



Fylde Borough Council – Budget Proposal Consultation

This document outlines the proposed Fylde Council budget for 2024/25. Comment and feedback is welcome from all stakeholders. Feedback received before **5.00pm on Tuesday 20th February 2024** will be considered as part of the Budget setting process which culminates at Fylde’s Council meeting of 4th March 2024. 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 uncertain levels of income, particularly from central government, and rising costs due to inflationary pressures experienced throughout the country. 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 Executive on 19th February 2024, the Internal Affairs Scrutiny Committee on 20th February 2024 and the full Council on 4th March 2023. This includes a summary financial forecast (See Appendix 1 attached) which shows an in-year revenue surplus for 2023/24 and 2024/25 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 capital schemes and 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 2024/25 Local Government Finance Settlement, details of which were confirmed in early February 2024. The history of proposed reform to local government financing mechanisms stretches back a number of years without significant progress on the matter. The policy statement that preceded the settlement confirmed that the government is ‘committed to improving the local government finance landscape in the next Parliament’, though no details of future reform are provided. At the earliest, the implementation of any reform will not now be until 2025/26 - or realistically, depending on the timing and outcome of the General Election and the appetite of the new government for reform, until perhaps 2026/27. Consequently, the finance settlement for 2024/25 is again a single-year only settlement.

The settlement confirms a single-year allocation New Homes Bonus for 2024/25 and that there are to be no changes to the New Homes Bonus until after the next election.

The continuation of the option for a Lancashire-wide Business Rates Pool was confirmed for 2024/25 as part of the Settlement announcement, with all existing pool members in Lancashire opting to remain in the pool for 2024/25.

The year 2022/23 saw a gradual recovery from the pandemic of the previous two years, both economically and socially, and 2023/24 was a continuation of a return to a relatively settled environment, although several international events continue to cause concern alongside high levels of inflation domestically and a number of other potentially significant risks to the Councils financial position, as detailed in the Medium Term Financial Strategy.

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 overall forecast financial position of the Council continues to be relatively stable, and the finances of the Council remain robust.** Whilst challenges remain as detailed in the Medium Term Financial Strategy report, and will no doubt continue to be present given the uncertainty over central government funding for future years, prudent financial management has provided a relatively stable financial environment which allows the necessary time to determine how this Council can best respond to the challenges it faces and deliver its strategic priorities.

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.

The Budget Proposals for 2024/25

The latest budget forecast included at Appendix 1 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: 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 2024/25 an increase of 2.99% in the average council tax charge is proposed, resulting in an average overall Band D charge for 2024/25 of £225.43.

However, due to the relative changes in the tax base for the Special Expense areas and for the borough as a whole, this equates to an increase in the two elements that make up that total charge and which residents will see on their bills (i.e. the borough-wide charge and the special expense charge) of 3.1%.

This will mean an increase of around 13p per week for a Band D property which will help to safeguard services 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 2024/25 are:

- In order to safeguard the Council's revenue position there are no new revenue growth items proposed for 2024/25.

The capital growth proposals for 2024/25 are:

- New safety fencing at Fairhaven Lake
- Upgraded heat management system at the Council's fleet workshop and depot
- Improvements to pathways at Ashton Gardens
- A contribution to replace the roof at Freckleton community centre

Further details of these budget proposals are included in Appendix 2.

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 by the deadline of **5.00pm on Tuesday 20th February 2024** will be considered as part of the Budget setting process which culminates at Fylde's Council meeting of 4th March 2024.

Appendix 1 – The Medium Term Financial Forecast

Latest General Fund Budget Forecast 2023/24 to 2027/28 - as at February 2024

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Adverse / Favourable
Forecast approved at Council on 2nd March 2023	11,832	12,103	12,575	13,225	13,225	Adverse
Forecast Changes since March 2023 - Per Appendix C	- 101	- 109	55	37	568	
Forecast Budget Requirement: TOTAL	11,731	11,994	12,630	13,262	13,793	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	7,002	7,261	7,571	7,893	8,227	
Council Tax - Collection Fund Surplus	40					
Sub Total - Council Tax Income	7,042	7,261	7,571	7,893	8,227	
Business Rates Funding:						
Retained Business Rates	3,580	3,401	3,231	3,069	2,916	
Sub Total - Business Rates Income	3,580	3,401	3,231	3,069	2,916	
Other Funding:						
Services Grant	75	14	14	14	14	
Revenue Support Grant	98	104	104	104	104	
New Homes Bonus (NHB)	516	570	570	570	570	
Less - NHB distribution to Town & Parish Councils	- 26	- 29	- 29	- 29	- 29	
Funding Guarantee Grant	871	1,048				
Assumed "other" government funding to maintain "Core Spending Power"			908	748	567	
Sub Total - Other Income	1,534	1,707	1,567	1,407	1,226	
Forecast Financing: TOTAL	12,156	12,369	12,369	12,369	12,369	
Forecast surplus (-) / deficit for year	- 425	- 375	261	893	1,424	
Reserves						
Forecast surplus/deficit(-) for year from above:	425	375	- 261	- 893	- 1,424	
Contribution to revenue from Funding Volatility Reserve	170					
Less: Proposed Transfer to Capital Investment Reserve	- 595	- 375				
Balance of surplus/deficit(-) remaining:			- 261	- 893	- 1,424	
Balance of General Fund Reserves b/f	5,006	4,571	4,571	4,310	3,417	
Less in year transfer to fund slippage from 2022/23	- 435					
Less estimated transfer from (-) General Fund Reserves in year			- 261	- 893	- 1,424	
Forecast GF Reserve Balance at Year End	4,571	4,571	4,310	3,417	1,993	
Band D Council Tax (Excl Parish Precepts)	£218.89	£225.43	£232.17	£239.11	£246.26	
Indicative Band D Average Council Tax Increase	-£0.30	£6.54	£6.74	£6.94	£7.15	
Band D Average Council Tax Increase	-0.14%	2.99%	2.99%	2.99%	2.99%	

Appendix 2 – Budget Growth Proposals

BUDGET PROPOSALS - CAPITAL ITEMS

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

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Notes
Fairhaven Lake H&S Fencing	0	68	0	0	0	This scheme is for the installation of new fencing along the lakeside edge. This has been highlighted as a safety risk and the new fencing will reduce the risk of members of the public falling into the lake.
Depot Heat Management System	0	117	0	0	0	This proposal is for the replacement of the existing heating oil system in the fleet management workshop, at Snowdon Road Depot with a more modern, fit for purpose, energy efficient heating system to provide adequate welfare facilities for staff working in this building.
Improvements to Ashton Gardens Parks Footpaths	0	63	0	0	0	This scheme is to replace some of the tarmac pathways in Ashton Gardens , particularly the bowling green and skatepark, which are currently served by defective crazy paving paths which are not Disability Discrimination Act compliant, pose safety issues and are difficult to maintain.
Freckleton PC Community Centre Roof	0	30	0	0	0	Fylde Council support for this project has been requested by Freckleton Parish Council. The roof of the Rawstorne Centre is leaking in certain areas and is in need of replacement. The full cost is estimated to be £39,000 of which Fylde Council has been asked to contribute £30,000.
TOTAL OF CAPITAL SCHEME PROPOSALS	0	278	0	0	0	