

## 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
	2023/24					
	ADJUSTED CASH LIMITED BUDGET £000	EXPENDITURE APR - JAN £000	PROJECTED SPEND £000	FORECAST OUTTURN £000	F/CAST FULL YEAR VAR. (UNDER) / OVER £000	
<b>BUDGETS OUTSIDE THE CASH LIMIT</b>						
<b>NET EXPENDITURE</b>						
TREASURY MANAGEMENT	16,282	249	14,433	14,682	(1,600)	-
PARKING SERVICES	(5,331)	(3,914)	(917)	(4,831)	500	-
CORPORATE SUBSCRIPTIONS	135	108	27	135	-	-
HOUSING BENEFITS	1,849	1,550	299	1,849	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,894	1,575	319	1,894	-	-
SUBSIDIARY COMPANIES	(926)	(1,185)	145	(1,040)	(114)	-
LAND CHARGES	(50)	(16)	(34)	(50)	-	-
CONCESSIONARY FARES	4,064	1,654	2,280	3,934	(130)	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	(331)	(280)	(51)	(331)	-	-
NEW HOMES BONUS	(22)	(22)	-	(22)	-	-
<b>TOTALS</b>	<b>17,564</b>	<b>(281)</b>	<b>16,501</b>	<b>16,220</b>	<b>(1,344)</b>	<b>-</b>

### 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 10 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 £1,606k 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 an overspend of £35k as new business loans have been awarded at higher repayment rates than originally forecast for 2023/24. The position has worsened since M9 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 an overspend in year.

Following a review of the Minimum Revenue Provision (MRP), which was approved by the Executive on 8<sup>th</sup> 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 £500k overspend position for 2023/24. This pressure is due to lower than budgeted income. The position has deteriorated this month due to the delay in opening of the multi-storey carpark. 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 46 (w/e 11<sup>th</sup> February) parking income is at £5.4m with patronage at 1,086,249. Car Park patronage is down by 14,540 and income up by £63k on 2022/23. On-Street Pay and Display patronage is down by 5,197 and income up by £7k.

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 £114k saving due to a reduction in charges, mainly relating to debt management and an increase in rental income.

**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 10 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £1,344k underspend.

**Car Parking Trends**

