

## Blackpool Council – Budgets Outside the Cash Limit

### Revenue summary - budget, actual and forecast:

| FUNCTIONS OF THE SERVICE                       | BUDGET                                     | EXPENDITURE                      |                            |                             | VARIANCE   | 2019/20<br>(UNDER)/OVER<br>SPEND B/FWD<br>£000 | VARIANCE     |              |
|--|--|----------------------------------|----------------------------|-----------------------------|--|--|--------------|--------------|
|  | ADJUSTED<br>CASH LIMITED<br>BUDGET<br>£000 | EXPENDITURE<br>APR - AUG<br>£000 | 2020/21                    |                             | F/CAST FULL<br>YEAR VAR.<br>(UNDER) / OVER<br>£000 |  | COVID-19     | NON-COVID    |
|  |  |                                  | PROJECTED<br>SPEND<br>£000 | FORECAST<br>OUTTURN<br>£000 |  |  | £000         | £000         |
| <b>BUDGETS OUTSIDE THE CASH LIMIT</b>          |  |                                  |                            |                             |  |  |              |              |
| <b>NET EXPENDITURE</b>                         |  |                                  |                            |                             |  |  |              |              |
| TREASURY MANAGEMENT                            | 10,361                                     | 4,164                            | 5,831                      | 9,995                       | (366)  | -  | -            | (366)        |
| PARKING SERVICES                               | (4,806)                                    | (286)                            | (2,391)                    | (2,677)                     | 2,129  | -  | 2,165        | (36)         |
| CORPORATE SUBSCRIPTIONS                        | 137  | 84                               | 53                         | 137                         | -  | -  | -            | -            |
| HOUSING BENEFITS                               | 1,570                                      | 893                              | 916                        | 1,809                       | 239  | -  | 239          | -            |
| COUNCIL TAX & NNDR COST OF<br>COLLECTION       | 1,104                                      | 420                              | 684                        | 1,104                       | -  | -  | -            | -            |
| SUBSIDIARY COMPANIES                           | (1,170)                                    | 215                              | (49)                       | 166                         | 1,336  | -  | 1,377        | (41)         |
| LAND CHARGES                                   | (51)                                       | (24)                             | (27)                       | (51)                        | -  | -  | -            | -            |
| CONCESSIONARY FARES                            | 4,433                                      | 476                              | 3,808                      | 4,284                       | (149)  | -  | (149)        | -            |
| EMPLOYERS PREVIOUS YEARS' PENSION<br>LIABILITY | 1,297                                      | 540                              | 757                        | 1,297                       | -  | -  | -            | -            |
| NEW HOMES BONUS                                | (266)                                      | (133)                            | (133)                      | (266)                       | -  | -  | -            | -            |
| <b>TOTALS</b>                                  | <b>12,609</b>                              | <b>6,349</b>                     | <b>9,449</b>               | <b>15,798</b>               | <b>3,189</b>                                       | <b>-</b>                                       | <b>3,632</b> | <b>(443)</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 5 months of 2020/21 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 a favourable variance of £366k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low, the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. The Business Loans Fund now has a savings target of £3,309k and there is some slippage in the loans being made to date.

#### Parking Services

Parking Services is forecasting a shortfall on income of £2,129k for 2020/21. £2,165k of this shortfall relates to the expected loss of income due to Covid-19 restrictions against budget. A small saving has been generated due to savings in staffing.

As at Week 25 (w/e 20th September) parking income is at £1.8m with patronage at 351,361. Car park patronage is down by 174,913 and income is down by £919k on 2019/20. On-Street Pay and Display patronage is down by 165,437 and income is down by £124k.

### **Housing Benefit**

This service is forecasting an overspend of £239k due to Covid-19. This relates to a reduction in the amount of overpayments recovered during the pandemic.

### **Council Tax and NNDR Cost of Collection**

This service is forecasting a break-even position.

### **Subsidiary Companies**

There is a pressure of £1,336k in subsidiary companies. £1,377k of this pressure is due to the current restrictions relating to Covid-19. The current forecast assumes no dividend is received from Blackpool Transport Services (BTS) or Blackpool Operating Company Limited (BOCL). There is, however, expected to be a saving of £41k due to an expected reduction in charges, mainly relating to debt management.

### **Land Charges**

This service is expected to break-even.

### **Concessionary Fares**

Concessionary Fares is forecasting an underspend of £149k which is due to Covid-19. The full year estimate is based on payments to October 2020 using an average of 4 specific periods in 2019/20 together with forecast figures provided by BTS to the end of the year.

### **Summary of the revenue forecasts**

After 5 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £3,189k overspend. This includes £3,632k Covid-19 related costs.

Car Parking Trends

