

Notice of:

EXECUTIVE

Decision Number:

EX39/2022

Relevant Officer:

Steve Thompson, Director of Resources

Relevant Cabinet Member:

Councillor Lynn Williams, Leader of the Council

Date of Meeting:

10 October 2022

FINANCIAL PERFORMANCE MONITORING AS AT MONTH 4 2022/23 AND MEDIUM TERM FINANCIAL PLAN 2023/24 – 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 4 months to 31 July 2022. The report also includes an update on the Medium Term Financial Plan 2023/24 – 2026/27.

2.0 Recommendation(s):

2.1 To note the report.

2.2 To require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services, Treasury Management and Growth and Prosperity.

2.3 To prompt the Scrutiny Leadership Board to continue to independently review the financial and operational performances of the services listed in 2.2.

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 approve that the £135,000 funding gap for the Library/Grundy Art Gallery roof will be met by additional surplus top-slice funding.

2.6 To work towards increased target working balances of £8m from £6m with formal effect from the start of financial year 2023/24.

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.

The Council’s Revenue Budget for 2022/23 set a target level of General Fund working balances of around £6m. However, given the current economic climate it is recommended that this is increased to £8.0m from 2023/24 as part of the setting by the Council of the Revenue Budget for 2023/24 as this would represent of 5% of the net requirement.

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 See reports and appendices circulated to members under separate cover.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- Report
- Appendix 1 - Revenue Summary
- Appendix 2a - Chief Executive
- Appendix 2b - Governance and Partnership Services
- Appendices 2b/c - Ward Budgets
- Appendix 2d - Resources
- Appendix 2e – Communications and Regeneration

Appendix 2f - Strategic Leisure Assets
Appendix 2g – Growth and Prosperity
Appendix 2h - Community and Environmental Services
Appendix 2i - Adult Services
Appendix 2j - Children’s Services
Appendix 2k - Public Health
Appendix 2l - Budgets Outside the Cash Limit
Appendix 2m – Wholly-owned companies
Appendix 3 – Budget Savings performance
Appendix 4 - Capital Monitoring
Appendix 5 - Cash Flow Summary
Appendix 6 - General Fund Balance Sheet Summary

All circulated to members under separate cover

8.0 Financial considerations:

8.1 See reports and appendices circulated to Members under separate cover.

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:

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? Yes

15.2 If so, Forward Plan reference number: 17/2022

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: 30 September 2022 Date approved: N/A

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Summary of Discussion:

19.1 Mr Steve Thompson, Director of Resources, presented the report to the Executive. Mr Thompson highlighted the growing and developing cost pressures to the Revenue Budget including energy costs, and pay and non-pay inflation. Mr Thompson emphasised that these issues continued to develop and it remained unclear as to the level of central government support to meet these challenges to it would be prudent to ensure monthly reporting of financial performance. Mr Thompson stated that there were also growing pressures on the

Capital Programme due to global supply chain delays, inflation and rising interest rates and the need therefore to generate capital receipts and ensure spending was controlled. In terms of the change to levels of reserves. Mr Thompson explained that this increase was considered reasonable as it reflected 5% of the net requirement. The Executive noted the key role that working balances and ear-marked reserves had played in protecting the Council's financial position from the impact of global issues.

20.0 Executive decision:

20.1 The Executive agreed the recommendations as outlined above namely:

1. To note the report.
2. To require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children's Services, Treasury Management and Growth and Prosperity.
3. To prompt the Scrutiny Leadership Board to continue to independently review the financial and operational performances of the services listed in decision 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.
5. To approve that the £135,000 funding gap for the Library/Grundy Art Gallery roof will be met by additional surplus top-slice funding.
6. To work towards increased target working balances of £8m from £6m with formal effect from the start of financial year 2023/24.

21.0 Date of Decision:

21.1 10 October 2022

22.0 Reason(s) for decision:

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

The Council's Revenue Budget for 2022/23 set a target level of General Fund working balances of around £6m. However, given the current economic climate it is recommended that this is increased to £8.0m from 2023/24 as part of the setting by the Council of the Revenue Budget for 2023/24 as this would represent of 5% of the net requirement.

23.0 Date Decision published:

23.1 11 October 2022

24.0 Alternative Options Considered and Rejected:

24.1 The Executive noted that there were no suitable alternative options.

25.0 Executive Members present:

25.1 Councillor L Williams, in the Chair

Councillors Brookes, Campbell, Farrell, Hobson, Hugo and Smith

26.0 Call-in:

26.1

27.0 Notes:

27.1 The following non-Executive member was in attendance: Councillor Hunter