

Report of	Meeting	Date
Director (Finance) (Introduced by Executive Member (Resources))	Council	Tuesday, 28 February 2023

## Revenue Budget 2023/24, Medium Term Financial Strategy and Capital Programme 2023-2026

Is this report confidential?	No
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Is this decision key?	n/a
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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### Purpose of the Report

- To seek approval of the Executive's Budget Strategy and proposals for the Revenue Budget 2023/24, together with the Medium Term Financial Strategy (MTFS) and Capital Programme for 2023-2026.

### Recommendations

- The Executive recommends that Council:
  - Approve the budget and proposals set out in this report, including the level of Council Tax as set out in the Formal Council Tax Resolution, including Special Expenses & Parish Precepts 2023/24, at **Appendix A**;
  - Note the advice of the Chief Finance Officer in relation to the robustness of the estimates within the overall budget, including the risks contained within it and the adequacy of the proposed level of financial reserves, as set out in the Statutory Report at **Appendices B1 – B3**;
  - Approve the council's Medium-Term Financial Strategy (MTFS) at **Appendix C**;
  - Note the council's forecast Cumulative Budget Deficit and Budget Strategy 2023-24 to 2025-26 at **Appendix D**;
  - Note the analysis of the movement in the 2023/24 Budget from the position approved by Council in February 2022 at **Appendix E**;

- f) Approve the capital programme for 2023/24 to 2025/26 (**Appendices F1, F2 & F3**);
- g) Approve the Capital Strategy at **Appendix G**;
- h) Approve the Treasury Management Strategy at **Appendix H** and note the advice of the treasury management consultants at **Appendix H1**;
- i) Approve the council's Pay Policy at **Appendix I** for publication on the council's website from April 2023 (including Appendix I (i) – the paycales for Chorley Council and Appendix I (ii) – the paycales for Shared Services) ;
- j) Note the budget consultation 2023/24 Report at **Appendix J**;
- k) Note the Assessing the Impact of Budget Proposals 2023/24 Report at **Appendix K**.

### **Reasons for recommendations**

- 3. To ensure that the council complies with the statutory requirement to set a balanced budget for 2023/24.

### **Other options considered and rejected**

- 4. None considered; setting the budget is a statutory requirement.

### **Executive summary**

- 5. The 2023/24 budget and the MTFS for the next 2 years have been updated to take account of the following:
  - Due to the continued pressures on council budgets, alongside reduced levels of funding from government to meet these increasing costs, the figures include a proposed 1.99% increase in council tax in 2023/24;
  - The figures also include a proposed 2.99% increase in council tax in 2024/25 and of 1.99% in 2025/26; these proposals will be revisited each year as part of the budget setting process and will be dependent upon the outcome of the government's reviews of both the future funding framework and the future distribution of funding between councils (i.e. the long awaited Fair Funding Review), the review of the business rates system and the development of the 'Levelling-Up' agenda;
  - Continued investment is reflected in ongoing revenue budgets to ensure delivery of corporate strategy priorities.
- 6. Although the level of funding in cash terms has increased by £1.9m from £13.6m in 2016/17 to £15.5m in 2023/24 (13.9%), the real terms reduction over this period, as measured by CPI, is 26.9%. Despite this, the council has been, and remains, ambitious in its approach to addressing the budget deficit by generating efficiency savings and additional income.
- 7. The budget is set to ensure that the objectives of the council's Corporate Strategy

priorities are met.

8. The council continues to invest in the borough and this budget includes £23.053m of capital investment from 2023/24 to 2025/26. This includes investment in;
- Provision of affordable housing, support for refugees and adaptations to assist residents in their homes;
  - Improving and transforming the leisure centres to encourage our residents to be active and healthy, along with investment in play, recreation and open spaces;
  - Driving economic development and delivering income generation through the completion of the Strawberry Meadows development;
  - Supporting our town centre through the town centre masterplan;
  - Delivering the green agenda, including decarbonisation of council properties;
  - Rationalisation of council accommodation

The council will continue its success of investing in assets that benefit residents and businesses whilst also generating a net income to the council.

### Corporate priorities

9. The report relates to the following corporate priorities:

<b>Housing where residents can live well</b>	<b>A green and sustainable borough</b>
<b>An enterprising economy with vibrant local centres in urban and rural areas</b>	<b>Healthy, safe and engaged communities</b>

### Background to the report

10. The Executive agreed the '2023/24 Draft Budget' report at their meeting on 19 January 2023; a budget consultation then followed. The report set out the Executive's intention for spending and investment in the borough over the course of the 2023/24 financial year.

## BUDGET CONSULTATION RESULTS

11. Consultation on the 2023/24 budget ran from the 24<sup>th</sup> January to 6<sup>th</sup> February 2023. The consultation was publicised through Council channels, including the council website, social media pages and local parish councils; details of the consultation are set out on **Appendix J**.
12. The formal consultation received 73 qualitative responses through an open question format, via an online survey, and 60 responses through social media.
13. As well as completing the online survey, respondents also shared their views and comments using social media. From across all the posts during the budget consultation period on Facebook, the posts were viewed 37,118 times with 2,589 engagements (likes comments and shares) reaching a wide proportion of the population. Analysis of social

media responses (which totalled 60) have been grouped alongside the consultation responses.

14. The responses have been collated and analysed to identify the main themes and then grouped together based on whether they indicated a positive or negative response to the proposals. It should be noted that responses often included more than one comment or suggestion, covering more than one area. Where this occurred, the main area of comment was selected.
15. The following table outlines the distribution of positive, neutral, and negative from respondents to the open question which asked for comments on the overall proposals. These also include responses returned without relevant comment, where feedback was submitted that was not relevant to the budget consultation proposals;

Status	%
Positive or neutral view of the proposals	57.7%
Negative view of the proposals	35.9%
Returned without Comment*	6.4%

\*responded but did not comment on the investment proposals

16. The majority of positive comments (80%) indicated general acceptance of the proposals, with some residents stating that they were 'overall very positive' and 'sensible'. In addition to this, comments also referenced a positive view towards Council Tax changes (12%), the Green Agenda (4%), Community projects (4%).
17. The majority of negative comments (18.9%) relate to housing, with respondents indicating this as their reason for disagreeing with the proposals. The vast majority of reasons given suggested dissatisfaction with the number of new houses being built and concerns about over-development and there not being a need for affordable housing within Chorley. There were also negative comments around the proposed ideas for climate change (17%) with some respondents disagreeing with the proposed levels of investment and considering it to be too high compared to other priorities. Health and wellbeing (17%) was also a key theme, with respondents identifying a need for greater investment in this area. Other comments were around the rise in council tax (9.4%) and prioritisation of investments including Astley Hall (7.6%).

## 2023/24 BUDGET DEVELOPMENT

18. The budget has been developed in line with the achievements, decisions and actions taken by the council to date. Despite the difficult financial position and cost pressures faced, reflecting soaring inflation, increased utility costs and rising interest rates along with the uncertainty around future Government funding, the council is committed to delivering on the agreed priorities and the budget reflects this commitment.
19. The key components of the 2023/24 Budget and MTFs, and the assumptions and information on which this is based, are detailed in this report and the supporting appendices.
20. The key factor in the development of the 2023/24 Budget, and in the MTFs for the following 2 years, is the Local Government Finance Settlement; through this, Government sets out the funding it will make available to local authorities, along with the parameters

within which other sources of income, i.e. Council Tax and Business Rates, can be raised.

21. The fact that yet again we have only received a one year settlement has exacerbated the risk in our financial planning; in the absence of any figures or framework from Government, it is almost impossible to prepare a credible financial strategy beyond 31 March 2024 with any degree of confidence in the underlying assumptions. Uncertainty prevails in respect of the development and implementation of a new Fair Funding Review and changes to the Business Rates Retention Scheme; it is within this financial context that we have developed the MTFS.

## 2023/24 BUDGET SUMMARY

22. The 2023/24 Budget and MTFS covering the period 2024/25 and 2025/26 is set out in **Appendix D**. A summary of the financial position is as follows:

	2023/24 £m	2024/25 £m	2025/26 £m
Council Tax (incl Collection Fund adjustments)	(7.710)	(8.038)	(8.158)
Retained Business Rates (incl Pool)	(6.216)	(6.556)	(6.556)
Services Grant	(0.119)	(0.416)	(0.416)
Minimum Funding Guarantee	(1.146)	(1.146)	(1.146)
New Home Bonus	(0.297)	(0.000)	(0.000)
<b>TOTAL FUNDING</b>	<b>(15.488)</b>	<b>(16.156)</b>	<b>(16.276)</b>

<b>TOTAL EXPENDITURE</b>	<b>15.488</b>	<b>16.693</b>	<b>17.760</b>
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<b>BUDGET (SURPLUS)/DEFICIT</b>	<b>-</b>	<b>0.537</b>	<b>1.484</b>
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23. The key elements of the figures are outlined in more detail below.

## 2023/24 BUDGET – FUNDING SOURCES

### Local Government Finance Settlement

24. This lack of clarity around the council's future funding streams, and a further one-year financial settlement for 2023/24 rather than the expected multi-year settlement, frustrates financial planning beyond one year, however for the 2023/24 Budget the figures are

based on the Final Local Government Finance Settlement that was published on 7 February 2023.

### **Business Rates**

25. The Settlement confirmed that the Lancashire Business Rates Pool will be able to continue in 2023/24 and also into 2024/25. Chorley Council benefits from additional business rates income of approximately £1.0660m per annum as a result of being a member of the pool. In the absence of any further information regarding Business Rates Retention reform, the pool is assumed to continue throughout the period of the MTFS.

### **New Homes Bonus**

26. New Homes Bonus was introduced in 2011 as a stimulus for the provision of new homes and is a non-ringfenced grant, distributed between local authorities based upon new growth in housing provision in their area. The length of time that the bonus is paid for, for each new home built, has reduced from 6 years when it was first introduced, down to 5 years with effect from 2017/18, and down to 4 years from 2018/19. It has been limited to a one-off annual payment for new homes built since 2020/21. Whilst it had been announced last year that funding from New Home Bonus (NHB) would discontinue in 2023/24, the Settlement announced an allocation of £0.297m for 2023/24 (2022/23 - £886k). The reduction reflects the fact that the allocations no longer include any legacy payments for prior years. Reflecting prior announcements of its withdrawal, no further NHB allocations have been assumed beyond 2023/24 however, it is assumed within the MTFS that the funding will be re-purposed as a grant, or subsumed within another grant; we have assumed that for 24/25 and 25/26 the same level of NHB as received in 23/24, is amalgamed into the Services Grant referred to below.

### **Council Tax**

27. The Local Government Finance Settlement confirmed a council tax increase limit for district councils in 2023/24 of up to 3% or £5 (whichever is the greater) on a Band D equivalent in 2023/24. It also confirmed that the same limits will continue in 2024/25. The MTFS presented to Finance Council in February 2022 however, assumed an increase of 1.99% in each of these years.
28. Despite the continued pressures on council expenditure budgets, including the impact of rising inflation and increasing utility costs, combined with the real terms reduction in Government funding provided to the council since 2010, it is recommended to limit the increase to Chorley residents to 1.99% in 2023/24 as previously proposed, whilst revising the position for 2024/25 to reflect the new limit. The 2024/25 position will be revisited next year as part of the budget setting process and will be subject to future decision dependent on the outcome of future Government funding announcements.

### **Lower Tier Services Grant**

29. The Lower Tier Services Grant, first introduced in 2021/22 as a non-recurring, un-ringfenced grant has, together with a proportion of the expired New Homes Bonus legacy payments referred to in point 26 above, been re-purposed into a new grant called the Minimum Funding Guarantee, introduced in 2023/24 to ensure that all councils receive a minimum increase of 3% in their Core Spending Power (i.e. the level of resources that the

Government assumes councils have available to them based on a combination of their assumed council tax income, business rates income and new homes bonus grant allocation). The minimum 3% increase is calculated before applying assumptions on council tax rate increases for 2023/24. In 2022/23 the council received £506k of funding from this grant.

### **Services Grant**

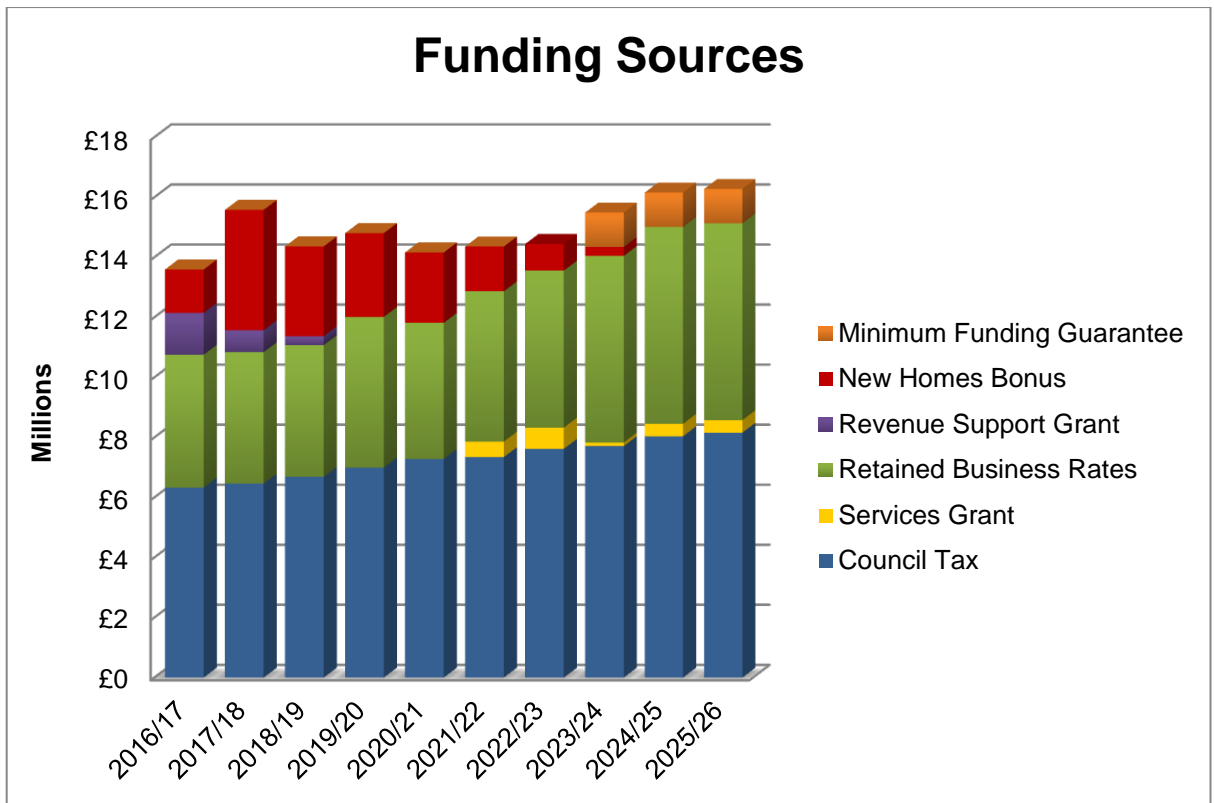
30. The level of this grant has been reduced, in part due to the cancellation of the previously announced increase in National Insurance Contributions from 1<sup>st</sup> April 2023, and also to move funding into the Supporting Families Programme. The methodology for the distribution of the grant remains unchanged, for which the council will receive £0.119m in 2023/24. Previously described as a 'one-off' grant in 2022/23 (£0.203m), although allocated again in 2023/24, it is unclear what will happen to the grant in 2024/25 but for budgeting purposes it has been assumed it will continue in some form, along with the remaining balance of New Homes Bonus referred to above. As such, income of £0.416m is assumed in 2024/25 and 2025/26 as a proxy for this (£0.119m Services Grant plus £0.297m NHB).

### **Minimum Funding Guarantee**

31. This new grant replaces the Lower Tier Services Grant and a proportion of the previous funding provided by New Homes Bonus legacy payments; it is intended to provide a funding floor for all local authorities so that no authority would see an increase in Core Spending Power of less than 3% (before any assumption on council tax rate increases, but after increases in the council tax base are applied). The council has been allocated £1.146m in the Provisional Settlement for this in 2023/24. Given that the grant is based on, and is subsumed within, the council's Core Spending Power and that this figure is reported for all authorities across the country each year within the Settlement as a measure of growth in the funding by Government, it is unlikely that this will reduce, and as such it has been assumed that this grant will continue into 2024/25.

### **Summary of Major Sources of Council Funding**

32. The chart below outlines the forecast level of funding for the council across the next three years in comparison to previous allocations.
33. As the government has only published a one-year settlement, assumptions have been made, as noted above, in that the 2023/24 level of NHB together with the 2023/24 level of Services Grant will be re-purposed into a new Services Grant and that the Minimum Funding Grant will also continue at its 2023/24 level.
34. As the graph shows, funding to Chorley Council is forecast to increase from £13.6m in 2016/17 to almost £16.3m by 2025/26.



## 2023/24 BUDGET - EXPENDITURE

### Pay Award

35. In the Spending Review of October 2021, the Chancellor said that pay awards for public sector workers in 2022/23 would be in line with CPI. At the time the 2022/23 Budget was approved the negotiations for 2021/22 had yet to conclude and no fixed point in time had been announced for the determination of CPI for the 2022/23 pay award. As such, a provision of 2% was included in the pay budget for 2022/23, which equated to approximately £200k per year. A pay award was agreed in November 2022 of £1,925 per whole time equivalent, for which no additional funding was provided. The increase in costs over and above the budget provided, equated to approximately £0.597m which presents a recurring cost pressure in 2023/24 and beyond.
36. Given the increases in inflation over the course of 2022 and the forecasts moving forward, the pay award assumption for 2023/24 has been reviewed and this has been increased from 2% for the year to 5% increasing costs by a further £465k. The assumption for 2024/25 and 2025/26 have also been adjusted and included in the MTFS at 5% and 2% respectively.
37. The National Living Wage will rise from £9.50 to £10.42 an hour for workers aged 23 and over from April 2023. This will not affect Chorley Council's pay bands for 2023/24 as the council pays above this level already.

### Pension



38. The results of the Lancashire County Pension Fund triennial actuarial valuation of 2022 have now been received. The fund has had a strong performance over the last 3 years through to 31<sup>st</sup> March 2022, however since 31<sup>st</sup> March, with the volatility in global financial markets, inflation and interest rates, the position has been more turbulent. Overall, the Chorley Council section of the fund will now see a reduction in the financial contributions required, comprising;
- an increase in the level of Employer Pension Contribution rates from 16.4% to 18.3% for the next 3 years (i.e. a 1% increase results in approx. £74k of cost – increase of £140k in total) however;
  - the annual cost of the repayment of the fund deficit will reduce from £467k per annum to £0.
39. Overall, the actuarial valuation has reduced the council's pension costs by approximately £327k compared to the costs included in the MTFs approved by Council in February 2022, which assumed the existing employer pension contribution costs would remain at their 2022/23 levels.

### **Inflation and Increases in Cost of Utilities**

40. CPI rose by 11.1% in the 12 months to October 2022, up from 6.2% in February when the 2022/23 Budget and MTFs was approved. The Bank of England has revised their CPI forecasts to 3.0% for the 12 months through to the beginning of 2024 and 1.0% for the same point in 2025 (*BoE - Monetary Policy Report in 2 February 2023*).
41. The council will continue to support its wholly owned leisure services company in response to the escalation in utility costs and the impact of the cost of living crisis on the level of income generated, on the basis that any intervention will be short term and that the cost to the council will cease over the medium-term as the company develops its services to fully cover its own costs.

### **Forecast outturn 2022/23**

42. The latest Revenue Monitoring report for Quarter 3 - the 9 months to 31<sup>st</sup> December 2022, is forecasting an overspend for the 2022/23 financial year of £0.324m. This is predominantly due to the unfunded, nationally negotiated pay award of £1,925 per whole time member of staff, which equates to an increase in the salary budget of approximately 6% - 7% across the council compared to the budgeted provision of 2%, together with pressures from the increases in inflation and the escalating costs of utilities; these cost pressures have been offset by underspends, savings, the use of reserves and additional grant funding secured to support operational service delivery, as detailed in the Revenue Monitoring report. The position continues to be refined as we progress through the final quarter of the year.

## **ADDITIONAL INVESTMENT IN CORPORATE PRIORITIES**

43. The council has continued to invest in delivering the ambitions set out in its Corporate Strategy and in delivering high quality services to its residents.

## Investment in 2022/23

44. The council allocates significant revenue investment to deliver corporate strategy priorities through a programme of diverse activities. During 2022/23, these activities were designed to progress action to address the economic impact of the pandemic including support for businesses and activity to increase jobs and skills, establishing key assets for the future and to respond to the needs of communities by enhancing essential services and facilities. The key areas of investment undertaken in 2022/23 against the key corporate priorities are set out below;

### Involving residents in improving their local area and equality of access for all

- Additional **£240k** to top-up the climate change fund to deliver the climate change strategy and commitment to being carbon neutral by 2030;
- **£30k** to support communities and local groups to come together and support the Queens Jubilee through neighbourhood events and street parties.

### Clean, safe and healthy homes and communities

- **£2.7m** budget set aside to improve local play and community facilities across the borough, including Milestone Meadow in Euxton, Foxcote in Astley Village, Station Road in Croston and in Whittle-le-Woods;
- Housing has remained a key priority for the council with investment approved of over **£3.0m** to support the delivery of affordable housing, to provide properties for refugees, as well as providing adaptation grants to assist residents during the year; this is in addition to the Tatton Gardens extra care scheme.

### An ambitious council that does more to meet the needs of residents and the local area

- **£200k** funding allocated to make improvements to non-council playgrounds and spaces across the borough and bring them up to the same standard as council owned spaces, supporting young people and promoting health and wellbeing.
- **£30k** investment in Check Out Chorley to carry out additional promotional activity, refresh [checkoutchorley.com](http://checkoutchorley.com) to be launched in the Spring and development work with tourism aligned to a refresh of the markets and Astley Hall, supporting a strong economic recovery

### A strong local economy

- **£200k** to support local businesses to recover from the pandemic with additional support, advice and grants alongside a refreshed Economic Strategy and action plan.
- **£200k** investment to establish and develop our approach to apprenticeships, graduate and training posts in areas of high market demand – building resilience and improving quality in our service provision and supporting people into high quality

## Investment in Priorities 2023/24

45. The Council has invested in services and delivered positive outcomes for residents and businesses in a time of significant challenge and disruption, supporting a positive recovery from the pandemic and creating opportunities. The Council re-set its Corporate Strategy in November 2022 to establish four new key priorities that aim to get Chorley in the best position for the future:
- Housing where residents can live well
  - A green and sustainable borough
  - An enterprising economy with vibrant local centres in urban and rural areas
  - Healthy, safe and engaged communities
46. Moving forward, from across the capital programme, revenue budgets and specific ear-marked reserves, this council will continue to invest in activity that will drive forward priorities and key projects to achieve the vision for Chorley to have strong communities, a resilient economy, excellent services and a greener future.

### Housing where residents can live well

- £2.8m of further investment in affordable homes and adaptation grants
- £100k investment in measures to improve home energy efficiency
- £50k to investigate flexible housing solutions to meet the needs of all communities

### A green and sustainable borough

- £35k to plant more trees as part of establishing green corridors
- £200k environmental improvements and proactive activity to clean up neighbourhoods
- £80k to deliver energy improvement measures for businesses
- £50k to deliver additional Electric Vehicle charging points

### An enterprising economy with vibrant local centres in urban and rural areas

- £150k to continue improving Astley Hall
- £400k to improve rural business connectivity
- £240k to provide additional support for businesses
- £10k to launch a skills and jobs programme for local residents
- £441k over the MTFS for investment within bus shelters

### Healthy, safe and engaged communities

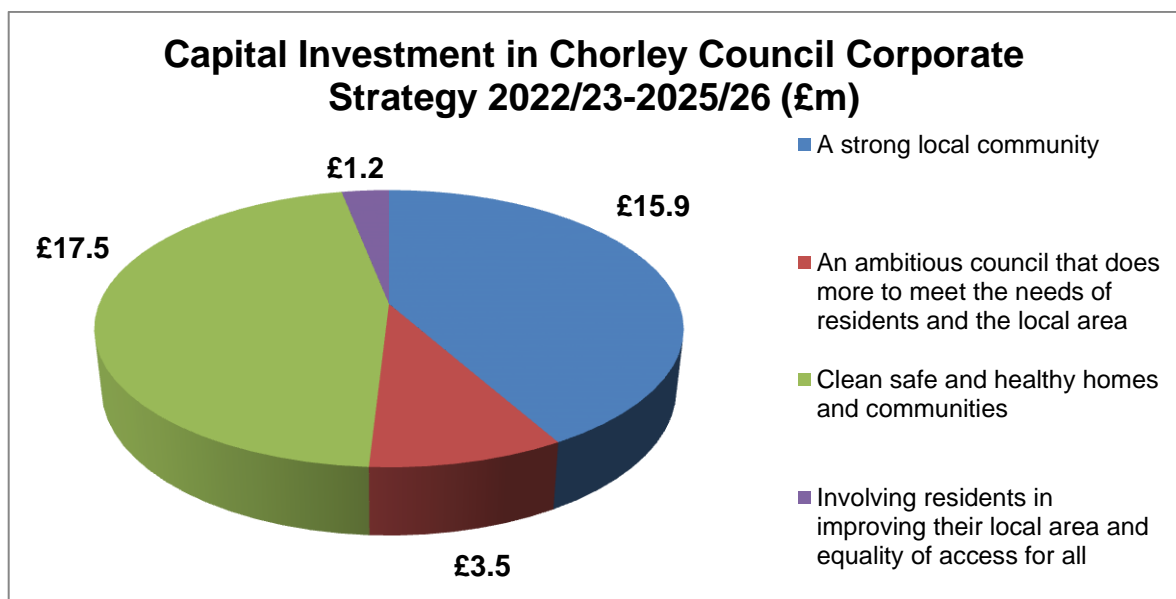
- £120k to provide more support for families and young people to access services that can give them the best start in life
- £15k for health and wellbeing activities that can be access by residents within their local

## Medium Term Financial Planning and Transformation Strategy

47. Despite the increases in funding and budget savings identified in this report, there remain large forecast budget deficits of £0.537m in 2024/25 and £1.484m in 2025/26. The council's medium-term plans to reduce the budget deficits are outlined in the Medium Term Financial Strategy 2023/24 to 2025/26 at **Appendix C**.
48. The transformation strategy covers many aspects of change both within the council and in partnership with other organisations. The main strands of the strategy that could generate savings and income are also outlined within **Appendix C**.

## CAPITAL PROGRAMME 2023/24 to 2025/26

49. Details of the capital programme, including new capital investment, are outlined in **Appendix G1**. The capital programme for 2023/24 to 2025/26 totals **£23.053m** and is an indication of how ambitious the council is in delivering its Corporate Strategy and the priorities within it.
50. A breakdown of the capital programme is detailed below;



51. The Council continues to invest through its capital programme to deliver on its ambitions.

This will include:

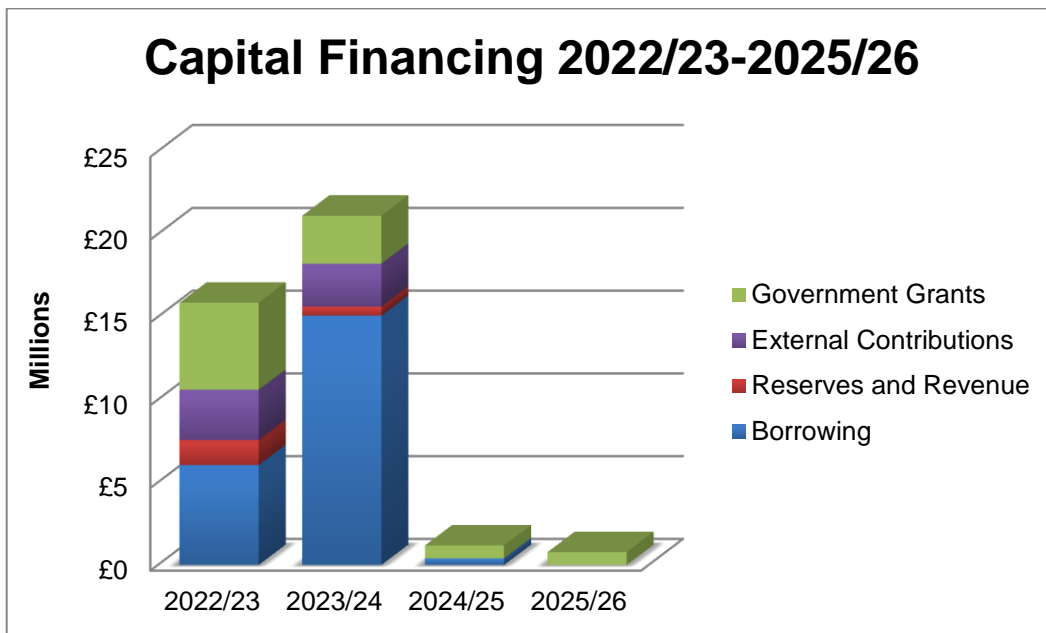
- Provision of affordable housing, support for refugees and adaptations to assist residents in their homes;
- Improving and transforming the leisure centres to encourage our residents to be active and healthy, along with investment in play, recreation and open spaces;
- Driving economic development and delivering income generation through the completion of the Strawberry Meadows development;
- Supporting our town centre through the town centre masterplan;
- Delivering the green agenda, including decarbonisation of council properties;

- Rationalisation of council accommodation
- Investment in a programme of refurbishment and replacement of bus shelters across the borough through the Asset Improvements programme. A further update on this will be brought to Executive Cabinet in the coming months.

52. The council's capital programme is constructed based upon several objectives including the requirement to be affordable and prudent. To do this the council will ensure that whenever possible, the impact of additional investment on revenue budgets will be minimised. The council has a number of sources of funding it can use to invest in the borough including, Community Infrastructure Levy (CIL), section 106 funding, grant funding and capital receipts. Where appropriate the council will also generate future revenue income streams through capital investment to exceed the repayment of borrowing.

**CAPITAL FINANCING**

53. The financing of the capital programme for the period 2023/24 to 2025/26 is set out in **Appendix F2** to the budget report and summarised in the proceeding chart;



54. The capital programme includes a number of schemes that are forecast to generate revenue that will meet the annual cost of borrowing required to complete the project. These include the completion of the £16m Tatton Gardens scheme, the completion of the £11.4m development at Strawberry Meadows and the £3.5m budget for purchasing affordable housing.

55. The council will invest at least £5.6m over the coming three years of contributions from developers as outlined in **Appendix F2**. A summary of section 106 funding received and allocated is attached in **Appendix F3**.

56. **Appendix G - Capital Strategy** - to the budget report outlines the council's capital strategy including specific risks within the programme, performance indicators and the council's capital ambition beyond the three-year budget cycle.

## CONCLUSION

57. This paper outlines the Executive's budget proposals for 2023/24 which are:
- A balanced budget made possible by efficiency savings and increased income delivered over the course of 2022/23;
  - A balanced budget set against a backdrop of uncertainty surrounding government funding reforms for local government, which are unlikely to be developed and implemented until at least after the next general election expected in late 2024;
  - A balanced budget that through the successful delivery of successive financial strategies to date, has provided for continued revenue investment in the 2023/24 budget;
  - Investments are to be made in key areas to support the Corporate Strategy:
    1. Housing where residents can live well;
    2. An enterprising economy with vibrant local centres in urban and rural areas;
    3. A green and sustainable borough;
    4. Healthy, safe and engaged communities.
  - An MTFS that reflects assumptions made, and assessed, in the light of the latest information available at this time, and which is also compatible with:
    - the proposed Capital Strategy as set out in **Appendix G**
    - the proposed Treasury Management Strategy as set out in **Appendix H**
    - the proposed Pay Policy as set out in **Appendix I**
58. The MTFS at **Appendix C** contains the updated budget forecasts through to 2025/26 and identifies that further budget savings will be required to bridge the funding gap over the three year period. The forecasted budget deficit in 2024/25 is estimated to be £0.537m and the MTFS sets out options that can be considered to bridge this gap and thereby strengthen the council's financial position over into 2025/26 and the longer term.
59. The council will need to continue working hard and be innovative and creative in order to continue to make efficiencies, whilst at the same time minimising the impact on services. There are still factors that may affect the current forecast financial position, namely changes in the local government funding system, i.e. the Fair Funding review, changes to the business rates system, the impact of the 'levelling-up' agenda, the cost of living crisis, rising inflation and interest rates, and the impact of the recovery from

Covid-19. The focus of the council's approach will be to identify and deliver income generating projects as well as generating further efficiencies as set out in the MTFS at **Appendix C** of this report.

60. The contents of this report are supplemented with additional appendices to provide further details as referenced below.

### **Climate change and air quality**

61. The budget set aside in this report will continue to support the council's future ambition to become carbon neutral by 2030.

### **Equality and diversity**

62. Consultation has been undertaken regarding this budget with the Integrated Impact Assessment reported at **Appendix J** to this report.

### **Risk**

63. There are no immediate risks associated with this report, however if it is not possible to approve the final budget report in February 2023, then the council will not achieve its statutory obligation to produce a balanced budget and it would be unable to finance its commitments to its corporate priorities.

### **Comments of the Statutory Finance Officer**

64. All proposals within the report are funded and can be accommodated within the 2023/24 budget.
65. It should be noted that the report does contain several assumptions which are outlined in the body of the report, and also includes figures based on the forecast final out-turn position for 2022/23. Should any of the assumptions or figures change due to unforeseen circumstances arising before 31st March 2023, the financial position will be reviewed and reported.
66. The financial implications are detailed within the body of the report, and furthermore in the *Medium Term Financial Strategy 2023/24 to 2025/26* at **Appendix C** and the *Chief Finance Officer's Report* at **Appendix B1**.
67. Consideration is given in **Appendix G – Capital Strategy** to the risks and opportunities contained within the council's capital programme.

### **Comments of the Monitoring Officer**

68. The budget proposals are in accordance with the requirements of legislation.

### **Background documents**

69. Executive Cabinet Report -19 January 2023 – Draft 2023/24 Budget

## Appendices

Appendix A	Formal Council Tax Resolution 2023/24 including Special Expenses and Parish Precepts
Appendices B1 - B3	Report of the Chief Finance Officer on the robustness of the estimates within the overall budget, including the risks contained within it and the adequacy of the proposed level of financial reserves
Appendix C	Delivering Our Priorities - Chorley Council Medium Term Financial Strategy 2023/24 to 2025/26
Appendix D	Cumulative Budget Deficit & Budget Strategy 2023-24 to 2025-26
Appendix E	Analysis of movement in the 2023/24 Budget from the position approved by Council in February 2022
Appendix F1	Capital Programme 2022/23 to 2025/26
Appendix F2	Capital Programme Financing 2022/23 to 2025/26
Appendix F3	Developer's Contributions 2019/20 to 2023/24
Appendix G	Capital Strategy
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