



Fylde Borough Council – Budget Proposal Consultation

This document outlines the proposed Fylde Council budget for 2023/24. Comment and feedback is welcome from all stakeholders. Feedback received before 18th February 2023 will be considered as part of the Budget setting process which culminates at Fylde’s Council meeting of 2nd March 2023. Feedback should be submitted by email using listening@fylde.gov.uk or by post to Budget Consultation Feedback, The Town Hall, Lytham St Annes, Lancashire, FY8 1LW.

The Financial Context

Throughout the last few years Fylde has been implementing plans to reduce spending, deal with falling and uncertain levels of income, particularly from central government, and rising costs. The primary objectives are to maintain high levels of service delivery across the borough, attract inward investment wherever possible and enhance the quality of life for residents whilst maintaining a robust and balanced budget position over the medium term to support the delivery of the priorities set out in the Councils Corporate Plan, which can be found on the Council website at: [Corporate Plan 2020-24](#).

Each year the Council produces a five year rolling budget forecast which is included within the Council’s Medium Term Financial Strategy. In recent years much work has been done to ensure that the Council’s finances remain robust. The latest Medium Term Financial Strategy will be considered by the Council’s Finance and Democracy Committee on 20th February 2023 and the full Council on 2nd March 2023. This includes a summary financial forecast (See Appendix A) which shows an in-year revenue surplus for 2022/23 and 2023/24 followed by a period of uncertainty as the national framework for the financing of local government is subject to fundamental review. It is proposed that surpluses generated this year and next are transferred to the Council’s capital investment reserve to fund projects within the borough aligned to the Corporate Plan priorities. This approach has ensured that the Council spends within its means and is debt free, with no external borrowing.

The latest update to the Financial Forecast includes the impact of the 2023/24 Local Government Finance Settlement, details of which were announced on 19th December 2022. The government has yet to announce updated plans for the implementation of the delayed Fair Funding Review into the future of local government financing arrangement. Similarly, the planned reform of the Business Rates system has again been delayed. Consequently, the finance settlement for 2023/24 is a single-year only settlement.

The provisional settlement confirms that a review of the New Homes Bonus scheme is ongoing and that the 2023/24 grant allocation is for one year only and not a multi-year allocation as was the case for earlier years of the scheme.

The continuation of the option for a Lancashire-wide Business Rates Pool was confirmed for 2023/24 as part of the Settlement announcement, with all existing pool members in Lancashire opting to remain in the pool for 2023/24.

The financial year 2022/23 to date has been shaped by a number of the key themes: the continuing recovery of the global economy from the impact of the covid pandemic; military conflict in Ukraine; and political and financial turbulence domestically during the latter part of 2022, though this has settled somewhat in recent months following the latest changes in central government administration. The first

two of these factors combined to create a sharp rise in energy costs (particularly for gas) and in general levels of price inflation, peaking with an annual increase in the Consumer Price Index of 10.7% for November 2022, reducing to an annual increase of 10.5% for December 2022. This has in turn led to a significant amount of industrial unrest, and disruption to services, as a consequence of industrial action across a range of sectors, including elements of the public sector, as wage settlement demands have increased and been resisted.

In order to maintain the current financial position, the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a savings programme in recent years and has continued to reduce overheads wherever possible. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.

Although it is clear that further uncertainty and challenges lie ahead in the later years of the financial forecast, **the finances of the Council remain robust and the reserves and balances are at healthy levels as compared to earlier periods.** Furthermore, Fylde Council has a past record of taking actions in order to meet and overcome financial challenges as they arise. The Council will continue to seek opportunities to maintain a robust financial position in the face of a changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan. External pressures outside the Council's control are being experienced by many local authorities and the full impact of the pandemic is still being understood and assessed. Instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend again for this financial year.

The Budget Proposals for 2023/24

The latest budget forecast included at Appendix A reflects the impact of central government grant allocations and known cost increases, together with estimates for future years. Savings and efficiencies will continue to be delivered where possible throughout the life of the forecast to reduce the call on reserves in the later years of the forecast.

The full Medium Term Financial Strategy, which is available on the Council's website [at this link](#) or by request from the Council, highlights a number of significant future risks including: the ongoing recovery from the Covid-19 pandemic, possible future central government grant reductions, particularly in respect of the New Homes Bonus, the impacts of inflation on the council's spending power and the levels of Business Rates that Fylde Council will retain as a member of a Lancashire-wide pooling arrangement. As in previous years (and in common with many other Councils) the proposed budget includes the use of income from the New Homes Bonus to support general expenditure as other forms of central funding are reducing.

For 2023/24 a freeze in council tax bills is proposed alongside a number of growth items as the Council focuses on investment in the borough and on delivering the priorities in the corporate plan. The budget proposals include:

The revenue budget proposals for 2023/24 are:

- Continuation of a Coast and Conservation Ranger Post

The capital growth proposals for 2023/24 are:

- Improvements to Children's Play Areas
- St Annes Beach Hub Facility
- Lytham Hall – Drainage & Green Car Parking
- Kirkham Toilet Block Internal Refurbishment
- Cemetery Lodge Refurbishment
- Tree Planting Programme

Further details of these budget proposals are included in Appendix B.

Capital Expenditure is defined as expenditure on the acquisition of a fixed asset and/or expenditure which adds value (not merely maintains) to the value of an existing fixed asset. Examples of fixed assets are: land, building, plant and vehicles.

These proposals are now published for consultation, and feedback from all stakeholders will be considered as part of the Budget setting process which culminates at Fylde's Council meeting of 2nd March 2023.

Appendix A – The Medium Term Financial Forecast

Latest General Fund Budget Forecast 2022/23 to 2026/27 - as at February 2023

| | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Adverse / Favourable |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| Forecast approved at Council on 3rd March 2022 | 11,429 | 11,951 | 12,212 | 12,522 | 12,522 | |
| Forecast Changes since March 2022 | 28 | - 157 | - 148 | 13 | 661 | Adverse |
| Revenue Budget Growth Items - per Appendix B attached | | 38 | 39 | 40 | 42 | Adverse |
| Forecast Budget Requirement: TOTAL | 11,457 | 11,832 | 12,103 | 12,575 | 13,225 | |
| Financed by: | | | | | | |
| Council Tax Funding: | | | | | | |
| Council Tax - Precept | 6,881 | 7,002 | 7,231 | 7,466 | 7,707 | |
| Sub Total - Council Tax Income | 6,881 | 7,002 | 7,231 | 7,466 | 7,707 | |
| Business Rates Funding: | | | | | | |
| Retained Business Rates | 3,580 | 3,580 | 3,401 | 3,231 | 3,069 | |
| Sub Total - Business Rates Income | 3,580 | 3,580 | 3,401 | 3,231 | 3,069 | |
| Other Funding: | | | | | | |
| Lower Tier Services Grant | 89 | | | | | |
| Services Grant | 133 | 75 | 75 | 75 | 75 | |
| New Homes Bonus (NHB) | 1,236 | 516 | 516 | 516 | 516 | |
| Less - NHB distribution to Town & Parish Councils | - 62 | - 26 | - 26 | - 26 | - 26 | |
| Funding Guarantee Grant - one-off 2023/24 only | | 871 | | | | |
| Assumed "other" government funding to maintain "Core Spending Power" | | | 821 | 756 | 677 | |
| Sub Total - Other Income | 1,396 | 1,436 | 1,386 | 1,321 | 1,242 | |
| Forecast Financing: TOTAL | 11,857 | 12,018 | 12,018 | 12,018 | 12,018 | |
| Forecast surplus (-) / deficit for year | - 400 | - 186 | 85 | 557 | 1,207 | |
| Reserves | | | | | | |
| Forecast surplus/deficit (-) for year from above: | 400 | 186 | - 85 | - 557 | - 1,207 | |
| Less: Proposed Transfer to Capital Investment Reserve | - 400 | - 186 | | | | |
| Balance of surplus/deficit(-) remaining: | | | - 85 | - 557 | - 1,207 | |
| Balance of General Fund Reserves b/f | 5,056 | 4,571 | 4,571 | 4,486 | 3,929 | |
| Less in year transfer to fund slippage from 2021/22 | - 485 | | | | | |
| Less estimated transfer from (-) General Fund Reserves in year | | | - 85 | - 557 | - 1,207 | |
| Forecast Reserves at Year End | 4,571 | 4,571 | 4,486 | 3,929 | 2,722 | |
| Band D Council Tax (Excl Parish Precepts) | £219.19 | £218.89 | £223.25 | £227.69 | £232.22 | |
| Indicative Band D Average Council Tax Increase | £4.28 | -£0.30 | £4.36 | £4.44 | £4.53 | |
| Band D Average Council Tax Increase | 1.99% | -0.14% | 1.99% | 1.99% | 1.99% | |

NB: Whilst individual council tax charges to residents from Fylde Council will be frozen for 2023/24 at the same level as for 2022/23, changes to the council tax base year on year means that the *average* Band D council tax charge reduces by 0.14% for 2023/24 as shown above.

Appendix B – Budget Growth Proposals

BUDGET PROPOSALS - REVENUE ITEMS

| | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Description |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| Coast & Conservation Ranger Post Continuation | 0 | 32 | 34 | 35 | 37 | The Tourism and Leisure Committee meeting of 12th January 2023 agreed to support a revenue bid for 'Coast & Conservation Ranger Post Continuation'. |
| Coast & Conservation Ranger Post Continuation | 0 | -2 | -3 | -3 | -3 | Estimated additional income generated by the above Coast & Conservation Ranger Post. |
| St Annes Beach Hub Facility | 0 | 3 | 3 | 3 | 3 | The Tourism and Leisure Committee meeting of 12th January 2023 agreed to support a capital bid for 'St Annes Beach Hub Facility' with recurring revenue costs of £3k pa from 2023/24. The Committee ranked this bid as priority 2 on the list of bids submitted for consideration. |
| Cemetery Lodge Refurbishment | 0 | 5 | 5 | 5 | 5 | The Operational Management Committee meeting on 17th January 2023 agreed support for a capital bid for 'Cemetery Lodge Refurbishment' with recurring revenue costs of £5k pa from 2023/24. The Committee ranked this bid as priority 2 on the list of bids submitted for consideration. |
| TOTAL OF REVENUE GROWTH PROPOSALS | 0 | 38 | 39 | 40 | 42 | |

BUDGET PROPOSALS - CAPITAL ITEMS

(It is recommended that each of the schemes detailed below is funded from the Capital Investment Reserve)

| | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | Description |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Improvements to Children's Play Areas | 0 | 120 | 0 | 0 | 0 | The Tourism and Leisure Committee meeting of 12th January 2023 agreed to support a capital bid for 'Improvements to Children's Play Areas' in the sum of £120k in 2023/24. The Committee ranked this bid as priority 1 on the list of bids submitted for consideration. |
| St Annes Beach Hub Facility | 0 | 71 | 0 | 0 | 0 | The Tourism and Leisure Committee meeting of 12th January 2023 agreed to support a capital bid for 'St Annes Beach Hub Facility' in the sum of £71k in 2023/24. The Committee ranked this bid as priority 2 on the list of bids submitted for consideration. |
| Lytham Hall - Drainage & Green Car Parking | 0 | 75 | 0 | 0 | 0 | The Tourism and Leisure Committee meeting of 12th January 2023 agreed to support a capital bid for 'Lytham Hall - Drainage & Green Car Parking' in the sum of £75k in 2023/24. The Committee ranked this bid as priority 3 on the list of bids submitted for consideration. |
| Kirkham Toilet Block Internal Refurbishment | 0 | 43 | 0 | 0 | 0 | The Operational Management Committee meeting on 17th January 2023 agreed support for a capital bid for 'Kirkham Toilet Block Internal Refurbishment' in the sum of £43k in 2023/24. The Committee ranked this bid as priority 1 on the list of bids submitted for consideration. |
| Cemetery Lodge Refurbishment | 0 | 55 | 0 | 0 | 0 | The Operational Management Committee meeting on 17th January 2023 agreed support for a capital bid for 'Cemetery Lodge Refurbishment' in the sum of £55k in 2023/24. The Committee ranked this bid as priority 2 on the list of bids submitted for consideration. |
| Tree Planting Programme | 0 | 25 | 0 | 0 | 0 | The Environment, Health and Housing Committee meeting on 24th January 2023 agreed support for a capital bid for 'Tree Planting Programme' in the sum of £25k in 2023/24. |
| TOTAL OF CAPITAL SCHEME PROPOSALS | 0 | 389 | 0 | 0 | 0 | |