

APPENDIX B3

RESERVES

1. The council has made ambitious investments to help enable the delivery of a balanced budget whilst ensuring a prudent and affordable approach to delivering the medium-term financial strategies. The council has set aside and increased the balance of reserves as outlined in the table below.

2. The expected balance of these reserves at the beginning of 2023/24 is;

Reserves	1st April 2023 £000s
General Fund Balance	(4,000)
Change Management Reserve	(250)
Capital Expenditure Reserve	(626)
Climate Change Reserve	(615)
Support for Apprentices, Graduates and Training Posts	(200)
Investment in Play and Open Space Across the Borough	(200)
Market Walk – Asset Management	(154)
Income Generation Reserve	(261)
Market Walk – Income Equalisation Reserve	(452)
Logistics House - Income Equalisation Reserve	(450)
Business Rates Exceptional Payments Reserve	(1,141)
Support for the recovery from the pandemic and the cost of living crisis – communities and businesses	(924)
Business Investment for Growth (BIG) Grants	(276)
Choose Chorley Grants	(65)
Other Investment Projects	(42)
Retail Grants Programme	(98)
IDOX Migration	(78)
NHS CCG Covid Support Project	(100)
Communities - Neighbourhoods	(175)
ICT/Streetscene Modernisation Reserve	(62)
Government and other grant funding	(30)
Waste Mobilisation	(96)
Maintenance of Grounds	(44)
Planning Appeal Costs	(216)
Mayoral Charities	(6)
Policy and Governance General	(124)
Elections	(57)
Check Out Chorley	(30)
Earmarked Reserves	(6,772)

Total Reserves - General and Earmarked	(10,772)
Provisions	
Insurance Provision - Potential MMI clawback	(14)
Total Provisions	(14)

3. These reserves are available to assist in mitigating any financial impact from the uncertainty that the council faces, such as the reforms to future funding levels, support for the recovery from the pandemic, the impact of the cost of living crisis on residents and businesses and potential future risk in income streams.

Income Reserves

4. The council has set aside over £900k to manage any one-off reductions in income (£450k from Logistics House and £452k from Market Walk).

Asset Maintenance Reserves

5. Whilst continuing to deliver a large and ambitious capital programme, which will evolve over the course of the MTFs period as new schemes are presented for consideration, the council sets aside sufficient budget to manage the maintenance of its existing assets; for example additional reserves are set aside to fund unexpected maintenance including a £154k reserve for the Market Walk site.

Other Reserves

6. To implement the transformation of services and generate additional income, the council has set aside £261k of revenue reserves to explore income generating projects as well as £250k reserves to manage any one-off costs of implementing changes to staffing structures.
7. The council continues to support its local businesses with £439k in reserves to attract businesses to the borough, as well as supporting existing businesses in the town centre and other areas of the borough. These grants enable the council to match fund local business investment to expand local businesses and job opportunities.
8. The council will continue to set aside funds to support planning decisions. The council invests £100k per year to the review the local plan, with reserves set aside of £216k to further support the council to defend locally made planning decisions.
9. The council has set aside £615k of reserves to implement its Green Agenda and to continue its ambition to become carbon neutral by 2030. Reducing the carbon footprint is a national and global issue; we will seek to attract support and funding from our partners, including the government, to assist us in achieving this priority objective.

10. There are £924k of reserves set aside to support residents, communities, businesses and the council during the cost of living crisis and through the recovery from the pandemic.
11. There are reserves of £200k to support investment in play and open spaces across the borough, and £200k to support apprenticeships, graduate positions and other additional training opportunities at the council.

General Reserves

12. The council has set aside £4.000m in general funds, which represents approximately 26% of the annual net expenditure budget of the council. This can be used to manage future uncertainty in expenditure and income over the medium-term. The council does not intend, nor has it budgeted, to utilise this reserve to manage budget deficits, however this will be reviewed as part of the council's budget management process.