

Report of	Meeting	Date
Director of Finance (Introduced by Executive Member (Resources))	Executive Cabinet	18 January 2024

Draft 24/25 Budget Update

Is this report confidential?	No
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Is this decision key?	No
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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

1. The report sets out the draft budget position for the council for 2024/25 and the forecast for 2025/26, reflecting the information contained within the Provisional Local Government Financial Settlement announced on 18th December 2023.
2. The draft budget position is published for consultation every year by the council. The figures in the report are subject to change, pending receipt of the Final Local Government Financial Settlement announcement which is due from Government in early February 2024.

Recommendations to Executive Cabinet

3. That Members agree the contents of this report in order to start the budget consultation process as follows:
 - A proposed 2.99% increase in council tax in 2024/25 with no proposed cuts to services;
 - A forecast balanced budget for 2024/25, based on a 2.99% increase in council tax as noted above and the use of £0.365m of reserves;
 - A forecast budget shortfall for 2025/26 of £1.575m, to be addressed through the development and delivery of the council's savings programme;
 - To note the proposals in the report for investment in the Labour Administration's priority areas.

Reasons for recommendations

4. The council wishes to set out its budget proposals and consult on them with residents.

Other options considered and rejected

5. None - this is the draft budget and alternative budgets may be considered as part of the final budget proposal.

Executive summary

6. The Provisional Local Government Financial Settlement for 2024/25 was announced on 18th December 2023, with information regarding specific elements of funding and grants issued in the week thereafter. The settlement contained information regarding funding levels and council tax increases for 2024/25. Based on this information, the budget forecast for 2024/25 has been updated as follows:
 - The Medium Term Financial Strategy (MTFS) presented to Finance Council in February 2023 assumed an increase in council tax of 2.99% in 2024/25. This was in line with the 2023/24 settlement announcement, in which Government confirmed a council tax increase limit for district councils in 2023/24 and 2024/25 of the higher of 3% or £5; this was an increase from the 2% limit set in previous years. In light of the continued pressures on the council's expenditure budgets, including the impact of high inflation and increased utility costs, combined with the real terms reduction in Government funding provided to the council since 2010, it is proposed to increase council tax by 2.99% in 2024/25, which equates to a 10p per week increase on a Band D property for the Chorley Council element of the council tax charge. This is in line with the assumption included in the MTFS last year for 2024/25.
 - The MTFS in February 2023 assumed an increase in council tax of 1.99% for 2025/26. The Provisional Settlement has made no reference to council tax limits to be applied in 2025/26 and as such the MTFS reflects a 1.99% increase, although this assumption will be revisited next year and will be subject to future decision dependent on the outcome of future Government funding announcements;
 - The figures reflect continued investment in ongoing revenue budgets to ensure the delivery of corporate strategy priorities;
 - A capital investment of over £20.9m is included in respect of corporate priority projects over the 3-year period, 2024-2027;
 - The figures reflect the corporate strategies and decisions taken by the council to date to reduce the budget deficit over the medium term.
7. Consultation on the proposed budget for 2024/25 will commence following approval of the proposals by Executive Cabinet. The consultation will invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey. The feedback will be used to frame the allocation of resources and investments, and the results will be analysed and published in February for consideration as part of the council's final budget.

Corporate priorities

8. The report relates to the following corporate priorities:

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

Background to the report

9. In presenting the draft budget position for 2024/25 it is important to review the context within which this has been developed, and how the budget and financial risk have been managed to date to ensure that costs remain controlled and savings generated, whilst investment has been made in service delivery to the residents and businesses of the borough.

Local Government Funding Uncertainty

10. Uncertainty remains around the council's future funding streams as the Government's recent announcement was for yet another one-year financial settlement for 2024/25. This was made despite repeated demands over the past few years from across the sector for clarity on funding over the longer term through a multi-year settlement.
11. One-year settlements are necessary when there is only a single year's funding remaining within the horizon of the most recent Spending Review, or if there is uncertainty over the policy framework for future years. Certainly for some time there has been disruption in central government which has inhibited the development of a longer term funding strategy, but the consequences of this for local government are significant in terms of short and medium term planning, especially in a time of diminishing resources and increased demand
12. As such, the Provisional Local Government Settlement announced on 18th December 2023 again represents a 'holding position' until the next Parliament to provide some stability in the short term for local government finances.

Economic Uncertainty

13. Against this backdrop of future funding uncertainty, the council, its residents and businesses are now facing significant economic challenges. Whilst inflation and utility costs are slowly reducing, they are still substantially higher than two years ago, and fuel the cost of living crisis.

Budget Management and Investment

14. Although the council has continued to experience unfunded inflationary increases in staffing and non-staff costs, it has been ambitious in its approach to meeting the budget deficit over the years by realising efficiency savings and generating additional income.
15. Whilst costs have successfully been controlled, the provision of high-quality services that are expected by residents and businesses remains. The council achieves this by continually reviewing its budgets and contracts, by delivering efficiencies and by realising savings such as those achieved through the exploration and investment in alternative delivery models, including sharing services with South Ribble Council.
16. The council has, and will continue to invest in the borough to improve housing, to provide employment opportunities, and to maximise opportunities to generate income, thereby making the council less reliant on the increasingly uncertain funding from Government.
17. Examples of developments that continue to support this strategy are:

- The investment in the **Market Walk Shopping Centre** – the investment generates approximately £937k of net income (after borrowing) each year, as well as notably improving the town centre, providing jobs and delivering on the council’s ambition and vision to regenerate the town centre;
- **Primrose Gardens** supports people to live independently whilst receiving the care and support needed to enjoy later life, whilst generating a net income for the council of approximately £313k per annum;
- Following reconfiguration of the internal floor areas given the level of interest from prospective tenants, and to manage the site as efficiently as possible, the **Strawberry Fields Digital Office Park** has increased its income levels; as such, the budget now reflects a net income to the council (after borrowing) of £179k for 2024/25 onwards;
- The investment in the **Logistics House** site on Buckshaw currently generates a net income, after borrowing costs, of £583k which is expected to rise to over £1.0m per annum towards the end of the lease term. To mitigate financial risk, the council set aside an initial £450k of net income in 2020/21 to create an income equalisation reserve that can be used, if necessary, to manage any potential budget implications from the site becoming vacant;
- **Strawberry Meadows** provides light industrial units and assists in driving forward local economic growth, whilst also generating a net income of £310k per year for the council;
- The extra care facility at **Tatton Gardens** opened in February 2023 and as well as addressing the need for this type of accommodation in the borough, it is expected to generate a net income for the council of £32k in 2024/25, after borrowing costs.

Council Tax Increases

18. Through effective management of its budget, Chorley Council has been able to maintain one of the lowest levels of council tax in Lancashire as demonstrated in **Table 1** below;

Table 1:

	Band D Equivalent 2023/24 £	Band D Equivalent 2022/23 £
Preston	343.60	333.63
Burnley	328.01	318.49
Rosendale	299.49	290.80
Pendle	289.92	281.50
Hyndburn	260.64	260.64
Lancaster	249.18	241.95
West Lancs.	224.92	218.39
South Ribble	223.24	223.24
Wyre	219.74	214.74
Fylde	218.89	219.19
Chorley	203.63*	199.66
Ribble Valley	165.69	160.69

(* - includes Band D equivalent Special Expenses of £21.82)

19. The council remains committed to supporting those who may struggle to pay their council tax because of the challenging circumstances they find themselves in, and will make use of the monies it has available to support council taxpayers.

Investing in Corporate Priorities

20. The council continues to invest in delivering the ambitions set out in its Corporate Strategy and to ensure that it delivers high quality services to its residents. The key areas of investment are set out on the following pages.

Investment in 2023/24

21. The council allocates significant revenue and capital investment to deliver corporate strategy priorities through a programme of diverse activities. In 2023/24 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.

Housing where residents can live well

- Completion of the **£17.1m** investment in Tatton Gardens, providing vital amenities for local residents, including improved health care provision delivered through an onsite GP surgery and pharmacy, assisted living accommodation units and recreation ground improvements, supporting wellbeing outcomes and wider benefits such as community cohesion and reduced anti-social behaviour;
- **£110k** investment in a two-year home energy programme that has been developed to provide energy advice and practical support to install energy saving measures and to support residents with the increasing cost of energy. In collaboration with partners, the scheme offers visits to households who are vulnerable or in fuel poverty, to undertake a home energy audit and provide advice on energy efficiency measures; this is linked to the existing council-based services;

A green and sustainable borough

- Investment of **£105k** was identified in 2023/24 to implement the first stage of the bus shelter improvement plan developed during the year as part of the council's commitment to improving public transport networks. The five-year programme covers replacement of 83 bus shelters. The replacement of the shelters will seek to encourage the use of public transport by transforming bus stops into modern, safe and inviting spaces that all residents throughout the borough can utilise;
- To address the challenge of rising energy costs for businesses, and to contribute to the council's carbon neutral ambitions, a **£130k** package of support was launched offering grants that can support energy efficiency measures and adaptations. The scheme provides a grant of up to £2,000 towards the costs of purchasing energy reduction equipment identified by free certified energy audits;

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

- Completion of the **£11.4m** investment in the Strawberry Meadows Business Park. This state-of-the-art facility, will enable the council to continue attracting people to do business in Chorley;
- **£100k** investment to promote future career pathways and to provide a local skills pipeline. The comprehensive Skills and Jobs Programme for Chorley will allow aspiring local businesses to stay and grow in the borough;

Healthy, safe and engaged communities

- The **£715k** investment in the Cost of Living Action Plan continues to deliver a range of activities that support residents with pressures in the cost of food and energy. The Warm Spaces Programme was expanded to cover the summer months, and in addition, the Welcome Spaces Programme is supporting residents to access cost of living support alongside social inclusion activity. The Household Support Fund Phase 3 was completed in the year, with 6,744 households financially supported to a total value of £426k;
- **£400k** investment to help support specific challenges in rural areas by offering a rural grants scheme to enable eligible businesses to make capital improvements to their business. The scheme was launched in September 2023 for rural businesses across the borough to apply for grant funding.

Investment in Priorities 2024/25

22. The council has invested in services and delivered positive outcomes for residents.
23. In continuing to do so, and following the refresh of the Corporate Strategy in November 2023, from across the capital programme, revenue budgets and specific ear-marked reserves, this budget will invest in activity that will continue to 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

- **£56k** investment to improve housing standards across the borough and prevent homelessness;
- **£132k** investment to deliver the Local Plan;

A green and sustainable borough

- **£353k** investment to continue delivering improvements to Chorley's Bus Shelter Network;
- **£2.00m** investment in parks and open spaces, which will assist in increasing the number of parks with a Green Flag Status;

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

- **£45k** investment to encourage more visitors to the borough, and to improve the visitor offer and the economy;
- **£25k** investment to focus on the future growth of Chorley's economy;

Healthy, safe and engaged communities

- **£315k** investment in an enhanced social prescribing service focussed on supporting family and early years;
- **£117k** investment to deliver a Health and Wellbeing Programme to support the needs of residents across the borough.

2024/25 BUDGET DEVELOPMENT

24. The draft budget has been developed in line with the achievements, decisions and actions taken by the council to date as outlined above. Despite the difficult financial position and cost pressures faced, reflecting high levels of inflation, utility costs and 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.
25. The key components of the draft 2024/25 Budget and MTFs, and the assumptions and information on which they are based, are detailed below.
26. A key contributory factor in the development of the draft 2024/25 Budget and MTFs for the following 2 years is the Local Government Finance Settlement, through which Government sets out the funding it will make available to local authorities along with the parameters within which other sources of income, Council Tax and Business Rates, can be raised.
27. The fact that again we have only received a one year settlement has exacerbated the uncertainty and 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 2025 with any degree of confidence in the underlying assumptions. It is within this financial context that we are developing the MTFs.

Provisional Local Government Finance Settlement

28. The Provisional Local Government Finance Settlement 2024/25 was published on 18 December 2023 and the implications of this are outlined below. Unfortunately however, unlike the in the Settlement provided for 2023/24, the Government has not provided any planning assumptions for the 2025/26 local government financial settlement.

Business Rates

29. The Provisional Settlement confirmed that the Lancashire Business Rates Pool will be able to continue in 2024/25; there is no mention as to whether this will continue into 2025/26. As a member of the Pool, Chorley Council benefits from additional business rates income of approximately £0.991m per annum. 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

30. Whilst it has been stated by the government for several years now that funding from New Home Bonus (NHB) would be discontinued, the provisional settlement announced an allocation of £141k for 2024/25 (2023/24 - £297k). Reflecting prior announcements of its withdrawal, no further NHB allocations have been assumed beyond 2024/25.

Council Tax

31. The Provisional Local Government Finance Settlement confirmed a council tax increase limit for district councils in 2024/25 of up to 3% or £5 (whichever is the greater) on a Band D equivalent in 2024/25. This is in line with the MTFS presented to Finance Council in February 2023. There was no further information provided in the Settlement for 2025/26 and therefore the MTFS has assumed an increase of 1.99%.
32. In light of the continued pressures on the council's expenditure budgets, including the impact of high inflation and increased utility costs, combined with the real terms reduction in Government funding provided to the council since 2010, in line with last year's MTFS assumptions, it is proposed to increase council tax by 2.99% in 2024/25, which equates to a 10p per week increase on a Band D property for the Chorley Council element of the council tax charge.
33. The 2025/26 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.

Services Grant

34. The grant was introduced in 2022/23 for which Chorley received an allocation of £203k. Although described as a 'one-off' grant it was provided again in 2023/24 but at a reduced level of £119k. As it was unclear what would happen to the grant in 2024/25, for budgeting purposes it was assumed it would cease in 2024/25. The grant has remained however, but at a much reduced level of £19k. It is assumed that it will cease for 2025/26 and beyond.

Minimum Funding Guarantee

35. This grant was introduced in 2023/24 and replaced the Lower Tier Services Grant and a proportion of the previous funding provided for New Homes Bonus legacy payments; the grant is intended to provide a funding floor for all local authorities so that no authority will see an increase in Core Spending Power of less than 3% (before any assumption on council tax rate increases is applied, although after increases in the council tax base are applied).
36. The council has been allocated £1.494m in the Provisional Settlement for this in 2024/25 compared to £1.147m in 2023/24.
37. 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 has been assumed that this grant will continue into 2025/26.

EXPENDITURE

Pay Award

38. At the time the 2023/24 Budget was approved, the negotiations for the pay award had yet to begin. As such a provision of 5% was included in the pay budget for 2023/24, however when the pay award was agreed in November 2023 it was for £1,925 per whole time equivalent, for which no additional funding was provided. The increase in costs over and above the budget provided equates to approximately £0.146m which presents a recurring cost pressure in 2024/25 and beyond.
39. Given the levels of inflation over the course of 2023 and the forecast for this moving forward, the pay award assumption for 2024/25 has been reviewed and has been retained at 5%, which was the amount already included in the MTFS presented to the Council meeting in February 2023. The MTFS assumes a 2% pay award for both 2025/26 and 2026/27 reflecting inflation forecasts.
40. The National Living Wage will rise from £10.42 to £11.44 an hour from April 2024, and has also been adjusted to include workers aged 21 and over; in previous years the National Living Wage only applied to workers aged 23 and over. This will not affect Chorley Council's pay bands for 2024/25 as the council pays above this level already.

Pension

41. The triennial actuarial valuation of the Lancashire County Pension Fund was undertaken in 2022. The pension contributions for the three years 2023/24, 2024/25 and 2025/26 were based on these results which showed that the fund had had a strong performance over the 3 years through to 31st March 2022, albeit that since that date, with volatility in global financial markets, inflation and interest rates, the position has been more turbulent. Overall, the Chorley Council section of the fund has had a reduction in the financial contributions required, comprising:
 - an increase in the level of Employer Pension Contribution rates from 16.4% to 18.3% in each of the 3 years (i.e. a 1% increase results in approx. £115k of cost) however;
 - offset by a reduction in the annual cost of the repayment of the fund deficit from £467k per annum to £0.

Inflation and Utilities Increases

42. CPI rose by 6.7% in the 12 months to September 2023 (12 months to Sept 2022 – 10.1%). This is the rate that the government uses as the benchmark for uplifting many allowances and charges each year such as pensions and benefits.
43. Inflationary uplifts to budgets are only provided on contracts where such uplifts are specific and contractually agreed; for other non-pay budgets, budget holders are expected to manage and absorb any additional costs in this regard, For utilities, inflationary uplifts have been assumed in the budgets in line with the forecasts provided by utility specialist advisors.

44. The council will continue to support its wholly owned leisure services company in response to the increases in utility costs over the past 2 years, and the impact of the cost of living crisis on the level of income generated; this is 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 2023/24

45. In the last Revenue Monitoring report presented to the Executive Cabinet in November 2023 for Quarter 2 - the 6 months to 30th September 2023, a forecast overspend for the financial year of £0.569m was reported. This relates to many different factors including the unfunded, nationally negotiated pay award of £1,925 per whole time member of staff, compared to the budgeted provision of 5%, together with slippage and one-off pressures on some of the council's major projects/investments, additional costs within the Property Team and the Events Team, offset by higher than expected returns on cash investments. The position continues to be refined as we finalise the Quarter 3 Monitoring report. A review of earmarked reserves will also be undertaken to ensure reserves deliver investment in priority areas.

Balancing the Budget in 2024/25

46. **Table 2** below presents the movement in the forecast of the Budget Gap for 2024/25 and 2025/26 from the figures that were presented in the 2023/24 Budget and MTFS approved at Finance Council in February 2023. The figures reflect an updated position based on the information provided in the Provisional Local Government Settlement announced on 18 December 2023, the work undertaken in developing the draft budget to date, and the assumptions made within this, of which the key assumptions are noted in the report.

Table 2: movement in the forecast of the Budget Gap for 2024/25 and 2025/26

	2024/25	2025/26
Budget Gap Finance Council Report February 2023	537	1,484
Cost Pressures		
Union Street rental income	300	300
Housing Benefit Admin Grant	13	13
Markets	56	56
Events / Astley Hall	94	94
Housing Benefit Non-recoverable Subsidy	100	100
Repairs and Maintenance	100	100
Members Allowances	45	45
IT	50	50
Waste Strategy	40	40
Insurance	24	24
Other Miscellaneous cost pressures	92	92
Reduction in Building Control Income	50	50
Reduction in Land Charges income	20	20
Market Walk cost pressures	40	80

Salary Related Cost Pressures and Budget Adjustments		
Pay award above 5% in 23/24 and the impact of in-year restructures	495	561
Savings and Additional Income Streams		
Directors Review	(100)	(100)
Logistics House lease agreement review	(133)	(265)
Market Walk	(140)	(140)
Additional income Union Street	(71)	(71)
Fees and Charges	(126)	(252)
Electric Vehicle Charge points - Market Walk	(10)	(10)
Proposed increase in Garden Waste charges	(125)	(125)
Funding announced in the Provisional Local Govt Finance Settlement		
New Homes Bonus	(141)	0
Services Grant	397	416
Revenue Support Grant	(8)	(8)
Minimum Funding guarantee	(467)	(652)
Treasury Management and Revenue Costs of Capital		
Minimum Revenue Provision adjustments – (reflecting additional external financing secured during the year, and slippage in the capital programme)	(745)	(534)
Additional Interest Receivable on investments	(150)	(100)
Increase in Interest Payable	150	400
Borrowing costs of mechanical sweepers	48	48
Proposed increase in Council Tax		
An increase of 2.99% in 2024/25 is already included in the MTFS that was presented to Finance Council in February 2023.	-	-
Utilisation of Reserves		
Support for the recovery from the pandemic, inflation and cost of living crisis	(365)	
Other Options/Funding/Savings to be firmed		
Council Tax Growth	(70)	(140)
Total Forecast (Surplus) / Deficit	-	1,575

It should be noted that some of the assumptions are still subject to change, for example following the announcement of the Final Local Government Financial Settlement, which may impact positively or negatively on the budget.

Medium Term Financial Planning and Recommendations to Close the Budget Gap

47. As detailed in **Table 2** above, although a balanced budget position can be achieved for 2024/25, this is subject to increasing council tax by 2.99% and the utilisation of £365k from the 'Support for the recovery from the pandemic, inflation and cost of living crisis Reserve', that was designated to address such specific issues in the short term.
48. Despite the budget savings realised and additional income secured to date, a forecast budget deficit remains in 2025/26 of £1.575m which unless addressed, will be carried forward into 2026/27.
49. The council's medium-term plan to reduce the budget deficit beyond 2024/25 will be refined and developed over the coming months, and will be subject to future government funding announcements, the wider economic environment and other assumptions (e.g. future pay awards) which may change over the period.

Future Savings

50. The council has always been successful in generating efficiency savings and additional income to bridge the budget gap whilst continuing to deliver outstanding services to its residents.
51. In order to reduce the impact on staffing and the level of services provided, the council will continue to invest in its services to recognise additional income and efficiencies.

Future opportunities include:

- The council is ambitious in its delivery of services and will continue to pursue **alternative models of delivering its services**. The expansion of shared services with South Ribble Council has continued during 2023/24 with the two councils agreeing that they will consider further opportunities alongside their wider priorities if improvements and efficiencies can be attained which would lead to further savings for them.
- A review of the council's **portfolio of assets** to recognise potential opportunities for sale, redevelopment, consolidation and/or to maximise income, whilst improving services.

Savings Strategy

52. The Savings Strategy will be refreshed and refined to enable the continual improvement of services and performance while ensuring a sustainable financial position. Options will be developed to achieve savings and efficiencies as well as a programme of organisational change to support our workforce over the period.

Reserves

53. The council has ensured a prudent and affordable approach to delivering the medium-term financial strategy and has set aside reserves to support this as outlined in **Table 3** below.
54. These reserves are necessary to mitigate the financial impact of the uncertainty that the council faces, such as reforms to future funding levels, the impact of unforeseen cost pressures during the period, e.g. inflationary increases and utility costs, and the impact of the cost of living crisis on the residents and businesses of the borough.

55. Reserves provide the facility to manage budget shortfalls in the short term whilst planned savings are realised. The expected balance of these reserves at the beginning of 2024/25, as based on the position in the Quarter 2 Corporate Revenue Monitoring Report is as follows:

Table 3: Forecast Reserve Balances at 1 April 2024

	1 April 2024
	£m
General Fund Reserve	4.202
<i>Income relates Reserves</i>	
Market Walk Income Equalisation Reserve	0.332
Logistics House Income Equalisation Reserve	0.450
Business Rates Retention Reserve	0.210
<i>Other Reserves</i>	
Income Generation Reserve	0.368
Support for the recovery from the pandemic, inflation and cost of living crisis	0.827
Change Management Reserve	0.426
Asset Maintenance – incl Market Walk, Digital Office Park etc	0.405
Support to Local Businesses	0.508
Capital Financing – including capital bad debts	0.249
Planning Reserve – including appeals	0.129
Neighbourhoods and Communities	0.436
Elections	0.118
Green Agenda	0.168
Other	0.784
Total Reserves – Other	5.410
TOTAL RESERVES	9.612

56. Details of the more significant reserve balances are as follows:

Income Reserves

57. The council has set aside over £300k to manage any one-off reductions in income from Market Walk and £450k to cushion the impact of any future income pressures at Logistics House.
58. The council has set aside £210k to manage any one-off reductions in business rates such as unbudgeted changes to valuations or the implementation of government reforms.

Other Reserves

59. To implement the transformation of services and generate additional income, the council has set aside £368k of revenue reserves to explore income generating projects.
60. 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 (£405k) to manage the maintenance of its existing assets including Market Walk and Digital Office Park for example.
61. The council continues to support its local businesses with £508k 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.
62. The council will continue to set aside funds to obtain greater influence around planning decisions. The council has set aside a reserve that stands at £129k to support the council to defend locally made planning decisions.
63. The council set aside £500k of reserves in 2022/23 to implement its Green Agenda with £332k already committed to date. Reducing the carbon footprint is a national and global issue; the council is committed to realising its ambition to become carbon neutral by 2030 and will seek to attract support and funding from our partners, including the Government, to assist in achieving this priority objective.

General Reserves

64. The council is forecast to hold £4.202m in General Funds (based on the Quarter 2 Revenue Monitoring Report), 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.

Capital Programme

65. This report has addressed the draft revenue budget of the council. Implicit in this however, and the investment programme set out above, are financial implications for the capital programme. There is an ambitious capital programme with approximately £20.9mm of investment over 2024/25 and the MTFS period.

Climate change and air quality

66. 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

67. Consultation will be undertaken regarding this budget with an Integrated Impact Assessment (IIA) reported with the full budget report.

Risk

68. There are no immediate risks associated with this report however if the final report is not approved in February 2024, this would risk the council being unable to finance its future commitments towards its corporate priorities.

Comments of the Statutory Finance Officer

69. The financial implications of the report are contained within the text above but to clarify, all proposals are funded and can be accommodated within the 2024/25 budget. It should be noted that the report does contain several assumptions on future budget elements and on the final out-turn position for 2023/24. Should any of the assumptions or figures change due to unforeseen circumstances arising before 31st March 2024, the financial position will be reviewed and reported.

Comments of the Monitoring Officer

70. The budget proposals are in accordance with the requirement of legislation.

Background documents

There are no background papers to this report

Report Author:	Email:	Telephone:	Date:
Hemangini Chevli (Senior Management Accountant)	Hemangini.Chevli@chorley.gov.uk,	01257 515151	2 January 2024
Neil Halton, (Principal Management Accountant)	neil.halton@chorley.gov.uk,	01257 515151	
Louise Mattinson (Director of Finance and S151 Officer)	louise.mattinson@chorley.gov.uk	01257 515151	

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.