



Special Council

Agenda and Reports

For consideration on

Tuesday, 28th February 2012

In the Council Chamber, Town Hall, Chorley

At 6.30 pm



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PROCEDURE FOR PUBLIC QUESTIONS/SPEAKING AT COUNCIL MEETINGS

- Questions should be submitted to the Democratic Services Section by midday, two working days prior to each Council meeting to allow time to prepare appropriate responses and investigate the issue if necessary (12 Noon on the Friday prior to the meeting).
- A maximum period of 3 minutes will be allowed for a question from a member of the public on an item on the agenda. A maximum period of 30 minutes to be allocated for public questions if necessary at each ordinary Council meeting, excluding the Annual Meeting.
- The question to be answered by the Executive Member with responsibility for the service area or whoever is most appropriate.
- On receiving a reply the member of the public will be allowed to ask one supplementary question.
- Members of the public will be able to stay for the rest of the meeting should they so wish but will not be able to speak on any other agenda item upon using their allocated 3 minutes.

21 February 2012

Dear Councillor

SPECIAL COUNCIL - TUESDAY, 28TH FEBRUARY 2012

You are invited to attend a special meeting of the Chorley Borough Council to be held in the Council Chamber, Town Hall, Chorley on Tuesday, 28th February 2012 commencing at 6.30 pm for the following purposes.

AGENDA

1. **Apologies for absence**

2. **Minutes (Pages 1 - 8)**

To approve the attached minutes of the last Council meeting held on 6 December 2011.

3. **Declarations of Any Interests**

Members are reminded of their responsibility to declare any personal interest in respect of matters contained in this agenda. If the interest arises **only** as result of your membership of another public body or one to which you have been appointed by the Council then you only need to declare it if you intend to speak.

If the personal interest is a prejudicial interest, you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.

4. **Mayoral Announcements**

5. **Public Questions**

Members of the public who have requested the opportunity to ask question(s) on any item(s) on the agenda will be asked to put their question(s) to the Council. Members of the public will be allowed to ask one supplementary question within their allocated 3 minutes.

6. **General Fund Revenue and Capital Budget and Council Tax 2012/2013 (Pages 9 - 26)**

A report of the Executive is enclosed, including the following appendices A to J.

a) **Appendix A (Pages 27 - 42)**

Appendix A1 – Proposed Fees and Charges 2012/13

Appendix A2 – Formal Council Tax Resolution

Appendix A3 – Pay Policy 2012/13

b) **Appendix B (Pages 43 - 54)**

Appendix B1 – Capital Programme 2011/12 to 2013/14

Appendix B2 – Proposed Changes to Capital Programme 2011/12 to 2013/14

Appendix B3 – Capital Programme 2014/15

Appendix B4 – S106 and Similar Developers' Contributions

c) **Appendix C - Budget Growth Package (Pages 55 - 66)**

d) **Appendix D - Treasury Strategies and Prudential Indicators 2012/13 to 2014/15 (Pages 67 - 82)**

e) **Appendix E - Statutory Finance Officer Report (Pages 83 - 90)**

f) **Appendix F - Medium Term Financial Strategy (Pages 91 - 110)**

g) **Appendix G - Significant Budget Movements 2011/12 to 2012/13 (Pages 111 - 116)**

h) **Appendix H - Special Expenses 2012/13 (Pages 117 - 118)**

i) **Appendix I - Budget Consultation 2012 (Pages 119 - 122)**

j) **Appendix J - Assessing the Impact of the 2012/13 Budget Proposals (Pages 123 - 132)**

7. **Alternative Budget Proposals**

Report of the Labour Group (to follow).

8. **Appointments to outside bodies**

To approve the following appointments:

- The Executive Member (Places) to be appointed to the PATROL (Parking and Traffic Regulations Outside London) & Bus Lane Adjudication Joint Committee.
- The Executive Member (People) to be appointed as Armed Forces Champion to serve on the Armed Forces Covenant Group coordinated by the CVS.

9. **Any other item(s) the Mayor decides is/are urgent**

Yours sincerely



Gary Hall
Chief Executive

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Democratic Services Manager
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Distribution

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા
માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپکی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

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COUNCIL**Tuesday, 6 December 2011**

Present: Councillor Pat Case (Mayor), Councillor June Molyneaux (Deputy Mayor), Councillors Ken Ball, Eric Bell, Julia Berry, Alistair Bradley, Terry Brown, Henry Caunce, Matthew Crow, Alan Cullens, Magda Cullens, David Dickinson, Doreen Dickinson, Dennis Edgerley, Christopher France, Anthony Gee, Peter Goldsworthy, Marie Gray, Harold Heaton, Steve Holgate, Catherine Hoyle, Keith Iddon, Kevin Joyce, Hasina Khan, Paul Leadbetter, Roy Lees, Adrian Lowe, Marion Lowe, Greg Morgan, Simon Moulton, Mick Muncaster, Steve Murfitt, Beverley Murray, Mark Perks, Alan Platt, Debra Platt, Pauline Phipps, Dave Rogerson, Geoffrey Russell, Rosie Russell, Joyce Snape, Ralph Snape, John Walker, Stella Walsh, Paul Walmsley and Peter Wilson

11.C.241 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Alison Hansford. It was reported that Councillor Hansford's son Matthew was making a slow recovery and whilst he still needed maximum support, his condition was improving.

11.C.242 MINUTES OF SPECIAL COUNCIL HELD ON TUESDAY, 15TH NOVEMBER 2011

RESOLVED – that the minutes of the Special Council meeting held on 15 November 2012 be confirmed as a correct record for signature by the Mayor.

11.C.243 DECLARATIONS OF ANY INTERESTS

In relation to the motion about Free Schools (item 14) Councillors Mark Perks and Alan Cullens declared personal and prejudicial interests and left the room during the debate and vote on this item. In addition Councillor Keith Iddon declared a personal interest in this matter.

In relation to the motion on the NHS (item 14) Councillors Joyce and Ralph Snape declared personal interests and left the room for the debate and vote on this item.

In relation to the Executive Cabinet report of 20 October 2011 (item 6a - Allotments) Councillor Eric Bell declared a personal interest in the matter.

11.C.244 MAYORAL ANNOUNCEMENTS

The Mayor circulated a copy of her announcements. She referred to her attendance at a number of award ceremonies including the UCLAN degree ceremony and high school awards which celebrated the academic achievements of young people. She also referred to the very successful Christmas Lights Switch On and wished all Members a Happy Christmas.

The Leader of the Council then made a statement to all Members of the Council regarding the recent planning application for the redevelopment of the Carrington Centre in Ecclestone and associated housing development.

The planning application had been refused by the Development Control Committee and the developers had appealed against the decision. The Council now faced

defending the appeal, however legal advice on the matter from the Monitoring Officer had evidenced that the grounds for refusal determined by the Committee were not valid planning considerations and therefore were extremely difficult to defend. This was supported in the difficulties in getting legal representation for the case.

In the light of this, and the fact that defending the appeal could cost the Council £180,000 - £200,000, the Executive Leader had made the decision not to contest the appeal. He had wished to advise Members as soon as possible and would attend the next meeting of the Development Control Committee to answer any questions from Members of that Committee.

11.C.245 PUBLIC QUESTIONS

There had been no requests received from members of the public.

11.C.246 EXECUTIVE CABINET

(a) General report of the meeting held on 20 October 2011

Members considered a general report of the Executive Cabinet meeting held on 20 October 2011

Members raised comments on the value of the rural housing needs survey and whether affordable housing to be built on Parcel 10, Gillibrands by Adactus would be included in the overall target for their development of affordable housing.

It was moved by the Executive Leader, Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED – that the report be noted.**

(b) General report of the meeting held on 24 November 2011

Members considered a general report of the Executive Cabinet meeting held on 24 November 2011.

Members commented on recycling targets in the Borough and the increasing amounts going to landfill.

It was moved by the Executive Leader, Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED – that the report be noted.**

(c) Designated Public Places Order Review

Members considered a report of the Director of People and Places supported by Executive Cabinet at their meeting on 20 October 2011, presenting the results of the Chorley Town Centre and Astley Park Designated Public Place Order (DPPO) Review. The Order had been created in May 2010 under section 13 of the Criminal Justice and Police Act 2001.

The report recommended the continuation of the DPPO in its current form and provided evidence from the review that since the Order, alcohol related crime and anti social behaviour within the DPPO zone had reduced and there was no statistical evidence to suggest that it had been displaced into other areas. The evidence showed that the police were enforcing the Order and 100% of respondents to the consultation were supportive of the DPPO remaining in place.

Members were supportive of the continuation of the Order but raised concerns about other areas of the Borough, in particular Coronation Recreation Ground in Chorley.

It was proposed by Councillor Eric Bell, Executive Member (Places), seconded by Councillor Peter Goldsworthy, Executive Leader and **RESOLVED – that the Chorley Town Centre and Astley Park Designated Public Place Order continue in its current form.**

(d) Treasury Strategies and Prudential Indicators 2011/12 to 2013/14

Members considered a report of the Statutory Finance Officer reviewing the Treasury and Investment Strategies approved by the Council on 1 March 2011 and reporting on performance in the first half of the year and compliance with prudential indicators.

The review was part of the Code of Practice for Treasury Management and was reported to Council for information.

It was proposed by Councillor Kevin Joyce, Executive Member (Resources), seconded by Councillor Peter Goldsworthy, Executive Leader and **RESOLVED – That the report be noted, including the fact that the maximum period for deposits with institutions, other than nationalised banks, is currently restricted to 3 months.**

(e) Capital Programme Monitoring 2011/12 - 2013/14

Councillor Kevin Joyce, Executive Member for Transformation presented a report of the Chief Executive updating the capital programme for financial years 2011/12 to 2013/14 to take account of rephrasing of expenditure and other budget changes.

Councillor Kevin Joyce, Executive Member (Resources) proposed, the Executive Leader seconded and it was **RESOLVED –That the changes to the capital programme for 2011/12 to 2013/14 be approved as detailed in Appendix 1 to the report.**

(f) Revenue Budget Monitoring 2011/12, Report 2 (End of September 2011)

Councillor Kevin Joyce, Executive Member (Resources) presented a report of the Chief Executive seeking approval to the setting aside of £150,000 to meet potential planning appeal costs.

Members raised questions regarding the level of balances and when the Council could expect the return of the Landsbankii investment.

Councillor Kevin Joyce, Executive Member (Resources) proposed, the Executive Leader seconded and it was **RESOLVED –That approval be given to a sum of £150,000 being set aside from the current year general revenue fund savings to meet potential planning appeal costs.**

11.C.247 OVERVIEW AND SCRUTINY COMMITTEE AND TASK AND FINISH GROUPS

Members considered a general report of the work of the Overview and Scrutiny Committee and its Task Groups from meetings held on 3 October and 7 November 2011.

It was moved by Councillor Adrian Lowe, Chair of the Committee and seconded by Councillor Debra Platt, Vice Chair and **RESOLVED – that the report be noted.**

11.C.248 AUDIT COMMITTEE

Members considered a general report of the meeting of Audit Committee held on 29 September 2011.

Councillor A Gee, Chair of the Committee proposed, Councillor Julia Berry, Vice Chair seconded and it was **RESOLVED – That the report be noted.**

11.C.249 THE LOCALISM ACT - IMPACT ON THE STANDARDS REGIME

The Monitoring Officer submitted a report informing Members that the Localism Act had now received Royal Assent and it introduced significant changes to the standards regime for elected members.

In summary, the changes included:

- The Standards Board for England ceasing to exist after 31 March 2012.
- The current model code of conduct is revoked. Councils will still be required to adopt a code of conduct based on the Nolan principles of public life and to set up their own schemes for enforcement.
- Predetermination is given a statutory definition, recognising that councillors may be predisposed to approach some definitions on a declared footing and this provision comes into force on 15 January 2012.
- Changes to the role and involvement of independent members in standards committees.
- The Act criminalises some actions around failure to declare and register pecuniary interests.
- Parish Councils are still required to have a code of conduct and District/Unitary Councils to keep the register of interest of parish councillors.
- A detailed timetable for implementation is not yet available but it is thought that most provisions will be in force by the end of March 2012.

It was moved by the Executive Leader Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED – that the report be noted.**

11.C.250 PROPOSED DEDICATION OF RIGHT OF WAY UNDER S 25 HIGHWAYS ACT 1980 NEAR FAIRVIEW COMMUNITY CENTRE, ADLINGTON

Members considered a report on a request received from Lancashire County Council to create a right of way over land owned by Chorley Council near Fairview Farm Community Centre, Adlington running in a south westerly direction from Highfield Road North to join with Public Footpath No. 5 at the pedestrian level crossing over the Manchester – Preston railway line.

It was moved by the Executive Leader, Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED – that the Head of Governance be authorised to agree and complete a Deed of Dedication with Lancashire County Council to create a public right of way over the land between the points marked on the plan appended to the report.**

11.C.251 REVIEW OF MEMBERS' ALLOWANCES - INDEPENDENT REMUNERATION PANEL

Members considered a report of the Independent Remuneration Panel recommending changes to the Members Allowances Scheme.

The current Members Allowances Scheme was agreed in 2007 and the relevant regulations state that schemes should be reviewed at least every 4 years by an Independent Remuneration Panel. Members are not required to agree with their recommendations, but to take them into account.

The Panel's recommendations included the deletion of some allowances; a reduction in some other allowances: the introduction of a dependent carers allowance; and a suggestion that the potential for a merging of the Overview and Scrutiny and Audit Committees be considered.

Members were broadly in agreement with the proposal but expressed concern at the suggestion of the merging of the two committees.

It was moved by the Executive Leader Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED –**

1. That a revised Members' Allowances Scheme be approved, with effect from 15 May 2012, with the following detailed changes:
 - 1.1 To define a medium Group as between 6 and 12 Members and to propose an Allowance of £1848.30 for their Leader (previously the amount was not specified).
 - 1.2 To define a small Group as between 2 and 5 Members and to propose an Allowance of £924.15 for their Leader (previously £1848.30).
 - 1.3 Secretary allowances: to delete all secretary allowances as these are viewed as a political role.
 - 1.4 Chair of the Equalities Forum: not to pay this allowance where it is held by an Executive Member (previously £1414.40).
 - 1.5 Vice-Chair of the Overview and Scrutiny Committee: To reduce to £1414.40 in line with other Vice-Chair allowances.
 - 1.6 To continue to increase allowances in line with any annual officer pay increases.
 - 1.7 To continue to increase travel and subsistence allowances in line with officer payments.
 - 1.8 To introduce a dependant carers allowance based on the following conditions:
 - To be payable when a Councillor is undertaking "Council approved duties" according to Chorley Council guidance notes on approved duties:
 - For the independent care of a child, who is resident with the Councillor, aged 15 years and under
 - For the professional care of a dependant relative. A dependant relative is defined as where the Councillor is the main carer and one of the following categories apply:
 - Elderly relative requiring constant care,
 - Disabled relative requiring constant care,
 - Relative with learning disabilities requiring constant care
- Qualifying Situation
- The child or foster child of a Councillor (one payment per household in the case of a spouse or partner)
 - Dependant relative of a Councillor (one payment per household in the case of a spouse or partner)

Rates of Payment

National Minimum Wage, unless there were specific circumstances.

- 1.9 To recommend that Members should not be able to join the Local Government Pension Scheme.
2. That in relation to considering a merger of the Overview and Scrutiny and Audit Committees, a report be drawn up for consideration by the All Party Leaders Liaison Group for consideration and a further report to Council for decision.

11.C.252 CHANGE OF POLLING STATIONS

The Council considered a report of the Chief Executive proposing two changes to polling stations.

Information had been sent to all polling stations to confirm that they would be required for the Police and Crime Commissioners Elections on 15 November 2012 in addition to 3 May 2012 for the Local Elections. A number of schools had expressed concern and attempts had been made to find alternative venues. Two changes were proposed and the relevant ward councillors had been consulted.

It was moved by the Executive Leader, Councillor Peter Goldsworthy and seconded by the Deputy Leader, Councillor Ken Ball and **RESOLVED that the following two changes to polling stations be agreed:**

- **Trinity Methodist Church Hall, Gregson Lane, Hoghton to replace Brindle Gregson Lane Primary School (Brindle and Hoghton ward); and**
- **Bateman Hall off Sagar Street, Eccleston to replace Eccleston St Mary's Primary School (Eccleston and Mawdsley ward).**

11.C.253 QUESTIONS ASKED UNDER COUNCIL PROCEDURE RULE 8 (IF ANY)

There had been no requests for questions from Members under Procedure Rule 8.

11.C.254 TO CONSIDER THE NOTICES OF MOTION GIVEN IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 10

The Council considered four motions submitted in accordance with Procedure Rule 10, by Councillor Peter Wilson:

1. Youth Unemployment

"This council recognises the growing problem of youth unemployment within the borough of Chorley. The council expresses alarm at the 243% increase in long term youth unemployment since January this year. In response to this trend the council pledges to invest £400,000 to create employment and training opportunities for young people within the borough."

Councillor Alistair Bradley proposed and Councillor Peter Wilson seconded this motion.

The motion was put to the vote and the votes were recorded as follows:

FOR: Councillors J Berry, A Bradley, T Brown, M Crow, D Edgerley, C France, A Gee, S Holgate, C Hoyle, H Khan, R Lees, A Lowe, M Lowe, J Molyneaux, S Murfitt, B Murray, P Phipps, D Rogerson, J Snape, R Snape, P Walmsley and P Wilson.

AGAINST: Councillors K Ball, E Bell, H Caunce, A Cullens, M Cullens, David Dickinson, Doreen Dickinson, P Goldsworthy, M Gray, H Heaton, K Iddon, K Joyce, P Leadbetter, G Morgan, S Moulton, M Muncaster, M Perks, A Platt, D Platt, G Russell, R Russell, J Walker, S Walsh, the Mayor, Councillor P Case.

The motion was declared LOST.

Councillors Mark Perks and Alan Cullens declared personal and prejudicial interests in the following item and left the room during the debate and vote.

2. Free School Proposal

“This council recognises the excellence of Primary, Secondary, Sixth Form, Further and Adult Education together with the comprehensive Vocational Training supplied by schools and colleges both within, and specifically sited on the boundaries of the Borough for the young people of Chorley.

This is evidenced by the significantly above average exam and inspection results obtained by our local education providers. This Council will write to the Secretary of State for Education asking him to identify which of these existing facilities he believes is failing and which would necessitate the requirement for a free school in Chorley, which by its very nature will take valuable and scarce resources away from the existing establishments and threaten their future.”

Councillor Peter Wilson proposed and Councillor Dave Rogerson seconded this motion.

The motion was put to the vote and the votes were recorded as follows:

FOR: Councillors J Berry, A Bradley, T Brown, M Crow, D Edgerley, C France, A Gee, S Holgate, C Hoyle, H Khan, R Lees, A Lowe, M Lowe, J Molyneaux, S Murfitt, B Murray, P Phipps, D Rogerson, J Snape, R Snape, P Walmsley and P Wilson.

AGAINST: Councillors K Ball, E Bell, H Caunce, M Cullens, David Dickinson, Doreen Dickinson, P Goldsworthy, M Gray, H Heaton, K Iddon, K Joyce, P Leadbetter, G Morgan, S Moulton, M Muncaster, A Platt, D Platt, G Russell, R Russell, J Walker, S Walsh, the Mayor, Councillor P Case.

The Mayor declared there was an equal number of votes for and against the motion and she then used her casting vote against. The motion was then declared LOST.

3. BBC Radio Lancashire

“This council recognises the importance of regional radio broadcasting and pays tribute to the work done by BBC Radio Lancashire in providing quality local news throughout our county, actively helping to identify and express our local identity. The council expresses concern over the proposed budget cuts in local radio and in particular the job cuts proposed at BBC Radio Lancashire. Therefore the council pledges to write to BBC Radio Lancashire in support of their objections to the extent of the cuts being imposed and express clearly our support for this valuable media outlet.”

Councillor Julia Berry proposed and Councillor Matthew Crow seconded this motion.

The motion was put to the vote and LOST.

Councillors Joyce and Ralph Snape declared personal interests in the following item and left the room during the debate and vote.

4. NHS Re-organisation

“Chorley Council expresses alarm at the decision taken by the Tory-led government to impose NHS re-organisation through the Health and Social Care Bill which will cost Central Lancashire Primary Care Trust £29,591,614. The council recognises that this money has to be drawn from existing budgets and therefore would be better spent on patient care rather than a top-down re-organisation which the government promised it would not carry out.

The council notes that since May 2010 the number of patients in the Central Lancashire PCT area waiting for 18 weeks or more for NHS treatment has increased by 56%.

Therefore the Council supports the campaign backed by the British Medical Association to drop the Health and Social Care Bill in order to protect our NHS and ensure that scarce resources are directed towards patient care rather than unnecessary and damaging reorganisations.”

Councillor Peter Wilson proposed and Councillor Alistair Bradley seconded this motion.

The motion was put to the vote and the votes were recorded as follows:

FOR: Councillors J Berry, A Bradley, T Brown, M Crow, D Edgerley, C France, A Gee, S Holgate, C Hoyle, H Khan, R Lees, A Lowe, M Lowe, J Molyneaux, S Murfitt, B Murray, P Phipps, D Rogerson, P Walmsley and P Wilson.

AGAINST: Councillors K Ball, E Bell, H Caunce, A Cullens, M Cullens, David Dickinson, Doreen Dickinson, P Goldsworthy, M Gray, H Heaton, K Iddon, K Joyce, P Leadbetter, G Morgan, S Moulton, M Muncaster, M Perks, A Platt, D Platt, G Russell, R Russell, J Walker, S Walsh, the Mayor, Councillor P Case.

The motion was declared LOST.

Mayor



Report of	Meeting	Date
The Executive (Introduced by the Executive Member for Resources)	Special Council	28 February 2012

GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2012/13

PURPOSE OF REPORT

1. To seek approval of the Executive's budget proposal including the Council Tax yield to be received in 2012/13.

RECOMMENDATION(S)

2.
 - a) Approve the budget and proposals set out in this report including:
 1. Below inflationary increase in fees and charges (at Appendix A1)
 2. Council Tax set out in the resolutions (at Appendix A2)
 3. The Council's Pay Policy and publication on the Council's website from April (at Appendix A3)
 - b) Approve the Capital Programme to 2013/14 (Appendices B1, B2, B3 and B4)
 - c) Approve the Budget Growth Package Report (Appendix C).
 - d) Approve the Treasury Management Strategy and its core principles set out in Appendix D.
 - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E. (to follow)
 - f) Approve the Council's Medium Term Financial Strategy (MTFS) at Appendix F.
 - g) Note Significant Budget Movements from the 2011/12 budget at Appendix G.
 - h) Note Special Expenses and Parish Precepts at Appendix H.
 - i) Note the Budget Consultation 2012 at Appendix I.
 - j) Note the Equality Impact Assessment at Appendix J.

EXECUTIVE SUMMARY OF REPORT

3. The Executive believes that the 2012/13 budget needs to achieve two overriding objectives, that is to protect front line services and the Tax Payer. This budget protects current services whilst also reducing Council Tax by 1%. The reduction in Council Tax is also coupled with a significant package of new budget growth that delivers a huge investment in local services, including over £1 million to promote the local economy and create jobs.
4. General performance at the Council continues to be consistent and very high evidenced in a number of areas:
 - Good progress is being made towards the achievement of the outcomes, targets and measures contained in the Corporate Strategy.

- Audit Commission's satisfaction within the Annual Audit and Inspection Letter that the Council has continued to perform highly.
5. The budget strategy builds on, and is consistent with, the following key principles, which were outlined by the Executive previously and which are:
- To continue to be a high performing Council.
 - To freeze Council Tax for 2012/13.
 - To continue to provide value for money for the Council Tax payers of Chorley.
 - To continue to provide assistance to those wishing to start up business in Chorley to create investment.
 - To develop NEETS in our Borough into work or education.
 - Develop programmes to support the current health reforms.
 - Safeguarding front line services, particularly to continue to support the voluntary sector and PCSOs and focusing on the removal of bureaucracy and managerial posts.
 - Looking for opportunities to share services and generate additional revenue.
 - Preparing for the future and uncertainty over public finances.
 - To look to reduce debt and the consequent financing charges.
6. The Executive believes that the core principles outlined above have been achieved during the budget process and sets out in the rest of the paper a further explanation of the budget proposals for 2012/13. This includes how a cut in Council Tax will be achieved accompanied by a significant package of investments in the local economy and services enhancement.
7. Council Tax Yield 2012/13

It is proposed to reduce Council Tax by 1.0%.

8. This follows two years of Council tax freezing. In 2011/12 the Council received Council Tax freezing grant of £159k which continues for another three years. For not increasing Council Tax in 2012/13 the Council will receive a further freezing grant of £159k for one year.
9. The Council has already successfully achieved budgetary savings totalling £0.945m that have already been approved. This report contains further savings of £0.030m for approval resulting in total savings for 2012/13 of £0.975m.
10. A number of new budget growth items requiring recurring investment have been factored into the MTFs for approval. These schemes, as listed below, have been identified to ensure their service provision beyond 2012/13 to support the delivery of the Corporate Strategy. Further details for all investments are contained within the Budget Growth Package report on the agenda in Appendix C.

The key new revenue budget growth proposals are:

To achieve savings in the 2012/13 budget to enable additional mainstream investment in:

- **Tackling Dog Fouling**
- **Increased number of PCSOs**
- **Business Start Up**
- **Debt Advice Funding**
- **IDVA – Community Safety**
- **Sanctuary Scheme**

11. Further new revenue budget growth items, bringing the total to 17 revenue schemes, have also been included in the budget on a one off basis. In addition to the mainstreaming of the above scheme it is planned to deliver the following schemes in 2012/13 with their continuation being reviewed at the end of the year. The exception being the scheme supporting NEETs which will continue for a two year period.

- NEETs – extension of Council Apprenticeship Scheme for two years
- Extension of Grant Scheme to Local Service Centres
- Active Generation Scheme
- Street Games Scheme
- Introduction of Sport Bus
- Employee Health Scheme
- Chorley Smile – Environmental Improvements
- Bus Shelter Improvements
- Street Furniture Improvements
- Public Realm Adoption
- Improved Pedestrian Routes

12. Two further Capital Programme/Budget growth investments are proposed.

- Assist the Primary Care Trust to progress their development plan to provide a Health Centre on the Friday Street site to provide a facility to meet the health needs of the resident population of East Chorley.
- Acquire a key strategic site in the Town Centre to facilitate development in the medium term and provide the Council with the opportunity to generate more income in the short term. This is in addition to the major ADSA site development.

13. Significant progress has been made in delivering the budget savings with the MTFs. Budget savings already achieved are listed in Appendix G. Approval is now sought for additional savings that have been identified in the sum of £0.030m a summary of which is set out below:

<ul style="list-style-type: none"> • Evaluation of Markets NNDR reduced costs - £16k. This includes a proposal to compensate, in year one, those who will be financially worse off as a result of the changes so no Market Trader pays any more during the current year. • Increase Fees and Charges by 3.0% as per Appendix A1 - £10k plus amend the charging structure at Astley Hall - £4k.
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14. The Capital Programme is set out in detail in Appendices B1 to B4 covering the proposed capital schemes to support the Corporate Plan together with the planned financing arrangements and details of available s106 Developers Contributions.
15. The Capital Programme also includes the two Budget Growth Investments, detailed in Appendix C:

Proposed PCT Health Centre	£6.650m
Acquisition of Town Centre site	£0.500m

16. Total Capital Expenditure is planned to be incurred over the next three years totalling £12.525m.

MTFS Year	2012/13 £m	2013/14 £m	2014/15 £m
Total Capital Expenditure	10.866	0.823	0.836

17. The above Capital Expenditure will be financed as follows:-

	£m
Prudential Borrowing	2.550
Prudential Borrowing – Health Centre	6.650
Unrestricted Capital Receipts	0.018
Revenue Budget	0.274
External Contributions	1.415
Government Grants	1.618
Total Capital Financing	12.525

- 18. The Capital Programme is consistent with the MTF5 and contains provision for voluntary set aside to restructure the Council's debt. This will reduce the cost of servicing that debt thus reducing costs in the Council's revenue budget. This achieves savings to the Council's overall budget within an areas that ahs no impact on front line services.
- 19. The Localism Act now has a new requirement stipulating that the Pay Policy is approved formally by the Council and published on our website in April 2012/13. This is attached at Appendix A3.

Confidential report Please bold as appropriate		No
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Key Decision? Please bold as appropriate	Yes	
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(If the recommendations are accepted)

- 20. To ensure that the Council complies with the requirement to set the budget for 2012/13.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 21. None.

CORPORATE PRIORITIES

- 22. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			

BACKGROUND

- 23. The Executive published the budget principles for consultation during December 2011 setting out its intention for spending and investment in the borough for the forthcoming financial year 2012/13. These papers build upon those principles and set out for Council the budget proposals for 2012/13.

BUDGET CONSULTATION

24. The budget principles were agreed by members in the report to Executive Cabinet on 15th December 2011. These principles have been considered by:
- a) The Overview and Scrutiny Committee
 - b) The Parish Councils
 - d) Residents taking part in the public survey including members of the Chorley Smile Jury

The feedback from the consultation is shown at Appendix I, and is supportive of the core principles adopted by the Executive.

BUDGET PROPOSALS

25. The starting point for any budget is a roll forward from one year to the next of the Council’s continuation budget which is the cost of the current levels of existing services, updated to reflect inflation, change in volumetrics and any policy changes made by the Council in the current year.
26. Set out in the Council’s Medium Term Financial Strategy is an analysis of these changes year on year over the next financial planning period 2012/13 to 2014/15 in Appendix F1.
27. Members will be aware that the outlook for the public finances is uncertain given the relatively short term settlement in the Comprehensive Spending Review and the forthcoming Local Government Funding Review. The outcome of this review is still unknown but will influence funding from 2013/14 onwards. In addition, the distribution of core funding is also undergoing considerable change with future funding levels being subject to annual fluctuations in the form of New Homes Bonus (NHB) and the retention of Business Rates. Despite this uncertainty and lack of clarity on funding levels after 2012/13 budget forecasting remains an integral component of budget setting, therefore, the Medium Term Financial Strategy has proceeded based on the following key assumptions:-

Key Budget Assumptions

Assumption	2012/13	2013/14	2014/15
Council Tax increases	0	0	0
Council Tax Freezing Grant	£0.318m	£0.159m	£0.159m
Reduction in grant settlement	£0.857m	£0.513m	£0m
Pay inflation	0	1%	1%
Employees pension contribution	0.5%	0.5%	0.5%
New Homes Bonus	£1.044m	£1.044m	£1.044m
Performance reward grant	£0.089m	0	0
Supporting People Income	£0.216m	£0.180m	£0.170m
Health Reform Agenda	assumed to be cost neutral		

28. The table shows the key assumptions made in forecasting forward the Council's financial position. Please note these do not determine what might actually happen in future years, particularly with regard to Council Tax levels as these are determined annually based upon the latest up to date information. Some key messages are:
- No assumption has been made regarding either:
 - future potential increase in Council Tax, or
 - expected levels of Central Government grant post 2013/14
 - The pay bill has been forecast to increase by 0.5% annually in 2012/13 being the contribution to pensions only. This has been uplifted, however, by 1% in 2013/14 and 2014/15 to also include provision for a possible pay award. The pay award provision equating to approximately £101k annually and consistent with the 1.0% cap proposed by Central Government.
 - The budget has also been constructed in accordance with the Council's Pay Policy. The Localism Act now has a new requirement stipulating that the Pay Policy is approved formally by the Council and published on our website in April 2012/13. This is attached at Appendix A3.
 - New Homes Bonus – The aim of the scheme is to provide an incentive to local authorities to increase the number of properties with a further reward for increases in affordable homes. The payment for 2012/13 is based on a council tax amount per property times by the increased number of properties between October 2010 and October 2011. This allocation will be received for a six year period, however it will run consecutively with any further NHB awarded in future years for additional increases in properties year on year. Therefore, each new receipt of NHB will be received for 6 years and then cease on a rolling programme basis until such time that the methodology is changed.
 - The 2011/12 Council Tax Freeze Grant is for a limited period and will cease in due course but is due to be received for each of the financial years covered by the latest Spending Review 2011/12 to 2014/15. The 2012/13 Council Tax Freeze Grant is an additional grant for one year only and will not be received in future years.
 - Within the public sector environment there are current proposal to reform the way in which health Care services are operated. This budget assumes that these reform changes will have no financial implications for the Council.
29. After the budget has been updated as described above it is amended to take account of new adjustments such as:
- new budget growth schemes, and
 - budgetary savings achieved
31. As a consequence the following amendments to the budget have been made in line with the proceeding budget principles which were adopted to construct the budget. The amendments consist of new budget growth schemes identified to ensure service provision is maintained to deliver the Corporate Plan and budget savings achieved and proposed to balance the budget.

NEW BUDGET GROWTH and INVESTMENT	£m	£m
Schemes requiring on-going investment	0.278	
Proposed Two Year Schemes providing support to NEETs	0.130	
Proposed 2012/13 Investments	0.445	0.853
Continuation of Business Start Up Grants	0.170	0.170
Proposed Capital Investment	7.150	7.150
TOTAL NEW GROWTH PACKAGE AND INVESTMENT		8.173

BUDGETARY SAVINGS	£m	£m
Savings already approved	0.945	
Sub Total – Savings approved		0.945
Markets NNDR and compensation to Market Traders in 2012/13	0.016	
Increase Fees & Charges	0.010	
Astley Hall Revised Charging Structure	0.004	
Sub Total – Further Savings Proposals		0.030
TOTAL BUDGETARY SAVINGS 2012/13		0.975

32. A further explanation is set out below with a breakdown of the above figures is listed within the Medium Term Financial Strategy at Appendix F1.

New Budget Growth

33. Both the Revenue and Capital budget contain significant new budget growth investments. A number of these schemes are recurring investments that have been factored into the 2012/13 budget for approval. Recurring being that the budget provision for these items has been accounted for on a continual basis in future years. These schemes, as listed below, have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy. It is important to note that the new budget growth items below are already factored into the budget proposals (and as set out in Appendix F1) with the budget savings already achieved this package of investments can be accommodated in addition to reducing Council Tax by 1.0% and delivering a surplus budget in 2012/13.

34. Further details are contained within the Budget Growth Items report on the agenda including the resulting outputs and outcomes achieved by the additional investment, for example, the number of new businesses supported and the number of new jobs that will be created.

Mainstreaming/Recurring New Growth Schemes	£m
Tackling Dog Fouling	0.075
Increase number of Police Community Support Officers	0.055
Business Start Up – provision of support & advice	0.055
Debt Advice Funding – debt advice to 600 residents	0.050
Community Safety and Independent Domestic Violence Advocacy DVA	0.023
Sanctuary Scheme – support domestic violence victims in partnership with South Ribble BC	0.020
Total	0.278

35. In addition to the mainstreaming of enhanced services the Council propose to also deliver a suite of new Budget Growth Schemes for 2012/13 as a one year package. These support the budget principals and are detailed in Appendix C and listed below:

Investment	£m
NEETs – extension of Council Apprenticeship Scheme – Two year period 2012/13 to 2013/14	0.130
Extension of Grant Scheme to Local Service Centres	0.037
Active Generation Scheme	0.031
Street Games Scheme	0.050
Introduction of Sports Bus	0.017
Employee Health Scheme	0.020
Chorley Smile – Environmental Improvements	0.100
Bus Shelter Improvements	0.075
Street Furniture Improvements	0.075
Public Realm Adoption	0.020
Improved Pedestrian Routes into Town Centre	0.009
Total	0.564

36. The complete Budget Growth Package support the Corporate Plan and aids:

- *A vibrant Local Economy* – provides over £1.0 million to promote the local economy, support businesses and help create over 100 new jobs on top of the 400 jobs from the ASDA development.
- *Being Healthy* – providing activities to the over 50s plus funding the continuation of the street games programme and introduction of a Sport Bus for 14 to 17 year olds.
- *Safe Respectful Communities* – recurring investment to keep crime down and reducing the fear of crime by proposing to increase the number of Council funding PCSOs by 5 to 27 in total. Investment to provide special support to help victims of domestic violence including additional support to enable victims to remain in their own home.
- *Clean Neighbourhoods* – improving the environment by tackling dog fouling and the issue of aggressive dogs. Also refurbishment of street furniture and bus shelters together with upgrading pedestrian routes onto the town centre.

Budget Savings

37. Significant progress has already been made to date in achieving budgetary savings to close the budget gap in advance of the forthcoming financial year and these are listed in Appendix G. In addition to those already achieved further budgetary savings have been identified for approval:

Markets NNDR

38. Changes made nationally within the Revaluation Office have resulted in a saving for the Council as Business Rates no longer need to be paid in respect of the Markets. The liability will now fall to the Market Trader. Some traders will qualify for assistance as small businesses and will not be adversely effected, however, a few will now need to pay NNDR. For these businesses that will need to meet the additional expense of paying NNDR it is proposed that the Council pays a compensatory amount in 2012/13 equal to the additional cost of NNDR.

39. The proposal, therefore, is that annual budget savings of £22,000 is reduced by £6,000 in 2012/13 to £16,000. This would create a budget of £6,000 to enable the Council to compensate those Market Traders who would be financially worse off in next year to ensure that no Market Trader is paying any more in 2012/13 than they already are.

Increase Fees & Charges

40. It is also proposed that the Council's fees and charges, excluding Car Parks, Market Rents and Building Control fees, are uplifted by an inflationary increase as per Appendix A1 attached. Also included in this proposal is the review of charges at Astley Hall. The reviewed prices are aimed at increasing the usage of the hall and activity space, particularly during the day when staff are available. Evening rates reflect the additional staff costs incurred. Wedding prices have been increased in line with current local rates and as a result of increased demand, a baby naming fee has been introduced. A full list of Astley Hall prices has been listed for completeness so that the overall price changes are transparent.

THE PRINCIPLES UNDERPINNING THE BUDGET

To Freeze Council Tax for 2012/13

41. For 2012/13 the Executive proposes that Council Tax is reduced by 1%.

Consequently the history of Council Tax rates for the period 2007/08 – 2012/13 will have been as follows:

Annual Council Tax Increase 2007/08 to 2012/13

Year	Annual Increase %
2007/08	0.00
2008/09	2.50
2009/10	2.90
2010/11	0.00
2011/12	0.00
2012/13	(1.00)
Average	0.73

42. As a result of not increasing Council Tax the Council will receive a one off Council Tax Freezing Grant in 2012/13. Therefore £159k additional grant income has been included into the budget for 2012/13. This is in addition to £159k additional grant income being received for freezing Council Tax in 2011/12, this grant will be received for a four year period to 2014/15.

To continue to provide assistance to those wishing to start up business in Chorley to create investment and engagement.

43. In addition to reducing Council Tax for 2012/13 the Executive propose other budgetary options that will protect the Chorley community from the impact of the current economic situation, namely:
- Investment in local business including over £1.0 million promoting the local economy.
 - Helping to create 100 jobs in addition to the 400 resulting from the ASDA development.
 - Continuation of the Business Grant Scheme from 2011/12.
 - Restrict increases in car parking charges and market rents.
 - Allocate resources to business start-ups continuing current service and extends the service to areas outside of the Town Centre,
 - Investment in two priority areas to develop programmes relating to youth unemployment and the current health reforms.
 - Town Centre capital investment providing the opportunity for redevelopment coupled with also improving the appearance of the town centre.

Safeguarding front line services, particularly to continue to support the voluntary sector and PCSOs and focusing on the removal of bureaucracy and managerial posts.

44. Despite the current pressures placed on the budget through reduced funding, the Administration has still been able to allocate additional resources effectively to react to public opinion which is also contained within the budget consultation process. The 2012/13 budget will look to maintain spending in key priority areas which will mean:

- Maintaining support for the voluntary sector and PCSO's.
- Driving out inefficiency and costs that do not add value.
- Ensuring our workforce is productive.
- Focusing on the key priorities of the Chorley citizens and business community.
- Living within our means as available resources diminish.

To continue to provide value for money for the Council Tax payers of Chorley.

45. Over the financial years 2007/08 to 2012/13 the following savings/efficiencies have been achieved:

Annual Budget Savings 2007/08 to 2012/13

Year	Annual saving £m
2007/08	1.795
2008/09	0.551
2009/10	0.848
2010/11	0.747
2011/12	1.197
2012/13	0.975
Total	6.113
Average	1.019

46. In addition to achieving a significant level of efficiencies within the budget, the council has maintained value for money by delivering a consistently high level of performance and ensured that with regard to front line services business is as usual.

Preparing for the future and uncertainty over public finances

47. The Council is facing a new era of permanent uncertainty with regard to its core funding levels. The total amount of grant from Central Government has already reduced significantly putting pressure on the budget but adding to this challenge are the new arrangements for grant distribution in the form of the current New Home Bonus and the forthcoming retention of Business Rates. Both these key funding stream will be calculated on annually variable data and therefore susceptible to fluctuation from one year to the next.

48. The administration has consistently followed an efficient, effective and financially sustainable approach to the budget by:
- Not setting unachievable targets in the budget.
 - Balancing the budget over the medium term.
 - Containing working balances at a level sufficient to meet risk.
49. In terms of proposals for the future the Executive will seek to:
- Balance the budget over the financial planning period 2012/13 to 2014/15.
 - Continue to change the shape and scale of the organisation to drive through on the efficiencies agenda, through adopting different delivery models.
 - Focus on the priorities of the citizens and business community of Chorley.
 - Continue to invest in technology and schemes that generate savings.
 - Look to consolidate the Council's debt position and reduce it wherever possible.

Looking for opportunities to share services and generate additional income

50. The sharing of services continues to reduce costs and generate additional income, adding to significant contributions to savings that have already been realised in previous years. The Executive are committed to looking at all options in this respect and to continue looking for opportunities to generate additional revenue into the Council by selling the services and products we have to others.

Reducing debt and the consequent financing charges

51. At present the Council sets aside significant sums from its revenue budget to repay debt. The Executive will look for opportunities to reduce this rather than always looking for additionality in terms of capital resources. The prudential code which has been adopted requires the Council to only spend what it can afford, so it is prudent financial management to look at opportunities to reduce the on-going debt burden. By restructuring debt this reduces the cost of servicing debt in the Council's revenue budget. Although the Minimum Repayment Provision (MRP), as detailed in Appendix F1, has marginally increased it should be noted that the strategy described above has resulted in this increase being less than it would have been if this course of action had not been taken.

CAPITAL PROGRAMME

52. The proposed three-year capital programme for the period 2012/13 to 2014/15 is contained in Appendices B1 to B4. Details of the Capital Programme for 2011/12 is also included in order to indicate the rephasing of expenditure to 2012/13 – 2014/15.
53. Appendix B1 Capital Programme Monitoring 2011/12 to 2013/14 and Appendix B2 Explanation of Changes 2011/12 to 2013/14 were presented to the Executive Cabinet on 23 February 2012. It is proposed, however, that one further scheme should be added to the 2011/12 capital programme being the acquisition of a strategic site in Chorley Town Centre at an estimated total scheme cost of £500,000 in order to promote development. The annual revenue cost would be £10,000 and this is included in the proposed revenue budget.

54. No new schemes will be added to the programme from 2012/13 to 2014/15, other than those that are contractual or that can be financed from external resources such as grants and contributions or rental income. This is to ensure that the revenue consequences of the capital programme are affordable. Consequently the proposed spending for the period is as follows:

2012/13	2013/14	2014/15
£10,866,240	£822,780	£836,250

55. The Asset Management Programme will be prioritised and focus on the conditions survey for:

- Astley hall
- Cotswold House
- New Depot facilities
- Remodelling of administration offices to accommodate the MTFS key corporate project to rationalisation of assets.

56. The pressure on capital resources will continue to be an issue for the Council over the medium-term. The depressed state of the property market means asset sales have been postponed until the market improves, therefore no new capital receipts have been taken into account in the financing of the 2012/13 to 2014/15 programme. This leaves prudential borrowing as the only source of financing for the other budgets included in the programme.

57. As a consequence the anticipated borrowing for the period 2012/13 to 2014/15 is as follows:

2012/13	2013/14	2014/15
£1,429,170	£553,780	£567,250

58. It is proposed that an additional Budget Growth scheme is added to the 2012/13 programme. This will assist the PCT with the development of the Chorley East Health Centre on Friday Street. The estimated cost is £6.650 million including land acquisition. The revenue budget cost of the borrowing that would be required to implement this project would be covered by rental income, so that this facility would be achieved at no cost to the council. This scheme has yet to be agreed with the PCT and is therefore still at the proposal stage. Any final agreement reached will contain the proviso that any increased project costs to those originally agreed will be underwritten and met solely met by the PCT as with on going costs.

59. Apart from S106 contributions for provision of affordable housing and the annual grant to fund Disabled Facilities Grants, there are no resources to finance housing capital expenditure from 2012/13 onwards other than the uncommitted Housing Renewal budget rephased from 2011/12. A total of £657,610 is expected to be re-phased into 2012/13 although the expenditure profile of this budget could be extended in to 2013/14 and 2014/15. Recommendations as to its use will be proposed via the 2012/13 capital budget monitoring process during the year.

60. Appendix B4 analyses the use of developers' contributions to finance the capital programme. Some contributions are uncommitted at present, and schemes will be recommended for addition to the capital programme or revenue budget as appropriate. It is likely that additional contributions will be received from 2012/13 onwards, and new schemes will be proposed in budget monitoring reports.

61. The contents of this report are supplemented with additional reports, policies and statements to provide further details as referenced below:

Appendix A1	Fees and Charges 2012/13
Appendix A2	Formal Council Tax Resolution 2012/13
Appendix A3	Pay Policy 2012/13
B1	Capital Programme Monitoring 2011/12 – 2013/14
B2	Proposed Changes 2011/12 – 2013/14
B3	Capital Programme 2014/15
B4	S106 and Similar Contributions
Appendix C	Budget Growth Package Report
Appendix D	Treasury Management Strategy 2012/13 – 2014/15
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy
Appendix G	Significant Budget Movements 2011/12 to 2012/13
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2012/13
Appendix J	Assessing the Impact of 2012/13 Budget Proposals

FUTURE YEARS PROPOSALS

61. Contained in the Financial Strategy at Appendix F is a summary of the forecast position for the Council's budget up to and including 2014/15. The forecast is based on the following key assumptions:
- A continuation of current service provision to the same level and in the same way over that period.
 - Increase in costs for the Council's pension bill have been included at the rate of 0.5% for the three years together with an estimated 1% pay award in 2013/14 and 2014/15.
 - No allowance at this stage has been made for an increase in Council Tax.
 - No allowance has been made for potential decreases in external financial support from the Government in 2013/14 apart from the loss of the floor damping adjustment applied and received in the settlements in 2011/12 and 2012/13.
 - Additional New Homes Bonus for 2013/14, although a possible significant source of income, has yet to be determined and therefore is excluded at this time.
 - The Welfare Reform agenda will be cost neutral to the Council.
62. The key message is that the Council remains in a period of continued uncertainty due to the two year settlement, the variable basis of key funding streams e.g. NHB and the forthcoming Local Government Funding Review.

63. That said, the Council must plan on some basis and the figures show that further significant savings will be needed over the medium term to balance the budget based upon the assumptions already made. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.

CONCLUSION

64. This paper outlines for the Council the Executive's proposals in terms of budget for 2012/13. The budget principles adopted by the Executive mean that its objective of protecting the provision of front line services whilst containing Council Tax increases and making investments in key areas of service to the Chorley Community has been achieved, consequently:

- Council Tax for 2012/13 will be reduced by 1.0% in 2012/13.
- A package of Budget Growth investments have been factored into the budget containing:
 1. 17 Revenue Budget and 2 Capital Budget schemes. This brings the total investment promoting the local economy and creating jobs to over £1.520 million.
 2. Recurring revenue budget growth to mainstream 6 areas of enhancements to services.
 3. A further 11 one off revenue budget investments are proposed with a project supporting NEETs extending for a two year period.
 4. Revenue budget growth investments total £0.853m
- Investments will be made in key areas to support a vibrant local economy, being healthy and safe respectful communities.
- Significant progress has been made towards achieving budgetary savings resulting in a planned budget surplus in 2012/13.
- Budget savings achieved and proposed to date total £0.975m. Reductions in employee costs have been achieved from managerial and back office functions with also significant non staffing savings being generated from support and other functions.
- Savings have been achieved from areas have not reduced front line services supporting the Council in maintaining its high performance track record.
- The Capital Programme's budget (including the proposed Health Centre scheme) over the MTFs period totals £12.5252m of which £8.900 is being financed by prudential borrowing.
- The Capital Programme continues to progress the MTFs objective of setting aside monies to restructure the Council's debt position to achieve savings within the revenue budget. This enables the budget gap to be reduced and does not impact on service provision.
- The assumptions included in the budget have been assessed in the light of the latest information available at this time and adheres to the Council's Pay Policy as set out in Appendix A3.

65. Future saving will be required and an efficiency programme is proposed and contained in the Medium Term Financial Strategy at Appendix F.

66. The Council will continue to have to work extremely hard, be innovative and creative to continue to make efficiencies and at the same minimise the impact on services. There are still factors that may affect the current forecast financial position, namely the forthcoming Local Government Funding Review which will determine the levels of funding with effect from 2013/14 within the planning period. In addition, the Council's income streams will remain under pressure. The overall approach to be adopted in terms of further efficiencies is set out in the Medium Term Financial Strategy which is appended to this report.

IMPLICATIONS OF REPORT

67. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	y	Customer Services	
Human Resources		Equality and Diversity	
Legal	y	No significant implications in this area	

MONITORING OFFICER

68. The process of agreeing the budget and Council Tax levels for 2012/13 comply with all relevant legislation.

GARY HALL
 STATUTORY FINANCE OFFICER

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	06/02/12	Rev & Capital Budget Report

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FEES & CHARGES REVIEW

DESCRIPTION	2010/11 ACTUAL £	2011/12 BUDGET £	2011/12 FORECAST £	2012/13 BUDGET £	IMPACT OF INCREASE IN FEES & CHARGES									
					1% £	2% £	3% £	4% £	5% £	6% £	7% £	8% £	9% £	10% £
PARTNERSHIPS, PLANNING & POLICY														
Local Land Charges	(117,071)	(103,510)	(109,510)	(103,510)	(1,035)	(2,070)	(3,105)	(4,140)	(5,176)	(6,211)	(7,246)	(8,281)	(9,316)	(10,351)
PEOPLE & PLACES														
Other Licences	(77)	(2,000)	(11)	(2,000)	(20)	(40)	(60)	(80)	(100)	(120)	(140)	(160)	(180)	(200)
Public Protection - Licence Fees	(17,041)	(13,040)	(13,040)	(13,040)	(130)	(261)	(391)	(522)	(652)	(782)	(913)	(1,043)	(1,174)	(1,304)
Refuse Collection/Civic Amenity Collection	(24,727)	(30,600)	(20,500)	(20,500)	(205)	(410)	(615)	(820)	(1,025)	(1,230)	(1,435)	(1,640)	(1,845)	(2,050)
Wheeled Bins	(16,489)	(13,790)	(21,730)	(13,790)	(138)	(276)	(414)	(552)	(690)	(827)	(965)	(1,103)	(1,241)	(1,379)
Neighbourhood Quality Te/Pest Control Contracts	(11,202)	(10,400)	(10,400)	(10,400)	(104)	(208)	(312)	(416)	(520)	(624)	(728)	(832)	(936)	(1,040)
Streetscene Delivery Team/Rechargeable Works	(11,509)	(21,850)	(11,960)	(11,960)	(120)	(239)	(359)	(478)	(598)	(718)	(837)	(957)	(1,076)	(1,196)
Football Pitches	(526)	(5,470)	(7,460)	(5,470)	(55)	(109)	(164)	(219)	(274)	(328)	(383)	(438)	(492)	(547)
Adlington Cem-Grant Right of Burial	(2,521)	(1,240)	(1,240)	(1,710)	(17)	(34)	(51)	(68)	(86)	(103)	(120)	(137)	(154)	(171)
Adlington Cem-Interment Fees	(3,736)	(2,960)	(2,960)	(2,180)	(22)	(44)	(65)	(87)	(109)	(131)	(153)	(174)	(196)	(218)
Adlington Cem-Interment Fees - Ashes	0	(1,400)	(1,400)	(1,890)	(19)	(38)	(57)	(76)	(95)	(113)	(132)	(151)	(170)	(189)
Chorley Cem-Grant Right of Burial	(30,758)	(22,110)	(22,110)	(26,660)	(267)	(533)	(800)	(1,066)	(1,333)	(1,600)	(1,866)	(2,133)	(2,399)	(2,666)
Chorley Cem-Interment Fees	(34,314)	(33,440)	(33,440)	(32,290)	(323)	(646)	(969)	(1,292)	(1,615)	(1,937)	(2,260)	(2,583)	(2,906)	(3,229)
Chorley Cemetery/Memorials	(5,694)	(3,850)	(3,850)	(3,850)	(39)	(77)	(116)	(154)	(193)	(231)	(270)	(308)	(347)	(385)
Chorley Cemetery/Certificate of Burial Fees	(1,702)	(1,950)	(1,950)	(1,950)	(20)	(39)	(59)	(78)	(98)	(117)	(137)	(156)	(176)	(195)
Chorley Cemetery/Inscriptions	(1,641)	(1,210)	(1,210)	(1,210)	(12)	(24)	(36)	(48)	(61)	(73)	(85)	(97)	(109)	(121)
Chorley Cem-Interment Fees - Ashes	(550)	(11,280)	(11,280)	(7,700)	(77)	(154)	(231)	(308)	(385)	(462)	(539)	(616)	(693)	(770)
TRANSFORMATION														
Astley Village Community Centre - Room Hire	(11,338)	(7,480)	(8,970)	(10,000)	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	(1,000)
Clayton Brook Village Hall - Room Hire	(4,270)	(5,720)	(5,720)	(5,720)	(57)	(114)	(172)	(229)	(286)	(343)	(400)	(458)	(515)	(572)
Eaves Green Community Centre - Room Hire	(11,173)	(9,090)	(13,830)	(12,000)	(120)	(240)	(360)	(480)	(600)	(720)	(840)	(960)	(1,080)	(1,200)
SUB TOTAL														
	(364,643)	(352,950)	(352,871)	(335,830)	(3,358)	(6,717)	(10,075)	(13,433)	(16,792)	(20,150)	(23,508)	(26,866)	(30,225)	(33,583)
Astley Hall and Coach House as per Page 2							(4,000)							
TOTAL INCREASE IN INCOME 2012/13							(14,075)							

APPENDIX A1

Astley Hall & Coach House - Fees & Charges	2011/12 £	2012/13 £	increase/(decrease) £
Guided Tours	£4 per head	£4 per head	-
School Tours	£3.50 per head	£3.50 per head	-
Activity Space Room Hire			
Commercial / individuals			
half day (Mon - Fri)	120.00	80.00	(40.00)
half day (weekend)	120.00	100.00	(20.00)
full day (Mon - Fri)	180.00	120.00	(60.00)
full day (weekend)	180.00	150.00	(30.00)
evening (Mon - Fri)	90.00	100.00	10.00
evening (weekend)	90.00	125.00	35.00
Non-Profit			
half day (Mon - Fri)	60.00	40.00	(20.00)
half day (weekend)	60.00	50.00	(10.00)
full day (Mon - Fri)	120.00	60.00	(60.00)
full day (weekend)	120.00	75.00	(45.00)
evening (Mon - Fri)	60.00	100.00	40.00
evening (weekend)	60.00	125.00	65.00
Conference Room Hire			
Commercial / individuals			
half day (Mon - Fri)	120.00	120.00	-
half day (weekend)	120.00	120.00	-
full day (Mon - Fri)	180.00	180.00	-
full day (weekend)	180.00	180.00	-
evening (Mon - Fri)	90.00	100.00	10.00
evening (weekend)	90.00	125.00	35.00
Non-Profit			
half day (Mon - Fri)	60.00	60.00	-
half day (weekend)	60.00	60.00	-
full day (Mon - Fri)	120.00	120.00	-
full day (weekend)	120.00	120.00	-
evening (Mon - Fri)	60.00	100.00	40.00
evening (weekend)	60.00	125.00	65.00
Astley Hall hire			
Non-Profit	352.80	360.00	7.20
commercial	643.20	480.00	(163.20)
large/late event surcharge after 10pm	260.40	110 per hr	new hourly rate
Wedding Ceremonies			
Mon - Fri (all year round)			
Dining Room	458.00	575.00	117.00
Great Hall	515.00	675.00	160.00
Weekend (close season)			
Dining Room	510.00	595.00	85.00
Great Hall	567.00	695.00	128.00
Weekend (open season)			
Dining Room	618.00	795.00	177.00
Great Hall	680.00	850.00	170.00
Baby Naming Ceremony - New Fee Introduced in 2012/13	n/a	185.00	185.00

FORMAL COUNCIL TAX RESOLUTION***Draft resolution on setting of the 2012/13 Council Tax for the Borough to be passed in approving the Executive Cabinet's recommendations for the Council's Budget.***

1. It be noted that on 1 December 2011 the Director of Transformation under delegated powers calculated the Council Tax Base 2012/13
 - (a) for the whole Council area as 36,013.80 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates (as in the attached Appendix C).
2. Calculate that the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £6,402,530
3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:
 - (a) £55,099,870 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £48,130,120 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £6,969,750 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £193.53 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £1,265,699 being the aggregate amount of all special items (Special Expenses and Parish precepts) referred to in Section 34(1) of the Act (as in the attached Appendix B).
 - (f) £158.39 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
4. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the

amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS

CHORLEY BOROUGH COUNCIL

A	B	C	D	E	F	G	H
105.59	123.19	140.79	158.39	193.59	228.79	263.99	316.78

LANCASHIRE COUNTY COUNCIL

A	B	C	D	E	F	G	H
738.87	862.01	985.16	1,108.30	1,354.59	1,600.88	1,847.17	2,216.60

LANCASHIRE POLICE AUTHORITY

A	B	C	D	E	F	G	H
99.95	116.61	133.27	149.93	183.25	216.57	249.88	299.86

LANCASHIRE COMBINED FIRE AUTHORITY

A	B	C	D	E	F	G	H
42.43	49.51	56.58	63.65	77.79	91.94	106.08	127.30

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
986.84	1,151.32	1,315.80	1,480.27	1,809.22	2,138.18	2,467.12	2,960.54

6. That the Statutory Finance Officer and his officers be authorised to take any action necessary to ensure collection and recovery of the Council Tax and Non-Domestic Rates.

7. As there is no increase in the Council’s basic amount of Council Tax for 2012/13 and is therefore below the allowable increase of 3.5%, it is considered not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

Chorley Borough Council - Council Tax 2012/13

		Band A		Band B		Band C		Band D		Band E		Band F		Band G		Band H	
Lancashire County Council		738.87		862.01		985.16		1,108.30		1,354.59		1,600.88		1,847.17		2,216.60	
Chorley Borough Council (Excluding Special Expenses)		105.59		123.19		140.79		158.39		193.59		228.79		263.99		316.78	
Lancashire Police Authority		99.95		116.61		133.27		149.93		183.25		216.57		249.88		299.86	
Lancashire Fire Authority		42.43		49.51		56.58		63.65		77.79		91.94		106.08		127.30	
Sub Total		986.84		1,151.32		1,315.80		1,480.27		1,809.22		2,138.18		2,467.12		2,960.54	
Parish and town councils	Total Parish precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept
Adlington	£17,500.00	3.21	5.97	3.74	6.96	4.28	7.96	4.81	8.95	5.88	10.94	6.95	12.93	8.02	14.92	9.62	17.90
Anderton	£4,600.00	1.37	6.21	1.60	7.24	1.83	8.28	2.06	9.31	2.52	11.38	2.98	13.45	3.43	15.52	4.12	18.62
Anglezarke	£0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Astley Village	£22,980.00	18.04	14.11	21.05	16.46	24.05	18.81	27.06	21.16	33.07	25.86	39.09	30.56	45.10	35.27	54.12	42.32
Bretherton	£9,680.00	-	22.14	-	25.83	-	29.52	-	33.21	-	40.59	-	47.97	-	55.35	-	66.42
Brindle	£6,800.00	3.12	9.81	3.64	11.45	4.16	13.08	4.68	14.72	5.72	17.99	6.76	21.26	7.80	24.53	9.36	29.44
Charnock Richard	£25,000.00	2.57	24.18	2.99	28.21	3.42	32.24	3.85	36.27	4.71	44.33	5.56	52.39	6.42	60.45	7.70	72.54
Clayton le Woods	£95,240.00	25.09	13.33	29.27	15.56	33.45	17.78	37.63	20.00	45.99	24.44	54.35	28.89	62.72	33.33	75.26	40.00
Coppull	£79,750.00	5.27	22.57	6.15	26.33	7.03	30.09	7.91	33.85	9.67	41.37	11.43	48.89	13.18	56.42	15.82	67.70
Croston	£21,010.00	6.17	13.51	7.19	15.77	8.22	18.02	9.25	20.27	11.31	24.77	13.36	29.28	15.42	33.78	18.50	40.54
Cuerden	£1,030.00	7.57	17.13	8.83	19.98	10.09	22.84	11.35	25.69	13.87	31.40	16.39	37.11	18.92	42.82	22.70	51.38
Eccleston	£41,310.00	3.22	17.56	3.76	20.49	4.29	23.41	4.83	26.34	5.90	32.19	6.98	38.05	8.05	43.90	9.66	52.68
Euxton	£104,270.00	11.31	19.01	13.20	22.17	15.08	25.34	16.97	28.51	20.74	34.85	24.51	41.18	28.28	47.52	33.94	57.02
Heapey	£8,990.00	11.56	15.83	13.49	18.46	15.41	21.10	17.34	23.74	21.19	29.02	25.05	34.29	28.90	39.57	34.68	47.48
Heath Charnock	£8,250.00	14.06	6.95	16.40	8.10	18.75	9.26	21.09	10.42	25.78	12.74	30.46	15.05	35.15	17.37	42.18	20.84
Heskin	£10,810.00	2.76	20.67	3.22	24.12	3.68	27.56	4.14	31.01	5.06	37.90	5.98	44.79	6.90	51.68	8.28	62.02
Hoghton	£5,000.00	4.55	9.30	5.30	10.85	6.06	12.40	6.82	13.95	8.34	17.05	9.85	20.15	11.37	23.25	13.64	27.90
Mawdesley	£25,000.00	0.89	22.11	1.04	25.80	1.19	29.48	1.34	33.17	1.64	40.54	1.94	47.91	2.23	55.28	2.68	66.34
Rivington	£2,500.00	-	32.81	-	38.27	-	43.74	-	49.21	-	60.15	-	71.08	-	82.02	-	98.42
Ulnes Walton	£5,360.00	-	14.03	-	16.36	-	18.70	-	21.04	-	25.72	-	30.39	-	35.07	-	42.08
Wheulton	£11,130.00	-	18.84	-	21.98	-	25.12	-	28.26	-	34.54	-	40.82	-	47.10	-	56.52
Whittle Woods	£31,740.00	14.00	9.97	16.33	11.63	18.67	13.29	21.00	14.95	25.67	18.27	30.33	21.59	35.00	24.92	42.00	29.90
Withnell	£29,270.00	5.74	15.80	6.70	18.43	7.65	21.07	8.61	23.70	10.52	28.97	12.44	34.23	14.35	39.50	17.22	47.40
All other parts of the Council's area		17.91	-	20.89	-	23.88	-	26.86	-	32.83	-	38.80	-	44.77	-	53.72	-

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PARISH COUNCIL PRECEPTS							
Parish Council	2011/12			2012/13			C Tax Increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Adlington	1,941.40	17,500.00	9.01	1,955.60	17,500.00	8.95	-0.07
Anderton	494.50	4,600.00	9.30	494.10	4,600.00	9.31	0.01
Anglezarke	17.30	-	0.00	17.20	-	0.00	0.00
Astley Village	1,094.00	20,700.00	18.92	1,085.90	22,980.00	21.16	2.24
Bretherton	290.60	9,124.00	31.40	291.50	9,680.00	33.21	1.81
Brindle	459.70	6,800.00	14.79	462.10	6,800.00	14.72	-0.08
Charnock Richard	672.40	25,000.00	37.18	689.20	25,000.00	36.27	-0.91
Clayton le Woods	4,735.80	118,395.00	25.00	4,761.80	95,240.00	20.00	-5.00
Coppull	2,345.80	80,900.00	34.49	2,356.20	79,750.00	33.85	-0.64
Croston	1,027.80	20,840.00	20.28	1,036.50	21,010.00	20.27	-0.01
Cuerden	39.00	1,025.00	26.28	40.10	1,030.00	25.69	-0.60
Eccleston	1,566.60	41,260.00	26.34	1,568.10	41,310.00	26.34	0.01
Euxton	3,527.20	107,990.00	30.62	3,656.90	104,270.00	28.51	-2.10
Heapey	378.50	8,990.00	23.75	378.70	8,990.00	23.74	-0.01
Heath Charnock	799.70	5,750.00	7.19	791.80	8,250.00	10.42	3.23
Heskin	344.50	10,722.90	31.13	348.60	10,810.00	31.01	-0.12
Hoghton	363.80	4,400.00	12.09	358.30	5,000.00	13.95	1.86
Mawdesley	750.60	25,000.00	33.31	753.70	25,000.00	33.17	-0.14
Rivington	50.20	2,000.00	39.84	50.80	2,500.00	49.21	9.37
Ulnes Walton	255.50	5,363.00	20.99	254.80	5,360.00	21.04	0.05
Wheilton	396.10	11,130.00	28.10	393.90	11,130.00	28.26	0.16
Whittle Woods	2,005.00	32,500.00	16.21	2,123.40	31,740.00	14.95	-1.26
Withnell	1,247.60	29,270.00	23.46	1,234.90	29,270.00	23.70	0.24
All other parts of the Council's area	10,762.20	-		10,909.70	-		
TOTAL / AVERAGE	35,565.80	589,259.90	16.57	36,013.80	567,220.00	15.75	-0.82

EXPLANATION OF COUNCIL TAX SETTING RESOLUTION**RESOLUTION 1**

(a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2012/13 we estimate that a £1.00 Council Tax at Band D would raise £36,013.80 in the Chorley area.

(b) This shows the “base” figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Adlington would raise £1,955.60.

RESOLUTION 2

This shows the Council’s net spending for 2012/13 excluding the cost of Parish precepts.

RESOLUTION 3

(a) This is the grand total of money which the Council estimates it will spend on all services in 2012/13. It also includes £567,220 which Parish Councils need to run their services.

(b) This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes Central Government and business rates, car park charges, investment income, government grants in respect of benefits, etc.

(c) This is the difference between 2(a) and 2(b) and is in effect the Council’s and Parishes net spending on services.

(d) The difference between 2(a) and 2(b) is £6,969,750 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 1(a) above) and the resulting figure of £193.53 is the average Band D Council Tax for all Borough and Parish services.

(e) The total of all the amounts needed from Council Taxpayers by the Parish Councils in the area and for Chorley Borough Special Expenses.

(f) This is the Band D Council Tax for Chorley Borough Council’s own services, ie excluding Parish Council spending and Special Expenses

RESOLUTION 4

Lancashire County Council, Lancashire Fire Authority and Lancashire Police Authority are separate bodies who have worked out their own estimates of spending and income for 2012/13 and have set taxes in a similar way to Chorley Borough Council. This resolution notes their final decision.

RESOLUTION 5

This pulls together the Council Taxes for Chorley Borough Council, Lancashire County Council, Lancashire Police Authority and Lancashire Fire Authority. For example, the aggregate amount for Band D is £1,480.27 made up as follows:

	£
Chorley Borough Council	158.39
Lancashire County Council	1,108.30
Lancashire Police Authority	149.93
Lancashire Fire Authority	63.65

The rate for each property Band is calculated by reference to the Band D charge. The following ratios apply:

Band A	$\frac{6}{9}$ ths of Band D
Band B	$\frac{7}{9}$ ths of Band D
Band C	$\frac{8}{9}$ ths of Band D
Band D	$\frac{9}{9}$ ths of Band D
Band E	$\frac{11}{9}$ ths of Band D
Band F	$\frac{13}{9}$ ths of Band D
Band G	$\frac{15}{9}$ ths of Band D
Band H	$\frac{18}{9}$ ths of Band D

The aggregate charge for Band A, for example, the charge is $£1,480.27 \times \frac{6}{9} = £986.84$; for Band B it is $£1,480.27 \times \frac{7}{9} = £1,151.32$.

RESOLUTION 6

Formally authorise the necessary staff to take legal action to collect arrears as and when this is necessary. **For the vast majority of taxpayers, this is not needed**

APPENDIX A3**PAY POLICY 2012/13
POLICY STATEMENT****1. INTRODUCTION**

Under Chapter 8 of the Localism Act 2011 Local Authorities in England and Wales are required to produce a pay policy statement for 2012/13 and for each financial year thereafter, and must do so with regard to any guidance from the Secretary of State for Communities and Local Government. In addition the Policy must be agreed by the full Council and be publically available.

2. POLICY OBJECTIVE

The purpose of the Pay Policy is to provide transparency with regard to the Council's approach to the setting of pay for all its employees and therefore identifies:

- The methods by which salaries of all employees are determined
- The details and levels of remuneration and any other benefits of the Council's most senior staff.
- The relationship between the remuneration of its most senior staff and other staff within the Council.
- Details relating to the Council's lowest paid staff.
- Who is responsible for ensuring that the Pay Policy is consistently complied with throughout the Council.

3. CHORLEY BOROUGH COUNCIL'S RESPONSIBILITY

It is the Council's responsibility to ensure that:

- A policy is produced for each financial year.
- The policy is publically available through its website.
- The policy is applied fairly and consistently and complies with all relevant legislation.

4. OUTCOMES

The aim of the policy is to ensure that the Council's approach to determining the remuneration of all its employees is fair and transparent.

APPENDIX A3**POLICY PROCEDURE****1. SCOPE**

The pay policy covers the remuneration of all employees of the Council including temporary employees. Individuals engaged through employment agency arrangements would also be covered by the policy in compliance with the Agency Workers Regulations 2010.

2. PAY STRUCTURE

The Council uses the nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for its local pay structure, and has incorporated at the top of the spine a further 17 salary points for senior posts within the Council, though not all these points are currently being used. The Council also adheres to the national pay bargaining arrangements in respect of increases to the national pay spine.

A copy of the nationally negotiated pay spine and the grades to which it relates at Chorley Council, is attached as Appendix 1 (NB. these are the current rates of pay as there have not been any nationally negotiated pay increases awarded since 2009).

This pay spine is used to determine the salaries of all Council employees apart from the Chief Executive and Directors which are addressed separately within this policy. All posts apart from the Chief Executive and Directors, have been evaluated using the nationally agreed Job Evaluation Scheme, from which the current pay structure was established. The scheme takes into account the need to ensure value for money balanced with the requirement to recruit and retain employees who are able to meet the needs of the service.

The grading of the majority of the posts within Chorley Council was established following the culmination of the Single Status Job Evaluation process in October 2007. New posts and posts which changed significantly are evaluated in accordance with the same Single Status Job Evaluation Scheme.

The Council also has a process by which it could consider paying market supplements where there have been difficulties in recruiting to the post and there is a general industry shortage which has led to comparable posts within other Councils being considerably higher. All market supplements have to be agreed with the Head of Human Resources and the relevant Director and are reviewed regularly.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

APPENDIX A3**3. SENIOR MANAGEMENT REMUNERATION**

The Localism Act refers to Chief Officers and Deputies, though it should be noted that the definition is very broad and relates to Metropolitan and County Council's as well as much smaller District Council's with far fewer management levels, such as Chorley Council.

Therefore, for the purpose of this policy, senior management is determined by those officers who are paid in accordance with the Chief Officer and Chief Executive National Conditions of Service, ie:

- The Chief Executive
- The Director of Partnerships, Planning and Policy
- The Director of People and Places

In addition, The Head of Governance post is also included within Senior Management as it is a statutory chief officer, in its role of Monitoring Officer.

Chief Executive:

Prior to the appointment of a Chief Executive full council will determine the salary of the post to be advertised. Appointment to the post is undertaken by the Chief Executive Appointment Panel, the membership of which is agreed annually by full council, and the panel would make a recommendation to appoint which must be then approved by full council.

The level of salary for the Chief Executive, who is the Head of Paid Services, is £110,000 which is inclusive of the 7.5% Director's Car Lease Scheme contribution. The 7.5% of the Chief Executive salary relating to the lease car scheme is non-pensionable. This figure is a single spot point and therefore there is no incremental progression. However, the rate of pay would be reviewed in light of any national agreements relating to pay awards under the Chief Executive Conditions of Service. The current Chief Executive also undertakes the role of Statutory Finance Officer which was taken into account together with the range of other responsibilities and market rates, when determining the salary.

In addition the current Chief Executive is responsible for the Transformation Directorate which is made up of seven services.

- Policy
- Finance
- Human Resources
- Transactional Services
- Governance
- Corporate Support
- Assurance

The Chief Executive will also take on the role of Returning Officer for any Local, National and European elections, payment for which will be in accordance with the statutory calculation.

Any fees earned through the role of Chief Executive or in respect of intellectual property gained through the role of Chief Executive would be payable to the Council. Furthermore the Chief Executive would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Chief Executive to carry out the full role of the post will be reimbursed. The current Chief

APPENDIX A3

Executive is reimbursed for membership of the Chartered Institute of Public Finance which is required for the role of Statutory Finance Officer.

Comparison of the Chief Executive salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

Chief Executive Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£110,000	£21,519	1:5.1

Director of Partnership, Planning and Policy/Director of People and Places:

Prior to the appointment of any Director full council will determine the salary of the post to be advertised. Appointment to the post is undertaken by the Chief Officer Appointment Panel, the membership of which is agreed annually by full council, and the panel would make a recommendation to appoint which must then be approved by full council.

The level of salary for Directors is a single spot salary of £90,000, with the amount reviewed in accordance with any pay award settlement for Chief Officers, though not necessarily increased in line with any award. As this figure is a single spot point there is no incremental progression. However, the rate of pay would be reviewed in light of any national agreements relating to pay awards under the Chief Officers Conditions of Service.

In addition Directors are entitled to participate in the Directors Car Lease Scheme which provides for 7.5% of salary (£6,750) which may be used to fund a lease car through the Council scheme. This element of the Directors remuneration is non-pensionable. Therefore Directors' total remuneration is £96,750.

The level of pay for Directors was set with regard to:

- The wide range of functions which each of the Directors is responsible for.
- Market analysis of similar posts within other local authorities.
- Deputising function for the Chief Executive.

Should the Directors participate in any of the electoral processes, then a relevant payment would be made, from monies received for carrying out elections, depending upon the role which they undertook.

Any fees earned through their role of Director or in respect of intellectual property gained through the role of Director would be payable to the Council. Furthermore the Director would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Director to carry out the full role of the post will be reimbursed. Currently neither Director is reimbursed for any professional fees.

Comparison of the Director salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

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Director Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£96,750	£21,519	1:4.5

Head of Governance (Monitoring Officer):

The level of salary for The Head of Governance is paid in accordance with the National Pay Spine as detailed within paragraph 2 of the Procedure, and was evaluated using the Single Status Job Evaluation Scheme, at PO Scale K (£47,855 to £49,549). Appointment would normally be at the bottom of the grade with incremental progression based upon annual increases until the maximum of the grade is reached.

In addition The Head of Governance is entitled to participate in the Council Car Lease Scheme which provides for a maximum of 7.5% of salary (£3,716) towards the cost of a lease car.

Should the Head of Governance participate in any of the electoral processes, then a relevant payment would be made, from monies received for carrying out elections, depending upon the role which was undertaken.

Any fees earned through their role of Head of Governance or in respect of intellectual property gained through the role of Head of Governance would be payable to the Council. Furthermore the Head of Governance would not normally be entitled to undertake any other gainful employment.

Professional fees where membership of a particular professional organisation is required by the Head of Governance to carry out the full role of the post will be reimbursed. The current Head of Governance is reimbursed for, his Practising Certificate to enable him to act as a solicitor, and membership of the Association of Council Secretaries and Solicitors, to enable the effective discharge of monitoring officer duties.

Comparison of the Head of Governance salary level to the median salary level within Chorley Council (required under the Localism Act 2011). The median figure excludes casual employees who are only employed on an ad hoc or occasional basis.

Head of Governance (including lease car contribution)	Median salary (SCP 25)	Ratio
£53,265	£21,519	1:2.5

4. OTHER CONDITIONS RELATING TO SENIOR MANAGEMENT AND OTHER EMPLOYEES

Pension Arrangements

All permanent and temporary employees, including senior management, are entitled to join the Local Government Pension Scheme if they so wish. No alternative options are available should employees not wish to join the scheme.

Enhancements to employees pension entitlements will not normally be provided for any Council employee, unless there are exceptional circumstances.

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Performance Related Pay

Chorley Council does not have any scheme relating to performance related pay for any employees including Senior Management.

Bonuses

Chorley Council does not have any schemes relating to the payment of bonuses for any employees including Senior Management, and therefore none are received.

Payments on the termination of employment

An employee being made redundant would receive a payment in accordance with the Council’s Redundancy Policy which is applicable to all permanent and temporary employees. Payments are based upon the statutory redundancy ready reckoner and the employee’s actual weekly wage with no further enhancements to redundancy payments. Additional payments may be considered in exceptional circumstances.

Senior Managers returning to Chorley Council

The Relevant Appointment Panel would consider applications from former Senior Managers of either Chorley Council or another local authority who received either a redundancy payment or who was in receipt of a Local Government Pension, to determine whether it would be appropriate to appoint them to a Senior Management post within Chorley Council.

5. LOWEST PAID EMPLOYEES

Lowest Paid Employees:

Excluding apprentices, the lowest paid employees at Chorley Council are paid in accordance with the nationally negotiated pay spine at the lowest available grade which is scale 1. However, whilst the lowest point on the nationally negotiated pay spine is 4 (£12,145 per annum) the minimum point used by Chorley Council is point 7 (£12,787 per annum). This was agreed as part of the Single Status Job Evaluation process in light of the limited number of posts at this level and with the majority of those being part-time, and this was to address low pay.

Salary range for Scale 1

Point	Annual salary	Hourly rate
7	£12,787	£6.76
8	£13,189	£6.98
9	£13,589	£7.19
10	£13,874	£7.34
11	£14,733	£7.79

APPENDIX A3

Progression through the grade is by annual increments until the maximum of the scale is reached.

6. COMPLIANCE

It is the responsibility of the Council's Head of Human Resources to ensure that the Pay Policy is adhered to and is required to report any deviation from the Policy to the Leader of the Council.

7. PUBLICATION

This policy will be published on the Chorley Council website as soon as possible after it has been approved by full council.

8. GLOSSARY OF TERMS

Chief Officer Appointment Panel - Member Panel appointed annually at full Council

Head of Paid Service – Statutory Officer appointed in accordance with section 4 of the Local Government and Housing Act 1989. The Chief Executive and Senior Officer at the Council with responsibility for co-ordinating and organising council business and ensuring proper management of staff.

Monitoring Officer – Statutory Officer appointed in accordance with section 5 of the Local Government and Housing Act 1989. The officer with responsibility for ensuring the legality of the Council's actions.

Returning Officer – Statutory Officer appointed in accordance with section 35 of the Representation of the People Act 1983. The RO has responsibility for the conduct of Council elections. The role is an independent statutory function which is appointed to by, but sits separate to the Council. The Constitution appoints the Chief Executive as RO.

Statutory Finance Officer - Statutory Officer appointed in accordance with section 151 of the Local Government Act 1972. The officer with responsibility for the proper administration of the Council's financial affairs.

APPENDIX A3

APPENDIX 1

SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
7	£12,787	£6.7650	12	£15,039	£7.9564
8	£13,189	£6.9776	13	£15,444	£8.1707
9	£13,589	£7.1893	14	£15,725	£8.3193
10	£13,874	£7.3400			
11	£14,733	£7.7945			
SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	£16,054	£8.4934	19	£17,802	£9.4182
16	£16,440	£8.6976	20	£18,453	£9.7626
17	£16,830	£8.9039	21	£19,126	£10.1186
18	£17,161	£9.0790			
SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	£19,621	£10.3805	26	£22,221	£11.7560
23	£20,198	£10.6858	27	£22,958	£12.1459
24	£20,858	£11.0349	28	£23,708	£12.5427
25	£21,519	£11.3846			
SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	£24,646	£13.0390	32	£27,052	£14.3119
30	£25,472	£13.4760	33	£27,849	£14.7335
31	£26,276	£13.9013	34	£28,636	£15.1499
PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	£27,849	£14.7335	51	£43,418	£22.9703
34	£28,636	£15.1499	52	£44,312	£23.4433
35	£29,236	£15.4673	53	£45,222	£23.9247
36	£30,011	£15.8773	54	£46,107	£24.3929
37	£30,851	£16.3217	55	£47,008	£24.8696
38	£31,754	£16.7995	56	£47,855	£25.3177
39	£32,800	£17.3529	57	£48,702	£25.7658
40	£33,661	£17.8084	58	£49,549	£26.2139
41	£34,549	£18.2782	59	£50,396	£26.6620
42	£35,430	£18.7443	60	£51,243	£27.1101
43	£36,313	£19.2114	61	£52,090	£27.5582
44	£37,206	£19.6839	62	£52,937	£28.0063
45	£38,042	£20.1261	63	£53,784	£28.4545
46	£38,961	£20.6123	64	£54,631	£28.9026
47	£39,855	£21.0853	65	£55,478	£29.3507
48	£40,741	£21.5540	66	£56,325	£29.7988
49	£41,616	£22.0170	67	£57,172	£30.2469
50	£42,513	£22.4915			
Pay Spine Points for Principal Officer Grades					
	PO-A 33-36	PO-E 38-41	PO-I 50-52	PO-M 62-64	
	PO-B 34-37	PO-F 40-43	PO-J 53-55	PO-N 65-67	
	PO-C 35-38	PO-G 43-46	PO-K 56-58		
	PO-D 36-39	PO-H 46-49	PO-L 59-61		

Capital Programme - 2011/12 to 2013/14

Scheme	2011/12 Current Estimate (1) £	Proposed Changes (2) £	2011/12 Revised Estimate (3) £	2012/13 Current Estimate (4) £	Proposed Changes (5) £	2012/13 Revised Estimate (6) £	2013/14 Current Estimate (7) £	Proposed Changes (8) £	2013/14 Revised Estimate (9) £	Total 2011/12 to 2013/14 (10) £
<u>Chief Executive</u>										
<u>Head of Policy</u>										
Performance Management	10,000		10,000	0		0	0		0	10,000
Performance Reward Grant (PRG) funded schemes	126,220	(126,220)	0	0		0	0		0	0
<u>Head of Policy Total</u>	136,220	(126,220)	10,000	0	0	0	0	0	0	10,000
<u>Head of Customer, ICT & Transactional Services</u>										
Website Development (incl. ICT salary capitalisation)	20,000		20,000	20,000		20,000	0		0	40,000
Thin Client/Citrix Virtual Desktop Infrastructure	131,000	15,000	146,000	24,800		24,800	0		0	170,800
Unified Intelligent Desktop (externally funded)	122,510		122,510	0		0	0		0	122,510
UID / Asidua Mobile	23,330		23,330	0		0	0		0	23,330
Replacement Benefits System	46,500		46,500	0		0	0		0	46,500
<u>Head of Customer, ICT & Transactional Services Total</u>	343,340	15,000	358,340	44,800	0	44,800	0	0	0	403,140
<u>Head of Governance</u>										
Legal Case Management System	4,490	(4,490)	0	0		0	0		0	0
Planned Improvements to Fixed Assets	389,670	(250,000)	139,670	200,000	250,000	450,000	200,000		200,000	789,670
Strategic Land Assembly Chorley Town Centre	0	500,000	500,000	0		0	0		0	500,000
Chorley East Health Centre - land purchase/construction	0		0	0	6,650,000	6,650,000	0		0	6,650,000
<u>Head of Governance Total</u>	394,160	245,510	639,670	200,000	6,900,000	7,100,000	200,000	0	200,000	7,939,670
<u>Head of Human Resources & Organisational Development</u>										
Integrated HR, Payroll and Training System	30,000	(30,000)	0	0	15,000	15,000	0		0	15,000
<u>Head of HR & Organisational Development Total</u>	30,000	(30,000)	0	0	15,000	15,000	0	0	0	15,000
<u>Chief Executive Total</u>	903,720	104,290	1,008,010	244,800	6,915,000	7,159,800	200,000	0	200,000	8,367,810

Capital Programme - 2011/12 to 2013/14

Scheme	2011/12 Current Estimate (1) £	Proposed Changes (2) £	2011/12 Revised Estimate (3) £	2012/13 Current Estimate (4) £	Proposed Changes (5) £	2012/13 Revised Estimate (6) £	2013/14 Current Estimate (7) £	Proposed Changes (8) £	2013/14 Revised Estimate (9) £	Total 2011/12 to 2013/14 (10) £
<u>Director of Partnerships, Planning & Policy</u>										
<u>Head of Economic Development</u>										
Chorley Market Improvements	83,790	46,930	130,720	53,600	(46,930)	6,670	0		0	137,390
Climate Change Pot	59,300	(27,530)	31,770	0	27,530	27,530	0		0	59,300
<u>Head of Economic Development Total</u>	143,090	19,400	162,490	53,600	(19,400)	34,200	0	0	0	196,690
<u>Head of Housing</u>										
Affordable Housing New Development Projects	615,630	(457,630)	158,000	90,000	419,630	509,630	0		0	667,630
- Long-Term Empty Homes	0		0	0	25,000	25,000	0		0	25,000
Disabled Facilities Grants	458,870	(107,720)	351,150	269,000	155,330	424,330	269,000		269,000	1,044,480
Housing Renewal	663,720	(663,720)	0	0	657,610	657,610	0		0	657,610
- Home Repair Grants/Decent Homes Assistance	52,780		52,780	0		0	0		0	52,780
- Energy Efficiency Grants	12,940		12,940	10,000		10,000	0		0	22,940
- Miscellaneous Renewal Schemes	16,590		16,590	0		0	0		0	16,590
Cotswold House Refurbishment (PRG/RHP grant funded)	0	9,500	9,500	0	130,750	130,750	0		0	140,250
Project Design Fees	41,440		41,440	41,440		41,440	0		0	82,880
<u>Head of Housing Total</u>	1,861,970	(1,219,570)	642,400	410,440	1,388,320	1,798,760	269,000	0	269,000	2,710,160
<u>Head of Planning</u>										
Buckshaw Village Railway Station (S106 financed)	3,355,320		3,355,320	0		0	0		0	3,355,320
Eaves Green Link Road - contribution to LCC scheme	80,000	(80,000)	0	0	80,000	80,000	0		0	80,000
Buckshaw Village Cycle Network (S106 financed)	77,360		77,360	0		0	0		0	77,360
Chorley Strategic Regional Site	391,200	(391,200)	0	0	391,200	391,200	0		0	391,200
Highway Improvements Pilling Lane area (S106 funded)	150,000	(150,000)	0	0	150,000	150,000	0		0	150,000
Puffin Crossing Collingwood Rd/Letchworth Drive (S106 funded)	0		0	0	47,820	47,820	0		0	47,820
<u>Head of Planning Total</u>	4,053,880	(621,200)	3,432,680	0	669,020	669,020	0	0	0	4,101,700
<u>Director of Partnerships, Planning & Policy Total</u>	6,058,940	(1,821,370)	4,237,570	464,040	2,037,940	2,501,980	269,000	0	269,000	7,008,550

Capital Programme - 2011/12 to 2013/14

Scheme	2011/12 Current Estimate (1) £	Proposed Changes (2) £	2011/12 Revised Estimate (3) £	2012/13 Current Estimate (4) £	Proposed Changes (5) £	2012/13 Revised Estimate (6) £	2013/14 Current Estimate (7) £	Proposed Changes (8) £	2013/14 Revised Estimate (9) £	Total 2011/12 to 2013/14 (10) £
<u>Director of People and Places</u>										
<u>Head of Streetscene & Leisure Contracts</u>										
Leisure Centres/Swimming Pool Refurbishment	481,740	(381,740)	100,000	235,000	275,600	510,600	245,000	23,780	268,780	879,380
Duxbury Park Golf Course/Access Rd capital investment	86,560	(80,620)	5,940	0	80,620	80,620	0		0	86,560
Village Hall & Community Centres Projects	9,830	(9,830)	0	0		0	0		0	0
Replacement of recycling/litter bins & containers	94,740	27,000	121,740	85,000	12,830	97,830	85,000		85,000	304,570
Food Waste Recycling Receptacles	0		0	30,000	(30,000)	0	0		0	0
Highway improvements - Gillibrand estate/Southlands	44,000		44,000	0		0	0		0	44,000
Astley Park Improvements	5,840	(540)	5,300	0		0	0		0	5,300
Eaves Green Play Development (S106 funded)	189,480	(189,480)	0	0	189,480	189,480	0		0	189,480
Fairview Farm Play Facilities (S106 funded)	2,970	(2,970)	0	0		0	0		0	0
Play and Recreation Fund projects	142,990	(54,000)	88,990	0	54,540	54,540	0		0	143,530
YVCP Natural Play Zone (S106/Grant funded)	109,430		109,430	0		0	0		0	109,430
Common Bank - Big Wood Reservoir	0		0	11,520		11,520	0		0	11,520
Car Park Pay and Display Ticket Machines	20,250		20,250	0		0	0		0	20,250
Rangleys Recreation Ground/Duke Street Field (S106 funded)	230,000	(230,000)	0	0	230,000	230,000	0		0	230,000
Project Design Fees	29,870		29,870	29,870		29,870	0		0	59,740
<u>Head of Streetscene & Leisure Contracts Total</u>	1,447,700	(922,180)	525,520	391,390	813,070	1,204,460	330,000	23,780	353,780	2,083,760
<u>Director of People and Places Total</u>	1,447,700	(922,180)	525,520	391,390	813,070	1,204,460	330,000	23,780	353,780	2,083,760
<u>Capital Programme Total</u>	8,410,360	(2,639,260)	5,771,100	1,100,230	9,766,010	10,866,240	799,000	23,780	822,780	17,460,120

Capital Programme - 2011/12 to 2013/14

Scheme	2011/12 Current Estimate (1) £	Proposed Changes (2) £	2011/12 Revised Estimate (3) £	2012/13 Current Estimate (4) £	Proposed Changes (5) £	2012/13 Revised Estimate (6) £	2013/14 Current Estimate (7) £	Proposed Changes (8) £	2013/14 Revised Estimate (9) £	Total 2011/12 to 2013/14 (10) £
<u>Financing the Capital Programme</u>										
Prudential Borrowing	1,187,570	(430,510)	757,060	604,800	824,370	1,429,170	530,000	23,780	553,780	2,740,010
Prudential Borrowing - Chorley East Health Centre	0		0	0	6,650,000	6,650,000	0		0	6,650,000
Unrestricted Capital Receipts	71,500	(18,230)	53,270	0	18,230	18,230	0		0	71,500
Revenue Budget - VAT Shelter income	698,900	(155,970)	542,930	114,910	151,480	266,390	0		0	809,320
Revenue Budget - virement from revenue budgets	59,980	0	59,980	0	7,920	7,920	0		0	67,900
Chorley Council Resources	2,017,950	(604,710)	1,413,240	719,710	7,652,000	8,371,710	530,000	23,780	553,780	10,338,730
Ext. Contributions - Developers	4,862,680	(1,164,620)	3,698,060	101,320	1,196,470	1,297,790	0		0	4,995,850
Ext. Contributions - Other	335,160	(116,720)	218,440	200	116,720	116,920	0		0	335,360
Government Grants - Disabled Facilities Grants	269,000	42,330	311,330	269,000	5,280	274,280	269,000		269,000	854,610
Government Grants - Housing Capital Grant	925,570	(795,540)	130,030	10,000	795,540	805,540	0		0	935,570
External Funding	6,392,410	(2,034,550)	4,357,860	380,520	2,114,010	2,494,530	269,000	0	269,000	7,121,390
Capital Financing Total	8,410,360	(2,639,260)	5,771,100	1,100,230	9,766,010	10,866,240	799,000	23,780	822,780	17,460,120

Proposed Changes - 2011/12 - 2013/14

Scheme	2011/12			2012/13			2013/14	Comments
	Virement (1) £	Rephasing (2) £	Other Changes (3) £	Virement (4) £	Rephasing (5) £	Other Changes (6) £	Rephasing (7) £	
<u>Chief Executive</u>								
<u>Head of Policy</u>								
Performance Reward Grant (PRG) funded schemes	(126,220)							To be used for Cotswold House improvements
<u>Head of Policy Total</u>	(126,220)	0	0	0	0	0	0	
<u>Head of Customer, ICT & Transactional Services</u>								
Thin Client/Citrix Virtual Desktop Infrastructure	15,000							Saving transferred from HR system budget
<u>Head of Customer, ICT & Transactional Services Total</u>	15,000	0	0	0	0	0	0	
<u>Head of Governance</u>								
Legal Case Management System			(4,490)					Transfer to revenue budgets to finance non-capital costs relating to system
Planned Improvements to Fixed Assets		(250,000)		250,000				Rephasing of improvement programme
Stategic Land Assembly Chorley Town Centre			500,000					Acquisition of site to promote development
Chorley East Health Centre - land purchase/construction						6,650,000		Site acquisition and estimated construction cost of facility - revenue costs to be funded from rental income
<u>Head of Governance Total</u>	0	(250,000)	495,510	0	250,000	6,650,000	0	
<u>Head of Human Resources & Organisational Development</u>								
Integrated HR, Payroll and Training System	(15,000)	(15,000)			15,000			Transfer saving to ICT capital budget; rephase remainder
<u>Head of HR & Organisational Development Total</u>	(15,000)	(15,000)	0	0	15,000	0	0	
<u>Chief Executive Total</u>	(126,220)	(265,000)	495,510	0	265,000	6,650,000	0	
<u>Director of Partnerships, Planning & Policy</u>								
<u>Head of Economic Development</u>								
Chorley Market Improvements		46,930			(46,930)			Complete Phase 3 of Flat Iron gazebos in 2011/12
Climate Change Pot		(27,530)			27,530			Rephasing of use of grants budget
<u>Head of Economic Development Total</u>	0	19,400	0	0	(19,400)	0	0	

Proposed Changes - 2011/12 - 2013/14

Scheme	2011/12			2012/13			2013/14	Comments
	Virement (1) £	Rephasing (2) £	Other Changes (3) £	Virement (4) £	Rephasing (5) £	Other Changes (6) £	Rephasing (7) £	
<u>Head of Housing</u>								
Affordable Housing New Development Projects - Long-Term Empty Homes		(444,630)	(13,000)	(25,000) 25,000	444,630			Reduce budget by £13,000 - S106 contribution not yet received; rephase balance of budget; allocate £25,000 to new project in 2012/13
Disabled Facilities Grants		(155,330)	47,610		155,330			Use of Affordable Housing budget £47,610 additional grant received 2011/12. Rephase budget to 2012/13.
Housing Renewal	(14,030)	(657,610)	7,920		657,610			£7,920 additional funding 2011/12; transfer £14,030 to Cotswold House; rephase balance of budget to 2012/13.
Cotswold House Refurbishment	140,250	(130,750)			130,750			£126,220 use of PRG and £14,030 uncommitted Housing Renewal budget; £130,750 rephased.
<u>Head of Housing Total</u>	126,220	(1,388,320)	42,530	0	1,388,320	0	0	
<u>Head of Planning</u>								
Eaves Green Link Road - contribution to LCC scheme		(80,000)			80,000			S106 contribution not expected to be received 2011/12.
Chorley Strategic Regional Site		(391,200)			391,200			Payment not expected in 2011/1.
Highway Improvements Pilling Lane area (S106 funded)		(150,000)			150,000			Work not expected to be implemented until 2012/13.
Puffin Crossing Collingwood Rd/Letchworth Drive (S106)						47,820		New scheme funded with S106 contribution
<u>Head of Planning Total</u>	0	(621,200)	0	0	621,200	47,820	0	
<u>Director of Partnerships, Planning & Policy Total</u>	126,220	(1,990,120)	42,530	0	1,990,120	47,820	0	
<u>Director of People and Places</u>								
<u>Head of Streetscene & Leisure Contracts</u>								
Leisure Centres/Swimming Pool Refurbishment		(381,740)			275,600		23,780	Rephasing of budget to later years.
Duxbury Park Golf Course/Access Rd capital investment		(80,620)			80,620			Rephase £45,000 earmarked for access road improvements.
Village Hall & Community Centres Projects	(9,830)							Propose remaining £35,620 also to be used for access road.
Replacement of recycling/litter bins & containers	9,830	17,170		30,000	(17,170)			Saving to be transferred to replacement bins budget.
Food Waste Recycling Receptacles				(30,000)				£9,830 from Village Halls budget; £17,170 rephased from 2012/13; and £30,000 from Food Waste budget in 2012/13.
Astley Park Improvements	(540)							Budget not required to implement food waste collections so transferred to replacement bins.
Eaves Green Play Development (S106 funded)		(189,480)			189,480			Saving transferred to Play and Recreation Fund budget.
Fairview Farm Play Facilities (S106 funded)			(2,970)					Rephasing of implementation.
Play and Recreation Fund projects	540	(54,540)			54,540			Transfer to revenue to finance footpath extension.
Rangletts Recreation Ground/Duke Street Field (S106 funded)		(230,000)			230,000			£540 from Astley Park Improvements. Some schemes rephased to 2012/13.
<u>Head of Streetscene & Leisure Contracts Total</u>	0	(919,210)	(2,970)	0	813,070	0	23,780	Rephasing of implementation.

Proposed Changes - 2011/12 - 2013/14

Scheme	2 0 1 1 / 1 2			2 0 1 2 / 1 3			2 0 1 3 / 1 4	Comments
	Virement (1) £	Rephasing (2) £	Other Changes (3) £	Virement (4) £	Rephasing (5) £	Other Changes (6) £	Rephasing (7) £	
<u>Director of People and Places Total</u>	0	(919,210)	(2,970)	0	813,070	0	23,780	
<u>Capital Programme Total</u>	0	(3,174,330)	535,070	0	3,068,190	6,697,820	23,780	
<u>Financing the Capital Programme</u>								
Prudential Borrowing		(930,510)	500,000		824,370	6,650,000	23,780	
Unrestricted Capital Receipts		(18,230)			18,230			
Revenue Budget - VAT Shelter income		(151,480)	(4,490)		151,480			
Revenue Budget - virement from revenue budgets		(7,920)	7,920		7,920			
<u>Chorley Council Resources</u>	0	(1,108,140)	503,430	0	1,002,000	6,650,000	23,780	
Ext. Contributions - Developers		(1,148,650)	(15,970)		1,148,650	47,820		
Ext. Contributions - Other		(116,720)			116,720			
Government Grants - Disabled Facilities Grants		(5,280)	47,610		5,280			
Government Grants - Housing Capital Grant		(795,540)			795,540			
<u>External Funding</u>	0	(2,066,190)	31,640	0	2,066,190	47,820	0	
<u>Capital Financing Total</u>	0	(3,174,330)	535,070	0	3,068,190	6,697,820	23,780	

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Capital Programme - 2014/15

Scheme	2014/15 Current Estimate (1) £	Rephasing (2) £	Other Changes (3) £	2014/15 Revised Estimate (4) £
<u>Chief Executive</u>				
<u>Head of Governance</u>				
Planned Improvements to Fixed Assets	0		200,000	200,000
<u>Head of Governance Total</u>	0	0	200,000	200,000
<u>Chief Executive Total</u>	0	0	200,000	200,000
<u>Director of Partnerships, Planning & Policy</u>				
<u>Head of Housing</u>				
Disabled Facilities Grants	0		269,000	269,000
<u>Head of Housing Total</u>	0	0	269,000	269,000
<u>Director of Partnerships, Planning & Policy Total</u>	0	0	269,000	269,000
<u>Director of People and Places</u>				
<u>Head of Streetscene & Leisure Contracts</u>				
Leisure Centres/Swimming Pool Refurbishment	0	82,360	199,890	282,250
Replacement of recycling/litter bins & containers	0		85,000	85,000
<u>Head of Streetscene & Leisure Contracts Total</u>	0	82,360	284,890	367,250
<u>Director of People and Places Total</u>	0	82,360	284,890	367,250
<u>Capital Programme Total</u>	0	82,360	753,890	836,250

Capital Programme - 2014/15

Scheme

Financing the Capital Programme

Prudential Borrowing

Chorley Council Resources

Government Grants - Disabled Facilities Grants

External Funding

Capital Financing Total

	2014/15 Current Estimate (1) £	Rephasing (2) £	Other Changes (3) £	2014/15 Revised Estimate (4) £
Prudential Borrowing	0	82,360	484,890	567,250
Chorley Council Resources	0	82,360	484,890	567,250
Government Grants - Disabled Facilities Grants	0		269,000	269,000
External Funding	0	0	269,000	269,000
Capital Financing Total	0	82,360	753,890	836,250

S106 and Similar Developers' Contributions

	2011/12			2012/13			2013/14			2014/15			Notes	
	Balance 1/4/11 £'000	Receipts £'000	Use £'000	Balance 1/4/12 £'000	Receipts £'000	Use £'000	Balance 1/4/13 £'000	Receipts £'000	Use £'000	Balance 1/4/14 £'000	Receipts £'000	Use £'000		Balance 1/4/15 £'000
Budgeted use of developers' contributions														
Affordable Housing	579	0	(134)	445	90	(535)	0			0			0	(1)
Transport	3,477	48	(3,477)	48	80	(128)	0			0			0	
Play/Recreation Facilities	335	202	(87)	450		(255)	195			195			195	(1) (2)
Various Purposes	744			744		(380)	364			364			364	(3)
Total	5,135	250	(3,698)	1,687	170	(1,298)	559	0	0	559	0	0	559	

(1) Further contributions may be receivable between 2012/13 and 2014/15

(2) In addition to Chorley Council schemes included in the capital programme, Play and Recreation Fund grants to support other schemes are included in the revenue budget.

(3) This contribution can be used for purposes including highway improvements, community safety and recreation facilities. Use of the contribution will be proposed in future reports.

S106 contributions are expected from the Buckshaw Group 1 and Group 4 North developments over the next few years. A total of £6,115,000 plus index linking is due in instalments as the sites are developed, to provide affordable housing, community facilities, playing fields and public open space, public infrastructure, and public transport improvements. In addition, affordable housing and other facilities would be provided on site by the developers.

Use of Contributions Receivable from Developers 2011/12 to 2014/15

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Affordable Housing New Development Projects	134	535		
Eaves Green Link Road - contribution to LCC scheme		80		
Buckshaw Village Railway Station (S106 financed)	3,356			
Buckshaw Village Cycle Network	77			
Eaves Green Play Development (S106 funded)		189		
Common Bank - Big Wood Reservoir		11		
Play and Recreation Fund projects	64	55		
YVCP Natural Play Zone	23			
Rangleys Recreation Ground		230		
Highway Improvements Pilling Lane area		150		
Highway Improvements Collingwood Road	44			
Puffin Crossing Collingwood Rd/Letchworth Dr.		48		
	3,698	1,298	0	0

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Report of	Meeting	Date
The Executive (Introduced by the Executive Member for Resources)	Full Council	28 February 2012

BUDGET GROWTH PACKAGE

PURPOSE OF REPORT

- To present for approval a package of budget growth items as part of the budget approval process. The report contains 17 budget growth investments in respect of the Revenue Budget and 2 Capital Budget/Programme budget growth schemes.

RECOMMENDATION(S)

- That the Council approves the budget growth schemes as set out in the paper below.

EXECUTIVE SUMMARY OF REPORT

- This paper presents:
 - 17 growth schemes in the Revenue Budget that support the budget principles agreed at Executive Cabinet in December, the Council's strategic objectives and the findings of the budget consultation. These proposals consist of schemes that will continue with a recurring financial commitment into future years, an investment scheme for a two year period to assist NEETS and one off schemes to be delivered in 2012/13 only.
 - 2 growth schemes to be included in the Capital Programme to assist the Primary Care Trust (PCT) in providing a whole suite of services to meet the health needs of Chorley residents and the purchase of a key strategic site to facilitate Town Centre redevelopment.
- The investment proposals have been grouped into four broad categories:
 - Vibrant Local Economy.**
Total Revenue Proposals: £0.283m; Capital Proposals: £0.500m
(To be added to the continuation of business supporting grants)
 - Being Healthy**
Total Revenue proposals: £0.118m; Total Capital Proposals £6.650m
 - Safe respectful communities**
Total Revenue Proposals: £0.098m
 - Clean neighbourhoods**
Total Revenue Proposals: £0.354m

Investment Proposal Total – Revenue Budget: £0.853m

Investment Proposal Total – Capital Programme Budget: £7.150m

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

Strong Family Support	Y	Education and Jobs	Y
Being Healthy	Y	Pride in Quality Homes and Clean Neighbourhoods	Y
Safe Respectful Communities	Y	Quality Community Services and Spaces	Y
Vibrant Local Economy	Y	Thriving Town Centre, Local Attractions and Villages	Y
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			Y

BACKGROUND

6. The budget estimates for 2012/13 includes headroom to allow for investment in priorities. This has been achieved through the successful delivery of the council's Medium Term Financial Strategy and Transformation Programme.

BUDGET PRINCIPLES

7. The Executive published the budget principles for consultation during December 2011 setting out its broad intention for spending and investment in the borough for the forthcoming financial year 2012/13. The principals that particularly focus on our priorities for investment are:
- to continue to provide assistance to those wishing to start up businesses in Chorley to create investment and engagement;
 - to develop schemes to assist the NEETS in our Borough into work or education;
 - develop programmes to support the current health reforms; and
 - safeguarding front line services, particularly to continue to support the voluntary sector and PCSO's and focusing on the removal of bureaucracy and managerial posts.

BUDGET CONSULTATION RESULTS

8. The budget consultation results are attached in Agenda Item 6i. They show strong support for each of the budget investment principles. In particular, there is strong support in the consultation results for investment in areas to tackle youth unemployment and improve job prospects. The proposals below include investment of £120,000 in two schemes that will directly address youth unemployment and job prospects.

REVENUE BUDGET GROWTH SCHEMES - MAINSTREAMING OUR INVESTMENT

9. The table below identifies the growth schemes that have been identified as requiring on going and recurring investment, to ensure service provision beyond 2012/13. Further details of all the Revenue Budget Growth Schemes are set out in Appendix C1.

Budget Growth Scheme	£
Tackling Dog Fouling	75,000
PCSO's	55,000
Business start up	55,000
Debt Advice Funding	50,000
IDVA	23,000
Sanctuary Scheme	20,000
Total Mainstreaming Investments	278,000
Proposed Two Year Scheme - NEETs	130,000
Proposed 2012/13 investments funded by planned Budget Surplus	435,200
Revenue Costs of Town Centre Redevelopment Capital Scheme	10,000
TOTAL INVESTMENT	853,200

CAPITAL PROGRAMME BUDGET GROWTH SCHEMES**Chorley East Health Centre on Friday Street – Estimated Capital Budget £6.650m**

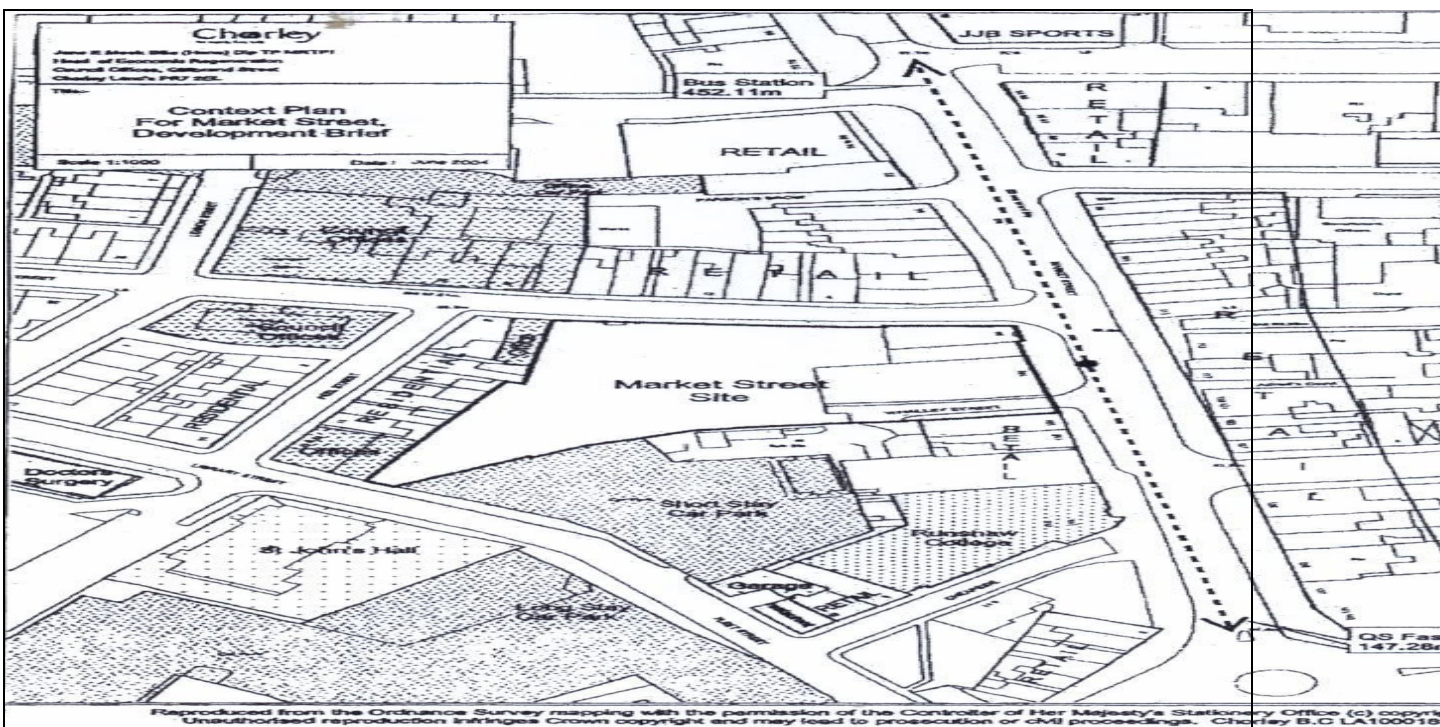
10. The Council disposed of the Friday street site in the belief that the PCT would develop the health centre. Members will be aware that to date no progress has been made with affordability appearing to be the stumbling block. In order to try to move thing forward a number of meetings have been held between the Leader of the Council and the respective Chief Executives. As a consequence Chorley Council has proposed the following to the PCT.
11. Chorley Council will act as the developer of the Health centre and once built will lease it back to the PCT for a period of up to 25 years. In normal circumstances the PCT would tender such a proposal to the private sector, however indicative costings mean the health centre development cannot be delivered within the cost envelope available to the PCT. The Council has the advantage that it has access to cheaper borrowing than the private sector, requires no profit margin and does not have to build any risk into the deal as it is expected that the maintenance and running costs would be tendered separately by the PCT rather than as a total package under a normal design, build and operate scheme. The PCT feel that the margins included in facilities management arrangements do not offer good value.
12. The Council's proposal will hopefully act as an incentive to the PCT to progress. Indicative figures provided to the PCT show that the proposal is significantly more cost effective than the traditional procurement routes previously pursued by the PCT, thereby making it better value for the taxpayer as a whole. The Council would need to borrow to finance a scheme of this scale and nature with the consequent financing charges contained within the Council budget being recompensed to the council by the PCT making it cost neutral to the Chorley Council tax payer.

13. The scheme is innovative in nature with the Council relying on the move to localism to demonstrate the powers it needs to take on such a scheme. It must be stressed that PCT have not yet committed to the proposal but will be a meeting of the PCT Cluster Board in the next three months when a decision will be made.
14. No decision has also yet been made about the scale of the development but the Council's Capital Programme and borrowing forecasts include a sum of £6.650m. This represents the expected cost of the build and land to develop the initial proposal to develop a health centre that offers a whole suite of services to meet the health needs of the resident population of East Chorley in particular. There will also be a small amount of revenue costs in developing the proposal for the Council, but these will be contained within current resources. Any final agreement made will include the PCT underwriting the Capital cost of the project, that is, any overspend arising from the project will solely be the responsibility of the PCT.

Land Acquisition at Gillibrand Street – Estimated Capital Budget £0.500m

15. It is proposed that a key strategic town centre site is purchased for redevelopment (see map below). Given its location in the town centre and its proximity to other parcels of council owned land, including car parks and offices, it is considered that there are a number of potential development opportunities in long term, these include:-
 - a. Redevelopment for a single, sizeable retail unit at ground level together with a mix of uses at other levels and possible commercial, leisure, residential or educational use at the rear.
 - b. Expansion of Runshaw College.
 - c. Mixed use including managed workspace for new start-up and micro businesses.
 - d. Mixed use including a centre for excellence for manufacturing and engineering trades.

In the short term having control of the site will allow the Council to consider some short term small scale investment to remove a blot on the town centre landscape. Please note that no deal has yet been done, therefore, this is an estimate of the total cost of the scheme not solely the purchase price of the site.



IMPLICATIONS OF REPORT

18. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	Y	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

19. The comments of the Statutory Finance Officer on the 2012/13 Budget are contained on a separate report on the agenda.

COMMENTS OF THE MONITORING OFFICER

20. There are no legal restrictions that would prevent the Council's proposed capital expenditure.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Rebecca Huddleston Chris Sinnott	5337	10 th February 2012	***

	Investment area	Amount (£)	Outputs, Outcomes and Targets
	VIBRANT LOCAL ECONOMY – (£115,000 recurring investment; £130,000 two year investment; £37,700 2012/13 investment) TOTAL £282,700		
1	<p><u>Business Start-Up Scheme (mainstreamed)</u> Investment to provide support and advice to approximately 98 business start ups.</p>	55,000	<ul style="list-style-type: none"> • 98 new business started • 12 month survival rate 91% • 24 month survival rate 89% • 111 jobs created (within 24 months of start up) • Turnover (within 12 months of start up) £2,325,000 • Increase in new businesses established and sustained
2	<p><u>Extension of Grant Scheme to Local Service Centres (2012/13)</u> Extension of the business rate subsidy and shop floor refurbishment grants to bring vacant properties back into use.</p>	37,700	<ul style="list-style-type: none"> • 50% uptake = 4 units x £3,000 refurbishment grant = £12,000 • 4 units x £5,925 business rate subsidy = £23,700 • 4 business viability reports, 6 month and 12 month follow-up = £2,000 <p>The above extends the following outcomes that are already in the Corporate Plan for the existing town centre scheme:</p> <ul style="list-style-type: none"> • Increase in new businesses established and sustained • Increase in Town Centre visits • Reduction in vacant town centre floor space
3	<p><u>NEET – provision of council apprenticeships (for two years 12/13 to 13/14)</u> Direct provision of 10 apprentice posts at the council using LCC Future Horizons scheme</p>	130,000	<p>Work has been undertaken through the Chorley Partnership to clearly establish the work already in place to support young people not in education, employment or training in Chorley. This has identified a significant amount of action already being taken, including through a project commissioned by Lancashire County Council and being run by Rathbones in Chorley.</p> <p>The programme led by Rathbones includes opportunities for young people who are NEET to access further training through a series of foundation learning programmes, engagement with Year 10 and 11 pupils and apprenticeships in some business areas such as childcare.</p> <p>This investment option has been developed to ensure that the work proposed by Chorley Council does not duplicate the work undertaken elsewhere. One identified gap in provision was the provision of direct employment opportunities, and this investment will provide support in filling that gap. Using the future horizons scheme run by LCC means that the council will specifically targeting and supporting NEETs into employment. Creation of 10 apprentice posts. £6,500 each for a 12 month placement. (£65,000 per annum for two years 2012/13 and 2013/14)</p>

	Investment area	Amount (£)	Outputs, Outcomes and Targets
4	<p><u>Debt Advice Funding (mainstreamed)</u> Funding to replace Legal Service Commission for the provision of debt advice to 600 residents.</p>	50,000	<p>There are proposals in the Legal Aid, Sentencing and Punishment of Offenders Bill to change the scope, client eligibility and fees of Legal Aid, and it also proposes closure of the Legal Services Commission.</p> <p>This funding will provide support to continue providing the specialist casework and support for residents experiencing problems with debt.</p>
revenue costs of capital scheme	<p><u>Land Acquisition (mainstreamed)</u> Revenue implications of acquisition of land in the Town Centre. (Formerly MacDonalds Site)</p>	10,000	<p>Acquisition of key strategic town centre site to facilitate new development. Revenue costs of borrowing, however, this cost may be offset by short term income generation opportunities.</p>

	Investment area	Amount (£)	Outputs, Outcomes and Targets
BEING HEALTHY - (£118,000 2012/13 investment) TOTAL £118,000			
5	<p><u>Active Generation (2012/13)</u> Staffing for continuation of active generation programme, replacing external funding.</p>	31,000	<p>Provision of a variety of activities for people aged over 50 including pilates, indoor bowling, dance classes and table tennis. It helps to keep older people active as well as helping people to meet new friends and learn new skills or rediscover an old hobby.</p> <ul style="list-style-type: none"> • 350 sessions • 1500 participants • 20+ activities • Across 20+ venues
6	<p><u>Street Games (2012/13)</u> Staffing for continuation of programme, replacing external funding.</p> <p>The Street Games project is aimed at bring sporting opportunities for young people to different parts of the borough. This ranges from popular sports, such as football and cricket through to athletics.</p>	50,000	<ul style="list-style-type: none"> • 582 sessions • 11,600 participants • 20+ activities • Across 20+ venues
7	<p><u>Introduction of Sport Bus (2012/13)</u> To facilitate the use of existing centralised sports and play facilities for children and young people living in outlying areas. We will provide a weekly transport and sport activity service for 14 to 17 year olds utilising facilities at All Seasons and Clayton Leisure Centres.</p> <p>The bus will be accessible for children with disabilities.</p>	17,000	<p>This would run for 12 weeks during the summer months on Saturday evenings.</p>
8	<p><u>Employee Health Scheme (2012/13)</u></p>	20,000	<p>The council would pay a fixed contribution per employee which would then allow employees to claim back the costs of health related treatments such as dental charges, eye tests and glasses, consultant appointments, professional therapy and many other benefits. This type of scheme will benefit lower paid members of staff more so than senior officers. The cost equates to £1 per week per employee, each employee being given this benefit for an initial 12 month period when it will be reviewed.</p>

	Investment area	Amount (£)	Outputs, Outcomes and Targets
SAFE RESPECTFUL COMMUNITITES - (£98,000 recurring investment) TOTAL £98,000			
9	<p><u>PCSOs (mainstreamed)</u> Increasing the number of PCSOs in the borough by 5, to a total of 27. The additional resource will build on the recent improved environmental crime work that PSCO's have been engaged in and augment some of the environmental cleanliness initiatives</p>	55,000	<p>5 additional PCSO's to enable a wider patrol footprint and patrol time window.</p> <p>This will include parishes and rural areas.</p>
10	<p><u>Community Safety (mainstreamed)</u> Includes support for the shared community safety analyst, the MADE system (£9,000) and the IDVA service (£14,000). This scheme is reliant on match funding from other partners.</p>	23,000	<p>IDVA provides specialist help to victims of domestic violence. It aims to:</p> <ol style="list-style-type: none"> 1. To increase confidence in the criminal justice system 2. To reduce repeat homelessness 3. To reduce levels of injuries sustained 4. To increase notification of children at risk 5. To decrease victimisation 6. To increase victim safety
11	<p><u>Sanctuary Scheme (mainstreamed)</u> Continuation of the sanctuary scheme with South Ribble. The sanctuary scheme provides support to people who are experiencing domestic violence to stay in their homes by providing additional support in the form of security measures such as window and door locks. This scheme is reliant on match funding from other partners.</p>	20,000	<ul style="list-style-type: none"> • Continuation of shared coordinator post who would assess clients needs, specify and order works. • Delivery of works to 40+ properties (privately owned/rented)

	Investment area	Amount (£)	Outputs, Outcomes and Targets
CLEAN NEIGHBOURHOODS - (£75,000 recurring, £279,500 2012/13 investment) TOTAL £354,500			
12	<p><u>Chorley Smile - Clean Ups and Environmental Improvements (2012/13)</u></p> <ul style="list-style-type: none"> • Campaign to clean the borough, including one skip/Chorley Smile clean up day per month around the borough. The clean ups would be targeted at areas of greatest need, using our intelligence base to identify common fly tip areas, graffiti locations and areas where small scale local environmental improvements will have a positive impact on the area. • A proactive programme to clean up and improve those areas of the borough which have been identified as 'grot spots', with basic clean ups and environmental improvements to areas (for example fencing). 	100,000	<p>1 x skip/Chorley Smile clean up day per month including skip hire and waste removal, staffing, publicity and environmental improvements such as rail painting and bulb planning. We would look to engage other stakeholders in this work, on a case by case basis.</p> <p>Clean up and improvement of grot spots, including:</p> <ul style="list-style-type: none"> • Improved street and environmental cleanliness • % people satisfied with their neighbourhood as a place to live
13	<p><u>Tackling Dog Fouling (mainstreamed)</u> To provide a borough wide campaign tackling irresponsible dog owners from both a dog fouling and aggression point of view.</p>	75,000	<ul style="list-style-type: none"> • Provision of a rapid response clean up team to remove dog fouling from public space areas within one working day. • Targeting known fouling hotspots and owners of aggressive dogs, at all times of the day ; • Remove the £25 discount for early payment of Fixed Penalty Notices for dog fouling, meaning that everybody will be fined £75. • Seek powers to allow the Council to set its own upper limit for Fixed Penalty Notices for dog fouling at £500. • Seek to introduce a Dog Control Order requiring dog owners to have their dogs on a lead in designated areas. • Encouraging reporting and introduce a reward schemes for information leading to correct identification of offenders; ; • Using compulsory education for first time offenders (akin to speed awareness courses) ; • Intensive and sustained social marketing campaign on the unacceptable nature of irresponsible dog ownership as well as traditional poster, dog bag and enforcement activity.

	Investment area	Amount (£)	Outputs, Outcomes and Targets
14	<p><u>Bus Shelter Improvement (2012/13)</u> A programme of repair, refurbishment and some replacement of Chorley Council owed bus shelters – accounts for the 99 Chorley Council owed shelters (out of 184 shelters in the borough)</p>	75,000	<ul style="list-style-type: none"> • 8 requiring replacement • 56 requiring refurbishment • 35 others that do not require replacement or refurbishments to be inspected to ensure they are thoroughly clean
15	<p><u>Improvement and Replacement of Street Furniture (2012/13)</u> A replacement and refurbishment programme, which would include replacing some litter bins with a larger capacity bin that could also take dog waste.</p> <p>Bins will also include a sticker to educate people that dog waste can now be included in normal litter bins.</p>	75,000	<p>Refurbishment and replacement of 300 bins (approx. 25% of existing stock).</p> <p>Reduction in the frequency the bins need to be emptied.</p>
16	<p><u>Public Realm Adoption (2012/13)</u> A process improvement project aimed at reducing the time it takes to adopt land, services and amenities following new developments. Adoptions on new, larger developments, are time consuming and inefficient. Likewise, we have numerous adoptions on smaller plots, dating back up to 10 years that need to be resolved. This is a major source of frustration for residents.</p>	20,000	<p>The 6 month project will bring all of the information, including trigger points together, and allow for more efficient adoptions in the future.</p>
17	<p><u>Improving Pedestrian Routes (2012/13)</u> From car parks into the town centre, and gateway at New Market Street</p>	9,500	<ul style="list-style-type: none"> • Improved accessibility, safety and environment of prioritised pedestrian routes from car parks into the town centre. • Re-surfacing (red top) the area into New Market Street in response to trips and falls.
	TOTAL – REVENUE BUDGET GROWTH	853,200	

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Report of	Meeting	Date
Statutory Finance Officer	Special Council	28 February 2012

Treasury Strategies and Prudential Indicators 2012/13 to 2014/15

PURPOSE OF REPORT

- To present for the approval of the Council the prudential indicators and the treasury strategy for the years to 2014/15. This report has previously been submitted to the Audit Committee on 19 January for its scrutiny and no amendments were proposed.

RECOMMENDATION(S)

- That Council approve:
 - The Prudential Indicators for 2012/13 to 2014/15, as set out in this report
 - The Treasury Management Strategy for 2012/13, incorporating the Treasury Prudential Indicators
 - The Annual Investment Strategy 2012/13. This retains the limit of 3 months on investments in all financial institutions other than the part nationalised banks.
 - The Annual MRP Policy Statement 2012/13

EXECUTIVE SUMMARY OF REPORT

- This report outlines the Council's prudential Indicators for 2012/13 to 2014/15, and sets out the expected treasury operations for this period. It also states the policy for making the minimum provision for repayment of debt. Only one change is proposed. The minimum sovereign rating has been reduced from AAA to AA- in light of the downgrades already made to the USA and France, and the possibility that this could happen to other countries including the UK. Para 2.10 of the Investment strategy refers.

Confidential report	Yes	No
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CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			X

BACKGROUND

5. The Local Government Act 2003, gave authorities greater discretion over capital expenditure by allowing prudential borrowing. It also sought to strengthen governance by making compliance with CIPFA’s Prudential Code and CIPFA’s Treasury Management Guidance, statutory requirements. The former requires the production of Indicators showing that expenditure is affordable, the latter requires the approval of an annual Treasury Management Strategy incorporating Treasury Indicators and limits.
6. Consequential to the Prudential Borrowing powers is a requirement that authorities should make prudential provision for the repayment of borrowing (MRP). This is to be the subject of an annual policy statement to be made to the full Council prior to the start of each year.
7. Finally Authorities have, through the Local Government Act 2003, also been given greater discretion in investing surplus cash. They are required however, by guidance issued by the DCLG, to prepare an annual Investment Strategy to identify how that discretion should be applied.
8. This report therefore brings together these related requirements. The Audit Committee role is to scrutinise these policies and practices, while the Council is required to approve them.. (Financial Regulations paragraph 3.101)

DETAIL

9. The detailed statements and strategies etc are attached

IMPLICATIONS OF REPORT

10. This report affects the following areas. The relevant Directors’ comments are attached:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	No significant implications in this area	

COMMENTS OF THE STATUTORY FINANCE OFFICER

13. This report meets statutory requirements. Its statistical content is consistent with the assumptions made in the revenue and capital budgets. The criteria it recommends will direct the Council’s treasury operations in 2012/13.

COMMENTS OF THE MONITORING OFFICER

14. No Comments save to support those of the Statutory Finance Officer.

GARY HALL
STATUTORY FINANCE OFFICER

Document	Inspection
Financial Strategy/Budget and Council Tax 2012/13 Treasury Management in the Public Services: Code of Practice CIPFA Prudential Code for Capital Finance in Local Authorities	Town Hall

Report Author	Ext	Date	Doc ID
G Whitehead	5485	07/02/2012	Treasury Strategy

PRUDENTIAL INDICATORS 2012/13 to 2014/15

Local Authorities have discretion to incur capital expenditure in excess of the capital resources provided by government, or those resources resulting from the sale of assets or the receipt of contributions from other parties. To do this however increases a Council's indebtedness and ultimately leads to a charge to the revenue budget.

To manage that process Councils must set certain Indicators. These are designed to indicate that the expenditure is prudent and affordable. The following are the relevant indicators for Chorley.

Prudential Indicator 1 - Capital Expenditure

The capital programme is reported on a quarterly basis to the Executive Cabinet. The following statement summarises the figures last reported to Cabinet. It shows that the use of prudential borrowing is intended, although this will be revised if additional capital receipts can be generated. Provision for the revenue costs (interest effects and debt repayment) has been built into the revenue budget.

Table 1 – Capital Expenditure	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
The Council's capital expenditure	5,771	10,866	823	836
<u>Less Capital resources</u>				
Capital Receipts	(53)	(18)	0	0
Contributions	(3,917)	(1,415)	0	0
Grants	(441)	(1,080)	(269)	(269)
Revenue and reserves	(603)	(274)	0	0
Balance – met from prudential borrowing	757	8,079	554	567

Prudential Indicator 2 – Capital Financing Requirement (CFR)

The CFR is a measure of the Council's indebtedness resulting from its capital programme. It can be seen that the CFR is increasing because of the planned prudential borrowing, with a rise in 2012/13 when it is proposed that the Health Centre expenditure is incurred. Further details about this proposal are set out in the Budget Growth Package Report - Appendix C on the agenda.

The significance of this is that the indebtedness has to be discharged, either by making a charge to the revenue account or by applying other specific capital resources, such as capital receipts.

Table 2 - CFR	31/03/12 Revised £'000	31/03/13 Estimate £'000	31/03/14 Estimate £'000	31/03/15 Estimate £'000
Estimated CFR	8,626	16,361	16,549	16,729
<u>Reasons for the annual change in the CFR</u>				
Prudential borrowing in year		1,429	554	567
Prudential borrowing in year – proposed Health Centre Scheme		6,650		
Estimated MRP		(344)	(366)	(387)

Prudential Indicator 3 – Ratio of financing costs to the net revenue stream

This indicator shows the proportion of the Council's budget (i.e. the costs it has to meet from government grants and local taxpayers), that is required to meet the costs associated with borrowing (interest and principal, net of interest received).

Table 3 – Ratio of Financing Costs	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Ratio	2.48	2.44	5.66	5.94

The increase from 2013/14 onwards takes into account the financing of the Chorley East Health Centre by prudential borrowing. However, the income that finances the borrowing is not included in the net revenue stream and therefore the ratio increases even though the project is self-financing.

Prudential Indicator 4 – Incremental impact of capital investment decisions on the band D Council Tax

Table 4 – Impact of capital investment decisions	2011/12 Estimate £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
Increase/(decrease) in Band D charge	(2.16)	0.06	(0.44)	0.86

This table shows the cumulative effect on council tax levels of the changes between the capital programme reported in this strategy and that submitted a year ago.

Last years strategy started at 2010/11 and this years runs through to 2014/15, a period of 5 years. In that time there have been changes not only in cost but also in the phasing and methods of financing the programme. In calculating the figures shown above, the programme, as it existed in January 2011, has been compared to the programme as it stands today. It can be seen that the changes in the programme to 2013/14 result in slight reductions in the cost. With regard to the main increase in Capital Investments, being the proposed Health Centre, it has been assumed that this has no effect on Council Tax as costs will be fully recouped from the primary Care Trust (PCT).

TREASURY MANAGEMENT STRATEGY 2012/13

1. Background

The treasury management service fulfils an important role in the overall financial management of the Council's affairs. It deals with "*the management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks*" (CIPFA) .

Prudential Indicators 5 and 6

The Council has a statutory obligation to have regard to the CIPFA Code of Practice (revised in 2009 and updated further in 2011), and is required to adopt both the Code and the Treasury Management Policy Statement therein. Both of these were adopted by Council on 2 March 2010 (Financial Procedure Rule 4 refers). The Policy Statement is repeated at Appendix D2

2. Reporting

This strategy statement has been prepared in accordance with the revised Code. As a minimum, a mid year monitoring report and a final report on actual activity after the year end, will be submitted to the Council. Additional reports will be made to the Audit Committee during the year as required.

3. Borrowing and Investment Projections

The Council's borrowings and investment are inter-related. The following table details the expected changes in borrowings, consistent with the capital and revenue budgets, and the balances available for investment at each year end. As discussed previously (in relation to the Prudential Indicator on the CFR), and again in paragraph 5 below, it is assumed that an additional PWLB loan will be raised specifically to finance the proposed Health Centre Development.

Table 5 – Borrowing and Investments	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Borrowing at period start	8,872	7,822	13,922	13,572
Borrowing repaid in year	(1,050)	(550)	(350)	(350)
Borrowing in year	0	6,650	0	0
Est. borrowing at period end	7,822	13,922	13,572	13,222
Est. surplus cash available for investment	(6,900)	(3,500)	(3,400)	(2,900)
Net Borrowing	922	10,422	10,172	10,322

In the above table "cash available for investment" does not include the full amount owed by Landsbanki. It includes instead the amount we assume might be repaid in future years.

The main area of risk to these projections is the economic climate and its affect on the collection of income. Any increase in debtors would adversely affect the balances shown.

Prudential Indicator 7

The Prudential Code requires authorities to make comparison between net borrowing and the CFR. At its greatest net borrowing should not exceed the current years CFR plus the estimated increases in CFR for the following two years. The figures reported above meet this requirement.

Prudential Indicator 8 - The Operational Boundary for External Debt

The Council is required to set two limits on its borrowings. The first is the Operational Boundary. This should reflect the most likely, but not worst case scenario consistent with the Council's budget proposals.

The Operational Boundary has therefore been based on the information shown in table 5 above. A temporary breach, due to variations in cash flow, is possible, but sustained or regular excess would require explanation.

Table 6 – Operational Boundary	31/3/12 Estimate £'000	31/3/13 Estimate £'000	31/3/14 Estimate £'000	31/3/15 Estimate £'000
Borrowings	7,822	13,922	13,572	13,222
Other long term liabilities	13	13	13	13
Operational Boundary	7,835	13,935	13,585	13,235

Prudential Indicator 9 - The Authorised Limit

This is the second limit. It should allow headroom above the Operational Boundary to accommodate the fluctuations that can occur in cash flows. The following is proposed:

Table 7 - Authorised Limit	31/3/12 Estimate £'000	31/3/13 Estimate £'000	31/3/14 Estimate £'000	31/3/15 Estimate £'000
Borrowings	9,000	16,000	16,000	16,000
Other long term liabilities	13	13	13	13
Authorised limit	9,013	16,013	16,013	16,013

4. Economic outlook and expected movement in interest rates

The report of the Council's consultants is attached at Appendix D1.

Not surprisingly they stress the huge economic uncertainties, and conclude that the overall balance of risk is still to the downside. Their expectation of a base rate increase has been delayed to mid 2013. They also continue to warn of rising PWLB rates.

5. Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the capital Financing Requirement), has not been fully funded with loan debt. This is possible because cash, supporting the Council’s reserves, balances and cash flow, has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high. Looking to the future however, as indicated above, a specific loan would be raised to finance the proposed Health Centre project.

Table 5 above shows that cash balances should remain throughout the period. On this basis no further long term borrowing should be necessary. It is possible however, at the year ends, when available cash balances fall to their minimum level, that temporary borrowing might be required.

6. Icelandic Investment

On October 28th the Icelandic Supreme Court announced its decision to uphold the priority status of Local Authority deposits in Landsbanki. This decision is final and cannot be challenged further. The Winding Up Board has since confirmed that it will apply the ruling to the other non test case Authorities.

The date and amount of the first distribution to non test case Authorities has not yet been announced, but it is expected shortly. It is known furthermore that payments will be made in euros, sterling, dollars and Icelandic krona, which unfortunately introduces a foreign exchange risk. Based on previous advice the Council has already written down the value of the Landsbanki loan by 5% (i.e. recovery of 95% has been assumed). The latest advice of the Administrator is however that this sum could be exceeded, rising to 98%, but that it will take a number of years for this to be achieved. It should be borne in mind, however, that the investment still continues to accrue interest.

7. Treasury Management Limits on Activity

The Authority is required to set the following Treasury Indicators. The purpose of these is to minimise the risk resulting from movements in interest rates.

Treasury Indicator 1 – Upper limit on Variable rate exposure

The Council is exposed to interest rate movements on its invested cash. This varies significantly over the course of the year, and during each month. During the current year balances peaked at just below £20m for short periods. This amount will therefore form the limit

	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Upper limit on variable rate exposure	£20m	£20m	£20m	£20m

Treasury Indicator 2 – Upper limit on fixed rate exposure

The Council is exposed to fixed rate interest on any long term liabilities and PWLB borrowings. The maximum estimated exposure is based on the Operational Boundary (PI 8 above).

	2011/12 Revised	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Upper limit on fixed rate exposure	£14.5m	£14.0m	£13.6m	£13.3m

Treasury Indicator 3 - Maturity structure of borrowing

The Council is required to determine upper and lower limits for the maturity structure of its debt. The following limits reflect the structure of existing borrowing and will accommodate additional health centre related borrowings in 2012/13.

	As at 31/3/2013	
	Lower Limit	Upper Limit
Under 12 months	0%	50%
12 months to 2 years	0%	50%
2 to 5 years	50%	100%
5 to 10 years	0%	50%
10 years and above	40%	50%

Treasury Indicator 4 – Total principal sums invested for greater than 364 days

It is not planned to make any investments for periods over 364 days.

8. Use of Treasury Advisors

The Council has contracted with Sector treasury Services as its treasury advisor for the period to 31 March 2013.

The Council recognises that responsibility for treasury decisions cannot be delegated to the advisor but remains its responsibility at all times.

9. Performance Indicators

Investments – the generally accepted indicator is 7-day LIBID (The London Interbank Bid rate). This is the rate that could be obtained by the “passive” deposit of money onto the money market. Active investment, in normal times, should outperform this. It is recommended that this be set as an indicator.

INVESTMENT STRATEGY 2012/13

1. Introduction

1.1 Under the Power in Section (15) (1) of the Local Government Act 2003 the CLG has issued Guidance on Local Government Investments. This was updated with effect from 1 April 2010. Each Authority is recommended to produce an annual strategy that sets out its policies to manage investments, giving priority to security and liquidity. This strategy follows the updated guidance.

1.2 The major element in the guidance is that authorities should distinguish between lower risk (specified investments), and other investments (non-specified). These terms are explained in more detail below.

1.3 The specific issues to be addressed in the Investment Strategy are as follows:

- How “high” credit quality is to be determined
- How credit ratings are to be monitored
- To what extent risk assessment is based upon credit ratings and what other sources of information on credit risk are used
- The procedures for determining which non specified investments might prudently be used
- Which categories of non-specified investments the Council may use
- The upper limits for the amounts which may be held in each category of non- specified investment and the overall total.
- The procedures to determine the maximum periods for which funds may be committed.
- What process is adopted for reviewing and addressing the needs of members and treasury management staff for training in investment management.
- The Authority’s policies on investing money borrowed in advance of spending needs. The statement should identify measures to minimise such investments including limits on (a) amounts borrowed and (b) periods between borrowing and expenditure

2. Chorley Strategy 2012/13

Objectives

2.1 The Council’s investment priorities are:

- The security of capital and
- The liquidity of its investments.

2.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

2.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity. The Council will restrict borrowing in excess of its immediate need, to the additional amount envisaged to be required in the following eighteen months.

Use of Specified and Non-Specified Investments

2.4 Specified investments are those made:

- with high “quality” institutions, the UK Government or a local authority,
- for periods of less than one year and
- denominated in sterling.

Other investments are “non-specified”. These could include investments in gilts, bond issues by other sovereign bodies and those issued by multilateral development banks, commercial paper, and any deposits for a period exceeding one year.

The Council policy has been to only make specified investments, and it has only used the simplest instrument, i.e. cash deposits. A facility is being opened however that will enable the purchase of Government Treasury Bills. This is another method of lending money to the Government, but the interest rate paid is nearly double that paid on cash deposits.

Counterparty Selection Criteria

2.5 In determining which institutions are “High Quality” the Council uses the creditworthiness service provided by Sector. This combines the credit ratings from all three rating agencies (Fitch, Moody, Standard and Poor) in a sophisticated modelling process. It does not however rely solely on these ratings, but also uses

- Credit watches and credit outlooks from the agencies
- Credit Default Spreads (CDS) to give early warning of likely changes in ratings
- Sovereign ratings to select counterparties from only the most credit worthy countries

These factors are combined in a scoring system, and results in counterparties being colour coded:

- Purple – recommended maximum duration 2 years
- Blue (used for nationalised and part nationalised UK Banks)– 1 year
- Orange – 1 year
- Red – 6 months
- Green – 3 months
- No colour – not to be used

2.6 The Council has also chosen to restrict lending to UK financial institutions. Currently no such institutions attract a purple colour code.

2.7 The Council may use AAA rated Money Market Funds.

2.8 The Council may lend to the UK Government (which includes the Debt Management Office)

2.9 The Council may lend to other Local Authorities

2.10 Previously Treasury Strategies have specified a minimum sovereign rating of AAA from all three agencies. The possibility that the UK could be downgraded, has necessitated a reduction to a AA- minimum rating.

Because of the recent financial turmoil, and the threat these pose to the banking system, members agreed in September 2011 to further restrict investments to a maximum period of three months for all institutions save those which have been part nationalised, which would be subject to a limit of 1 year. No change in these restrictions is proposed.

Monitoring of Credit ratings

2.11 Sector supply rating warnings and changes immediately following their issuance by the rating agencies. The colour coded counterparty lists are reissued weekly, updated by such changes.

Time and money Limits

2.12 No changes to the present limits are proposed. The limits applying to each category of institution are specified in the attachment to this report

Member Training

2.13 There are no plans to provide additional training in 2012/13.

Revised list of Financial Institutions and Investment Criteria

Category	Institutions	Sector colour code	Sovereign rating	Max period	Limit per Institution
Sovereign or Sovereign "type"	DMADF			6 months	No limit
	Local Authority			1 year	£3m
	UK Govt backed Money market funds			n/a instant access	£3m
UK Nationalised Institutions	None (N Rock deposits no longer guaranteed)				
Institutions guaranteed by other governments	None (Irish Banks are guaranteed but have been removed from the list)				
UK Partly nationalised institutions	RBS group (inc Nat West)	Blue	Minimum AA- from all 3 agencies	1 year	£3m per group
	Lloyds Group (inc HBoS & Lloyds)	Blue		1 year	£3m per group
Independent UK Institutions	HSBC	Orange	Minimum AA- from all 3 agencies	Restricted to 3 months	£2m
	Santander UK Barclays, Nationwide	Moves between red and green			£2m
Money Market Funds	Standard Life Global liquidity MM Fund	Aaa/MR1+		instant access	£3m
Deposit/Call Accounts	Santander, Bank of Scotland, Nat West Lancs CC			Call accounts with instant access	£3m less value of term deposits

Note – Deposits with any one institution shall not exceed £3m

ANNUAL STATEMENT OF MRP POLICY 2012/13

Regulations specify that the minimum provision that a Council must make for the repayment of its debt. This is referred to as the MRP.

The Council will assess their MRP for 2012/13 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2012/13 relates to debt incurred prior to 2008/9. MRP will continue to be charged on this at the rate of 4%, in accordance with option 1 of the guidance. There are some capital schemes since then which generate a further MRP liability (i.e. capital expenditure which is not financed by any grant or contribution e.g. vehicles). With one exception (the new health centre) the MRP liability on this will be based on the estimated useful life of the asset, using the equal annual instalment method of calculation (option 3 of the guidance). Repayment of the health centre loan will use the annuity method.

Estimated life periods will be determined under delegated powers with reference to the guidance. As some types of capital expenditure are not capable of being related to an individual asset, the MRP will be assessed on a basis which most reasonably reflects the anticipated period of benefit arising from the expenditure.

APPENDIX D1

The following is the advice of the Council's consultants – Sector (December 2011)

“Economic outlook and expected movement in interest rates

The interest rate forecast is as follows:

	Dec-11	Mar-12	Sep-12	Dec-12	Mar-13	Sep-13	Dec-13	Mar-14	Sep-14
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	2.00%
5yr PWLB	2.30%	2.30%	2.30%	2.40%	2.50%	2.70%	2.80%	2.90%	3.30%
10yr PWLB	3.30%	3.30%	3.30%	3.40%	3.50%	3.70%	3.80%	4.00%	4.40%
25yr PWLB	4.20%	4.20%	4.30%	4.30%	4.40%	4.60%	4.70%	4.80%	5.00%
50yr PWLB	4.30%	4.30%	4.40%	4.40%	4.50%	4.70%	4.80%	4.90%	5.10%

Global economy

The outlook for the global economy remains clouded with uncertainty with the UK economy struggling to generate sustained recovery that offers optimism for 2011 and 2012, or possibly even 2013. Consumer and business confidence levels are low and with little to boost sentiment, it is not easy to see potential for a significant increase in the growth rate in the short term.

At the centre of much of the uncertainty is the ongoing **Eurozone sovereign debt crisis** which has intensified, rather than dissipated throughout 2011. The main problem has been **Greece**, where, even with a Eurozone/IMF/ECB bailout package and the imposition of austerity measures aimed at deficit reduction, the lack of progress and the ongoing deficiency in addressing the underlying lack of competitiveness of the Greek economy, has seen an escalation of their problems. These look certain to result in a default of some kind but it currently remains unresolved if this will be either “orderly” or “disorderly”, and/or also include exit from the Euro bloc.

As if that were not enough there is growing concern about the situation in **Italy** and the risk that contagion has not been contained. Italy is the third biggest debtor country in the world but its prospects are limited given the poor rate of economic growth over the last decade and the lack of political will to address the need for fundamental reforms in the economy. The Eurozone now has a well established track record of always doing too little too late to deal with this crisis; this augurs poorly for future prospects, especially given the rising level of electoral opposition in northern EU countries to bailing out profligate southern countries.

The US economy offers little to lift spirits. With the next Presidential elections due in November 2012, the current administration has been hamstrung by political gridlock with the two houses split between the main parties. In quarter 3 the Federal Reserve started “Operation Twist” in an effort to re-ignite the economy in which growth is stalling. High levels of consumer indebtedness, unemployment and a moribund housing market are weighing heavily on consumer confidence and so on the ability to generate sustained economic growth.

Hopes for broad based recovery have, therefore, focussed on the **emerging markets** but these areas have been struggling with inflationary pressures in their previously fast growth economies. China, though, has maintained its growth pattern, despite tightening monetary policy to suppress inflationary pressures, but some forward looking indicators are causing concern that there may not be a soft landing ahead, which would then be a further dampener on world economic growth.

Sector's forward view

Economic forecasting remains troublesome with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains weak and whilst there is still a broad range of views as to potential performance, they have all been downgraded throughout 2011. Key areas of uncertainty include:

- a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself;
- the impact of the Eurozone crisis on financial markets and the banking sector;
- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to exporting manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that increasingly seem likely to be undershot;
- a continuation of high levels of inflation ;
- the economic performance of the UK's trading partners, in particular the EU and US, with some analysts suggesting that recession could return to both;
- stimulus packages failing to stimulate growth;
- elections due in the US, Germany and France in 2012 or 2013;
- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China.

The overall balance of risks remains weighted to the downside. Lack of economic growth, both domestically and overseas, will impact on confidence putting upward pressure on unemployment. It will also further knock levels of demand which will bring the threat of recession back into focus.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

Given the weak outlook for economic growth, Sector sees the prospects for any interest rate changes before mid-2013 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

APPENDIX D2

Treasury Management Policy Statement (adopted 2nd March 2010)

1. This organisation defines its treasury management activities as: *The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*
2. This organisations regards the succesful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury managementa ctivities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achieevement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

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Report of	Meeting	Date
The Statutory Finance Officer	Special Council	28 February 2012

STATUTORY FINANCE OFFICER REPORT

PURPOSE OF REPORT

- To provide advice to the Council as required under S25 of Local Government Act 2003.

RECOMMENDATION(S)

- The Council are recommended to:

Note the Statutory Finance Officer's comments and advice Under S25 of the Local Government Act 2003, as set out in this report and have regard to it when considering the budget proposals for 2012/13.

EXECUTIVE SUMMARY OF REPORT

- This report is required by statute and the Statutory Finance Officer should set out for members how the budget has been constructed and the assumptions that underpin that budget. The Statutory Finance Officer is required to comment on the proposals so the Council can be reassured that the risks contained in the budget are manageable and do not compromise the delivery of the budget.
- This paper outlines the key assumptions and risks and identifies that working balances should be maintained to mitigate some of that risk moving forward. In terms of the 2012/13 budget all the key budgets have been reworked to align with expected outturn for 2011/12. The budget now contains only a few targets and is based upon known facts rather than what could be delivered in terms of savings and efficiencies, in other words the budget is forecast to balance.
- Having reviewed the underlying assumptions and commented on the position in relation to risks and working balances, I am satisfied that the budget assumptions are reasonable, the key financial risks have been considered and the budget is deliverable.

Confidential report Please bold as appropriate		No
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- To comply with the statutory requirement to produce a report for Members of the Council on the risks contained in the budget and the level of working balances required to support that budget.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. None.

CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			

BACKGROUND

9. Under the requirement of S25 of the Local Government Act 2003 the Statutory Finance Officer is required to advise members when setting the budget as to the robustness of the estimates and the adequacy of working balances.

10. The Robustness of the Estimates and Risk Issues

11. In terms of the budget proposals, once again for 2012/13, a thorough reassessment of the budget has been undertaken by Directors and their accountants based upon the latest available information. In terms of key assumptions contained, particularly in the 2012/13 budget, these are contained in the Medium Term Financial Strategy but summarised for convenience below.

12. **KEY ASSUMPTIONS**

Assumption	2012/13	2013/14	2014/15
Council Tax Increases	0	0	0
Council Tax Freezing Grant	£0.318m	£0.159m	£0.159m
Reduction in Grant Settlement	£0.857m	£0.513m	£0m
Pay Inflation	0	1%	1%
Employees Pension Contribution	0.5%	0.5%	0.5%
New Homes Bonus	£1.044m	£1.044m	£1.044m
Performance Reward Grant	£0.089m	0	0
Supporting People Income	£0.216m	£0.180m	£0.170m
Health Reform Agenda	assumed to be cost neutral		

13. In terms of the key assumptions I would make the following comments to confirm their validity:-

14. **Council Tax Increases.**

15. The administration's aim in the financial strategy remains to contain future increases below inflation. Accordingly the forecast budget position of the Council does not take account of any potential Council Tax increases in future years.

16. **Council Tax Freezing Grant.**

17. The administration is proposing to reduce Council Tax in 2012/13 by 1.0%, therefore, the Council will be eligible to receive Council Tax Freezing grant in 2012/13. This grant income has only been included in the budget for one year as this is consistent with the grant's qualifying criteria. This is different to the previous year when the grant was awarded for a four year period.

18. **Reduction in Grant Settlement**

19. The most recent Comprehensive Spending Review brought about reductions in Central Government grant. As a reminder, the table below summaries the year on year decrease in formula grant awarded to Chorley Council in the two year settlement in respect of years 2011/12 and 2012/13.

20. To alleviate this an adjusting dampening mechanism was put in place for 2011/12 and 2012/13, that means the full impact will not be felt until 2013/14 being the £0.513m reduction in grant shown in the table below. The Government has also announced a funding review for Local Government to take effect from 2013/14 therefore there will be

further amendments to the Formula Grant from next year onwards. As there are no detailed indications as to what these will be no assumptions have factored into the budget at this stage.

Decrease in Formula Grant

Decrease in Formula Grant – Year on Year			
	2011/12 %	2012/13 %	2013/14 %
% reduction	-13.6	-12.8	-7.9
£ reduction	-1.814	-911	-513
Dampening in effect	660	522	0

21. Pay Inflation

The assumptions for pay inflation are based on the fact that pay has been frozen for a number of years and thus it is more likely that a pay award will be negotiated. The pay budget has been accounted for in line with the Council's Pay Policy which is contained within the agenda for formal Council approval.

22. Pension Contribution

23. The Local Government Pension Scheme for Lancashire was valued as at March 2010 with a new employer contribution rate taking effect from April 2011. The revaluation indicates that the Council's target contribution will be subject to a stepped increase of 0.5% per annum until 2014/15.

24. The value of the pension fund has been adversely affected by depressed financial markets and in particular the fall in the value of equity prices. The performance of the fund and the assumptions made in terms of liabilities will have a major bearing on the future employer rate.

25. New Homes Bonus

26. The inclusion of New Homes Bonus (NHB) in the 2012/13 budget forecast has been limited to that received 2012/13. This is due to the fact that the amount receivable is re-calculated each year and dependent on fluctuating bases i.e. the number of new properties built in the borough each year. This approach serves to mitigate risk in respect of variable funding levels by restricting the reliance of the Council on this income stream to balance its budget. This also allows for maximum flexibility with regard to its future use as all future allocations and receipts of NHB are currently uncommitted.

27. Performance Grants and Supporting People Income

28. The provision for above grants has been reduced in the budget for the forthcoming years. This is to reduce the Council's reliance on these income streams as their continuation and levels are uncertain.

29. Health Reforms

30. Within the public sector environment there are currently proposals to fundamentally reform the way in which Health Care services are operated and delivered with particular regard to the commissioning of health care services. As the details of this reform are as yet unknown it has been assumed that there will be not financial implications for the Council’s budget. This position will be monitored and any amendments to this assumption will be notified to the Council.

29. **OTHER SIGNIFICANT ISSUES**

30. 2012/13 New Budget Growth Package

31. The administration’s budget for 2012/13 contains both a reduction in Council tax and a package of both revenue and capital budget growth items totalling £0.853m and £7.150m respectively.

32. With regard to the proposed Capital Programme schemes, £6.650m is fully recoverable from the Primary Care Trust and the remaining £0.500m capital expenditure provides the potential for re-development and also for short term income generation opportunities.

33. The revenue budget package of £0.853m is allocated between a requirement to provide for a recurring budget provision in the sum of £0.278 with the balance being for 2012/13 schemes only. This provides the Council with the facility to review the proposal level of total investment and amend it to respond to possible future budget pressures.

34. New era for Local Government Core Funding

35. Local Government funding is entering into a new regime with regard to the methodologies used to distribute the total funding available from central Government between authorities. Large proportions of core grant, previously included in four year settlements, are being allocated between Councils via new grant funding models, for example, New Homes Bonus applicable from 2012/13 and the forthcoming Retention of Business Rates as part of the Local Government Funding Review. Both of these new sources of grant income are calculated on an annual basis using variable factors, thus, annual fluctuations will become the norm as part of the budget setting cycle and medium term financial forecasts.

36. To mitigate against changing year to year funding levels the Council has not committed any estimated future receipts of NHB at this stage to balance its budget. Given the Council’s current performance in attracting NHB this action currently provides financial resilience and a degree of flexibility to possibly offset further expected, but as yet unknown, reductions in funding.

37. Medium Term Financial Strategy (MTFS)

38. The MTFS sets out the Council’s plans to bridge the funding gap as summarised below:

Year	Budget (Headroom)/Gap £000	Cumulative £000
2012/13	(58)	(58)
2013/14	878	820
2014/15	367	1,187

39. The budget efficiency plan totalling £1.425m over the forthcoming years is intended to generate a budget surplus at the conclusion of 2014/15. The plan is predominantly made up of finding productivity gains of £0.500m within a total budget value of £10.968m and the generation of additional income in projects that are already well advanced in the form of property rental. By focussing on back office support functions and also income streams budgetary efficiencies can be achieved in a delivery model that mitigate risk against any negative impact on front line services.

40. Icelandic Bank

41. Significant progress has been made with regard to the repayment of the Icelandic Deposits currently held and earning interest in Landsbanki. The Council has been awarded Priority Creditors status and repayment has now commenced.

42. Other Risks

The length and depth of the recession is likely to continue to have an impact on the Council’s budget both on revenue in terms of income generation and on capital in terms of the Council’s ability to release capital receipts from both preserved right to buy sales and on the sale of its own assets.

43. In terms of the policy options that vast majority have been implemented and achieved. The budget, therefore, only contains the following items with the restructure of Shared Financial Services having a confirmed and achievable implementation date in 2012/13.

Policy Option	£'000
Generation of Rental Income from Bengal Street following relocation of the depot.	(35)
Shared Financial Services – Restructure to be implemented in September 2012	(32)
Total	67

44. It should be noted, however, that although the above budget adjustments are targets they are not significant in terms of the robustness and delivery of the 2012/13 budget.

45. **LEVEL OF RESERVES**

The budget for 2012/13 has been established based upon not using working balances to fund recurrent expenditure. Part of the budget strategy for 2012/13 was to return to the balanced position and the budget proposals achieve this key aim, with a surplus actually being generated. Projected budget shortfall of £1.187m offset by planned efficiencies of £1.425m.

46. The risks outlined in my statutory report on the budget indicate that the public finances and funding of Local Government has diminished. The MTFS indicates that budget savings will need to be achieved over the next two financial years and as such as a minimum working balances should be maintained at the target level of £2m.

47. The level of balances is a matter of judgement but given the uncertainty moving forward I propose that the level of working balances is maintained to a target of £2m by the end of March 2014/15. The current forecast position as at the end of this financial year 2011/12 is shown in the table below.

48. Forecast Balances as at 31 March 2012

	£m
General fund working balance forecast Dec monitoring	2.076
Contribution to General Balances	0.185
Use of General Balances for Debt Restructuring within MTFS	(0.250)
Forecast balances 31/03/2012	2.011

Source: Revenue Budget Monitoring period ending December 2011.

IMPLICATIONS OF REPORT

49. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	Customer Services
Human Resources	Equality and Diversity
Legal	Integrated Impact Assessment required?
No significant implications in this area	Policy and Communications

COMMENTS OF THE STATUTORY FINANCE OFFICER

50. Please refer above.

COMMENTS OF THE MONITORING OFFICER

51. The report is designed to ensure that the relevant legislation is complied with in terms of Statutory Officer advice.

GARY HALL
 STATUTORY FINANCE OFFICER – CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	20 February 2012	***

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Medium Term Financial Strategy 2012/13 – 2014/15



CONTENT

1	Foreword and Introduction
2	Policy Context
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4	Revenue Budget Forecast
5	Supporting the Corporate Strategy
6	Capital Programme Forecast
7	Working Balances
8	Treasury Management

(1) FOREWORD AND INTRODUCTION

The aim of this strategy is to set out in financial terms the impact of the Councils existing policy commitments and the likely resources available to meet them to support the Council's Corporate Plan. The strategy covers the general fund or taxpayers account and the capital investment programme.

This Medium Term Financial Strategy (MTFS) builds on the previous strategy presented to the Council in February 2011. For a number of successive years local authorities have faced notable change and a period of significant budget reductions and challenges as set out in the last Comprehensive Spending Review (CSR) in 2010.

The administration's continued financial aims are:

- To continue to be a high performing Council.
- To freeze Council Tax for 2012/13.
- To continue to provide value for money for the Council Tax payers of Chorley.
- To continue to provide assistance to those wishing to start up business in Chorley to create investment and engagement.
- To develop NEETS in our Borough into work or education.
- Develop programmes to support the current health reforms.
- Safeguarding front line services, particularly to continue to support the voluntary sector and PCSOs and focusing on the removal of bureaucracy and managerial posts.
- Looking for opportunities to share services and generate additional revenue.
- Preparing for the future and uncertainty over public finances.
- To look to reduce debt and the consequent financing charges.

It should be noted, however, that the fact still remains that during a tighter fiscal regime the overriding aims will be difficult to achieve. Nevertheless this strategy sets out ways in which it is envisaged this could be achieved.

New Era for Local Authority Financing

Following on immediately from this challenging period the whole platform by which local authorities are financed via Central Government is currently changing for the foreseeable future. In addition to core funding moving away from a four year settlement period to shorter term announcements uncertainty is exacerbated by the way in which the total funding pot for Local Authorities is distributed between authorities. Core funding distribution assessments will now comprise of a number of high value grant income streams calculated on annual variable factors and therefore subject to fluctuations from one year to the next, for example New Homes Bonus (NHB) and the retention of business rates. Although the detail is still unknown about how these grants will transpose in cash terms, it would appear that uncertainty is now a permanent feature in terms of financial planning over the medium term. With this new era in mind this document sets out the Council's financial strategy for the next three year period from 2012/13 to 2014/15.

Business Rates Retention and Tax Increment Financing

The Local Government Finance Bill includes a significant change to the funding of local councils. Although the details of the new arrangements are unknown the basis of the change is that Business Rates Retention would replace the current system of centrally pooling business rates. At present local authorities collect rates from the businesses in their areas, pay the funds into a central pool and then receive allocations back from this pool as part of Formula Grant. This system is said to give councils no direct financial incentive to promote business growth, because they do not receive any of the business rate receipts from new developments.

Under the new system, councils would keep a share of the growth in business rates in their area. Rate setting powers would remain with the Government and the Government would also decide what share of business rates should be kept by councils, how much should be paid into a central pool to be redirected to local government through other grants.

In summary the main elements of the changes are that there would be a stable starting point (baseline funding level 2013/14) for all councils so that no council would be worse off because it had lower business rates income than others. Those councils with a larger business rates base than their current spending would pay some of the income as a tariff. The councils with a smaller business rate base than their current spending would receive top up payments. Councils that would have a disproportionate increase in their spending power from business rates growth would pay a levy as well as a tariff, which would be used to fund a safety net for any council that had reductions in income by a set percentage below their baseline funding level. In two-tier areas, district councils would retain the greatest share of business rate growth, to ensure that the incentive to stimulate growth is placed on the right councils. The introduction of Tax Increment Financing would allow councils to finance schemes designed to increase business growth by borrowing, the cost of which would be funded from future business rate growth.

What Has Been Achieved

The previous MTFS set out the implications of the then recent CSR review and the implications for the Council's budget together with actions to address the budget funding gap. During this period significant progress has been made against the strategy and the table below sets out a summary of savings that have already been achieved, and also now proposed, in the first year of the three year programme (see detailed list Page 4, Appendix G).

Saving	3 YEAR STRATEGY £m	Achieved to Date £m
Renegotiation of Contracts	0.470	0.466
Productivity Gains - Achieving Value for Money/Structure Reviews	1.180	0.296
Review of Income and Cost Recovery	0.200	0.078
Annual Review of Budget Heads	-	0.069
Review of Pension Arrangements	0.200	-
Council Tax Yield	0.600	-
Rationalisation of Accommodation	0.150	-
Debt Restructuring	0.150	0.050
Changes to NNDR by Revaluation Office	-	0.016
Total	2.950	0.975

This updated MTFS sets out how this work will be taken forward to balance the budget and provide headroom within the budget to equip the Council with the financial means to make investments in services and to address future annual fluctuations in core funding levels.

(2) POLICY CONTEXT

This section of the strategy set out broadly the Council’s policy direction. This is important for the Financial Strategy to facilitate the achievement of the Council policy objectives.

The Council has recently updated its Corporate Strategy, aligning it with the refreshed Sustainable Community Strategy. The key priorities and objectives contained in that strategy are set out below:

Theme	You and Your Family			You and Your Community			You and Chorley		
Strategic Objective	Strong Family Support	Education and Jobs	Being Healthy	Pride in Quality Homes and Clean Neighbourhoods	Safe Respectful Communities	Quality Community Services and Spaces	Vibrant Local Economy	Thriving Town Centre, Local Attractions and Villages	A Council that is a Consistently Top Performing Organisation and Delivers Excellent Value for Money
Long Term Outcome	<p>1.1 Ensure early intervention and prevention of health and wellbeing problems</p> <p>1.2 Use a whole family approach to address problems and provide support</p> <p>1.3 Support the ageing population to be healthy and independent</p>	<p>2.1 Improve skills across the family</p> <p>2.2 Improve links from good quality education to employment</p> <p>2.3 Promotion and uptake of local job prospects</p>	<p>3.1 Reduced health inequalities</p> <p>3.2 Families enabled to make healthy lifestyle choices</p>	<p>4.1 Provision of quality affordable housing</p> <p>4.2 Clean streets</p> <p>4.3 Communities that residents actively take care of and improve</p>	<p>5.1 Safe communities</p> <p>5.2 Cohesive communities where people get on well together</p>	<p>6.1 Clean, safe and well used open spaces</p> <p>6.2 Empowered local people managing community assets</p>	<p>7.1 Promote knowledge based inward investment</p> <p>7.2 Support a strong, indigenous business base</p> <p>7.3 Ensure families and communities reach their full economic potential</p>	<p>8.1 A contemporary market town with good quality shops</p> <p>8.2 Places to visit, play, enjoy as a tourist destination</p> <p>8.3 Thriving local villages</p>	<p>9.1 Community aspirations are delivered through the efficient use of resources and effective performance management.</p> <p>9.2 An excellent community leader</p> <p>9.3 A provider and procurer of high quality, co-ordinated, public services</p> <p>9.4 An excellent Council that is continually striving to improve</p> <p>9.5 Reduce the Council's energy consumption</p>

The overall aim of the financial strategy is to identify resources to meet the objectives, targets and measures contained in the Corporate Strategy and this is important in terms of the financial strategy.

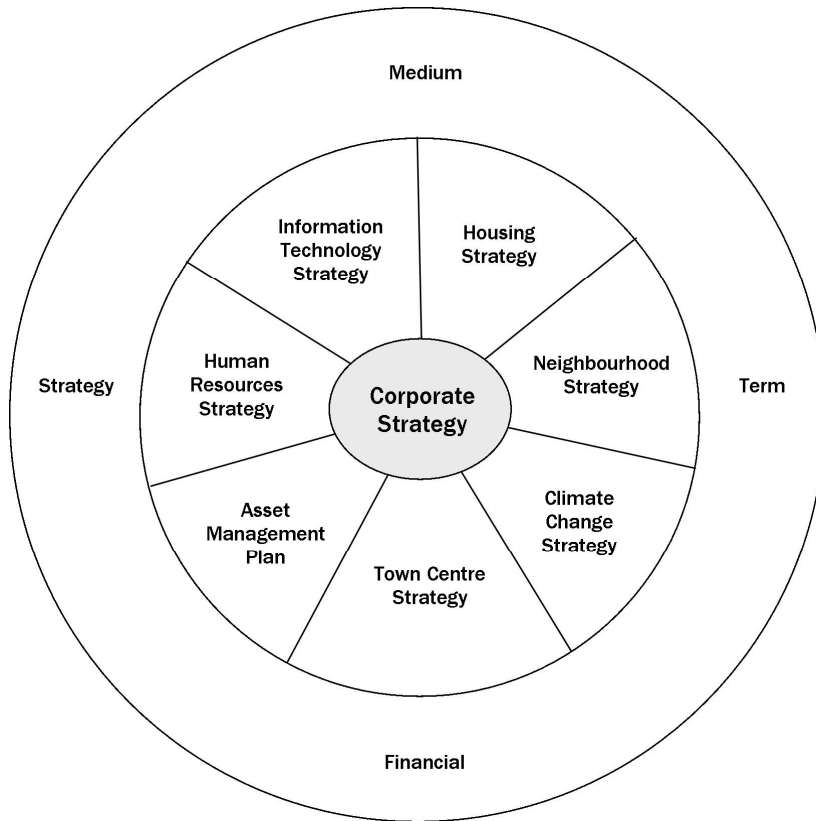
Over the last financial planning period, the Council has been successful in delivering on the Corporate Strategy and managing its resources. This has been recognised by the Audit Commission in the most recent Annual Audit and Inspection Letter.

In this respect the key strategy over the next financial planning period will be:

To continue to maximise the use of its resources, continuing to deliver its current policy objectives and only realigning resources where it is necessary to ensure achievement of the objectives, outcomes and targets in the Corporate Strategy

Underpinning the Corporate Strategy there are a series of other Council plans designed to facilitate the delivery of the Corporate Strategy. These are summarised pictorially below:

Strategic Links



The Individual Strategies supporting the Corporate Strategy set out how the Council will achieve its objectives.

In each case the resources required are broadly developed through the Council’s business planning process and resources identified during the budget round. The general principal is that resources are put into the delivery of the corporate strategies. This is achievable as the current resources allocation should be sufficient for the Council to achieve its corporate plans which ultimately support the delivery of the Corporate Strategy’s vision, objectives, targets and projects.

At present the Council is on target to deliver on most of the targets in the Corporate Strategy and as such there are no current plans to realign the resource base and the resources being used to deliver each of the Councils key strategic objectives.

(3) FINANCIAL CONTEXT AND OUTLOOK

This section sets out the financial planning assumptions that have been made in constructing the year on year forecasts and outlines the key strategies for delivering a balanced and affordable budget. All forecasts are built upon a number of assumptions, which are based upon best information available at the time. In terms of constructing budget estimates there is some important national context to be considered, namely:

- 2010 Comprehensive Spending Review provided detailed information for two years only. These being last year (2011/12) and the forthcoming financial year (2012/13) with a review of Local Government funding to be undertaken thereafter. The estimates for 2013/14 contain some indicative figures but past this point funding levels are still unknown.
- The introduction of shorter term Central Government settlement announcements and new variable arrangements for calculating fundamental grants annually exacerbates the increasingly uncertain nature of the Council's core funding streams.
- The Localism Bill together with the proposal that Business Rates can be retained locally approaches nearer but detailed financial implications remain unknown.
- The process by which Local Planning Authorities are able to set their own fees and charges to recover costs has been delayed from that originally envisaged and still awaiting finalisation.
- The on going revision of the Housing Benefits system and the introduction of Universal Credits.
- The Chancellor of the Exchequer announced in his Autumn Statement that growth forecast for the UK economy would be cut by 0.9% this year and 0.7% next year. This may indicate that we can expect a similar cut in Central Government's funding to Councils, a 1% reduction equating to an approximate reduction in grant of £60,000.
- The Welfare Reform agenda is assumed to be cost neutral to the Council.

The forecasts contained within this strategy are based on assumptions assessed from information to hand at the time of budget setting. The following are the key assumptions, that may be subject to change over the next three years, in relation to:

- Revenue Budget
- Capital Programme Financing

Assumptions contained in 3 year forecasts - Revenue

Assumption	2012/13	2013/14	2014/15
Pay Award	0	1.0%	1.0%
Council Tax Increases	0	0	0
Grant for Freezing Council Tax	£0.318m	£0.159m	£0.159m
Pension Contribution Increase	0.5%	0.5%	0.5%
Reduction in Grant Settlement (AEF)	£0.857m	£0.513m	£0.000m
2012/13 New Homes Bonus	£1.044m	£1.044m	£1.044m

Assumptions contained in 3 year forecasts - Capital Programme Financing

Assumption	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	Note
Prudential Borrowing	1.429	0.554	0.567	2.550	(a)
Prudential Borrowing – proposed Health Centre scheme	6.650			6.650	
Receipts from asset sales	0.018			0.018	(b)
VAT Shelter Receipts	0.266			0.266	
Revenue Funding	0.008			0.008	
Developers & Other Contributions	1.415			1.415	(c)
Government Grants	1.080	0.269	0.269	1.618	(d)
Total	10.866	0.823	0.836	12.525	

- (a) Prudential Borrowing could be reduced by increasing sales of assets
 (b) It is assumed that receipts from asset sales will be applied to repay debt, in accordance with the Council's debt reduction strategy.
 (c) Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.
 (d) Actual Grant allocations could vary from these estimates.

The Capital Programme also continues to contain a debt reduction strategy. The objective being to reduce Minimum Revenue Provision requiring additional resources to be set aside when available to reduce debt.

(4) REVENUE BUDGET FORECAST AND TRANSFORMATION STRATEGY

On the basis of the assumptions outlined above plus the Council's actions so far to achieve budgetary savings and also accounting for the current levels of service, the revenue budget forecast indicates the following with regard to budget headroom and budget gap positions over the next three year period (see detailed analysis in attached Appendix F1).

Budget Headroom/Gap 2012/13 – 2014/15

Year	Budget (Headroom)/Gap £000	Cumulative £000
2012/13	(58)	(58)
2013/14	878	820
2014/15	367	1,187

The table shows that over the medium term the cumulative budget gap amounts to £1.187m for which budgetary efficiency savings will need to be found in order to balance the budget. It is important to note that this position does not include any additional New Homes Bonus (NHB) that may be received after 2012/13. This is due to its unpredictable nature and also the fact that, as previously stated, local authority funding is entering a period of permanent fluctuations. This will very much hinder accurate financial planning year on year so it is recommended that any further NHB receipts are not included in the budget forecasts at this stage. This enables all subsequent monies received to be available and uncommitted thus allowing for maximum flexibility in its future application.

In summary, in order for a balance budget position to be achieved within the MTFS period further budgetary savings will need to be found from the following sources:

- Further reductions in expenditure
- Additional income generation
- Increases in Council Tax

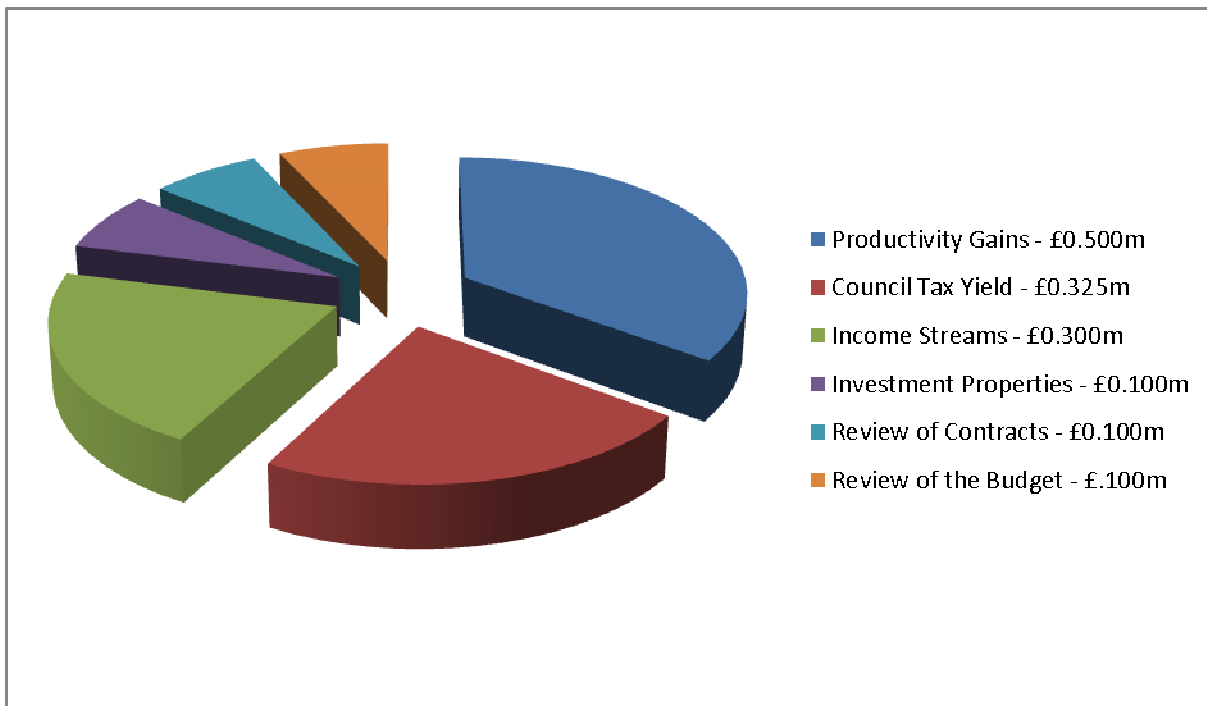
In this respect the Council's Strategy will be:

- To continue to restrain Council Tax increases.
- Deliver a balanced budget over the Financial Planning Period 2012/13 to 2014/15.
- Identify the savings required to balance the budget seeking to minimise the impact on front line service users.

In this respect the following actions will be included:-

- Increase productivity
- Review of expenditure on contracts
- Review of non employee related base budget heads
- Review of all income streams to ensure full cost recovery is being achieved and all possible revenue streams are being structured in the most appropriate way
- Seek to increase income yield from Investment Properties as part of the rationalisation of administration buildings

It is thought that the above strategy could achieve the level of budgetary savings in the sum of £1.425m being sufficient to bridge the funding gap of £1.187m and provide some headroom of £0.238m for further funding reductions and fluctuations in future years. Further detail is set out below:

Budget Savings Strategy 2012/13 to 2014/15 – Total £1.425m**Productivity Gains - £0.500m**

Total employee budget is £10.968m. It is proposed that a savings of £0.500m is secured over the next two year period by focussing on improved productivity. Previously this is an area where significant savings have been achieved to reduce the budget gap. The results of the most recent rough cut costing exercise, developments in ICT and performance information, continues to inform the development of a Transformation Programme following the principles of maintaining performance with particular regard to front line services.

The main focus of the Transformation Programme over the next three years will be looking to increase productivity by look at:

- Increasing the sharing of resources.
- Reducing bureaucracy in our processes wherever possible.
- Making the most of our advanced Information Technology platforms to ensure efficiency is maximised.
- Different delivery models.

The review will not necessarily be focussed on current service structures, it will continue to look at processes and service delivery as staff costs are incurred. Whilst the Transformation Programme will focus on the areas identified above as priorities, this will be supplemented and supported by actions undertaken in Business Improvement Plans. These will help services achieve the efficiency savings targets that will be also included in the plans.

Council Tax Yield - £0.325m

The Council can consider applying a below inflationary increase to Council Tax for future as the detail behind the forthcoming funding arrangements is secured. It has been very difficult to accurately forecast inflation over the period of the strategy, however, assuming that 2.5% inflation is applied this will increase income yielded by £325k over the next two years from 2013/14.

The % increases applied to Council Tax charges since 2007/08 is as follows:-

Year	Council Tax Increase
2007/08	0.0%
2008/09	2.5%
2009/10	2.9%
2010/11	0.0%
2011/12	0.0%
2012/13	(1.0%)

Review of all Income Streams and Cost Recovery Models - £0.300m

The awaited amendments to the way in which Local Authorities should recover planning application costs will be fully utilised to ensure the most appropriate charging policy is implemented together with on going work to structure all our charging policies in ways to consistently achieve optimum effectiveness.

Rationalisation of Accommodation and Investment Properties - £0.100m

The key corporate project to rationalisation of accommodation project is well underway with the imminent transfer of staff from Bengal Street to Union Street. This will also present opportunities to generate income via the rental of Bengal Street when alternative depot arrangements are finalised. In addition the former White Heart Public House has also attracted recent interest from potential lessees.

Review of Major Contracts - £0.100m

The Councils spends in the region of £4.5m on its contracts with partners. As this is a significant spend area for the Councils we will continue to engage with our partners to review contracts in order to look for further opportunities to deliver the same or improved services in a different way that also reduces cost. Success to date has been significant as set out in the Council's Budget Report. For example the following areas will be due to specific detailed review in the forthcoming MTFS period: Vehicle and Mower Leases; Public Conveniences; Health and Safety; Stationery and IT Consumables; Utilities - Gas and Legal Reference Material.

Review of the Base Budget - £0.100m

Review all non staffing expenditure budget heads totalling in excess of £5.3m. This will include an all inclusive and corporate wide approach to budgets to ensure that all items are being resourced in the most cost effective way to achieve maximum standardisation of processes and economies of scale.

(5) SUPPORTING THE CORPORATE STRATEGY

The rate of progress in delivering the MTFS has resulted in a surplus within the Council's budget for 2012/13. This has facilitated the opportunity to accommodate a package of new budget growth investments. The package of schemes has been accounted for within the budget position contained within this MTFS presented for approval. The investment items permanently build into the budget provides capacity to mainstream enhanced services to the Chorley Community. The budget growth package supports the budget principles and contributes towards:

- a vibrant local economy,
- being healthy,
- safe respectful communities, and
- clean neighbourhoods.

This is a recurring investment in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes, as listed below, have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy.

Mainstreaming/Recurring New Growth Schemes	£m
Tackling Dog Fouling	0.075
Increase Number of Police Community Support Officers	0.055
Business Start Up – provision of support & advice	0.055
Debt Advice – debt advice to 600 residents	0.050
Community Safety and Independent Domestic Violence Advocacy IDVA	0.023
Sanctuary Scheme – support domestic violence victims in partnership with South Ribble BC	0.020
Total	0.278

The Budget Growth Package report also contains additional investments to those above. The headroom within the budget for 2012/13 also provides the opportunity to make further investments in services on a one off basis. This means that the expenditure for the growth items below will be incurred in 2012/13 only making only a temporary call on the Council's budget.

(see further details in the Budget Growth Package report on the agenda – Appendix C).

Two Year Investment	£m
Assisting NEETs – Council Apprenticeships	0.130
Sub Total – Two Year Investment	0.130
One off New Growth Schemes	£m
Grant scheme to local service centres	0.038
Sport Bus	0.017
Clean Up Chorley Campaign	0.100
Bus Shelter Improvement	0.075
Active Generation	0.031
Street Games	0.050
Street furniture replacement	0.075
Public Realm adoption	0.020
Improving pedestrian routes from car parks	0.010
Employee Health Scheme	0.020
Land Acquisition	0.010
Sub Total – One off Budget Growth Investments	0.445
TOTAL REVENUE BUDGET INVESTMENT	0.853

To also add to the investments listed above the Council is also proposing to deliver two new Capital schemes in its Capital Programme. The intension is to:

- (a) assist the Primary care Trust achieve its develop plan to provide Health Centre facilities on the Friday Street site. This proposal will hopefully act as an incentive to the PCT to progress this project. The scheme is innovative in nature with the Council relying on the move to localism to enable the scheme to proceed, and
- (b) acquire land at Gillibrand Street being a key strategic site in the Town Centre. The purchase will then provide an opportunity for the site to be redeveloped in the medium term and also provide an additional income stream to the Council in the short term. This is in addition with the Town Centre redevelopment including the ASDA site.

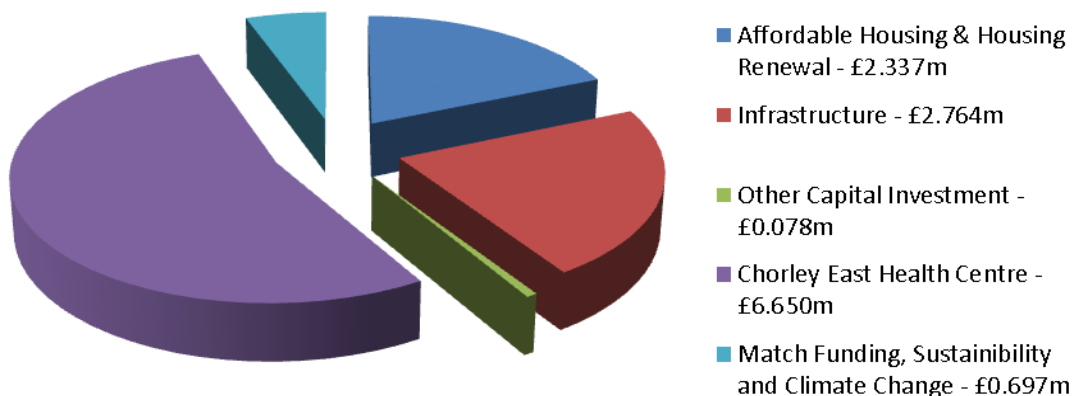
(6) CAPITAL PROGRAMME FORECAST

The Council's Capital Programme forms part of the Council's overall financial strategy to deliver some of its key objectives contained in the Corporate Strategy. Any programme, however, has to be affordable and based upon prudence. The current local government financial position and the need to make revenue savings will impact significantly on the Council's ability to finance capital spending. In this respect the Capital Programme has been constructed based upon the following strategic objectives.

- The resources available will be targeted at areas that deliver corporate objectives.
- Borrowing will be contained where possible to ensure the impact on revenue is minimised.
- The Council will continue to identify land to assist in delivering its affordable housing targets.
- The Council's assets not producing the required rate of return on investment will be disposed of as part of a strategic review of the Council's asset base.
- The Council will continue to invest in its own infrastructure reviewing the Asset Management Plan in 2012/13 to ensure levels of investment are appropriate and that asset transfer options are maximised.
- The Council will look to maximise opportunities to attract external finance to sustain its Programme of Work although this is likely to be limited in the next financial planning period.

As a consequence of adopting the strategy outlined above and incorporating the proposed new budget growth investments, the Council proposes to invest £12.525m as follows over the MTFS period. Funding the programme will require prudential borrowing borrow of £9.200m and capital receipts of £0.018m. The programme will be funded from a variety of sources, which is predicated on the strategic objectives outlined. (see Appendices B1, B2, B3 and B4 for further details of the Capital Programme 2012/13 to 2014/15)

Priority Areas for Capital Investment



(7) WORKING BALANCES

Previous financial strategies identified a number of changing external factors likely to have a negative shift on the risk profile impacting on the Council's ability to either attract funding or to influence expenditure has changed. As a result it was proposed that working balances were to be kept at a higher level in recognition of the risks with working balances to be no lower than £2m.

The greatest impact highlighted in the past with regard to the reduction of funding has come to fruition. The 2010 CSR witnessed significant funding reductions coupled with a degree of uncertainty in the form of a two, instead of four, year settlement period. Indeed influencing external factors continue to be a significant issue. The new Central Government grant distribution regime introduces year on year variable calculations as a permanent feature with regard to the Council's core funding presenting further uncertainty hindering accurate financing planning for the foreseeable future.

As members will be aware, working balances are there to protect Councils against the 'peaks and troughs' in expenditure and income and they allow fluctuations to be managed by bringing budgets back into balance. Sometimes this can take time. Maintaining working balances means the Council does not have to make short term reactive changes that can significantly impact on service performance. The Council continues to manage its budget effectively with no significant overspends on recurrent budgets in the last few years.

In terms of resource availability members will be aware, and as reported in monitoring, working balances are estimated to total £2.011m at the end of March 2012 after allowing for the contribution to the debt restructuring MTFS project and remaining within the proposed target level referred to above. The working balances position is made up of estimated balances in hand and forecast forward as shown below:

Forecast Working Balances

	£m
General fund working balance forecast Dec monitoring	2.076
Contribution to General Balances	0.185
Use of General Balances for Debt Restructuring within MTFS	(0.250)
Forecast balances 31/03/2012	2.011

Source: Revenue Budget Monitoring period ending December 2011.

In previous years the Council has been faced with the prospects of making significant budget savings and the budget will remain under pressure during 2012/13 to 2014/15 within an increasingly uncertain source funding environment. Savings are necessary firstly to contain Council Tax and secondly, to redirect resources into corporate priorities if necessary.

Some inherent risks remain in the budget and the underlying assumptions made have been outlined for members. I have outlined my views and advice in relation to the level and adequacy of working balances and summarise the key risks and mitigation through the actions outlined in this Medium Term Financial Strategy. In addition, I have outlined that the use of working balances is legitimate but should only be a short term strategy particularly in the light of the increasing fluctuating nature of local authority funding over a longer medium term.

On this basis the Council's strategic objectives in relation to working balances will be:

- To establish working balances no lower than £2m over the financial planning period 2012/13 – 2014/15.
- To review the financial risks facing the Council during 2012/13 taking into account the latest information available.

(8) TREASURY MANAGEMENT

The Chartered Institute of Public Finance and Accounting published Code of Practice for Treasury Management (Local Government Act 2003) also requires Council's to have regard to the prudential code. The primary requirements are to:

- Create and maintain a treasury management policy statement which sets out the policies and objectives to the Council's treasury management achievements.
- Create and maintain treasury management practices which set out the manner in which the Council will seek to achieve its policies and objectives.
- Provide the Executive with an annual strategy report.
- Specify to whom the responsibility for implementing and monitoring treasury management activities is delegated.

In all respects the Council complies with the above and reviews these requirements in the annual Treasury Strategy and also in the Treasury Mid Year Review reports.

In respect of Council Strategy for Treasury Management the principles will be as follows:-

The Council will:

- Have regard to the prudential code and set prudential indicators to ensure the Council's capital investment plans are affordable, prudent and sustainable.
- Make decisions regarding borrowing and investment based upon the latest information and look to optimise returns on investment and will minimise borrowing costs.
- Ensure the costs of borrowing are reflected in revenue forecasts.
- Comply with guidance relating to investments ensuring that capital is kept secure and liquidity is maintained at an appropriate level
- Not engage purely in borrowing to invest or lend on and make a return as this is unlawful.
- Agree a set of investment instruments which the Council can use based upon monitoring risk

The prudential indicators, targets and measures will be agreed as part of the budget setting process in February 2012, via the production of annual Treasury Management Strategy.

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Analysis of Budget Variations 2012/13 - 2014/15

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
CASH BASE BUDGET REQUIREMENT	14,562	13,668	13,677	13,627
<u>Cash Movements:</u>				
Inflation				
Pay	(21)	(55)	78	84
Pensions	65	(22)	70	70
Non-Pay	132	57	66	69
Contractual	262	517	150	162
Income	64	27	8	14
Increments	77	28	28	14
Volume Expenditure	7	(127)	(146)	136
Volume Income	329	16	80	10
Concessionary Travel	(729)			
Impact of Budget Decisions made for 2010/11	(50)			
Savings Identified 2011/12	(1,295)	(51)	(6)	(5)
Decisions Made/Savings Achieved	0	(945)	73	
Savings Proposals/Decisions Required	0	(30)	(6)	
Growth Items 2011/12 (non-recurrent)	266	(266)	0	0
Mainstream Growth Items 2012/13 (recurrent)		278	0	0
Growth Items 2012/13 & 2013/14		65	0	(65)
Growth Items 2012/13 (Non-recurrent)		445	(445)	
Other Virements		71		
DIRECTORATE CASH BUDGETS	13,668	13,677	13,627	14,116
Contingency:				
- Management of the Establishment	(300)	(200)	(200)	(200)
- Other Corporate Savings Targets	(58)	0	0	0
Directorate & Corporate Budgets	13,310	13,477	13,427	13,916
<u>Net Financing Transactions:</u>				
- Net Interest/Premiums/Discounts	102	0	28	28
- MRP less Commutation Adjustment	336	344	366	388
sub total	438	344	394	416
TOTAL EXPENDITURE	13,748	13,821	13,821	14,332
<u>Financed By:</u>				
Council Tax - Borough	(6,387)	(6,403)	(6,435)	(6,467)
Grant for freezing Council Tax	(159)	(318)	(159)	(159)
Parish Precepts	589	567	567	567
Council Tax Parishes	(589)	(567)	(567)	(567)
Formula Grant	(6,741)	(5,883)	(5,371)	(5,371)
New Homes Bonus	(250)	(1,044)	(1,044)	(1,044)
Performance Reward Grant	(80)	(89)	0	0
Area Based Grant	0	0	0	0
LABGI Grant	(75)	0	0	0
Collection Fund (Surplus)/Deficit	(26)	(40)	0	0
Transfers to/(from) Earmarked Reserves	(30)	(31)	79	(33)
Local Services Support Grant	0	(71)	(71)	(71)
Transfer to/(from) General Balances	0	0	0	0
TOTAL FINANCING	(13,748)	(13,880)	(13,001)	(13,145)
NET EXPENDITURE	0	(58)	820	1,187
Analysis of Net Expenditure in Year (Budget Gap)	0	(58)	878	367

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Significant Budget Movements 2011/12 to 2012/13

Description	Details	2012/13 Budget Change £	2012/13 Budget Change £
Non-Pay			
Housing & Council Tax Benefits	Anticipated increase in costs for 2012/13	48,050	
Non Domestic Rates	Anticipated increase in costs for 2012/13	6,220	
Misc	Various minor changes	2,760	
			57,030
Contracts			
Waste contract	Original stepped increase in contract price plus higher than anticipated inflationary increases for 2011/12 and 2012/13 to give the base budget, prior to the contract savings achieved which are outlined below.	432,290	
Active Nation leisure contract	Base budget review and inflationary increase for 2012/13	44,630	
Property Services	Inflationary increase on Liberata property services contract	17,490	
ICT Contracts	Inflationary increase on various ICT contracts	10,370	
Utilities	Inflationary increase on gas, electricity and water charges.	5,470	
Cleaning/Attendants Service	Brought in provision for Astley Park conveniences for full year & realignment of opening hours for market conveniences.	4,530	
Misc	Various minor changes	2,200	
			516,980
Volume Expenditure			
Business Director and Support	Fixed Term Business Support Officer post ends February 2012.	(19,330)	
Get Up & Play Rangers	Reduction in staff costs when National Lottery Grant funding ends. Offset by loss of income shown below.	(24,880)	
Street Games	Reduction in staff costs when National Lottery Grant funding ends. Offset by loss of income shown below.	(54,030)	
Active Generation	Reduction in staff costs when LPSA Performance Reward Grant ends. Offset by loss of income.	(16,280)	
Deletion of Scale 3 post.	Post deleted to fund ICT projects outlined in September budget monitoring report.	(22,000)	
Lead Consultants' Fees	LCC costs re Ecological and Archaeological advice.	11,000	
IT Software - Annual Licences	Additional licences for Housing staff required re Spatially enabled and Orb IT software for GIS.	7,800	
Cotswold House - Dwelling Rents Voids	Voids level raised from 15% to 20% (2010/11 20%, 2011/12 22.4%)	17,650	
Dwelling Rent Bad Debt Provision	Re-assessment of bad debt risk.	(13,000)	
Lifeskills Co-ordinator post	Post extended for 12 months to 31/03/13. Cotswold Supporting People grant includes provision for a Lifeskills Officer	25,180	
Operational Employees Salaries	Temporary post extended to 31/12/12 fifteen months - externally funded	6,000	
Waste Water	To bring 2012/13 in line with 2011/12 expenditure	22,970	

Significant Budget Movements 2011/12 to 2012/13

Description	Details	2012/13 Budget Change £	2012/13 Budget Change £
LCC Pensions Account	Payments to LCC for Added Years Pension costs lower than anticipated for 2011/12.	(9,120)	
LCC Pensions Account	Adjustment to pensions account regarding former CBC staff at Chorley Community Housing.	(29,500)	
External Audit Fees	Reduction in Fees charged by Audit Commission	(12,200)	
Shared Assurance Services	Reduction in recharge from SRBC for Shared Assurance Services	(8,600)	
General Subscriptions	Reduction for APSE - no longer subscribing	(5,500)	
Non Domestic Rates	NNDR for use of Yarrow Bridge Depot.	9,300	
Operational Employees Salaries	For additional marginal costs for taking on LCC grass cutting work offset by income	27,000	
Diesel/Derv	Inflationary increase in prices.	15,000	
Dog Waste Service	Work now done in house (this includes virements for fuel & vehicle costs)	(9,130)	
Area Based Grant funded schemes.	Reduction in project costs as unlikely to get any Area Based Grant funding in 2012/13. Offset by reduction in income shown below.	(57,440)	
Home Improvement Grants	Preston Care and Repair carrying out the Handyperson scheme funded by additional income detailed below.	25,630	
Electricity - Civic Buildings	Adjustment based on review of usage at Town Hall and Union Street	(21,910)	
Misc	Various minor changes	7,960	
			(127,430)
Volume Income			
Get Up & Play Rangers	Rreduced Income - National Lottery Grant	24,880	
Street Games	Rreduced Income - National Lottery Grant	54,470	
Active Generation	reduced Income - LPSA Performance Reward Grant	17,280	
Street Names and Numbering	Additional income achieved.	(5,000)	
Markets	Continental Market and Flea Market now managed internally	(11,800)	
LCC Refuse & Recycling Cost Share Arrangement	This is the property based payment mechanism payment which we receive from LCC for providing a 3 tier recycling service. The change represents an increase to bring the budget in line with 2011/12 confirmed income, but excludes any inflationary increase for 2012/13.	(52,100)	
LCC Refuse & Recycling Cost Share Arrangement	Confirmed figure of £19.05 per household for 2012/13 and assumed growth of 400 properties.	(51,350)	
Loss of recycle income	This income stream is increased in line with the August RPIX.	(7,350)	
Golf Course Land Rent	Increased rental income as per contract £87,600 to £95,000	(7,400)	
Additional Benefits Subsidy	Full benefits subsidy recoverable as a result of two landlords now treated as Registered Social Landlords.	(133,480)	
Service Level Agreements	Loss of income from Chorley Community Housing when SLA for Gillibrand Street Offices ends on 31 March 2012.	124,070	
Service Level Agreements	Loss of income from CCH at Bengal Street Depot	40,000	

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Significant Budget Movements 2011/12 to 2012/13

Description	Details	2012/13 Budget Change £	2012/13 Budget Change £
Summons/Committal costs recovered	Budget realignment. Reduction in income following changes to summons/committal fees relating to Council Tax recovery.	30,000	
Miscellaneous Contributions	Children's Trust via PCT	(20,000)	
Civic Amenity Collection	To bring in line with 2011/12 forecasts	10,100	
LCC Agency Reimbursement	To bring in line with 2011/12 Actual. There will be additional inflation.	(4,100)	
LCC Agency Reimbursement	Additional income from LCC for cutting grass verges	(27,000)	
Rechargeable Works	Work done for Parish Councils for grass cutting etc. Budget realigned due to reduction in demand.	9,890	
Emptying Dog waste bins	Will not be charging for these from 2012/13 as no requirement to separate dog waste from normal waste.	4,900	
Rent Misc Properties	Rent on White Hart Public House - not occupied at this point	32,500	
Rent Garages	Reduction in number of occupied Garages.	7,560	
Rent Misc Properties	Rent reviews in 2011/12 and occupancy of 112A Market St	(15,010)	
LAA Reward Grant/Area Based Grant	Unlikely to get any Area Based Grant funding in 2012/13.	58,440	
Cotswold House - Rent Misc Properties	Increase in rent fee charged to Cotswold Supported Housing tenants offset by added benefit income	(3,360)	
Cotswold House - Service Charge	Increase in service charge fee charged to Cotswold Supported Housing tenants	(17,540)	
Cotswold House	Supporting People Income	(2,740)	
Inspection Fees Building Control	Reassessment of budget based on past income history	10,000	
Home Improvement Grants	Preston Care and Repair carrying out the Handyperson scheme	(25,630)	
Gillibrand Street Offices	New rental income for 2012/13 from Asda Stores Ltd	(50,000)	
Human Resources service	Contract for H.R. service for St. Catherine's Hospice up for renewal.	25,000	
Misc	Various minor changes	1,050	
			16,280
Decisions Made/Savings Achieved			
New Chief Executive arrangement	Saving from deletion of Director of Finance post following new Chief Executive arrangement, less loss of income from shared arrangement with Wyre BC.	(68,000)	
Review of printing and copying	Procurement of new printers and new printing arrangements following review.	(18,000)	
Public Convenience cleaning contract	As per contract negotiations. This does not include the saving from reducing the opening hours at the market conveniences.	(25,550)	
Liberata Contract	Backdated increase in contract price for 2010/11 lower than budgeted, plus negotiated savings on contract with effect from 2012/13	(28,110)	
ICT Contracts	Savings on various contracts re-negotiated for 2012/13	(54,700)	

Significant Budget Movements 2011/12 to 2012/13

Description	Details	2012/13 Budget Change £	2012/13 Budget Change £
Civica Authority Financials	Saving achieved from shared arrangement with South Ribble Borough Council for Civica Financial system.	(12,940)	
Allpay transaction charges.	Saving from joint procurement exercise with other local authorities for new Allpay contract.	(7,500)	
Insurance Premiums	Saving from joint insurance procurement exercise with SRBC.	(32,340)	
Insurance Brokerage	Saving from joint insurance brokerage with SRBC.	(2,900)	
Legal Publications	Saving from joint procurement exercise with SRBC for on-line legal publications.	(5,400)	
Review of Veolia waste contract	Review of impact of new properties on contract prices & introduction of ceiling to restrict future price increases from new properties.	(158,000)	
Review of Veolia waste contract	Waste Contract - saving from deferred food waste collections	(68,750)	
Review of Veolia waste contract	Waste Contract - saving from delayed purchase of new vehicles	(75,370)	
Planning Restructure	Planning Restructure	(56,460)	
Planning Fees Reviewed	Planning Fees Reviewed	(58,350)	
Bengal St Depot relocation	Relocate the Council's depot to a more fit for purpose site and generate rental income from the old site.	(35,000)	
Revenues & Benefits restructure	Changes to the staffing structure for the Revenues & Benefits Service	(80,750)	
Lancastrian Room Hire	Proposal for new pricing structure which includes the reintroduction of private parties.	(5,000)	
New income streams	Charging policy for Housing Act 2004 (Immigration inspections & enforcement notices and orders) in line with report to Executive Cabinet 15/12/2011	(1,000)	
Debt Restructuring	Reduction in MRP following repayment of short term debt.	(50,000)	
Base Budget Review	Review of significant budget underspends in 2010/11 and potential savings.	(69,000)	
Shared Financial Services reviews	Restructure of Shared Financial Services	(32,000)	
			(945,120)
Decisions to be Made			
Markets NNDR	Revaluation of Markets NNDR and individual NNDR liability of cabin holders.	(16,000)	
Fees & Charges Review	Proposed 3% increase in selected Fees & Charges	(10,070)	
Astley Hall Revised Charging Structure	New pricing structure to encourage greater use of the facility now park improvements have finished	(4,000)	
			(30,070)
Mainstream Growth Items (Recurrent)			
IDVA - Community Safety	Support for the shared community safety analyst, MADE system and IDVA service.	23,000	
Sanctuary Scheme	Continuation of shared co-ordinator post to support the victims of domestic violence.	20,000	
Business start up scheme	Investment to provide support and advice for approximately 98 business start ups.	55,000	
CAB funding	Funding to replace Legal Service Commission for CAB to provide debt advice to 600 residents.	50,000	
PCSO's	Additional resource to increase the number of PCSO's in the borough by 5, to a total of 27.	55,000	
Tackling Dog Fouling	Provide borough wide campaign to change dog owner behaviour.	75,000	
			278,000

Significant Budget Movements 2011/12 to 2012/13

Description	Details	2012/13 Budget Change £	2012/13 Budget Change £
Growth Items (2012/13 & 2013/14)			
NEET - Apprenticeships	Creation of 10 apprentice posts using LCC Future Horizons scheme.	65,000	
			65,000
Growth Items (Non-Recurrent)			
Business Rate & Refurbishment Grants	Extension of grant scheme to local service centres for business rate subsidy & shop floor refurbishment.	37,700	
Active Generation	Staffing budget required for continuation of active generation programme for people aged over 50.	31,000	
Street Games	Staffing budget required for continuation of programme for sporting opportunities for young people.	50,000	
Sport Bus	Provide weekly transport and sport activity service for 14 to 17 year olds.	17,000	
Clean up Chorley Borough campaign	Campaign to target fly tipping, graffiti, and identified areas for environmental improvement.	100,000	
Bus Shelter Improvement	Repair, refurbishment and replacement of Council owned bus shelters.	75,000	
Street Furniture	Replacement and refurbishment programme for litter bins.	75,000	
Public Realm adoption	Project to improve process of adopting of land, services and amenities.	20,000	
Improve pedestrian routes	Improve accessibility and safety of pedestrian routes from car parks to town centre.	9,500	
Employee Health Scheme	Human Resources budget provision to cover employees health issues	20,000	
Land Acquisition	Revenue implications of acquisition of town centre land.	10,000	
			445,200
Other Changes			
Council Tax Base	Adjustment to Council Tax Base in line with report.	(48,520)	
Interest receivable	Additional interest following Landsbanki outcome.	(14,000)	
Performance Reward Grant	PRG revenue funding remaining for 2012/13	(89,000)	
Management of the Establishment	Reduction in savings target from management of the establishment following reduction in vacant posts.	100,000	
			(51,520)
		224,350	224,350

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Special Expenses 2012/13

Parish	Taxbase No.	Grounds Maintenance Costs £	Borough Special Expenses at Band D £	Borough General Expenses £	Borough Services Council Tax £	Parish Precept £	2012/13 Band D Parish Precept £	2012/13 Combined Borough and Parish £	2011/12 Band D Parish Precept £	Percentage Increase %	2011/12 Combined Borough and Parish £	Percentage Increase %
Adlington	1,955.60	9,407	4.81	158.39	163.20	17,500	8.95	172.15	9.01	-0.7%	173.83	-1.0%
Anderton	494.10	1,017	2.06	158.39	160.45	4,600	9.31	169.76	9.30	0.1%	171.34	-0.9%
Anglezarke	17.20	-	-	158.39	158.39	-	-	158.39	-	0.0%	159.99	-1.0%
Astley Village	1,085.90	29,382	27.06	158.39	185.45	22,980	21.16	206.61	18.92	11.8%	205.70	0.4%
Bretherton	291.50	-	-	158.39	158.39	9,680	33.21	191.60	31.40	5.8%	191.39	0.1%
Brindle	462.10	2,165	4.68	158.39	163.07	6,800	14.72	177.79	14.79	-0.5%	179.48	-0.9%
Charnock Richard	689.20	2,656	3.85	158.39	162.24	25,000	36.27	198.51	37.18	-2.4%	201.11	-1.3%
Clayton le Woods	4,761.80	179,164	37.63	158.39	196.02	95,240	20.00	216.02	25.00	-20.0%	222.73	-3.0%
Coppull	2,356.20	18,639	7.91	158.39	166.30	79,750	33.85	200.15	34.49	-1.9%	202.41	-1.1%
Croston	1,036.50	9,585	9.25	158.39	167.64	21,010	20.27	187.91	20.28	0.0%	189.57	-0.9%
Cuerden	40.10	455	11.35	158.39	169.74	1,030	25.69	195.43	26.28	-2.2%	197.91	-1.3%
Eccleston	1,568.10	7,569	4.83	158.39	163.22	41,310	26.34	189.56	26.34	0.0%	191.15	-0.8%
Euxton	3,656.90	62,065	16.97	158.39	175.36	104,270	28.51	203.87	30.62	-6.9%	208.16	-2.1%
Heapey	378.70	6,565	17.34	158.39	175.73	8,990	23.74	199.47	23.75	0.0%	201.04	-0.8%
Heath Charnock	791.80	16,699	21.09	158.39	179.48	8,250	10.42	189.90	7.19	44.9%	188.01	1.0%
Heskin	348.60	1,442	4.14	158.39	162.53	10,810	31.01	193.54	31.13	-0.4%	195.30	-0.9%
Hoghton	358.30	2,443	6.82	158.39	165.21	5,000	13.95	179.16	12.09	15.4%	178.78	0.2%
Mawdesley	753.70	1,013	1.34	158.39	159.73	25,000	33.17	192.90	33.31	-0.4%	194.65	-0.9%
Rivington	50.80	-	-	158.39	158.39	2,500	49.21	207.60	39.84	23.5%	199.83	3.9%
Ulnes Walton	254.80	-	-	158.39	158.39	5,360	21.04	179.43	20.99	0.2%	180.98	-0.9%
Wheelton	393.90	-	-	158.39	158.39	11,130	28.26	186.65	28.10	0.6%	188.09	-0.8%
Whittle Woods	2,123.40	44,587	21.00	158.39	179.39	31,740	14.95	194.34	16.21	-7.8%	198.38	-2.0%
Withnell	1,234.90	10,638	8.61	158.39	167.00	29,270	23.70	190.70	23.46	1.0%	191.96	-0.7%
All other parts of the Council's area	10,909.70	292,987	26.86	158.39	185.25	-	-	185.25	-	0.0%	187.15	-1.0%
Total	36,013.80	698,479	19.39	158.39	177.78	567,220	15.75	193.53	16.57	-4.9%	196.15	-1.3%

Taxbase	36,013.80
Borough Council Tax	177.78
Council Tax Generated	<u><u>6,402,533</u></u>

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Report of	Meeting	Date
Chief Executive	Special Council	28 th February 2012

BUDGET CONSULTATION 2012

PURPOSE OF REPORT

1. This report provides the Council with the results of the public consultation carried out on the Executive's draft budget principles for 2012/13.

RECOMMENDATION(S)

2. That Members use the results which highlight the views of residents to inform their decisions on setting the Budget for 2012/13.

EXECUTIVE SUMMARY OF REPORT

3. The results of the consultation show that residents who took part in the consultation are broadly in agreement with the budget principles put forward by the Executive, particularly in view of Council Tax setting but also in priorities for investment and maintaining spending.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

4. This report relates to the following Strategic Objectives:

Strong Family Support	√	Education and Jobs	√
Being Healthy	√	Pride in Quality Homes and Clean Neighbourhoods	√
Safe Respectful Communities	√	Quality Community Services and Spaces	√
Vibrant Local Economy	√	Thriving Town Centre, Local Attractions and Villages	√
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			√

BACKGROUND

5. The consultation to support the 2012 budget cycle included: an online survey posted on the website; an email survey sent to over 500 residents; press releases; provision of paper surveys and the use of Facebook and twitter to specifically target younger residents.
6. The public consultation was based on the proposals set out in the Council's Budget Principles which were approved by Executive Cabinet on the 15th December 2011. Residents were asked to provide their opinions on the following:

- The level Council tax should be set at for 2012/13
- Chorley’s key budget principles for 2012/13
- Proposed key areas of investment and maintaining spending
- Areas for improvement in Chorley

RESULTS OF CONSULTATION

7. The quantitative results presented below come from the public survey which ran from December 20th 2011 to the 31st January 2012. 256 residents responded to the consultation. (Please note that not all answers will sum to 256 as some residents chose to skip questions).

COUNCIL TAX

8. 83.5% (213) of respondents agreed with the proposal to freeze Chorley Council's element of council tax, 16.5% (42) disagreed. Of those who did not want a freeze, 87.8% (36) would be happy with an increase in Council Tax, 12.2% (5) would prefer a cut.

BUDGET PRINCIPLES

9. Respondents were asked to score all principles and areas for investment on a 5 point scale from strongly agree to strongly disagree. The results below rank the principles in order of agreement.

BUDGET PRINCIPLE	Agree	Disagree
Provide better value services - provide value for money to the tax payer of Chorley by changing the way we work and increasing staff productivity	92.7%	2.3%
Safeguard frontline services - Savings and efficiencies should wherever possible come from managerial and administrative costs, better procurement and non priority areas rather than services the taxpayer values	90%	3.2%
Generate money by providing services , such as consultancy and contracted work for other authorities where we have been recognised as excellent	87.3%	5.9%
Reduce debt to avoid debt repayment charges rather than make additional expenditure	86.7%	4.2%
Look for opportunities to share services with other councils or partners to make savings	83.5%	7.4%

AREAS FOR INVESTMENT

10. All of the specified areas for investment identified by the Executive achieved where agreeable to the majority of respondents. The results are listed below:

AREA FOR INVESTMENT	Agree	Disagree
Develop a programme to tackle the issue of youth unemployment in Chorley	78.6%	8.6%
Restrict increases in market rents	67.5%	12.7%
Restrict increases in car parking charges	64.4%	16.1%
Maintain support for the voluntary sector	62.2%	11.7%
Allocate resources to support new business start ups	59.3%	16.2%
Maintain funding support for Police Community Support Officers (PSCOs).	57.4%	23.2%

11. Areas in need of improvement

Residents were also asked to rate key areas for improvement in the borough on a scale of 1-5, where 1 means in need of no improvement and 5 meant it was as very much in need of improvement. The top areas in need of improvement are ranked below:

	Residents rating 4 or 5 (out of 5)	Average score (out of 5)
Job prospects	55.1%	3.56
Town centre investment	49.5%	3.40
Local shopping facilities	46.2%	3.28
Activities for teenagers	44.1%	3.27
Support for older people	43.4%	3.37
Anti social behaviour	39.6%	3.26
Other	35.5%	2.52
Support for local businesses	33.5%	3.03
Affordable decent housing	32.0%	2.91
Health issues and inequalities	29.7%	2.85
The level of crime	29.6%	3.02
Support for the Community and Voluntary sector	29.4%	2.83
Opportunities for volunteering	29.1%	2.81
Facilities for young children	27.5%	2.88
Clean streets	27.1%	2.84
Community Activities	25.4%	2.79
Parks and open spaces	21.4%	2.59
Sports & Leisure facilities	20.3%	2.61
Waste collection & recycling	17.8%	2.24
Cultural facilities such as Astley Hall	16.5%	2.48
Race relations	14.4%	2.31

IMPLICATIONS OF REPORT

12. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required	N
No significant implications in this area	√	Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

13. The comments of the Statutory Finance Officer on the 2012/13 Budget are contained on a separate report on the agenda.

COMMENTS OF THE MONITORING OFFICER

14. As the report relates to informing Councillors of a consultation response there are no legal comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Wilkinson: Performance Officer	5248	1st February 2012	Budget Consultation Report 2012

Background Papers			
Document	Date	File	Place of Inspection
***	***	***	***

Report Author	Ext	Date	Doc ID
***	***	***	***

Report of	Meeting	Date
Chief Executive	Special Council	28 February 2012

ASSESSING THE IMPACT OF 2012/2013 BUDGET PROPOSALS

PURPOSE OF REPORT

1. To provide Members with an assessment of the impact of the budget proposals on equality, health and sustainability

RECOMMENDATION(S)

2. It is recommended that Members use the information provided in this report and the appendices to inform the budget process to ensure that fair financial decisions are made.

EXECUTIVE SUMMARY OF REPORT

1. Under equality legislation in the Equality Act 2010, public authorities have legal duties to pay 'due regard' to the need to eliminate unlawful discrimination and promote equality of opportunity between people who share a protected characteristic and those who do not, as well as to promote good race relations. The law requires that this duty to pay 'due regard' be demonstrated in the decision making process, including financial decisions
2. To meet this requirement in relation to the budget growth proposals 2012/2013, work has been undertaken to assess the impact of the proposals. This report presents the findings and recommendations based on this work.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

3. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy	✓	Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities	✓	Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	✓
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			✓

BACKGROUND

- 3. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard' in terms of the Equality Act. This includes financial decisions, as set out in the guidance *Using the Equalities Duties to make fair financial decisions*, as published by the Equality and Human Rights Commission, September 2010
- 4. These assessments must be carried out at a formative stage in the development of a policy, procedure or practice, and can take any form appropriate as long as the legal duties are met. The framework that has been used in this process is to undertake integrated impact assessments - this includes an assessment of equality, sustainability, health, and reputation.
- 4. To support the decision making process around the development of the budget, a series of impact assessments have been undertaken on proposals that could have an impact on customers or staff. These assessments are available as background papers to this report. An overall impact assessment has also been developed on the proposed budget. This includes a consideration of the potential impact of the whole budget, as well as including the findings of the more detailed assessments. The overall assessment is attached at Appendix A.

RESULTS OF THE IMPACT ASSESSMENTS

- 5. No recommendations have been made following both the individual and overall assessments. However, in line with the Council's Equality Scheme, any further changes made to service delivery as part of the budget process will be assessed to ensure that any potentially negative impacts are mitigated or avoided.

IMPLICATIONS OF REPORT

- 6. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	✓
Legal		Integrated Impact Assessment required?	✓
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

- 7. The comments of the Statutory Finance Officer on the 2012/13 Budget are contained on a separate report on the agenda.

COMMENTS OF THE MONITORING OFFICER

- 8. Compliance with the Council's Equality Scheme provides evidence of the discharge of the Council's legal obligations under the Equality Act.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

- 9. This report support the Council in fulfilling its duty to have due regard to eliminate discrimination and promote equality, as required by the Equality Act and the council's Equality Scheme. Members should consider the implications and recommended actions during their decision making.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Rebecca Huddleston	5779	16 February 2012	Budget Equality Report 2012

Integrated Impact Assessment

Name of the service, policy, strategy or project being assessed	Overall budget proposals
What does the service, policy, strategy or project do?	Makes proposals for the budget setting process for 2012/2013. NB: Individual impact assessments have been undertaken on proposals that could potentially lead to a reduction in investment in service or potentially change the way in which customers access services. This assessment correlates the results of those separate assessments.
Who is it intended to benefit and how?	Chorley residents – by considering these budget growth options the Council will be better placed to invest in priorities and frontline services.
Officer responsible for completing the assessment	Rebecca Huddleston
Date of Assessment	09/02/2012

Equality Impact Assessment	Yes	No	Evidence			
1. Have consultations with relevant groups, organisations or individuals indicated that this particular activity will create problems which are specific to them?	✓		High level budget consultation has been conducted. 256 residents responded to the consultation which asked residents about whether they supported the Council's budget principles and what areas/services require investment.			
What potential impact does this activity make to:						
	P	N	U	NI	Evidence	
2. Equality of opportunity amongst customer groups of different racial backgrounds (Race)				✓	No proposals should have a differential affect on any customers because of these characteristics.	
3. Equality of opportunity amongst male and female customers (Sex)				✓	The sanctuary scheme and IDVA service supports anyone affected by domestic violence and monitoring of the take up of both services is carried out.	
4. Equality of opportunity amongst able bodied customers and customers with a disability (Disability)				✓	No proposals should have a differential affect on any customers because of these characteristics.	
5. Equality of opportunity amongst customers of different ages (Age)	✓				A number of the investment proposals will have a positive impact on age groups that may otherwise be disadvantaged. This includes the NEET, Street Games and Sports Bus proposals that are targeted to young people and Active Generation that is targeted at those above 50.	
6. Equality of opportunity amongst customers of different sexual orientations (Sexual Orientation)				✓	No proposals should have a differential affect on any customers because of these characteristics.	
7. Equality of opportunity amongst customers of different religions (Religion or Belief)				✓	No proposals should have a differential affect on any customers because of these characteristics.	
8. Equality of opportunity amongst customers that live in different parts of Chorley (Rurality)	✓				The sports bus and extension of grant scheme to local service centres are proposals that target rural areas, enabling people from those areas to more easily access services that are available in other areas of Chorley. The grant scheme is an extension of one that is already running in the town centre.	

Sustainability Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. The effective protection of Chorley's environment. Possible issues to consider are; <ul style="list-style-type: none"> • Limiting waste generation & encouraging recycling • Limiting factors that contribute to climate change • Protection of and improving access to the natural environment 	✓				A number of proposed schemes will have a positive impact on Chorley's environment. These include: <ul style="list-style-type: none"> • Clean up Chorley Campaign • Tackling dog fouling • Street furniture replacement
2. Prudent usage of natural resources. Possible issues to consider are; <ul style="list-style-type: none"> • Limiting use of non sustainable energy, water, minerals and materials • Reducing the need to travel and encouraging walking, cycling and low carbon modes of travel 			✓		No proposals should have a detrimental effect on prudent use of natural resources.
3. Social progress amongst all of Chorley's communities. Possible issues to consider are; <ul style="list-style-type: none"> • Opportunities for education and information • Provision of appropriate and sustainable housing • Reduced fear of crime and community safety • Access to cultural and leisure facilities • Encouraging engagement and supporting volunteering 	✓				A number of proposed schemes will have a positive impact on social progress amongst all of Chorley's communities. These include: <ul style="list-style-type: none"> • Active generation • Street games • NEET • IDVA • Sanctuary Scheme • PCSO's
4. A vibrant local economy in Chorley. Possible issues to consider are; <ul style="list-style-type: none"> • Supporting better quality jobs and developing the skills of local residents • Supporting local business by procuring goods and services locally 	✓				The proposals around investment in the business start up scheme and extension of grants to local service centres, NEET and CAB are agreed all support a vibrant local economy in Chorley.

Sustainability Impact Assessment	P	N	U	NI	Evidence
<ul style="list-style-type: none"> Strengthening links with public, private and third sector partners 					

Health Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. Encouraging healthy lifestyles across Chorley's population. Possible issues to consider are; <ul style="list-style-type: none"> Diet and nutrition Exercise and physical activity Substance use: tobacco, alcohol and drugs Risk taking behaviour Education and learning, or skills 	✓				The following schemes will have a positive effect on healthy lifestyles across Chorley's population: <ul style="list-style-type: none"> Active generation Street games Sports bus
2. Promoting a positive social environment for all of Chorley's residents. Possible issues to consider are; <ul style="list-style-type: none"> Social status Employment (paid or unpaid) Social/family support Stress/Mental Health Income 	✓				The proposed investment in the active generation, street games, sports bus, CAB, NEET, business start up scheme all support a positive social environment for Chorley's residents.
3. Promoting a positive physical environment across Chorley. Possible issues to consider are; <ul style="list-style-type: none"> Living conditions Working conditions Accidental injuries or public safety Transmission of infectious disease 	✓				The proposed investment in the public realm scheme and the project to Improve pedestrian routes from car parks into the town centre, and gateway at New Market Street will all support a positive physical environment across Chorley.

Reputational Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. Chorley Council's reputation. Possible issues to consider are; <ul style="list-style-type: none"> • Proving to residents that we provide value for money • Informing and engaging with local residents • Building trust and confidence in Chorley Council • Improving customer satisfaction with council services • Chorley Council's role as a community leader 	✓				All of the proposals within the budget growth paper should have a positive impact on the Council's reputation.
2. Our ability to deliver the Corporate Strategy. Issues to consider are; <ul style="list-style-type: none"> ▪ Community aspirations are delivered through the efficient use of resources and performance management ▪ An excellent community leader ▪ A provider and procurer of high quality, coordinated public services ▪ Excellent council that is continually striving to improve ▪ Reducing the council's energy consumption 				✓	Overall, the Corporate Strategy will continue to be delivered through key projects and business improvement planning.

Reputational Impact Assessment	P	N	U	NI	Evidence
<p>3. Our ability to deliver the Sustainable Community Strategy. Issues to consider are;</p> <ul style="list-style-type: none"> • Strong Family Support • Education and Jobs • Being Healthy • Pride in Quality Homes and Clean Communities • Safe Respectful Communities • Quality Community Services and Spaces • Vibrant Local Economy • Thriving Town Centre, Local Attractions and Villages • Sustainable Places and Transport 				✓	Overall, the Community Strategy will continue to be delivered through the SCS Delivery Plans.

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