



Fylde Borough Council – Budget Proposal Consultation

This document outlines the proposed Fylde Council budget for 2025/26. Comment and feedback is welcome from all stakeholders. Feedback received before **5.00pm on Thursday 27th February 2025** will be considered as part of the Budget setting process which culminates at Fylde's Council budget setting meeting of 3rd March 2025. 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 Council's Corporate Plan, which can be found on the Council website at: [Corporate Plan 2024-2028](#)

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 17th February 2025, the Internal Affairs Scrutiny Committee on 25th February 2025 and the full Council on 3rd March 2025. This includes a summary financial forecast (See Appendix 1 attached) which shows an in-year revenue surplus for 2024/25 and 2025/26 followed by a period of uncertainty as the national framework for the financing of local government is subject to fundamental review.

Following a review of how the council's capital expenditure is financed, the budget report proposes that vehicle replacements (in the main these are refuse collection and parks service vehicles) are in future to be funded from the council's earmarked reserves. It is therefore proposed to establish a specific 'Fleet Replacement Reserve' by transferring the balance of c£4.4m from the 'Funding Volatility Reserve', together with the budgeted revenue surpluses for 2024/25 and 2025/26 as shown at Appendix E, to finance the cost of fleet replacement over the life of the financial forecast.

The latest update to the Financial Forecast includes the impact of the 2025/26 Local Government Finance Settlement, details of which were confirmed in early February 2025. The history of proposed reform to local government financing mechanisms stretches back a number of years without significant progress on the matter. However, as part of the Local Government Financial Settlement the new Labour Government signalled it will reform the local government funding system after 2025/26 and will carry out a broader redistribution of funding to better reflect local need (previously known as Fair Funding) through a multi-year settlement from 2026/27 onwards. Consequently, the finance settlement for 2025/26 is again a single-year only settlement until that review can be undertaken.

The settlement confirms a single-year allocation New Homes Bonus (NHB) for 2025/26 and further affirms the government's intention that 2025/26 will be the final year of the NHB in its current format. The Government is consulting on the NHB beyond 2025/26 as part of the wider consultation on the principles and objectives of local authority funding reform.

The continuation of the option for a Lancashire-wide Business Rates Pool was confirmed for 2025/26 as part of the Settlement announcement, with all existing pool members in Lancashire opting to remain in the pool.

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 2025/26

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 financial 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 2025/26 an increase of 2.99% in the average council tax charge is proposed, resulting in an average overall Band D charge for 2025/26 of £232.17.

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 2025/26 are:

- In order to safeguard the Council's revenue position there are no new revenue growth items proposed for 2025/26.

The capital growth proposals for 2025/26 are:

- The enhancement of Garden Street, St Annes as a further phase of the regeneration of St Annes.
- A contribution towards the St Annes Pier Link Project which forms part of the St Annes Masterplan.
- A contribution towards further development of schemes and projects within the St Annes Masterplan.
- An External Project Management resource which will add delivery capacity for schemes set out in the capital programme.
- A match funding contribution towards the refurbishment of Kirkham baths, which is the subject of an external bid for funding from the Heritage Lottery Fund.
- A match funding contribution towards the introduction of Play Zones in Kirkham, St Annes, and Freckleton.
- Support to the Friends of Clifton Park for a new play area at that site.

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 Thursday 27th February 2025** will be considered as part of the Budget setting process which culminates at Fylde's Council budget setting meeting of 3rd March 2025.

Appendix 1 – The Medium Term Financial Forecast

Latest General Fund Budget Forecast 2024/25 to 2028/29 - as at February 2025

| | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | <u>Adverse / Favourable</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|
| Forecast approved at Council on 3rd March 2024 | 11,994 | 12,630 | 13,262 | 13,793 | 13,793 | Favourable |
| Forecast Changes since March 2024 | - 396 | - 636 | - 495 | - 578 | - 463 | |
| Forecast Budget Requirement: TOTAL | 11,598 | 11,994 | 12,767 | 13,215 | 13,330 | |
| Financed by: | | | | | | |
| Council Tax Funding: | | | | | | |
| Council Tax - Precept | 7,261 | 7,584 | 7,906 | 8,241 | 8,589 | |
| Sub Total - Council Tax Income | 7,261 | 7,584 | 7,906 | 8,241 | 8,589 | |
| Business Rates Funding: | | | | | | |
| Retained Business Rates | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | |
| Sub Total - Business Rates Income | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | |
| Other Funding: | | | | | | |
| Services Grant | 14 | | | | | |
| Revenue Support Grant | 104 | 121 | 121 | 121 | 121 | |
| New Homes Bonus (NHB) | 570 | 225 | 225 | 225 | 225 | |
| Less - NHB distribution to Town & Parish Councils | - 29 | - 11 | - 11 | - 11 | - 11 | |
| Funding Guarantee / Funding Floor Grant | 1,048 | 1,051 | | | | |
| Assumed "other" government funding to maintain "Core Spending Power" | | | 729 | 394 | 46 | |
| Sub Total - Other Income | 1,707 | 1,386 | 1,064 | 729 | 381 | |
| Forecast Financing: TOTAL | 12,568 | 12,570 | 12,570 | 12,570 | 12,570 | |
| Forecast surplus (-) / deficit for year | - 970 | - 576 | 197 | 645 | 760 | |
| Reserves | | | | | | |
| Forecast surplus/deficit(-) for year from above: | 970 | 576 | - 197 | - 645 | - 760 | |
| Less: Budgeted Transfers to Fleet Replacement Reserve | - 970 | - 576 | | | | |
| Balance of surplus/deficit(-) remaining: | | | - 197 | - 645 | - 760 | |
| Balance of General Fund Reserves b/f | 5,105 | 4,571 | 4,571 | 4,374 | 3,729 | |
| Less in year transfer to fund slippage from 2023/24 | - 534 | | | | | |
| Less estimated transfer from (-) General Fund Reserves in year | | | - 197 | - 645 | - 760 | |
| Forecast GF Reserve Balance at Year End | 4,571 | 4,571 | 4,374 | 3,729 | 2,969 | |
| Band D Council Tax (Excl Parish Precepts) | £225.43 | £232.17 | £239.11 | £246.26 | £253.62 | |
| Indicative Band D Average Council Tax Increase | £6.54 | £6.74 | £6.94 | £7.15 | £7.36 | |
| Band D Average Council Tax Increase | 2.99% | 2.99% | 2.99% | 2.99% | 2.99% | |

Appendix 2 – Budget Growth Proposals

BUDGET PROPOSALS - CAPITAL ITEMS

| | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | Notes |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| Garden Street, St Annes | 0 | 1,500 | 0 | 0 | 0 | This proposal is an indicative capital budget allocation for the enhancement of Garden Street, St Annes as a further phase of the regeneration of St Annes. Further details are set out in the capital bid document. |
| St Annes Pier Link Project | 0 | 600 | 0 | 0 | 0 | This scheme is the council's contribution towards the St Annes Pier Link Project which forms part of the St Annes Masterplan. Further details are set out in the capital bid document. |
| St Annes Masterplan Development | 0 | 350 | 0 | 0 | 0 | This expenditure relates to the council's contribution towards further development of schemes and projects within the St Annes Masterplan. |
| Project Management for delivery of Regeneration Capital Scheme Items | 0 | 40 | 40 | 0 | 0 | This External Project Management resource will add delivery capacity to the Regeneration and Engineering team to enable schemes set out in the capital programme to be progressed more quickly than would otherwise be the case. |
| Kirkham Pool Refurbishment | 0 | 500 | 0 | 0 | 0 | This expenditure relates to the council's match funding contribution towards the refurbishment of Kirkham pool to pump prime grants or other funding opportunities such as the Heritage Lottery Fund. Further details are set out in the capital bid document. |
| Play Zones - FBC match funding contributions | 0 | 124 | 0 | 0 | 0 | This scheme is the council's match funding contribution towards the introduction of Play Zones in Kirkham, St Annes, and Freckleton with combined total project costs of £750k. Further details are set out in the capital bid document. |
| Friends of Clifton Park - New Play Area | 0 | 65 | 0 | 0 | 0 | Fylde Council support for this project has been requested by the Friends of Clifton Park for a new play area. The full cost is estimated to be £123k of which Fylde Council has been asked to contribute £65k. Further details are set out in the capital bid document. |
| TOTAL OF CAPITAL SCHEME PROPOSALS | 0 | 3,179 | 40 | 0 | 0 | |