phase 3			
Towns Fund			
HRA	6,392	2,303	338
SPECIFIC CAPITAL GRANTS			
Children - Condition	506	579	579
Children - Top-Slice @ 12.5%	73		
Childrens - Basic Need	627		
Childrens - High Needs Provision			
ASC - Social Care	558	629	629
ASC - Top-Slice @ 12.5%	71		
LTP - Integrated Transport	1,397		
LTP - Maintenance	1,516		
LTP - Top-Slice @ 12.5%	321		
Local Integrated Transport Scheme		3,234	3,234
Highways - Network North	191	191	191
EA - Coastal	1,857	37,589	49,128
Disabled Facilities Grant	1,986	1,986	1,986
Towns Fund			
CAPITAL RECEIPTS			
Housing - Right to Buy	920		
REVENUE CONTRIBUTIONS			
TOTAL RESOURCES			
	25,637	54,341	63,355

BLACKPOOL COUNCIL
CAPITAL PROGRAMME 2024/25 TO 2026/27

FOR APPROVAL FOR INFORMATION FOR INFORMATION

Communication and Regeneration

	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
LTP - Capital Maintenance	1,397	1,501	1,501
LTP - Integrated Transport : Road Safety	90	90	90
LTP - Integrated Transport : Congestion	400	500	500
LTP - Integrated Transport : Visitor Economy	480	597	597
LTP - Integrated Transport : Parking Management	25	25	25
LTP - Integrated Transport : Accessibility	325	325	325
LTP - Monitoring	36	36	36
Programme and Scheme Development	10	10	10
Electric Vehicle charging points	150	150	150
Network North	191	191	191
TOTAL	3,104	3,425	3,425

Please note that capital funding and spend approved in previous years that has slipped into this period is not reflected in this schedule.

BLACKPOOL COUNCIL

CAPITAL PROGRAMME 2024/25 TO 2026/27

FOR APPROVAL FOR INFORMATION FOR INFORMATION

Childrens Services

Condition Funding
 Basic Need (Not top sliced)
 High Needs Provision

TOTAL

2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
506	579	579
627		
1,133	579	579

BLACKPOOL COUNCIL

CAPITAL PROGRAMME 2024/25 TO 2026/27

FOR APPROVAL FOR INFORMATION FOR INFORMATION

	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
	4,500	4,330	4,330
	1,700		
	5,000		
		1,910	
	130	130	130
	920		
	180	180	180
	4,104	3,583	2,968
TOTAL	£ 16,534	10,133	7,608

Housing Revenue Account

Maintain Decent Homes Standard
 Grange Park
 New Build Developments - Whitegate Manor, Kipling & Hammerton
 Acquisition and Refurbishment
 Infills/ Feasibility Study
 Retained RTB Scheme
 Other BHC Fees (Rigby Road / Housing Project Support)
 Other Schemes

TOTAL

Please note that capital funding and spend approved in previous years that has slipped into this period is not reflected in this schedule.

BLACKPOOL COUNCIL
CAPITAL PROGRAMME 2024/25 TO 2026/27

FOR APPROVAL

FOR INFORMATION

FOR INFORMATION

Community & Environment

Coastal Protection

Little Bispham to Bispham

Beach Nourishment

Sand Dunes

Sea Bees

TOTAL

2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
1,000	17,720	22,430
-	14,674	25,500
207	195	198
650	5,000	1,000
1,857	37,589	49,128

BLACKPOOL COUNCIL

CAPITAL PROGRAMME 2024/25 TO 2026/27

FOR APPROVAL

FOR INFORMATION

FOR INFORMATION

Adult Services

Disabled Facilities Grant
Adult Social Care

2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
1,986	1,986	1,986
558	629	629
2,544	2,615	2,615

TOTAL

BLACKPOOL COUNCIL
CAPITAL PROGRAMME 2024/25 TO 2026/27

	FOR APPROVAL	FOR INFORMATION	FOR INFORMATION
	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
Resources			
	-	-	-
TOTAL	-	-	-

BLACKPOOL COUNCIL
CAPITAL PROGRAMME 2024/25 TO 2026/27

	FOR APPROVAL	FOR INFORMATION	FOR INFORMATION
	2024/25 PROPOSED PROGRAMME £000	2025/26 POTENTIAL PROGRAMME £000	2026/27 POTENTIAL PROGRAMME £000
Governance and Partnerships			
TOTAL	-	-	-

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THE PRUDENTIAL CODE FOR CAPITAL FINANCE: PRUDENTIAL INDICATORS

1. Prudential Indicators: the actual position

Actual Capital Expenditure for 2024/25

Non-HRA and HRA

After the year-end the actual capital expenditure incurred during the financial year will be recorded. This prudential indicator will be referred to as actual capital expenditure and shall be expressed as 'actual capital expenditure for 0X/0Y'. The Code also requires separate identification of the actual HRA and non-HRA elements of this Prudential Indicator. (*Prudential Code, paragraph 56*).

Actual capital expenditure for 24/25	Non-HRA	HRA
	£m	£m

2. Prudential Indicators for Prudence

Prudential Indicators for Prudence: Capital Expenditure (including capital commitments).

Non-HRA and HRA

Local authorities are required to make reasonable estimates of the total of capital expenditure that they plan to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as the 'estimate of total capital expenditure to be incurred in years 1, 2 and 3'. A local authority that has a Housing Revenue Account (HRA) will identify separately estimates of HRA capital expenditure and estimates of non-HRA capital expenditure. (*Prudential Code, paragraphs 54 and 55*).

The Corporate Asset Management Group in conjunction with the Capital Finance Team have completed the capital programme likely to be required over the next three years, together with the financial resources likely to be available for those schemes. This has taken into account new borrowing for which the Government is providing resources to meet interest and debt repayment costs via Formula Grant, Government grants, capital receipts and other funding (including s106 receipts). The current estimates of capital expenditure that should be funded are:

	Total schemes	Non-HRA schemes	HRA schemes
2024/25	£25.6m	£9.1m	£16.5m
2025/26	£54.3m	£44.2m	£10.1m
2026/27	£63.4m	£55.8m	£7.6m

The above figures have to be approved in the February 2024 Capital Programme report. The Council may as part of its budget considerations in future years decide to approve a lower level of capital expenditure - thus reducing the amount of financing in the revenue budget - or a higher level of capital expenditure if there is scope.

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Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member	Councillor Lynn Williams, Leader of the Council
Date of Meeting	5 February 2024

TREASURY MANAGEMENT STRATEGY 2024/25

1.0 Purpose of the report:

- 1.1 The Council is required by statute to publish an annual Treasury Management Strategy incorporating its Borrowing and Investment Strategies. It is also required to prepare a Capital Strategy incorporating both strategic investments for economic regeneration as well as more detailed capital plans for effective service delivery. The Council's Capital Strategy is the subject of a separate report and will be presented to the Executive and then to Full Council with the Treasury Management Strategy.
- 1.2 In essence the Treasury Management Strategy is an annual plan of how Blackpool Council will manage its investments and cashflows. It identifies the Council's borrowing needs and shows how it will invest temporary surplus cash balances, and how it will control its banking, money market and capital market transactions.
- 1.3 The Scale of Operations at Appendix 7a shows the levels of capital expenditure, borrowing and temporary investments and also the impact that spending on new capital schemes, strategic investments and economic regeneration activities have on affordability levels.

2.0 Recommendation(s):

- 2.1 To recommend to the Council:
 1. To approve the Treasury Management Strategy 2024/25 including both the Borrowing and Investment Strategies which are set out in Appendix 7c and Appendix 7d to this report;
 2. To adopt the Treasury Management Policy Statement, three key principles and four clauses taken from the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (2021 Edition) and set out in Appendix 7b to this report;
 3. To approve the revised Prudential Indicators and Limits for 2023/24 and the new

Prudential Indicators and Limits for 2024/2025 - 2026/27 which are set out in Appendix 7e to this report; and

4. To approve the Minimum Revenue Provision Policy Statement for 2024/25, which will ensure a prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out within Appendix 7f to this report.

3.0 Reasons for recommendation(s):

3.1 The CIPFA Code of Practice on Treasury Management Activities requires the annual approval of strategy and reporting of performance information. This report sets out the Council's Treasury Management Strategy for 2024/25.

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

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 None.

5.0 Council priority:

5.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool".

6.0 Background information

6.1 The Council is required by statute to publish an annual Treasury Management Strategy incorporating its Borrowing and Investment Strategies. It is also required to prepare a Capital Strategy incorporating both strategic investments for economic regeneration as well as more detailed capital plans for effective service delivery. The Council's Capital Strategy is the subject of a separate report and will be presented to the Executive and then to Full Council with the Treasury Management Strategy.

In essence the Treasury Management Strategy is an annual plan of how Blackpool Council will manage its investments and cashflows. It identifies the Council's borrowing needs and shows how it will invest temporary surplus cash balances, and how it will control its banking, money market and capital market transactions.

The Scale of Operations at Appendix 7a shows the levels of capital expenditure, borrowing and temporary investments and also the impact that spending on new capital schemes, strategic investments and economic regeneration activities have on affordability levels.

6.2 **Definition**

The Chartered Institute of Public Financial and Accountancy (CIPFA) defines Treasury Management as *“The management of the organisation’s borrowing, investments and cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*.

6.3 **Background**

Blackpool’s Capital Programme for 2024/25–2026/27 continues to focus on schemes which will help to improve the economic wellbeing and prosperity of Blackpool and the surrounding area. Capital grants received from central government remain at a low level but the Council is using borrowing to invest in regeneration. Total cash moving annually through the Council’s bank account including the re-investment of temporary cash surpluses and re-borrowing of temporary cash shortfalls is expected to once again be over £1.5 billion in the current year.

Large capital regeneration schemes such as the continuing rollout of the Central Business District and the extension of the Tramway to Blackpool North Station are in a mature stage of development, and are anticipated to be completed during the early part of the financial year. Other large schemes are also expected to progress with the Council focusing on those projects which will help grow the economy and prosperity within the town, particularly the Civil service Hub in the centre of the town.

The Treasury Management Panel, which comprises the Director of Resources, Chief Accountant and representatives from Corporate Finance and Blackpool Coastal Housing, has the responsibility for managing the risks associated with treasury management activities on an operational basis. The Panel recognises the need to balance investment risk against achieving an acceptable return on temporary surplus cash balances. The balance sought is to maximise the security and liquidity of the Council’s investments, with higher yields being obtained only where they are consistent with those desired levels of security and liquidity.

6.4 **Objectives**

The objectives of the Treasury Management Strategy are as follows:

- To set the framework for the Council’s treasury management operations
- To manage the Council’s investments and cashflows

- To control banking, money market and capital market transactions
- To plan and secure appropriate borrowing in order to finance the requirements of the Capital Strategy at the lowest overall 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 monitor and 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 is required to:

- Determine its own borrowing limits taking into account its financial situation, long-term plans and in particular what it thinks is affordable now and sustainable in the future
- Monitor its borrowing limits using performance measures called Prudential indicators, these are set out in detail in Appendix E to this report
- Consider annual and six-monthly reports on Treasury Management which contain prudential indicators.

6.5 **Economic Outlook**

The significant events that have occurred over recent years continue to have an impact on both the Global and UK economy. The consequences of the pandemic, the effects of Britain's exit from the European Union and the war in Ukraine are continuing to have an effect on a number of factors including the supply chain and prices. As a result, UK inflation continued to rise in early 2023 but has now started to fall. It is hoped that this will continue and interest rates will fall as a result but it is important that the Council's treasury and investment affairs continue to be managed in a cautious and prudent manner.

The Bank of England consequently has increased the base rate numerous times from 3.5% in January 2023 to 5.25% on the 14th December 2023. There is however a market expectation that rates will fall during 24/25 due to lower than expected levels of inflation. For the purpose of this report the information provided by the Office of Budget Responsibility have been used and this forecasts the base rate will reduce to a 4.9% in 2024. Money market investment rates for temporary surplus cash balances have also increased with the base rate

with the current rate for a three-month fixed-term deposit with a high street bank being typically 5.1%.

Long-term borrowing rates, influenced by gilt yields, returned to relatively stable levels in 2023 given the extreme volatility in 2022 as a result of the September mini-budget, which caused the Bank of England to announce an emergency bond-buying programme. Following the change in government budget proposals, gilts have largely stabilised and expected to mirror the movements in the base rate.

6.6 **Treasury Management Strategy - Key Principles**

A summary of the key principles upon which the strategy is based is set out below and is expanded in more detail in Appendix 7b

- Temporary investments will be restricted to UK Banks and Building Societies unless non-UK institutions satisfy the stringent requirements set out in the Investment Counterparty and Liquidity Framework (Appendix 7d, paragraph 2.4).
- Short-dated Gilts (UK government securities with a life of less than one year) will continue to form part of the Council's approved list of investments.
- Fixed-term cash deposits are currently restricted to terms of not more than three months (subject to review by the Treasury Management Panel).
- Temporary cash surpluses will continue to be applied to reduce the Council's need to borrow.
- New long-term borrowing to support capital expenditure will only be taken in favourable conditions. The Council is a registered shareholder in the UK Municipal Bond Agency, which entitles the Council to borrow from them if the Treasury Management Panel considers them to be competitive.
- The Treasury Management Panel will remain alert to market intelligence through the financial press, contacts in the financial markets and our communication with other local authorities.
- Treasury management advisers will only be engaged on an ad-hoc basis, responsibility for all treasury management activities being retained in-house.
- Long-term debt will be repaid in advance of redemption date where there is demonstrable financial advantage to the Council.
- The Policy for allocating borrowing costs to the Housing Revenue Account (HRA) for 2024/25 and future years will be the same as in previous years and will be based on the HRA

share of the Capital Financing Requirement (HRACFR). The charge will be made up of the interest payable on long-term loans in the Housing Revenue Account pool and an additional charge or credit where the Housing Revenue Account pool of loans is either below or above the HRACFR.

- Prudentially funded capital schemes will be charged a Minimum Revenue Provision (MRP) and interest at the pooled borrowing rate for the General Fund except in exceptional circumstances when the Director of Resources deems it appropriate to use an alternative rate. In cases where the interest rate is lower than the pooled rate there must be clear evidence that the use of the lower rate is affordable. The policy on charging MRP is set out in Appendix 7f. This policy is reviewed annually.

The cost of temporary and long term borrowing has increased significantly over the last 12 months and therefore the Treasury Management Panel will continue to use temporary loans, until the long term rate reduces as expected with the base rate decrease. A switch to long-term borrowing may be made in order to protect the margin and when the interest rate environment is favourable, and to maintain the 50:50 split between long and short term borrowing.

When the Council makes business loans, it takes into account its own cost of borrowing, the likelihood of future interest rate movements, the risks of the venture and any state aid implications in ensuring that it at least covers its own costs.

Capital spending is often financed by using internal balances and by using short-term loans. With interest rates rising once again during 2023 additional pressure is applied to capital schemes.

A revised Treasury Management Code (the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes) and Prudential Codes were issued in December 2021. These apply with immediate effect, however reporting requirements were deferred until the 2023/24 financial year.

6.7 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 7a – Scale of Operations
Appendix 7b– Treasury Management Policy Statement 2024/25-2026/27
Appendix 7c– Borrowing Strategy
Appendix 7d– Investment Strategy 2024/25-2026/27
Appendix 7e – Prudential Indicators 2024/25-2026/27
Appendix 7f – Minimum Revenue Provision (MRP) Strategy 2024/25-2026/27

8.0 Financial considerations:

8.1 As outlined in this report and Appendices 7a to 7f.

9.0 Legal considerations:

9.1 None.

10.0 Risk management considerations:

- 10.1
- Liquidity Risk (accessibility and/or running out of cash)
 - Market Risk (movements in interest rates – yield)
 - Credit Risk (investment counterparties might default – security)
 - Legal Risk (transactions and actions legal/within regulatory limits)
 - Operational Risk (adequacy of internal processes)

11.0 Equalities considerations and the impact of this decision for our children and young people:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 None

13.0 Internal/external consultation undertaken:

13.1 With the Council’s Treasury Management Panel

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 28/2023

15.3 If a key decision, is the decision required in less than five days? N/A

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 26 January 2024 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1

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TREASURY MANAGEMENT STRATEGY 2024/25

ANNEX A – Scale of Operations

Capital Expenditure - The projected capital expenditure - presented here in order to show the complete treasury position - and for which approval is separately requested and as part of the Capital Programme 2024/25 – 2026/27 Report is expected to be:

Capital Expenditure £M	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Non-HRA programme	113	10	84	38
HRA programme	21	17	10	8
Sub total	134	27	94	46
Already Approved Schemes		58	37	18
Business Loans Fund	5	20	20	20
Total	138	105	151	83

Debt Requirement - Part of the capital expenditure programme will be financed directly through government grants, capital receipts etc. This leaves a residue which will increase the Council's external borrowing requirement (its Capital Financing Requirement [CFR]). The General Fund CFR is reduced each year by a statutory revenue charge for the repayment of debt. The HRA is under no requirement to make such a charge.

Capital Financing Requirement £M	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Non-HRA	647	688	723	726
HRA	33	40	42	42
Total	680	728	765	768

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the **Operational Boundary**) and the maximum amount it can borrow (the **Authorised Limit**) are:

£M	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Authorised Limit	689	727	766	768
Operational Boundary	679	717	756	758

Affordability Prudential Indicators – Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream:

%	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Non-HRA	10.1%	18.1%	17.2%	18.1%
HRA	7.7%	10.6%	10.8%	10.8%

Investments - The value of resources applied to finance the capital spend above is one of the elements which influence the Council's overall resources. The expected position of the Council's year-end resources (capital reserves, capital receipts, etc.), is shown below. This is supplemented with the expected cashflow position to provide an overall estimate of the year-end investment position. The Prudential Indicator identifying the ability to invest longer term is also shown.

£M	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Total Resources	-	-	-	-
Working Capital	-	-	-	-
Temporary Borrowing	(274)	(283)	(312)	(307)
Sums Invested >364 days	-	-	-	-

TREASURY MANAGEMENT STRATEGY 2024/25

Appendix 7b – Treasury Management Policy Statement 2024/25 - 2026/27

1. Introduction

- 1.1 Treasury management is undertaken in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services (“the TM Code”). This Code was reviewed and updated following developments in the marketplace and the introduction of the Localism Act 2011 for English local authorities. Updated Prudential and Treasury Management codes were issued in December 2021 and apply with immediate effect except that authorities could defer introducing the revised reporting requirements until the 2023/24 financial year.

2. Key Principles – the Code identifies three key principles:

- 2.1 The Council should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- 2.2 The Council’s policies and practices should make clear that the effective management and control of risk are prime objectives of its treasury management activities and that responsibility for these lies clearly within it. The Council’s appetite for risk should form part of its annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.
- 2.3 The Council acknowledges that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools to employ in support of business and service objectives; and that within the context of effective risk management, treasury management policies and practices should reflect this.

3. Clauses Formally Adopted

- 3.1 The Council adopts the following four clauses recommended by CIPFA:
1. This Council will create and maintain, as cornerstones of its effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
 - investment management practices (IMPs) for investments that are not for treasury management purposes
 - the content of the policy statement and TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this Council.

Such amendments will not result in the Council materially deviating from the TM Code's key principles.

2. The Council's Executive will receive reports on its treasury and investment management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs and IMPs. The annual strategy is approved by Council.
3. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Treasury Management Panel, and for the execution and administration of treasury management decisions to the Director of Resources (Section 151 Officer), who will act in accordance with the Council's policy statement and TMPs, and as a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council nominates the Tourism, Economy and Communities Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

4. Treasury Management Policy Statement

4.1 In accordance with the TM Code, the Council defines treasury management activities as:

"The management of the council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

4.2 'Investments' in the definition above covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under the Treasury Management Code. The risk management processes are detailed in the Investment Property Strategy.

4.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

4.4 Further details about the Council's approach to borrowing are included in Appendix 7c, and in respect of its approach to investments are included in Appendix 7d and the separate Capital Strategy Report for 2024/25.

TREASURY MANAGEMENT STRATEGY 2024/25

Appendix 7c – Borrowing Strategy

1. Introduction

1.1 The Borrowing Strategy is prepared in accordance with a professional code of practice (the CIPFA Code of Practice and Cross-Sectoral Guidance Notes on Treasury Management – 2021 Edition). Revised reporting requirements from the newly published 2021 Edition of the guidance notes.

1.2 It includes the following:

- The Council's debt and investment projections (section 2).
- The expected movement in interest rates (section 3).
- The Council's borrowing strategy (section 4).
- The Council's policy on borrowing in advance of need (section 5).
- The Council's approach to debt rescheduling (section 6).
- The Council's Lender Option Buyer Option (LOBO) strategy (section 7).

2. Debt and Investment Projections 2023/24 – 2026/27

2.1 The borrowing requirement comprises the expected movement in the Capital Financing Requirement (CFR in the table below) and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. It also highlights the expected change in investment balances:

£'000s	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
External Debt				
Long-term debt at 1 April	200,286	183,773	229,594	248,671
Repaid Debt	(16,513)	(4,179)	(923)	(923)
Replacement of maturing debt	-	50,000	20,000	18,350
Additional long-term debt	-	-	-	-
Long-term debt at 31 March	183,773	229,594	248,671	266,098
Short-term debt at 31 March	273,900	282,907	312,259	306,634
PFI and Other Liabilities	95,725	77,005	72,410	67,365
Total external debt at 31 March	553,399	589,506	633,340	640,097
Annual change in debt	61,427	36,107	43,834	6,757
Investments	(21,728)	-	-	-
Total investments at 31 March	(21,728)	-	-	-
Investment change	(21,728)	21,728		
Change in debt less investment	39,699	57,835	43,834	6,757
Annual change in CFR (annex E 3.3.)	68,876	48,143	38,360	1,748

2.2 The additional long-term debt includes any borrowing in advance and catch-up borrowing. The related impact of the above movements on the revenue budget are:

£'000s	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Revenue Budget				
Interest on long-term loans	6,790	10,992	10,128	10,761
Interest on short-term loans	7,684	13,448	11,916	13,099
Total Interest Costs	14,474	24,440	22,044	23,860
General Fund long-term borrowing cost	7,000	10,678	9,718	10,339
HRA long-term borrowing cost	318	314	409	422
Investment income/internal financing	(845)	(150)	(150)	(150)

3. Expected Movements in Interest Rates

3.1 The Bank of England Base Rate has been increasing rates from 4.25% at 1st April 2023 to 5.25% in December 2023. Rates are expected to stay at a similar level for the rest of the financial year 2023/24. The Bank Rate forecasts produced by the Office of Budget Responsibility in November 2023 are as follows:

- 2023/24 5.30%
- 2024/25 4.99%
- 2025/26 4.44%
- 2026/27 4.16%

3.2 Market expectations of Long Term Interest Rates are estimated to be:

PWLB Certainty Borrowing Rates				
Indicative %	5 Year	10 Year	25 Year	50 Year
2023/24 Actual (December 2022)	4.82%	4.47%	4.93%	5.27%
2024/25	4.56%	4.21%	4.67%	5.01%
2025/26	4.01%	3.66%	4.12%	4.46%
2026/27	3.73%	3.38%	3.84%	4.18%

The Treasury Management Panel attempt to keep Short-Term Borrowing and Long-Term Borrowing broadly at a 50/50 split, however due to the dramatic increase in interest rates in 23/24, the Treasury Management Panel have agreed that it would be more beneficial to borrow on a short-term basis in 24/25 with the hope to use Long-Term Borrowing in the future as interest rates are forecast to decline.

3.3 These assumptions have been used to determine the treasury management budget projections, included as part of the 2024/25 revenue budget and future year projections.

3.4 The Covid-19 pandemic, the war in Ukraine as well as global supply shortages have had a significant impact on the UK and global economy. In April 2020 the base rate stood at 0.75% and has subsequently

been increased to 5.25% on 14th December 2023 in an effort to curb inflation. Some money market investment rates for temporary surplus cash balances have increased in line with the base rate increases, however it has been agreed by the Treasury Management Panel to repay the money market loans that increased their base rate. The current rate for three month fixed term deposit with the Debt Management Office is 5.18%

3.5 Long-term borrowing rates, influenced by gilt yields, have fluctuated over the year, peaking in September. Market expectations are that long-term rates will continually decrease throughout 2024 in line with forecast base rate falls.

4. Borrowing Strategy

4.1 The Council borrows for one of two purposes – to finance cash flow in the short-term or to fund capital investment over the longer term. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully financed either with long-term loans or with temporary borrowing. This however is unlikely to be sustained in the future as the Council's reserves and cash balances have been significantly depleted over recent years.

4.2 A key aim of the Borrowing Strategy is to minimize the cost of the Council's loan portfolio whilst ensuring that the obligation to repay loans is matched with the benefit received from expenditure incurred on the capital programme.

4.4 The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- UK Local Authorities
- Pension Funds
- Public Corporations
- UK Municipal Bond Agency (see paragraph 4.7 below for further details)
- Any institution approved for investments

4.5 As stated above in paragraph 3.4, the interest rate environment continues to be uncertain and the Bank of England expects that interest rates will start to decrease throughout the period covered by this report. The Treasury Management Panel, under delegated powers, will take the most appropriate form of borrowing in this uncertain economic environment depending on the prevailing interest rates at the time.

4.6 In order to borrow from the PWLB, the council must submit a high-level description of capital financing plans for the following three years. As part of this, to be granted a loan the Director of Resources must confirm there is no intention to buy investments primarily for yield at any point within the next three years regardless of whether the transaction would be notionally financed from a source other than the PWLB. To secure the lowest cost of borrowing Blackpool Council has agreed to disclose estimates of its capital transactions including new borrowing and planned capital to Her Majesty's Treasury. The disclosure of this information in summary format entitles the Council to receive a 20 basis point discount on all new loans borrowed from the Public Works Loan Board during the next 12 months. The information provided to Her Majesty's Treasury is updated annually.

4.7 Along with other local authorities the Council became a shareholder in the UK Municipal Bond Agency (UK MBA) and is part of the UK MBA Working Group. The council saw this as a viable alternative to borrowing from the PWLB. The UK MBA issued its first bond on 5th March 2020 on behalf of Lancashire County Council for a total of £350 million and then a further £250 million bond issuance was completed in August 2020.

5. Policy On Borrowing In Advance Of Need

- 5.1 The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.
- 5.2 In determining whether borrowing will be undertaken in advance of need the Council will:
- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio, which supports the need to take funding in advance of need;
 - ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
 - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
 - consider the merits and demerits of alternative forms of funding;
 - consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
 - consider the impact of borrowing in advance (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk and the level of such risks given the controls in place to minimise them. Any risks arising will be reported via the mid-year or annual reporting mechanism.

6. Debt Rescheduling

- 6.1 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt (which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates) has meant that PWLB to PWLB debt restructuring is now much less attractive than before these events. In particular, consideration would have to be given to the large premiums, which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings may still be achievable through using other local authority loans and market loans in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.
- 6.2 As short-term borrowing rates are currently considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 6.3 The reasons for any rescheduling to take place will include:
- (a) The generation of cash savings and / or discounted cash flow savings;
 - (b) Help fulfil the borrowing strategy outlined above;
 - (c) Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 6.4 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 6.5 Any decision taken on rescheduling existing long-term debt will be made by the Treasury Management Panel.

7. Lender Option Borrower Option debt (LOBOs)

- 7.1 LOBOs typically carry a cheaper initial rate of interest than new debt available from other sources. They are structured with an initial period in which a fixed rate of interest is paid, followed by a much longer 'variable' period. During this period at the agreed 'call' dates (typically between every six months to every five years) the Lender has the option to increase the interest rate. If the Lender exercises their Option to increase the rate, the Borrower has the Option to repay the debt.
- 7.2 When general interest rates are rising, the interest the Council pays on its LOBOs will tend to ratchet up at call dates, lagging just below other available market rates. The higher rate chosen by the lender is always likely to be enticingly below other immediately available market rates so that at the decision points when the borrower has the option to repay, it will be seduced into a longer relationship with the LOBO at higher rates. However, when general interest rates are falling, the interest the borrower pays on its LOBOs will remain fixed at the higher rates.
- 7.3 The Treasury Management Panel notes that whenever a lender calls an increase in the rate of a LOBO there will be a great temptation to accept the higher rate and remain tied into the LOBO (as the alternative borrowing is likely to be slightly more expensive in the short term). The Council will continue to take advantage of the beneficial rates available through LOBOs as part of a balanced portfolio of fixed and variable debt, especially through the early fixed period of the instrument.
- 7.4 The Council's policy is that on every occasion when a lender opts to increase the interest rate on one of its LOBOs there is a presumption that the Council will repay the LOBO.
- 7.5 In view of the recent bad press on LOBOs the Treasury Management Panel is looking for ways to redeem them whenever favourable opportunities arise. This opportunity has arisen a number of times in 2023/24 and £12m of the £26m LOBO outstanding balances have been paid in 23/24, leaving an outstanding LOBO balance of £14m. The Treasury Management Panel will seek to repay this as and when the opportunity arises.

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TREASURY MANAGEMENT STRATEGY 2024/25

Appendix 7d – Investment Strategy 2024/25 - 2026/27

1. Introduction

1.1 This Investment Strategy covers the following:

- Treasury Management Investments and the Council’s investment and counterparty liquidity framework (section 2)
- The Treasury Investment Strategy for 2024/25 – 2026/27 (section 3)
- The Council’s power to invest for Treasury Management purposes (section 4)

2. Treasury Management Investments

2.1 The primary principles of security and liquidity, governing the Council’s day to day treasury management activity are set out in the Statutory Guidance on Local Government Investments (3rd Edition) issued on the 2nd February 2018. The yield or return on investments is of secondary importance.

2.2 To achieve sufficient liquidity in its investments, guidelines will be used to determine the maximum periods for which funds may prudently be committed. These also apply to the Council’s Prudential Indicators covering the maximum principal sums invested.

2.3 In relation to security, a policy will be applied to the categories of investment, the choice of investment counterparties with adequate security, and the monitoring of their security. This is set out in the Specified and Non-Specified investment sections below.

2.4 The Treasury Management Panel will maintain a counterparty list in accordance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to those which determine Specified and Non-Specified investments, as it selects which counterparties the Council will choose rather than defining what its investments are. The criteria are based on information from Fitch, Moody’s and Standard & Poors, the three principal credit ratings agencies.

- (i) **Banks** - the Council will use banks which have at least the following Fitch or equivalent ratings from Moody’s and Standard and Poors:
 - Short Term - F1 from Fitch or equivalent from Moody’s or Standard and Poors.
 - Long Term - Single A from Fitch or equivalent from Moody’s or Standard and Poors.
 - Support - 3 from Fitch or the equivalent from Moody’s or Standard and Poors
- (ii) **Bank Subsidiary and Treasury Operations** - the Council will use these where the parent bank has the necessary ratings outlined above. The investment limit to be applied will be calculated across the whole group.
- (iii) **Building Societies** - the Council will use any United Kingdom Society with assets in excess of £1.5 billion.
- (iv) **Credit Unions**
- (v) **Local Authorities**
- (vi) **Investment in the UK Government** (including short-term gilts and sterling treasury bills) are permitted because of their overall security.

- (vii) **Investment in Money Market Funds** are not permitted.
- (viii) **Non-UK Exposure Limits** - The Treasury Management Panel may impose overall sector or country limits to restrict the level of exposure within non-UK financial institutions. The Panel has no short-term plans to start investing in non-UK financial institutions, but it can foresee the possibility in future years covered by the Strategy when it may invest up to 25% of temporary cash investments in non-UK financial institutions which satisfy the criteria in (i) above and whose sovereign government rating is triple A according to Fitch or the equivalent from Moody's or Standard & Poors.

- 2.5 It is not considered necessary to apply different maximum time limits for investing with different counterparties according to their precise credit rating. Institutions are either on the list of potential counterparties for any timescale (subject to the overriding restriction of 364 days or less) or they are not on the list at all. The Treasury Management Panel has placed a 3-month time limit on deposits placed with all Banks and Building Societies on its counterparty list. This will be continually reviewed throughout the year.
- 2.6 The proposed criteria for Specified and Non-Specified investments are shown in section 4 for approval.
- 2.7 In the normal course of the Council's cash flow operations it is expected that only Specified Investments will be utilised for the control of liquidity.
- 2.8 The use of longer-term instruments (greater than one year from inception to repayment) would fall in the Non-Specified Investment category. These instruments will not be used for the control of liquidity. This will also be limited by the investment Prudential Indicator below.

3. Investment Strategy 2024/25 – 2026/27

- 3.1 In Managing the Council's treasury operations on a day-to-day basis, the Treasury Management Panel is more concerned to avoid risks than to maximise returns.
- 3.2 The Treasury Management Panel currently operates a restriction of 3 months or less on all fixed term deposits placed with those counterparties included in paragraph 2.4 (i), (ii), (iii), (iv) and (v). It also considered it necessary to restrict temporary fixed-term investments to UK Banks and Building Societies and those subsidiaries of non-UK financial institutions which are incorporated in the UK. However, as market conditions improve the Panel is likely to lift these restrictions and extend the term of temporary investment back to a maximum of 364 days. Moreover, the Treasury Management Panel may invest up to 25% of temporary cash investments in non-UK financial institutions which satisfy the requirements set out in paragraph 2.4 (vii).
- 3.3 The Bank of England base rate determines the level of interest which can be earned on short term cash surpluses arising in normal day to day treasury activities. With the base rate at 5.25%, a typical three month deposit rate is currently 5.18%. Deposit rates are expected to increase with expected base rate rises. The Council's investment decisions are based on comparisons between the current level of interest rates and the market's expectation of a possible increase during the period covered by this report. As a result, it is likely that investment decisions will potentially be made for longer periods as interest rates peak and until investment rates start to fall in future. However, the overriding principle is to maintain sufficient security and liquidity within the cash balances and a shorter profile of temporary investments will help achieve this. The Treasury Management Panel, under delegated powers, will undertake the most appropriate form of investments based on current market conditions as surplus funds become available. The three-month time limit for

temporary investments will continue during 2023 but may be relaxed if the Panel deem appropriate. The current restrictions are explained in more detail in paragraph 3.2 above.

4. Power To Invest

4.1 Blackpool Council has the power to invest:

- (i) for any purpose relevant to its functions under any enactment, and
- (ii) for the purposes of the prudent management of its financial affairs.

This includes investments which are not directly linked to statutory functions but are simply made in the course of treasury management. This allows for the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future.

4.2 Speculative borrowing in order to invest in the course of day-to-day treasury management activities is unlawful.

4.3 The speculative purchase and subsequent disposal of property is generally also unlawful. However, there may be occasions when such purchase and resale are necessary as part of a strategic development. This is permitted only where this is part of an approved project plan which is covered by proper statutory powers in pursuance of the Council's approved objectives. Examples of this are in the pursuit of delivery of projects related to Blackpool's regeneration strategy - such as the planned phases of the Central Business District and the development of land near the Airport.

4.4 Priority is to be given to the security of investments and then to liquidity. The highest rate of return (yield) can only be sought once officers are satisfied that the principal sums invested are secure.

4.5 In 2019/20 the Council expanded its Business Loans Fund further with the aim to promote, develop and support local businesses and public sector partners within the Blackpool area. The remaining pool of funding is available for applicants in 2024/25. Before any lending is authorised, the Loans Panel (which includes the Chief Executive, Director of Communications and Regeneration and Director of Resources) supported by both Accountancy and Legal, will analyse and validate the business case for each loan.

4.6 No other types of (Non-Specified) investments are identified as being permissible, other than those explicitly allowed as share or loan capital under paragraph 4.7.

4.7 The Council may invest in shares in its subsidiary companies or in exceptional circumstances, businesses that stimulate local economic growth and regeneration. The guidance defines acquisition of share or loan capital in a corporate body as capital or revenue expenditure (rather than as an investment).

4.8 Further details about how the Council manages the risks and rewards coming from its Business Loans Fund and from its investments in subsidiary companies, referred to above in paragraphs 4.5 and 4.7 above, are explained in more detail in its Capital Strategy.

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PRUDENTIAL INDICATORS

1. Background and Summary

- 1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities and agree Prudential Indicators. This report revises the Indicators for 2023/24, 2024/25, 2025/26 and introduces new Indicators for 2026/27. Each indicator either summarises the expected activity or introduces limits upon the activity and reflects the outcome of the Council's underlying capital appraisal systems.

2. Capital expenditure plans

- 2.1 The Council's capital expenditure plans are reported and recommended for approval in the Capital Programme 2024/25 and are summarised below. This forms the first of the Prudential Indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants, etc.), but if resources are insufficient any residual expenditure will need to be borrowed.
- 2.2 On 29th October 2018 the government confirmed that the Housing Revenue Account (HRA) borrowing cap was abolished with immediate effect. As a result, borrowing for housebuilding is no longer constrained by government controls, leading to authorities able to borrow in line with the Prudential Code. The Housing Revenue Account is pursuing property investment proposals in light of the removal of the cap from 2024/25 and is included within the capital programme below.
- 2.3 A certain level of capital expenditure will be grant supported by the Government; anything above this level will be unsupported and will need to be paid for from the Council's own resources.
- 2.4 The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.

2.5 The Council is referred to the summary capital expenditure projections below, as reported in the Capital Programme 2024/25. This forms the first Prudential Indicator:

£'000s	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Capital Expenditure:				
Non-HRA	112,692	69,753	47,474	55,747
HRA	21,146	16,375	9,974	7,608
Financed by:				
Capital Receipts	-	(920)	-	-
Capital Grants	(51,783)	(38,518)	(52,038)	(63,017)
Capital Reserves	-	-	-	-
Revenue Contributions	(9,116)	-	-	-
Net financing need for the year:	72,939	46,690	5,410	338

3. The Council's borrowing need (the Capital Financing Requirement)

3.1 The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). The Capital Financing Requirement is made up of the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources along with any business loans issued from the expanded Business loans Fund including loans made to Blackpool Housing Company. The expansion of the Business Loans Fund is explained in more detail in the Capital Strategy Report. The Capital Financing Requirement is essentially a measure of the Council's underlying need to borrow.

3.2 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge known as the Minimum Revenue Provision (MRP). The overriding principle in calculating the Minimum Revenue Provision is that it must be prudent and this is covered in more detail in Appendix 7f to this report.

3.3 The Council is asked to approve the Capital Financing Requirement projections below:

£'000s	2023/24 Revised	2024/25 Programme	2025/26 Programme	2026/27 Programme
Capital Financing Requirement:				
CFR - Non Housing	646,629	688,380	724,437	725,847
CFR - Housing	33,223	39,615	41,918	42,257
Total CFR	679,853	727,995	766,355	768,104
Movement in CFR	68,876	48,142	38,360	1,749

Movement in CFR represented by:				
Net financing need for the year:	72,939	48,059	42,760	338
MRP/Voluntary Revenue Provision and other financing movements:	(3,835)	(10,864)	(10,992)	(10,976)
Business Loan Fund advances:	13,328	20,000	20,000	20,000
Business Loan Fund repayments:	(13,556)	(9,052)	(13,408)	(7,613)
Movement in CFR	68,876	48,143	38,360	1,748

3.4 In order to ensure that over the medium-term borrowing will only be taken for a capital purpose, the local authority should ensure that gross external borrowing does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for the current and next two financial years. If in any of these years there is a reduction in the Capital Financing Requirement, this reduction is ignored in estimating the cumulative increase in the Capital Financing Requirement which is used for comparison with gross external borrowing. This is a key indicator of prudence.

4. The use of the Council’s resources and the investment position

4.1 The application of resources (capital receipts, reserves, etc.) to either finance capital expenditure or support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, etc.).

4.2 Any capital receipts and capital reserves available to finance capital expenditure during the period covered by the Treasury Management Strategy are shown in the table under paragraph 2.5 above.

5. Limits to borrowing activity

5.1 Within the Prudential Indicators there are a number of key indicators to ensure the Council operates its activities within well-defined limits.

5.2 For the first of these the Council needs to ensure that its total borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for 2024/25 and the next two financial years

Y/end positions £'000s	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Long-term borrowing	183,773	229,594	248,671	266,098
Short-term debt	273,900	282,907	312,259	306,634
PFI & Other Liabilities	95,725	77,005	72,410	67,365
Gross Borrowing	553,399	589,506	633,340	640,097
CFR	679,853	727,995	766,355	768,104

5.3 The Director of Resources reports that the Council has complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals in next year’s budget report.

5.4 A further two Prudential Indicators control or anticipate the overall level of borrowing:

5.5 **The Authorised Limit for external debt** - This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

5.6 **The Operational Boundary for external debt** - This indicator is based on the expected maximum external debt during the course of the year; it is not a limit. The Operational Boundary differs from the Authorised Limit in that it is based on expectations of the maximum external debt according to

probable - not simply possible - events and is consistent with the maximum level of external debt projected by the estimates. The setting of this Operational Boundary is a matter of careful judgement. If it is set too high then it may be too near the Authorised Limit for there to be a margin sufficient to allow time to take corrective action before the Authorised Limit is breached. Alternatively, if it is set too low it will be breached so frequently that it will cease to act as a credible warning indicator. The intention therefore is that this operates as a form of early warning about certain cash-flow problems.

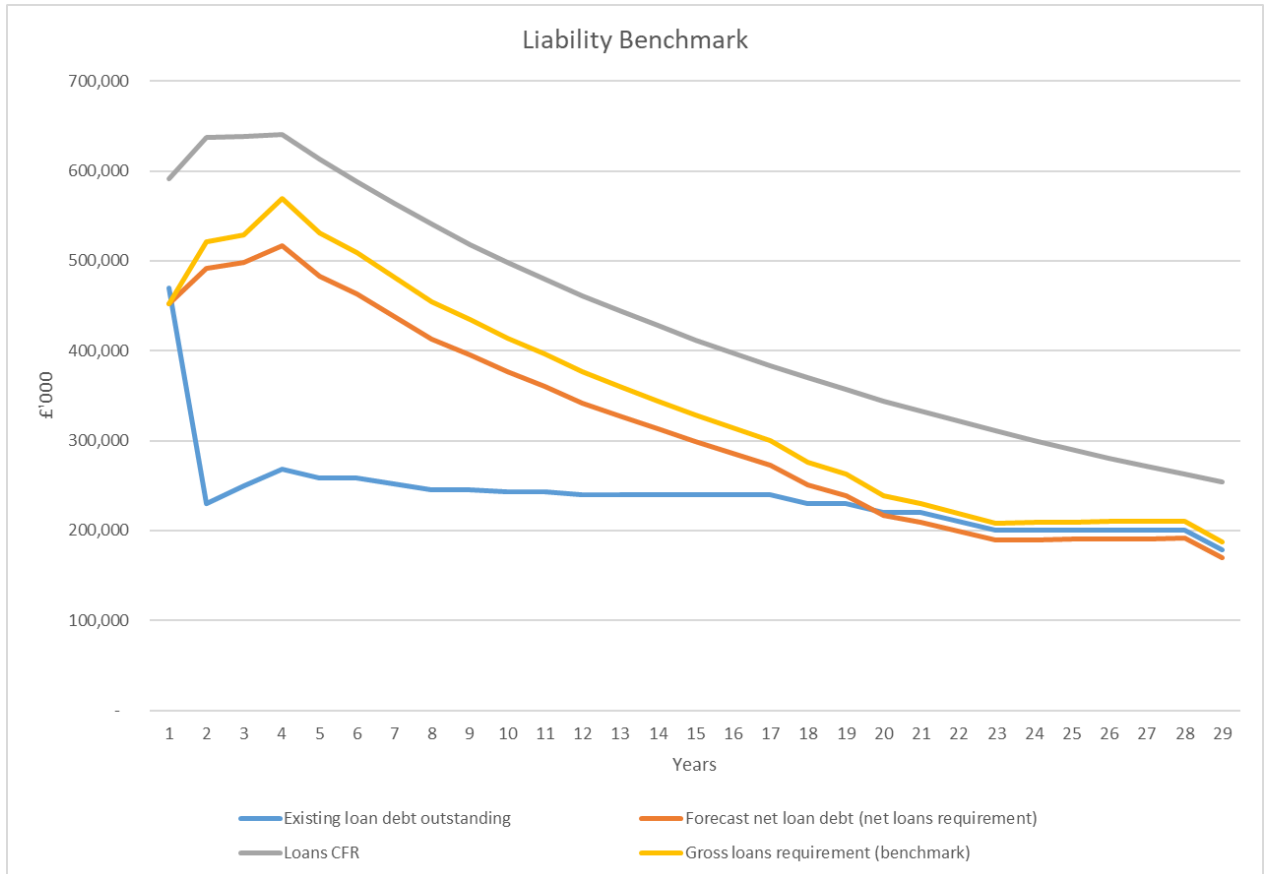
- 5.7 The Council is asked to approve the following Authorised Limit and Operational Boundaries, two indicators which are based on debt (including short-term) and are gross of investments.

Authorised Limit £'000s	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Borrowing limit	589,000	648,000	692,000	699,000
Other long-term liabilities limit	100,000	80,000	75,000	70,000
Total limit	689,000	728,000	767,000	769,000
Operational Boundary Limit £'000s	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
Borrowing limit	580,000	639,000	683,000	690,000
Other long-term liabilities limit	99,000	79,000	74,000	69,000
Total limit	679,000	718,000	757,000	759,000

- 5.8 The Authorised Limit is set by reference to the CFR and to allow for any potential peaks in temporary borrowing, since this will be counted against the overall borrowing. The Operational Boundary is set to equate to expected debt levels including normal day to day cash requirements.

6. The Liability Benchmark

6.1 This indicator compares the Council's existing outstanding loan against its future need for loan debt. Where the existing loan debt is below the gross loan requirement, the Council expects to borrow to meet the shortfall. Conversely, where the existing loan debt is above the gross loan requirement, the authority will invest the excess funds.



7. Affordability Prudential Indicators

7.1 The previous sections cover the overall capital and control of borrowing Prudential Indicators, but within this framework Prudential Indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall Council's finances. The Council is asked to approve the following indicators:

7.2 Actual and estimates of the ratio of financing costs to net revenue stream - This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

	2023/24 Revised	2024/25 Projection	2025/26 Projection	2026/27 Projection
%				
Non-HRA	10.1%	18.1%	17.7%	17.2%
HRA	7.7%	10.6%	10.7%	10.8%

The estimates of financing costs include current commitments and the proposals in the Budget Report presented concurrently for approval.

8. Treasury Management Prudential Indicators, Limits on Activity and Attitude to Risk

- 8.1 Blackpool Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities is measured. It uses the Treasury Management Prudential Indicators as part of the risk control process to limit activity and monitor performance.
- 8.2 There are five treasury Prudential Indicators. The purpose of these Prudential Indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:
- 8.3 **Gross debt and the Capital Financing Requirement (CFR)** - In order that over the medium-term, debt will only be taken for a capital purpose, the Council should ensure that external debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. If in any of these years there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with gross external debt. This is a key indicator of prudence.
- 8.4 **Upper limits on variable interest rate exposure** - This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments. In cases where the terms of the borrowing or investment raise questions as to whether it should be treated as fixed or variable, it is to be treated as variable for the purposes of these Prudential Indicators. We consider that this indicator is best calculated using the principal capital value rather than percentages.
- 8.5 **Upper limits on fixed interest rate exposure** - This indicator is similar to the previous indicator but covers a maximum limit on fixed interest rates.
- 8.6 **Maturity structures of borrowing** - These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits. They show the amount of projected borrowing that is fixed rate maturing in each period as a percentage of the total projected borrowing that is fixed rate.
- 8.7 **Total principal funds invested for over 365 days** - These limits are set to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

- 8.8 The Council is asked to approve the following Prudential Indicators (in the table below). Note that for each year, the upper limits on fixed interest rates equate to the expected Capital Financing Requirement for that year:

	2024/25	2025/26	2026/27
Gross Debt (£M)			
	Upper	Upper	Upper
Gross Debt	728	767	769
Capital Financing Requirement	728	767	769
Interest rate exposures (£M)			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	728	767	769
Limits on variable interest rates based on net debt	421	422	423
Maturity structure of fixed interest rate borrowing 2023/24 (%)			
		Lower	Upper
Under 12 months			18%
12 months and within 2 years			18%
2 years and within 5 years			30%
5 years and within 10 years		2%	60%
10 years and within 30 years		2%	70%
30 years and above		15%	90%
Total principal sum invested for over 364days			
Principal sum invested for over 365 days	£ nil	£ nil	£ nil

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TREASURY MANAGEMENT STRATEGY 2024/25

Appendix 7f – Minimum Revenue Provision (MRP) Strategy 2024/25 - 2026/27

1. Minimum Revenue Provision (MRP) Strategy

- 1.1 Local authorities are required to set aside 'prudent' revenue provision for debt repayment (MRP) where they have used borrowing or credit arrangements to finance capital expenditure. Statutory Guidance covering Minimum Revenue Provision (MRP) was revised and updated in February 2018 by the Ministry of Housing Communities and Local Government (MHCLG) and applies to accounting periods on or after 1st April 2019. The guidance sets out various options and boundaries for calculating prudent provision which are set out in paragraph 1.5 below.
- 1.2 The Department for Levelling Up, Housing and Communities (DLUHC) is currently reviewing the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which will affect the accounting for and impact of Minimum Revenue Provision. The Treasury Management Panel is reviewing the potential impacts of these changes for the authority.
- 1.3 Local authorities can vary the Minimum Revenue Provision methodologies they use during the year and if they do so must present a revised Minimum Revenue Provision statement to the next full Council. Where a change would impact on the value for money assessment of non-financial investments the updated statement should summarise this impact.
- 1.4 Under the new guidance, where a change takes place the calculation of Minimum Revenue Provision under the new method should be based on the residual Capital Financing Requirement (CFR) at the point the change in method is made (i.e. it should not be applied retrospectively). Changing the method used to calculate Minimum Revenue Provision can never give rise to an overpayment in respect of previous years. Further, it should not result in a local authority making a reduced charge or charge of £nil for the accounting period in which the charge is made, or in a subsequent period, on the grounds that it needs to recover overpayments of MRP relating to previous years.
- 1.5 Whilst 'prudent provision' is not specifically defined, the guidance suggests that debt ought to be repaid over a period that is either commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Support Grant, it is reasonably commensurate with the period implicit in the determination of the grant.
- 1.6 There are four options set out in the statutory guidance for determining the Minimum Revenue Provision:

Option 1 - Regulatory Method
Option 2 - The Capital Financing Requirement (CFR) Method
Option 3 - Asset Life Method (the MRP is determined by reference to the life of the asset either by equal instalments of principal or the annuity method)
Option 4 - Depreciation Method (MRP is equal to the provision required under depreciation accounting).
- 1.7 Options 1 and 2 may only be used in relation to capital expenditure incurred before 1st April 2008, which form part of an authority's supported capital expenditure. For expenditure incurred on or

after 1st April 2008, which does not form part of the authority's supported capital expenditure, prudent approaches include options 3 and 4.

1.8 Minimum Revenue Provision (MRP) Policy Statement for 2024/25 is as follows:

- (i) In 2016/17 under the previous Statutory Guidance on Minimum Revenue Provision the Council changed its policy on all supported capital expenditure incurred prior to 1st April 2008 and for future supported capital expenditure, the Minimum Revenue Provision is based on the 2% straight line method, before making an adjustment for £24.1m, which is the difference between debt calculated under the prudential code (as at 1st April 2004) and debt calculated under the previous 'statutory' capital controls regime which commenced on 1st April 1990. This method is considered to be better than the previous method because it ensures that all the debt incurred prior to 1st April 2008 is repaid over a finite number of years. The method will continue to be used for 2024/25 and for future years.
- (ii) For capital expenditure incurred after 1st April 2008 and financed by unsupported borrowing, the default method for calculation of Minimum Revenue Provision will be based on option 3, the Asset Life Method. This method is considered both appropriate and prudent and will continue to be used in 2024/25.
- (iii) In exceptional circumstances Minimum Revenue Provision for capital expenditure incurred after 1st April 2008 and which is funded by unsupported borrowing can be calculated using the Annuity Method (a variation allowed under option 3 of the 2018 Regulations). However, this method is only suitable for particular types of capital expenditure projects where the benefits are expected to increase in later years or where the income stream generated by the new project mirrors the Annuity profile. It may be particularly attractive in connection with projects promoting regeneration or administrative efficiencies where revenues will increase over time. This method may only be used if it receives approval by the Treasury Management Panel.
- (iv) In the case of finance leases, where a right-of-use asset is on the balance sheet, and on balance sheet PFI contracts, the Minimum Revenue Provision requirement is by a charge equal the element of the rent/charge that goes to write down the balance sheet liability.
- (v) Where on or after 1st April 2008 expenditure is incurred which is:
 - Financed by borrowing or credit arrangements; and
 - Treated as capital expenditure by virtue of either a direction under section 16(2)(b) of the 2003 Act or Regulation 25(1) of the 2003 Regulations,

Minimum Revenue Provision will be calculated in accordance with Option 3, the asset life method that is exemplified in the Minimum Revenue Provision guidance whereby the liability will be charged over a period that is reasonably commensurate with that over which the new capital expenditure is estimated to provide a benefit to the authority.

- (vi) In accordance with the Statutory Guidance no Minimum Revenue Provision will be charged on borrowing or credit arrangements used to finance capital expenditure on housing assets, to which Section 74(1) of the Local Government Housing Act 1989 applies (HRA related housing debt).

Local Exceptions to the Guidance:

- (vii) The Council reserves the right to determine useful life periods and prudent Minimum Revenue Provision in certain circumstances or where the recommendations of the government guidance are not appropriate to local circumstances. These include:
- (viii) Minimum Revenue Provision will not be charged on loans made to wholly owned subsidiaries or other third parties where such loans are treated as capital expenditure in cases where there are satisfactory and supportable repayment obligations attached to those loans such as those loans granted by the Council's Business Loans Fund. Unlike other types of capital receipt, the capital receipts that will arise from these repayments will be set aside generally or specifically to reduce the outstanding amount of capital debt liability in respect of these loans. Any loans given are subject to a substantial due diligence process and the anticipated receipts will be kept under review on an annual basis in order to ensure that the deferment of Minimum Revenue Provision remains prudent.
- (ix) Any capital receipts which the Council determines in future should be set aside in order to reduce the outstanding amount of capital debt liability may, if desired, be taken to represent a debt liability reduction that has been made in lieu of a corresponding amount of prudent provision that otherwise have been made in a particular year. Any such setting aside of capital receipts however, apply those capital receipts which represents the repayment of loan principal amounts in respect of loans made in earlier financial years which have been treated as capital expenditure, but not subject to an Minimum Revenue Provision charge.
- (x) Following the Minimum Revenue Provision review carried out by Link Group in 2020, savings were identified in respect of financial years 2004/05 – 2018/19, totalling £23.808m, (in respect of an increase of £34.743m to Adjustment A, and earlier year revenue contributions to capital of £13.054m, adjusted for alternate MRP liability). The policy changes reflected in this review is represented by the council as a new local option for the ongoing determination of an amount of Minimum Revenue Provision which is considered each year to be prudent. The Council has utilised all the Minimum Revenue Provision savings available to it by 31st March 2024 and therefore will be unable to reduce the amount of Minimum Revenue Provision liability in 2024/25. Additionally, the Council will continue to apply the higher amount of Adjustment A indicated above.
- (xi) The above policy will ensure that the Council satisfies the requirement to set aside a prudent level of Minimum Revenue Provision.

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Report:	EXECUTIVE
Relevant Officer:	Victoria Gent, Director of Children's Services
Relevant Cabinet Member	Councillor Kath Benson, Cabinet Member for Young People and Aspiration
Date of Meeting:	5 February 2024

EXPANSION OF HIGHFURLONG SPECIAL SCHOOL

1.0 Purpose of the report:

1.1 To seek approval for the increased budget for the development of The Meadow site at Highfurlong School to accommodate a two-storey extension and associated facilities, to ensure sufficient local provision for children and young people with special educational needs and disabilities (SEND).

2.0 Recommendation(s):

2.1 To approve the overall project budget of £8,010,979.25 million for phase one and two of this scheme (£6,020,979.25 for phase one and £1,990,000 for phase two). The below approvals have previously been granted:

- £4.8m previously approved via EX48/2022 on 5 December 2022 [phase 1].
- £1.99m previously approved via EX48/2023 on 12 December 2023 [phase 2].

As a result, an uplift to the budget is required of £1,220,979.25.

The uplifted costs will be funded by the funds made available through the Safety Valve agreement between Blackpool Council and the Department for Education previously approved via EX4/2023 on 23 January 2023.

3.0 Reasons for recommendation(s):

3.1 Planning applications have been approved (ref: 23/0607) to develop The Meadow on Garstang Road West to accommodate a two-storey extension with associated facilities and a single storey hydrotherapy centre, to ensure sufficient local provision for children and young people with special educational needs and disabilities (SEND). Construction works have commenced on site and the phase 1 build is scheduled for completion in June 2024.

Highfurlong Special School reached a cohort of over 110 students in the summer term 2022, which is three times the number five years ago. The growing number of pupils in special schools is in part as a result of changes in legislation introduced in 2014, but also due to children surviving with more complex medical needs than historically was the case.

Despite additional building works being undertaken during that time to create extra space at the school, the capacity of the existing building is now over stretched. An independent school capacity report dated March 2022 found that Highfurlong's building has a deficit of space equivalent to four classrooms when compared against current pupil numbers. The school has now saturated its existing footplate and is no longer able to effectively deliver complimentary curriculum activities such as design technology, music and life skills, despite winning the prestigious School of the Year award in 2021.

The Local Authority has a statutory duty to ensure sufficient suitable places are available for all pupils across the town. The proposed expansion at Highfurlong School would help to ensure that Blackpool Council can meet the needs of children with complex physical and medical disabilities.

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

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 If additional provision is not provided the Council would have to rely on Out of borough SEND provision, including associated transport costs, which is both expensive and not always in the best interests of children and their families.

5.0 Council priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 Highfurlong Special School benefited from a single storey infill extension in the summer of 2021, which enabled it to continue to meet the needs of their increasing pupil numbers. The school has used its existing space as flexibly as possible and has now reached saturation point of their existing footprint due to the nature of the physical requirements and associated equipment of the current cohort.

- 6.2 Land known as “The Meadow” currently sits unused on the site due to significant level differences. Phase One will see the two-storey extension built, with a covered walkway created to link to the existing site via the top floor of the new building. The ground floor of the new building will comprise facilities for post-16 students, alongside a new kitchen that will serve the whole school (currently facilities are shared with Aspire Academy). There will also be a community café at the front of the school designed for post 19 students to gain valuable employment skills and increase the commercial viability of the venture through improved public access from the main road. The upper floor will comprise classrooms and ancillary spaces for secondary aged pupils. Under the development proposals the existing building will house primary pupils.
- 6.3 Following a tender exercise in early 2023 via the Procure NW Framework, Conlon Construction returned the most economically advantageous tender. Due to inflationary pressures in the construction market because of material shortages and the consequential impacts of the global pandemic, the best value tender price exceeded the project budget. A value engineering exercise was undertaken to reduce costs, however this still resulted in a budget deficit. Further cost reduction measures would have significantly impacted upon the project achieving its objectives. Following the award of the Department for Education Safety Valve funding, Conlon Construction were appointed for the construction of the phase 1 development. Construction works commenced on site in July 2023 and are progressing well.
- 6.4 The report to Executive on 23rd January 2023 (EX4/2023) on the proposed Safety Valve agreement between Blackpool Council and the Department for Education expansion scheme contained a confidential appendix setting out the projected costs of the scheme, together with a schedule of the funding streams to be used towards phase 1 of the scheme. Given that local authorities have to demonstrate that all of the High Needs Provision Capital Allocations have been fully committed in their Safety Valve capital bids, an adjustment was proposed to the funding makeup of the £4.8 million budget. This report seeks to further clarify the funding streams for both phase 1 and phase 2 of the Highfurlong School Extension and demonstrate the total cost of the project.

6.5 Does the information submitted include any exempt information? Yes

Appendix 8a is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered on balance that the public interest would not be served by publishing information at this stage, as this information would undermine the Council’s position in future negotiations.

7.0 List of Appendices:

7.1 Appendix 8a – Financial considerations (exempt)

8.0 Financial considerations:

- 8.1 See exempt information at Appendix 8a, to the Executive report.
- 8.2 Children's Services had allowed a budget envelope of £4.8 million for phase one of the scheme. The scheme is being funded from a combination of education capital, including Basic Need, High Needs Provision Capital Allocations, School Condition Allocations and additional funding as part of the Safety Valve agreement with the Department for Education. The initial budget was approved by Executive on 5 December 2022. Due to an increase in building costs, this phase will now cost £6,020,979.25, which requires additional approval from Executive of £1,220,979.25. The extra funding has been provided through an additional allocation from the Department for Education as part of the Safety-Valve funding for local authorities with a Dedicated Schools Grant deficit. The Department for Education provided Blackpool Council with an additional £6.2 million of funding for capital investment in the school estate. The Safety Valve agreement between Blackpool Council and the Department for Education was previously approved via EX4/2023 on 23 January 2023.

9.0 Legal considerations:

- 9.1 The procurement position and terms of funding to be reviewed to ensure continued compliance with the Council's procurement process and the funding terms in view of the additional budget spend.

10.0 Risk management considerations:

- 10.1 Not progressing the proposed expansion would mean the local authority would be unable to meet its statutory duty to ensure that sufficient suitable places are available for all pupils across the town. This would create further pressure on the High Needs budget, as places would need to be secured in more costly independent special schools outside of Blackpool.

11.0 Equalities considerations and the impact of this decision for our children and young people:

- 11.1 Highfurlong Special School caters for the needs of children with special educational needs and disabilities. The expansion scheme will ensure that the needs of more children can be appropriately met in local provision, reducing the need for lengthy transport journeys, and enabling children to be part of their local community.

12.0 Sustainability, climate change and environmental considerations:

- 12.1 The scheme at Highfurlong Special School is being developed in line with Blackpool Council's Climate Change Declaration. The scheme will include the provision of air source heat pumps in lieu of conventional gas boilers. Provision will also be made for a number of solar panels to be installed. The scheme is also required to achieve a BREEAM rating of very good.

13.0 Internal/external consultation undertaken:

13.1 A planning application was approved on 4 December 2023 (ref: 23/0607) to develop The Meadow on Garstang Road West to accommodate a two-storey extension with associated facilities and a single storey hydrotherapy centre, to ensure sufficient local provision for children and young people with special educational needs and disabilities (SEND)

14.0 Background papers:

14.1 Planning application 23/0607 is available on Blackpool Council's website at [Simple Search \(blackpool.gov.uk\)](https://blackpool.gov.uk)

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

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

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Summary of Discussion:

19.1

20.0 Executive decision:

20.1

21.0 Date of Decision:

21.1

22.0 Reason(s) for decision:

22.1

23.0 Date Decision published:

23.1

24.0 Alternative Options Considered and Rejected:

24.1

25.0 Executive Members in attendance:

25.1

26.0 Call-in:

26.1

27.0 Notes:

27.1