

## 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 - AUG £000	PROJECTED SPEND £000	FORECAST OUTTURN £000		
<b>BUDGETS OUTSIDE THE CASH LIMIT</b>						
<b>NET EXPENDITURE</b>						
TREASURY MANAGEMENT	13,254	(2,031)	13,700	11,669	(1,585)	-
PARKING SERVICES	(5,505)	(2,023)	(3,382)	(5,405)	100	-
CORPORATE SUBSCRIPTIONS	135	88	47	135	-	-
HOUSING BENEFITS	1,850	785	1,065	1,850	-	-
COUNCIL TAX & NNDR COST OF COLLECTION	1,894	792	1,102	1,894	-	-
SUBSIDIARY COMPANIES	(929)	(47)	(917)	(964)	(35)	-
LAND CHARGES	(50)	(24)	(26)	(50)	-	-
CONCESSIONARY FARES	4,065	349	3,716	4,065	-	-
EMPLOYERS PREVIOUS YEARS' PENSION LIABILITY	(957)	(399)	(558)	(957)	-	-
NEW HOMES BONUS	(22)	(11)	(11)	(22)	-	-
<b>TOTALS</b>	<b>13,735</b>	<b>(2,521)</b>	<b>14,736</b>	<b>12,215</b>	<b>(1,520)</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 5 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 £1,466k. This figure includes £2,184k 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 £191k. Offset against this is £844k 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 £119k as new business loans have been awarded at higher repayment rates than originally forecast for 2023/24. This underspend has reduced from M4 as interest rates have been increased from 4.5% to 5% in the forecast.

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 £100k 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 October holiday season and the availability of parking due to regeneration projects within the town.

As at Week 26 (w/e 24<sup>th</sup> September) parking income is at £3.5m with patronage at 666,814. Car Park patronage is down by 4,670 and income up by £71k on 2022/23. On-Street Pay and Display patronage is down by 4,113 and income up by £8k.

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 NDR Cost of Collection**

This service is forecasting a break-even position.

## **Subsidiary Companies**

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

## **Land Charges**

This service is forecasting a break-even position.

## **Concessionary Fares**

This service is forecasting a break-even position.

## **New Homes Bonus**

This service is forecasting break-even position.

## **Summary of the revenue forecasts**

After 5 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £1,520k underspend.

**Car Parking Trends**

