

Report of	Meeting	Date
Director (Finance) and S151 Officer (Introduced by Executive Member (Resources))	Executive Cabinet	13/02/2025

Is this report confidential?	No
------------------------------	----

Is this decision key?	No
-----------------------	----

2024/25 Corporate Capital Programme and Balance Sheet Monitoring Report Outturn Position as at 31st December 2024

Purpose of the Report

1. This report outlines the financial position of the Council in respect of the Capital Programme as at 31st December 2024, highlighting key issues and explaining key variances, and to provide an overview of various elements of the Council's Balance Sheet as at 31st December 2024.

Recommendations to Executive Cabinet

2. To approve the revised Capital Programme, as attached at **Appendix A**, which includes approved amendments to the programme of £0.070m decrease as detailed at point 12 of this report.
3. To consider the variations to the programme (which are detailed by scheme at **Appendix B** and referenced within the body of the report).
4. To note the position in the Balance Sheet Monitoring section of the report, in respect of cash, investment and loan balances, and debtors as at 31st December 2024.

Reasons for recommendations

5. To ensure the Council's Capital Programme is monitored effectively.

Other options considered and rejected

6. None, as it is good practice to report regularly on the Capital Programme and the monitoring of the Balance Sheet.

Corporate priorities

7. The report relates to the following corporate priorities:

Housing where residents 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

8. The Capital Programme for 2024/25 was set at £19.448m in February 2024. This was decreased to £15.253m following approval of the 2024/25 outturn position, and then increased to £16.152m following Executive Cabinet approval in October 2024. The Executive Cabinet approved in November 2024 to decrease the Capital Programme to £13.343m.
9. Following the changes detailed in this report, the total programme for 2024/25 now stands at **£11.192m**, the details of which are shown in **Appendix B**.

Section A: Capital Programme

Key issues

10. The total cost of the Council's Capital Programme for 2024/25 has decreased since the last report was approved by Executive Cabinet, **from £13.343m to £11.192m**. A summary of the total costs of the programme, and the funding of these, is detailed at **Appendix A**.
11. The breakdown of the net decrease in the programme of **£2.151m** is detailed in **Appendix B**. The net variation includes those variations approved since the previous monitoring report, together with variations in respect of the re-profiling of budgets within the existing programme.
12. Budget variations approved since the last Capital Monitoring report have resulted in a total decrease of £0.806m in the programme. The table below details the changes across the years.

Scheme Name	Increase / (Reduction) 2024/25 £'000	Increase / (Reduction) 2025/26 and future years £'000	Approved by	Date approved
An Enterprising Economy With Vibrant Local Centres In Urban and Rural Areas				
Chorley Borough Service Centres = REPF (Rural England Prosperity Fund)	(100)		This report	13/02/2025
Housing Where Residents Live Well				
Chorley Adaptation Grant (Formerly DFG)	30		This report	13/02/2025
Play, Recreation and Open Space Projects		1,264	Council	19/11/2024
Purchase of affordable Housing		(2,000)	This report	13/02/2025
Total	(70)	(736)		

13. A review and re-profiling of budgets between years has been undertaken. The total movement of budgets from 2024/25 into 2025/26 and future years amounts to £2.082m. The movements are shown in **Appendix B** and explanations are contained in the major variations section of the report that follows.

Scheme Name	Slippage and reprofiling of budget (to)/from future years £'000
An Enterprising Economy With Vibrant Local Centres In Urban and Local Areas	
Euxton Private development - retail units	(25)
Town Hall and White Hart Works	(300)
Public Realm Town Centre	(369)
Green And Sustainable Borough	
Town Hall Decarbonation	(338)
Housing where residents live well	
Chorley Lodge	(330)
Play, Recreation and Open Space Projects (Majority is The Gillet Playing Fields) £697k	(720)
Total	(2,082)

As at 31st December 2024 the actual capital expenditure across the programme was £3.008m.

Major variations in the 2024/25 Capital Programme since the previous report

An Enterprising Economy with Vibrant Local Centres in Urban and Local Areas

14. Euxton Private Developments (retail units) –£25k has been slipped into 2025/26, discussions are still trying to take place with the private developer as to how the money can be best utilised to meet their requirement.
15. Chorley Borough Service Centres (Rural England Prosperity Fund) – £100k has been reduced from the scheme reflecting the value of the grant, leaving a budget of £400k which is forecasted to be spent before 31st March 2025.
16. Town Hall and White Hart Works- Work is due to commence on The Town Hall in 2025. £300k was expected to be spent in 2025/26 this has now been slipped to 2026/27. Resulting in a budget of £1m to be spent in 2026/27.
17. Public Realm Town Centre- £369k has been slipped from the 2024/25 budget to reflect the likely timing of any works..

A Green and Sustainable Borough

18. Town Hall Decarbonisation- £338k has been slipped from 2024/25 into 2025/26. A bit for further grant funding around decarbonisation is currently awaiting an outcome.

Housing Where Residents Live Well

19. Chorley Adaptation Grant (Formerly DFG). An £30k increase in the 2024/25 budget from £929k to £959k due to more funding being received than budgeted.
20. Play, recreation and open space projects- An Open Space Recreation Strategy Programme update was approved at Council on the 19th November 2024. Council approved numerous new projects to be funded at a cost of £1.264m. The highest value projects comprise of Astley Park Playing Pitches £400k, Astley Park Play Area £300k, Plock Wood, Eaves Green £225k, Orchard Gardens, Charnock Richard £111k, Buckshaw Village AGP £61k and Buckshaw Village Article Grass £59k., the other seven projects have a combined total of £107k.
21. £720k has been reprofiled into 2025/2026, the majority of this budget, £697k, relates to The Gillet Playing Fields.
22. Purchase of Affordable Housing. £2m has been removed from budget, discussions with developers have been unsuccessful.
23. Chorley Lodge- A £330k budget has been reprofiled into 2025/26, which is when work is now due to commence.

Overview

24. Strong Balance Sheet management assists in the effective use and control over the Council's asset and liabilities. Key assets comprise of the Council's tangible fixed assets, debtors, investments and bank balances, and key liabilities include long and short-term borrowing, creditors, and reserves.

Non-current Assets

25. Tangible, non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. One fifth of all assets are re-valued every year, and annual reviews are undertaken to establish whether any impairment or other adjustments need to be applied. New assets and enhancements to existing assets are managed through the Capital Programme as reported in **Appendices A and B**.

Borrowing and Investments

26. Long-term borrowing requirements flow from the Capital Programme. Regular dialogue and meetings take place between the Director of Finance, his staff and the Council's Independent Treasury Consultants, MUFG Corporate Markets, and options for optimising treasury management activities are actively reviewed.
27. Both short and long-term borrowing interest rates have risen over the last few years following increases in the Bank of England Base Rate from 0.1% in April 2020 up to the

rate of 5.25%. The current rate of interest is 4.75% which is higher than that assumed in the budget for both interest payable and interest receivable on investment and cash balances. The key variances compared to budget are a £66k forecast overspend on debt interest payable, offset by a forecast over-recovery on investment income of £330k. There is also an overspend on the Minimum Revenue Provision (MRP) budget of £43k due to the mix of funding used to fund the Capital Programme in 2023/24.

	Original Budget 2024/25 £000s	Forecast Outturn at 31st December 2024 £000s
Interest and Investment Income	(170)	(500)
Debt Interest Payable	2,476	2,542
Minimum Revenue Provision (MRP)	1,644	1,687
Total Net Borrowing Costs	3,950	3,729

28. The current borrowing and investment position, compared to the position at the same point last year, is as per the table below.

	As at 31st December 2024	As at 31st December 2023
Short term borrowing	£21.770m	£10.000m
Long term borrowing	£63.539m	£66.502m
Total Borrowing	£85.309m	£76.502m
Investments made by the Council	£6.250m	£5.450m
Cash Balances Held	£3.183m	£8.382m

Debtors

29. The Council has a corporate debt policy as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas as at 31st December 2024. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position as at 31st December 2024 £000s	Position as at 31st December 2023 £000s
Council Tax		
Expected Council Tax Collectable in 24/25 (23/24)	87,188	82,679
Current year balance outstanding	16,354	12,194
Previous years balance outstanding	5,073	4,671
Total Council Tax balance outstanding	21,427	16,865
Collection Rates Current Year	81.24%	81.6%
Business Rates		
Expected Business Rates Collectable in 24/25 (23/24)	28,758	25,961
Current year balance outstanding	6,712	4,331
Previous years balance outstanding	1,446	1,185
Total Business Rates balance outstanding	8,158	5,516
Collection Rates Current Year	76.66%	74.13%
Housing Benefit		
Overpayment balances outstanding	768	849
Sundry Debtors		
Balance Outstanding – General	201	459
Balance Outstanding – Commercial	1,055	1,164

30. Collection rates for Council Tax are broadly in line with the previous year whereas business rates collection is currently in advance of this time last year.
31. In respect of the figures above, the Council's share represents 9% of Council Tax income and 40% of Business Rates income.
32. The Sundry Debtors figure reflects the position compared to the same period last year. As debt ages, the provision required increases, as the likelihood of non-payment also increases the longer that debt is outstanding. In 2023/24 there were significant increases to the bad provision to ensure that all potential bad debts were covered. There is a proposed decrease in the bad debt provision at quarter three of £57k.

Climate change and air quality

33. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

34. Equality and diversity implications are considered within the budgets approved by Council as at February 2024.

Risk

35. Risks are broadly addressed in the body of the report however it is important to note that although the headline rate of inflation has decreased, we need to continue to closely monitor the impact of this on an individual project basis and any budget changes reported when necessary.
36. As noted in point 31 above, the risks around non-payment of debt can be significant. As a general policy, the accounts include a provision for bad debts that is calculated based upon the age of the debt. However, where additional information is available on specific debts, the policy is adapted accordingly.

Comments of the Statutory Finance Officer

37. The financial implications are contained within the body of this report.

Comments of the Monitoring Officer

38. No comment.

Background documents

There are no background papers to this report.

Appendices

Appendix A – Capital Programme Summary

Appendix B – Scheme Variations

Report Author:	Email:	Telephone:	Date:
Gail Halton (Senior Management Accountant)	Gail.Halton@chorley.gov.uk	01257 515617	20.01.2025