

**Budget Scrutiny: Scrutiny Leadership Board Informal meeting 18 January 2023**

The Scrutiny Leadership Board met informally on the 18 January 2023 to consider an overview of the budget proposals for 2023/2024. The Director of Resources, Head of Corporate Delivery, Performance and Commissioning and Leader of the Council attended the meeting to set out the key items in the provisional local government finance settlement 2023/2024, what this meant for Blackpool, recommendations for bridging the budget gap, a review of reserves and an overview of the budget engagement process. It was noted that due to the delays in receiving details of the settlement from Government, the budget process was not as far along as in previous years. This report provides a summary of the main comments made during the meeting.

The Director of Resources highlighted the main changes to the settlement for 2023/2024 noting the increase in Revenue Support Grant, reduction in Services Grant, the abolishment of the Lower Tier Services Grant and the as yet unconfirmed changes to business rates. He reported that the most significant areas for change were the increases in Adult Social Care funding which totalled approximately £9 million across three grants, which had not been included in forecasts.

The Leadership Board was also informed of the main expenditure pressures in 2023/2024 which totalled over £37 million and included pay and non-pay pressures, treasury management cost increases and the reversal of income targets in Growth and Prosperity amongst others. Due to the unexpected increases in Adult Social Care grant funding the budget gap was smaller than originally expected, albeit still significant at £23.4 million.

Due to the late receipt of the settlement and the budget process being less progressed than in previous years the Director of Resources highlighted the options being considered in order to reduce the budget gap. Potential options included an increase in Council Tax, a new campaign to promote energy saving, the freezing of vacant posts and subsequent removal of those deemed not critical, income generation through work with neighbouring authorities, consolidating office accommodation and a focus on those in receipt of the single person discount in Council Tax to ensure all were eligible. The potential use of reserves could also be explored and it was noted that the Council currently held a healthy level of reserves for the size of authority.

The key comments made by the Scrutiny Leadership Board for consideration by the Executive were as follows:

- The importance of the discussions with the NHS in highlighting the shared responsibility for spend in adult social care in relation to preventing admissions to hospital and enabling discharges from hospital. It was noted that the NHS had a different schedule for setting its budget to the Council and that a contribution had been made in the current financial year. However, it was considered necessary to highlight the continued budget gap and pressures on funding in this area despite the additional funding received from Government.
- It was suggested that a strong narrative was needed to sit alongside the budget when presented to explain to all the additional cost pressures and how the Council was managing these pressures. The narrative must also reference how the proposed budget sat alongside and met the long term objectives of the Council such as the future sustainability of Children's Services.
- The Council was encouraged to be creative and consider potential investment opportunities and different ways of cost saving. Noting the substantial increase in energy prices, it was considered that exploring potential investment to save through

renewable energy was likely to create a saving in a shorter period of time due to the current high electricity costs and that now was the time to explore this opportunity.

- Other key discussions covered the importance of succession planning when losing experienced staff and the removal of posts, ensuring the Council was aware of the highest spend areas in energy to therefore ensure effective use of premises and the importance of talking about real people when considering the discharge of patients from acute care.