

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 2024/25 is;

Reserves	Forecast at 1 April 2024 £000s
General Fund Balance	(4,000)
Delivery of the Transformation and Savings Programme Reserve	(426)
Capital and Repairs and Maintenance Expenditure Reserve	(431)
Bus Station – transition of service	(457)
Climate Change Reserve	(209)
Support for Apprentices, Graduates and Training Posts	(138)
Investment in Play and Open Space Across the Borough	(77)
Budget Equalisation Reserve	(955)
Income Generation Reserve	(171)
Market Walk – Income Equalisation Reserve	(250)
Logistics House - Income Equalisation Reserve	(450)
Business Rates Exceptional Payments Reserve	(210)
Business Investment for Growth (BIG) Grants	(242)
Choose Chorley Grants	(133)
Retail Grants Programme	(171)
Civica Property Management	(64)
Social Prescribing	(67)
Refugees/Asylum Seekers Funding	(549)
Customer and Digital	(172)
Planning Appeal Costs	(129)
Local Plan	(26)
Elections	(65)
Earmarked Reserves	(5,392)
Total Reserves - General and Earmarked	(9,392)

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, the impact of the cost of living crisis on residents and businesses and potential risks in future income streams.

General Reserves

4. The council is forecast to hold £4.000m in general funds (based on the Quarter 3 Revenue Monitoring Report), which represents approximately 24% of the annual net expenditure budget. This can be used to manage future uncertainty in income and expenditure 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 kept under review as part of the council's budget management process.

Income Reserves

5. The council has set aside £250k 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.
6. 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

7. There are £955k of reserves set aside in a Budget Equalisation Reserve to mitigate the risk of inflationary, cost and demand pressures faced by the council over and above the levels of expenditure already budgeted. Given a budget deficit has been identified for 2025/26 and 2026/27, plans will be developed over the next few months to close this; to assist in the delivery of these plans, a reserve of £426k has been ear-marked to support the savings programme.
8. To implement the transformation of services and generate additional income, the council has set aside £171k of revenue reserves to explore income generating projects.
9. 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 has set aside reserves (£431k) to manage the maintenance of its existing assets including Market Walk and Digital Office Park for example.
10. The council is committed to supporting its local workforce and local businesses and has set aside reserves for the following:
 - £138k of support for the council's apprenticeship, graduate and training posts, to offer placements for individuals to gain experience in the workplace whilst studying towards a qualification;
 - £546k 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.
11. The council continues to invest in its communities and reserves have been set aside to support social prescribing services for our residents, and funding received for refugee and asylum seekers has been earmarked for future use.

12. 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.
13. The Council will utilise the Climate Change Reserve, which currently stands at £209k, 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.
14. Following the successful transfer of Chorley Bus Station to the council from Lancashire County Council, a reserve has been set aside (£457k), to support the transition of the service going forward.