

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

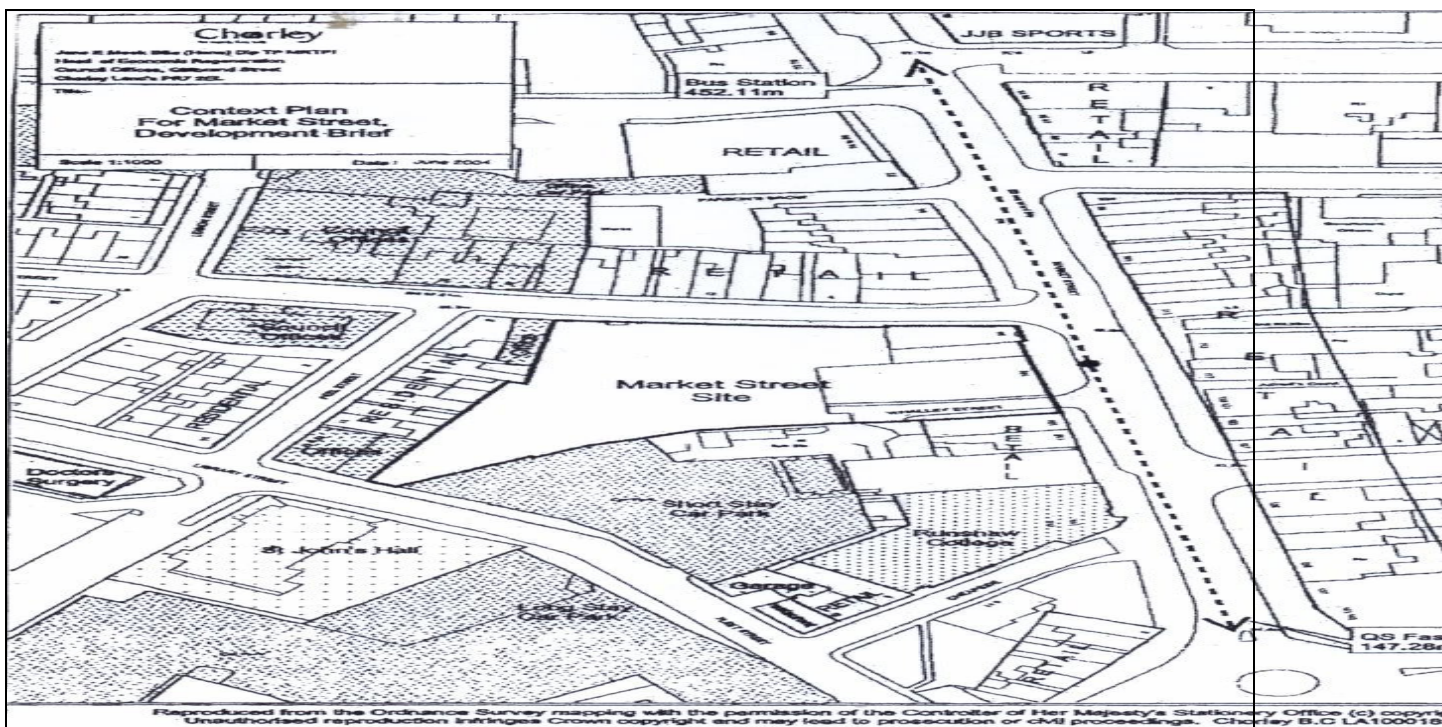
10. The Council disposed of the Friday street site in the belief that the PCT would develop the health centre. Members will be aware that to date no progress has been made with affordability appearing to be the stumbling block. In order to try to move thing forward a number of meetings have been held 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>

APPENDIX C1

	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	