

COUNCIL

TUESDAY, 3RD MARCH 2015, 6.30 PM
COUNCIL CHAMBER, TOWN HALL, CHORLEY

I am now able to enclose, for consideration at the above meeting of the Council, the following reports that were unavailable when the agenda was published.

Agenda No	Item	
5	GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX FOR 2015/16	(Pages 15 - 40)
	To seek approval to recommendations from the Executive contained in a report of the Chief Executive and within the appendices listed below.	
	Members are reminded that there is now a requirement under the Local Authorities (Standing Orders) Regulations 2014 to record how all councillors have voted on decisions at budget setting meetings, including any proposed amendments.	
APPENDIX A		
5A	APPENDIX A1 - COUNCIL TAX RESOLUTION (TO FOLLOW)	
5B	APPENDIX A2 - COUNCIL'S PAY POLICY	(Pages 41 - 50)
5C	APPENDIX A3 - FEES AND CHARGES	(Pages 51 - 52)
5D	APPENDIX A4 - CHANGES TO MARKET RENTS W.E.F. 01/04/15	(Pages 53 - 56)
APPENDIX B		
5E	APPENDIX B1 - CAPITAL PROGRAMME 2015/16 TO 2017/18	(Pages 57 - 58)
5F	APPENDIX B2 - CAPITAL PROGRAMME FINANCING 2015/16 TO 2017/18	(Pages 59 - 60)
5G	APPENDIX B3 - DEVELOPER CONTRIBUTIONS 2015/16 TO 2017/18	(Pages 61 - 62)
APPENDIX C		
5H	APPENDIX C - BUDGET INVESTMENT PACKAGE 2015/16	(Pages 63 - 74)

5I	APPENDIX C1 - PROJECT MANDATES FOR BUDGET INVESTMENT	(Pages 75 - 172)
APPENDIX D		
5J	APPENDIX D - TREASURY STRATEGIES AND PRUDENTIAL INDICATORS 2015/16 TO 2017/18	(Pages 173 - 196)
APPENDIX E		
5K	APPENDIX E - REPORT OF THE STATUTORY FINANCE OFFICER	(Pages 197 - 204)
APPENDIX F		
5L	APPENDIX F - MEDIUM TERM FINANCIAL STRATEGY	(Pages 205 - 224)
5M	APPENDIX F1 - ANALYSIS OF BUDGET VARIATIONS 2015/16 TO 2017/18	(Pages 225 - 226)
APPENDIX G		
5N	APPENDIX G - SIGNIFICANT BUDGET MOVEMENTS FROM 2014/15	(Pages 227 - 228)
5O	APPENDIX G1 - BASE BUDGET REVIEW	(Pages 229 - 230)
APPENDIX H		
5P	APPENDIX H - SPECIAL EXPENSES AND PARISH PRECEPTS	(Pages 231 - 232)
APPENDIX I		
5Q	APPENDIX I - BUDGET CONSULTATION 2015/16	(Pages 233 - 240)
APPENDIX J		
5R	APPENDIX J - ASSESSING THE IMPACT OF THE 2015/16 BUDGET PROPOSALS	(Pages 241 - 250)

GARY HALL
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Council

If you need this information in a different format, such as larger print or translation, please get in touch on 515151 or chorley.gov.uk



Report of	Meeting	Date
Executive Cabinet (Introduced by the Executive Member for Resources)	Special Council	5 th March 2015

GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2015/16

PURPOSE OF REPORT

1. To seek approval of the Executive's budget proposal including the Council Tax rate to be received in 2015/16.

RECOMMENDATION(S)

2. The Executive recommends that Council:
 - a) Approves the budget and proposals set out in this report including:
 1. Council Tax set out in the resolutions (at Appendix A1).
 2. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April.
 3. Maintain the fees and charges in Appendix A3 at current 2014/15 prices (other than those itemised in Appendix A4).
 4. Approve the proposed changes to Market Rents as in this report and in Appendix A4.
 5. Approve the four new growth budget items.
 - b) Approve the Capital Programme to 2017/18 (Appendices B1, B2, and B3).
 - c) Approve the Budget Investment Package Report (Appendix C and C1).
 - 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.
 - f) Approve the Council's Medium Term Financial Strategy (MTFS) (at Appendix F and F1).
 - g) Note Significant Budget Movements from the 2014/15 Budget (at Appendix G and G1).
 - i) Note Special Expenses and Parish Precepts (at Appendix H).
 - j) Note the Budget Consultation 2015/16 report (at Appendix I).

- k) Note the Assessing the Impact of Budget Proposals 2015/16 report (at Appendix J).

EXECUTIVE SUMMARY OF REPORT

3. This is the third budget set by the Administration which aims to allocate resources within the approved budget to enable delivery of the Corporate Strategy and the priorities stated within it. The Executive has successfully delivered the 2014/15 budget and also contained spending. Significant budget efficiencies in the sum of £0.708m have been achieved in 2014/15 to balance the budget in 2015/16. This is sufficient to address the budget deficit position in 2015/16 and also present headroom in the budget of £0.095m to fund recurring investment in the base budget. Budget savings to provide headroom next year and reduce the budget deficit over the longer term have been implemented concurrently with delivering the New Investment Package.
4. The Executive presents a budget that:-

- **Freezes Council Tax for a third year in 2015/16.**
- **Addresses the previously forecasted budget deficit position for 2015/16 in advance of the year delivering £0.708m worth of budget savings.**
- **Contains headroom of £0.095m in the budget for 2014/15 to fund recurring new budget growth investment.**
- **Does not contain cuts to front line services.**
- **Delivers Revenue and Capital New Investments totalling £5.020m.**
- **Brings the total committed to New Investments since 2013/14 to £9.163m.**
- **Is consistent with the Corporate Priorities and aims to bring income into the Council.**
- **Seeks to bridge the budget gap by generating additional income.**
- **Is consistent with the Medium Term Financial Strategy.**
- **Minimises the Council's borrowing commitment to fund the Capital Programme.**

6. The budgetary resources allocated are consistent with, the following key priorities in the Corporate Strategy:
- **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
 - **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
 - **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
 - **A STRONG LOCAL ECONOMY.**

7. Council Tax Yield 2015/16

**It is proposed to freeze Council Tax in 2015/16 for a third year.
Council Tax will remain at the same level as it was in
2012/13, 2013/14 and 2014/15.**

8. The Administration is able to freeze Council Tax for a third year so Council Tax will remain at the same level that it was in 2013/14 and 2014/15. This enables the Council to take advantage of the grant that is available. This freeze has been facilitated by the successful implementation of the budget efficiency programme in advance of the financial year. Budget savings have been secured and headroom created to fund budget investment in 2015/16 on a recurring basis. This action has been taken to redress the significant budget deficit position and growing risk of core funding volatility.
9. For freezing Council Tax in 2015/16 the Council will receive a freezing grant of £65k in for one year only in 2015/16 at which point all Council Tax freezing grants are due to cease. It is evident from the budget forecasts contained in the Medium Term Financial Strategy (MTFS) that the Council will be presented with a challenging financial outlook over the longer term. The Executive is mindful that a sustainable approach needs to be taken in order to deliver a Medium Term Financial Strategy (MTFS) that achieves the optimum beneficial state of delivering ambitious investment and regeneration within the local area as well as addressing the current forecasted budget deficit.
10. Budget consultation has been undertaken and the results rank the 10 items below in the following priority order:-

	Priority
1st	Working with all other public service providers in the borough to make sure residents are getting the best deal possible
2nd	Supporting businesses and improving the local economy
3rd	Providing services for young and older people
4th	Improving the town centre
5th	Supporting safer communities
6th	Putting on more events for families
7th	Improvements to play areas in the borough
8th	Supporting residents who are struggling financially
9th	Involving residents and improving local areas
10th	Supporting healthy communities

11. The New Investment Package, which totalled £2.824m in 2013/14 and £1.319m last year, continues and provides a further £5.020m for Investment in 2015/16 making the three year programme total £9.163m. This includes projects approved in previous budget rounds that are spread over more than one year.
12. Headroom of £0.95m has been achieved in 2015/16. This provides an opportunity to build proposed recurring new growth into the budget to provide a budgetary provision for the ongoing recurring running costs of the proposed Youth Zone (Youth Zone is included in the New Development Package for 2015/16) and also a new Dedicated Team to Tackle Dog Fouling.
13. Two other new growth items are proposed which will be self-financing and therefore cost neutral, being:-
 - To increase the resources dedicated to Astley Hall and the Park. The cost of which will be wholly funded from an increase in the amount of income generated at Astley.
 - Increase the Sports Development Team resources to provide sports development activities to schools, this scheme will also recover at least all of its costs and be self-financing from income generated from local schools.
14. Following consultation with Market traders it is proposed that the charges for Market Traders are revised as set out in Appendix A4. This will generate circa. £20,000 for the Council as a contribution towards bridging the budget gap whilst maintaining front line services and freezing Council Tax at its current level.
15. The Medium Term Financial Strategy for years 2015/16 to 2017/18 seeks to uplift the amount held in the General Fund Balance to improve the financial resilience of the Council's budget.
16. The proposed New Investment package over the three years has delivered projects across the priorities in the Corporate Strategy consistent with the results of the consultation exercise.

Three Year Investment Programme 2013/14 to 2015/16

Priority	Total £m
A strong local economy	3.277
Clean, safe and healthy communities	1.997
Involve residents in improving their local area and equality access for all	1.733
An ambitious Council that does more to meet the needs of residents and the local area	2.156
TOTAL THREE YEAR INVESTMENT PROGRAMME	9.163

17. Budget management performance in 2014/15 has been strong. As a result the budget gap for 2015/16 has already been closed. The main contributing transaction being the financial management of Market Walk financing and the review of major contracts with the in-sourcing of the Property Services function. Together with restructuring budget efficiencies and a base budget review this significantly improves the budget's financial resilience in response to increasing budgetary pressures caused mainly by the erosion of core funding and also the increased exposure to the risk.

18. The budget forecasts in the MTFS indicate that the Council's budget deficit will be in the region of £2.595m by 2017/18. It is important to note, however, these estimates are based on a number of assumptions that may be subject to review and change. The key assumptions that are potentially of high value, and therefore impact, are listed below:

19. **KEY BUDGET ASSUMPTIONS**

Assumption	2015/16	2016/17	2017/18
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Net Financing of Market Walk – Original Estimate - Full External Borrowing option	£1.011m	£1.011m	£1.011m
Updated Net Financing – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

20. The budget papers also contain the 2015/16 Pay Policy for its annual approval and publication on the website.
21. The Capital Programme is contained in Appendices B1 to B3. The Capital Programme includes an estimated budget provision for the Chorley East Health Centre which has a cost neutral impact on the budget.
22. Moving on from the immediate future and the budget proposals for 2015/16, the budget also presents a Medium Term Financial Strategy that aims to balance the budget, secure financial resilience and mitigate risk over the longer term. With regard to balancing the budget over the medium term the Council has a number of options that can be considered. Appendix F1 details the amount of New Homes Bonus (NHB) that the Council can expect to receive by 2017/18 which totals £2.586m. As the estimated budget deficit in that year is forecasted to reach £2.595m an option the Council could consider is to use NHB receipts to balance the budget. Alternatively should this not be a feasible option due to the longevity of NHB receipts the Councils could also look to make changes to its level of net expenditure.

23. This could be approached in a way that seeks to protect the provision of front line services in the borough the MTFs focusses on the consideration of bringing additional income into the Council through a series of options that seek to maximise income generation opportunities in addition to further cost efficiency savings.

Confidential report Please bold as appropriate	Yes	No
--	-----	----

Key Decision? Please bold as appropriate	Yes	No
--	-----	----

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

24. To ensure that the Council complies with the requirement to set the budget for 2015/16.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

25. None.

CORPORATE PRIORITIES

26. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

27. The Executive published the outline budget and summary MTFs at the Executive Cabinet meeting on 22nd January 2015 setting out its intention for spending and investment in the borough for the forthcoming financial year 2015/16. These papers expand upon that report and set out in more detail for Council the Executive’s budget proposals for 2015/16.

BUDGET CONSULTATION

28. The outline budget proposals were agreed by members in a report to Executive Cabinet on 22nd January 2015. Public consultation was carried out on the draft budget investment proposals for 2015/16. For the purpose of the consultation the investment areas were grouped into 10 categories. Respondents were also asked for any additional suggestions about where the Council should be investing its money but aren’t.

- 29. The 2015/16 consultation period ran from 26/01/15 to 15/02/15 and received 607 responses which is a significantly higher than in recent years. The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive.
- 30. Consultation was carried out from 26th January to the 15th February and received 607 responses. Consultation was primarily carried out through an on line survey, however paper copies of the survey were available on request. It was widely promoted through the Council’s website, local press, social media and invitations to take part were also emailed to a number of groups including parish council clerks, the VCF sector network, the equality forum and myaccount holders.
- 31. The results of the consultation ranked the ten items below in the following priority order:-

1st	Working with all other public service providers in the borough to make sure residents are getting the best deal possible
2nd	Supporting businesses and improving the local economy
3rd	Providing services for young and older people
4th	Improving the town centre
5th	Supporting safer communities
6th	Putting on more events for families
7th	Improvements to play areas in the borough
8th	Supporting residents who are struggling financially
9th	Involving residents and improving local areas
10th	Supporting healthy communities

- 30. The results show a good spread of support for each of the investment areas with working with all other public service providers in the borough to make sure residents are getting the best deal possible coming out as the top priority for Chorley residents. This is a new priority area, which was included in the consultation due to the proposals on the public service reform board and the proposal to set aside money from the NHB for a possible unitary poll.
- 31. Supporting businesses and improving the local economy also remains a high priority falling one place in the rankings from last year. A number of the budget growth proposal will support delivery of this priority area including ‘progress key employment sites’, ‘increase visitor numbers’ and ‘support the expansion of local businesses’.
- 32. These results are also reflected in the continued New Investment Programme totalling £9.163m since 2013/14 as summarised in the table below. The proposed New Investment Package for 2015/16 is explained further in a later section within this report.

Three Year Investment Programme 2013/14 to 2015/16

Priority	Total £m
A strong local economy	3.277
Clean, safe and healthy communities	1.997
Involve residents in improving their local area and equality access for all	1.733
An ambitious Council that does more to meet the needs of residents and the local area	2.156
TOTAL THREE YEAR INVESTMENT PROGRAMME	9.163

BUDGET PROPOSALS

In summary the budget proposals below include:

- **Freezing Council Tax for a third year in 2015/16**
- **Budget performance during 2014/15 to achieve headroom in the budget for 2015/16 prior to the financial year**
- **Four New Budget Growth Investments proposals of £0.095m to be built into the base budget to be funded from 2015/16 headroom**
- **A third year of proposed New Investments supporting the corporate priorities**
- **Minimising borrowing commitment within the Capital Programme**
- **Proposals to increase the income generated from Market Rents and other associated income**
- **Enhance the financial resilience of the Council's budget by increasing the level of General Fund Balances**

33. The budget proposed in this report includes the freezing of Council Tax in 2015/16 for the third year. This proposal entitles the authority to claim the Council Tax Freeze grant made available from Central Government. This will be the third consecutive year that the Council has frozen its Council Tax. The grant received will equate to a 1% increase in total Council Tax income of £65,000 paid for one year in 2015/16. Acceptance of this funding does not prevent local authorities from approving council tax increases for future years after 2015/16 although the budget forecast over the medium term set out in Appendix F1 is currently based on the assumption that there will be no Council Tax increases.

34. The forecasted budget in Appendix F1 in the Medium Term Financial Strategy (MTFS) contains the current budget that has been updated to take account of changes to the net cost of existing services. For example, inflation, changes in volumetrics and policy changes made by the Council during the current year as part of the in-year budget management process. Also set out in the Council's MTFS Appendix F1 is an analysis of the year on year changes over the next financial planning period 2015/16 to 2017/18.

35. **Budget Management Performance**

36. A key influencing factor on the forthcoming budget is the effective management of the budget in the pre-ceding financial year. The table below demonstrates where recurring budgetary changes have occurred over the main budget categories reducing the total Directorate Budgets from £14.1m (2014/15) to £13.2m (2015/16), more details are provided in Appendices G1 and G2. The table demonstrates the extent to which increasing inflationary cost pressures impact on the budget and budget efficiencies required to contain them.

Budget Category	Recurring Items £000	Movement £000	Caused by:-
Total Directorate Budgets 2014/15 incl. NHB temporary funding		14,122	
Employees	154		Impact of Pay award and incremental increases
Pension Costs	137		Increase in Pension Fund Deficit Recovery and impact of pay award
Contracts	155		Inflationary increases
Housing Benefits	(124)		Reduction in net cost – housing payment payments and overpayments recovered
Income (Government Grants)	80		Reduction in Government Grants for Housing Benefit and Council Tax Support Admin.
Income (Other Grants/Contributions)	70		Reduction in Other Grants and Contributions
Income Generation	(137)		Additional Income generated e.g. Markets fees and charges, Market Street Shop rents
Efficiency Savings	(207)		Savings achieved on Property Services contract and the Base Budget Review
Sub Total – Recurring Items		128	
One year growth items		(690)	Remove temporary increase to fund New Investment Package in 2014/15
Market Walk 2015/16 Budget Efficiencies		(400)	Ongoing proactive budget management of the associated costs of Market Walk
One year Savings Items 2014/15		42	
Total Directorate Budgets 2015/16		13,202	

37. The budget for 2014/15 was balanced in advance of the year and this has also been achieved for 2015/16. This means that there is no call on the working balances which are therefore protected. As well as balancing the budget headroom of £0.095m has been provided to fund new recurring growth.
38. In addition to the New Investment Packages that have been funded from NHB and therefore on a short term basis, four new growth items are proposed that will enhance the existing service provision of the Council on a permanent basis. This provides a budgetary provision for the ongoing recurring running costs of the proposed Youth Zone in the New Investment Capital Programme plus funding for a Dedicated Team to tackle Dog Fouling.
39. Two other new growth items are proposed, those being:-
- To increase the resources dedicated to Astley Hall and the Park. The cost of which will be wholly funded from an increase in the amount of income generated at Astley.
 - Increase the Sports Development Team resources to provide sports development activities to schools, this scheme will also recover at least all of its costs and be self-financing from income generated from local schools.
40. The budget management decisions made, and their impact on the budget deficit, are listed in the MTFs in Appendix F1. The budget savings made are on a recurring basis and total £0.708m are as follows:-
- Market Walk £0.400m – The purchase of Market Walk has already made a significant contribution to closing the budget gap. Further ongoing proactive budget management of the cost of Market Walk provides the opportunity to make budgetary savings on an annual basis selecting the most cost efficient option available with regard to the financing of the project. The overall net income budget for Market Walk also continues to include a provision of £0.050m that is made into an equalisation account to mitigate against the financial risk of temporary void units. The project not only serves to strengthen the financial resilience of the Council it also brings additional income into the borough.
 - Review of Contracts £0.200m – The review into the property services function resulted in the service being brought back in-house. Savings have also been secured on the renewal of the Car Parking Enforcement contract as well as the Graffiti removal and Insurance Portfolio contracts
 - Increases in Income £0.046m – Following consultation with Market traders income has been increases as a result of increased and new fees and charges to be applied to Market Rents as per Appendix A4 (£0.020m). In addition to income from Market Street shops plus some volumetric increases experienced by some other income streams.
 - Base budget review £0.045m – An in year challenge process for non-employee costs the detail of which is set out in Appendix G.
 - Transformation Strategy Savings £0.017m – The full year effect of restructuring approved in Health, Environment and Neighbourhoods, Transactional Services as previously approved.
41. **Budget Forecast 2015/16 to 2017/18**
42. Members will be aware that the outlook for public sector finances is uncertain with regard to the scale of core funding cuts possibly leading to the total erosion of Revenue Support Grant (RSG). More significant, however, is the fact that core funding streams will continue to be subject to risk exposure caused by annual fluctuations. This has been brought about over time by the transition from a system of formulae grant set on a quadrennial basis to an annual announcement that has been fundamentally changed.

43. New Homes Bonus (NHB) and Business Rates Retention (BRR) are especially vulnerable to large scale annual variations and volatility both in terms of their level of funding realised and also to changes made to their technical frameworks by Central Government.
44. Despite this uncertainty budget forecasting remains an integral component of the budget setting process to strengthen financial resilience through effective budgetary planning. The MTF5 therefore has been compiled based on some assumptions with the key assumptions listed below:
45. **KEY BUDGET ASSUMPTIONS**
46. The table below 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.
47. In recent years the budget assumptions list has been expanded to reflect that the total overall funding regime change is shifting to a compilation of more uncertain and variable processes and influencing factors. The scale of risk and its potential impact on the budget is evident from some of the further information and key messages below.

Assumption	2015/16	2016/17	2017/18
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Market Walk Net Financing – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

48. Council Tax and Council Tax Freeze Grant

The Executive's proposed budget assumes that Council Tax will not be increased. Council Tax Freeze Grant is for a limited period as a separate grant in addition to RSG. After its allocated term it is then rolled up into RSG and absorbed into the grant reduction process. In essence at this point it makes no contribution to reducing the budget deficit and its financial benefit ceases.

49. Local Government Finance Settlement

No additional reductions have been formally announced after 2015/16, however, the Chancellor of the Exchequer has announced that from public sector spending will still need to be reduced and the austerity measures will continue for some time to come. Therefore the assumed trend has been acknowledged with an estimated provisional reduction in RSG of £0.350m in 2016/17 and 2017/18.

The next Comprehensive Spending Review (CSR) is due to take place and is expected to contain the extended austerity measures and core funding cuts for local authorities from 2016/17 onwards. How this will be profiled across public sectors remains unknown. The continued erosion of RSG for this sustained period of time poses the question about whether it will eventually be withdrawn in its entirety in future years. The possible transition to its disappearance as a funding source is mitigated against by the Council including in its financial strategy consideration of alternative income generation schemes.

50. New Homes Bonus

No NHB due to be received post 2012/13 has been built into the base budget as recurring funding as the grant is awarded for a period of 6 years only and subsequently temporary in nature. The funding is not ring-fenced and therefore can be used for wider service provision. The longevity of this grant as a core funding stream is also a matter for debate. Therefore this treatment enables the Council to improve budget resilience and flexibility to respond to future annual uncertainty. Future years will be dependent upon the level of housing development so, assuming the base budget is in balance, this will be surplus and available to fund investments that can be ceased or scaled down simultaneously as income reduces or is stopped. This approach is consistent with the key financial objectives of the Councils MTFS to provide financial resilience and sustainability over the medium to long term.

51. Net Financing

The budget savings achieved by the purchase of Market Walk are shown after the financing costs have been accounted for. Currently the budget contains the financing costs of £1.011m on a recurring basis which equates to the cost of all external borrowing being used to finance the purchase. This budget is refreshed and adjusted each year as part of the budget setting process to take account of the most cost effective financing options. There are other options available which include borrowing all funds from internal cash balances and also the option to use a mixture of both. As borrowing shifts from external borrowing to internal borrowing the cost reduces. The factors that determine the optimum mix are: the amounts of cash balances available; the loss of investment income on those balances, and the direction of travel in respect of interest rates for external borrowing.

The budget assumption above reflects a status of all borrowing being externally provided, however, any proportionate or total shift to internal borrowing will reduce this cost and provide further in year budgetary savings. The on-going study of the optimum time to transfer internal borrowing to external borrowing has indicated that this is a good time to implement that shift. Therefore the proposed budget includes the financial implication of transferring £5.0m of internal borrowing to external. The implication of this transition is a short term temporary cost of £0.100m, however it should be noted that this will transfer to a net budget savings in the medium term as interest is earned on the increased levels of cash available as a result.

Within the Capital Programme prudential borrowing is minimised with long term borrowing being applied to only the Croston Flood Scheme and the cost neutral Chorley East Health Centre project.

52. Business Rates Retention (BRR) and Business Rates Retail Relief

As an incentive to local authorities any additional income generated as a result of net growth in business rates will be retained according to the proportionate shares of the precepting authorities (with the exception of Police and Crime Commissioners). BRR was implemented on 1st April 2013, however due to the multiple year impact of each business rates collection year (3 year spread), the financial implications of the new scheme are still being embedded into the financial planning regime. Local authorities are now allowed to retain a proportion of any additional income generated from growing the tax base for businesses in their local area.

Although this new scheme means that some of the financial benefit of net tax base growth is realised by the authority, it also results in some of the risks of collection also transferring to local authorities. In addition to its 3 year financial year spread it is important to note that its volatility is also caused by a number of externally determined variables that each impact directly on the level of funding actually received in year. Although we continue to collect the business rates for this area (circa £36m), the net movement in the business rate annual rate poundage is determined by central Government; losses on collection is impacted upon by the national economic environment, and, reductions in Rateable Value due to appeals are determined by, and the responsibility of, the Valuation Office Agency (VOA).

It is therefore the strategy that any additional funds that are forthcoming from BRR are not built into the base budget immediately, in essence, this will mean building any additional income into the base in the second year of receipt rather than the first year. This is a similar treatment to that currently applied to NHB albeit for a temporary period. That is, the base budget is not reliant on its receipt until after it has been achieved. Although this treatment is similar to NHB receipts, it is for different reasons. The question mark over NHB as a secure funding stream is its longevity within the total core funding regime. The critical issue with BRR is not its permanency but rather its sensitivity to large scale movements and volatility.

An feature of this new regime is that the Collection fund surplus or deficit, dependent on collection rates in year, is also shared out between the Council and preceptors. The collection fund deficit for 2015/16 is £ £0.358m for BRR. Due to its volatility, the financial impact of appeals and the fact that payments from the collection fund out to the Council and preceptors are fixed on estimates that cannot be changed in year, a pessimistic view has been taken with regard to whether the collection fund will be in deficit or surplus in future years. Therefore a deficit position on the collection fund has been incorporated into the budget forecasts in years £2016/17 and 2017/18.

53. Supporting People Income from LCC

Whilst the Lancashire County Council has seen significant reductions in its financing and is making significant changes to many budget heads they have been able to give us some certainty about funding over the next year or so and the forecasts reflect the anticipated income levels based upon those discussions.

54. **OTHER KEY BUDGET CONTENT**

55. Headroom and New Growth

As above, the headroom created in the budget and the pursuit of additional income streams has enabled four new growth items to be accommodated in the budget despite the budget challenges facing the Council's budget. New Growth adds to an additional contribution to be made to the General Fund Balance in 2015/16 to increase the financial resilience of the Council in future years. The budget growth items are summaries as:

- Day to day running expenses for the proposed Youth Zone.
- A Dedicated Team to Tackle Dog Fouling.
- Sport Development Team working with Schools.
- Additional dedicated resources at Astley Hall and Park.

56. Enhanced Medium Term Financial Resilience

The budget proposal incorporate a number of features including balanced budget with headroom, permanent new growth, a new investment package of over £5.0m whilst also freezing Council Tax. The budget proposals also make a provision to increase the level of funds held in the General Fund Balance. The MTFS at Appendix F explains that the Council will look to increasing the overall level of General Fund Balance to £3.0m over the 3 year lifespan of the strategy. In 2015/16 a provision of £0.350m has been set aside to achieve this.

57. Council Tax Support Scheme

Another fundamental change made to core funding in April 2013 was the Council Tax Support Scheme which replaced Council Tax Benefit with a localised Council Tax Support charge in response to reductions in government grant subsidy. The Council scheme, introduced in 2013 means that some Council Tax payers are required to pay a level of Council Tax for the first time or at an increased amount. The Council is required to renew the Council Tax Support Scheme annually and this review took place in January 2015. The subsequent financial effect on Parish and Town councils of £38k has also been included in the Council's budget for 2015/16, however, this is reviewed on an annual basis.

58. Cost Share Agreement with Lancashire County Council

Chorley Council is currently in a 'Cost Share' arrangement with Lancashire County Council whereby the county pay over to district councils a cost sharing payment via the Lancashire Waste Partnership. This represents compensatory payments for loss of income from when the previous recycling credits system was revised. The arrangement is due to expire in March 2018 and therefore if no replacement agreement is available, this income stream will be withdrawn as at that date. The impact will therefore fall in 2018/19, and although this timeframe is outside of this MTFS, it should be borne in mind that the authority's income may well reduce by a further £0.933m after 2017/18 in addition to cuts in core funding.

59. Pay Policy 2014/15

The budget has also been constructed in accordance with the Council's Pay Policy. The Localism Act requires that the Pay Policy is approved formally by the Council and published on the website in April 2015/16. The updated policy is attached at Appendix A2. The pay policy has also been updated to reflect the 2.2 % national pay award effective from 1st January 2015.

AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES

60. The Corporate Strategy retains the vision, priorities and long term outcomes agreed through comprehensive consultation. The projects have been identified and chosen for their ability to create a significant impact in each of the priority areas, and across all areas of the borough. The ambitious sets of projects have built on the work done over the last two years and to address big issues such as the sustainability of public services.

61. Investment in priority areas in 2014/15 delivered a number of schemes for both residents and businesses by delivering tangible improvements across the borough, for example:

- Visible improvements have been delivered in the town centre and across the borough with improvements to local neighbourhood areas and parks and open spaces. For example a water fountain has been installed and a wildflower garden has been created in Astley Park, a new exhibition area has been developed in the Astley Farmhouse and a new skate park has been opened in Jubilee recreation ground.
- Increased employment opportunities have been created through the delivery of the Chorley Works unemployment project and inward investment campaign which also resulted in companies relocating to the borough such as ServiceSport.
- The Chorley Time Credits programme has helped ensure that residents from all areas of Chorley are taking an active role in their communities. There are now over 79 organisations earning and spending time credits, which is a 34% increase from last year and over 12,000 hours have been given to volunteering and community development in the last year, an increase of 87%.
- Initiatives to overcome social isolation, such as the meals on wheels service, the delivery of support for those most affected by the welfare reforms and the availability of short term food provision for individuals in crisis situations have increased the support available for the most vulnerable people and families within the borough.
- Numerous events were held throughout the year, such as the Picnic in the park (8,000 visitors), Animals in the park (1,000 visitors), Theatre in the park (600 visitors), Chorley Live (200 live performances over 2 nights across 25 venues, attended by over 5,000 people) and the Christmas light switch on (6,000 visitors). These events attracted thousands of people and supported the local economy.
- The Council has had continued success in North West in Bloom achieving a gold award; plus a special award for the best feature in a public place for the wicker band of brother in tribute to the Chorley Pals who fought in the first World War. We also achieved a silver award in the small city category in the Britain in Bloom competition as well as a special 50th anniversary award for pollinator friendly planting.
- A new mediation service to support anti-social behaviour resolution has been procured.
- The cleaner Chorley campaign has raised awareness of fly tipping, dog fouling and littering.

62. Both the Revenue and Capital budgets contain significant new and continuous investments. The new budget investment package continues to focus on the corporate strategy priorities and is also consistent with the findings of the budget consultation process with the local community where supporting businesses and improving the local economy and supporting healthier communities were identified as the top scoring priorities (see Appendix I). The 2014/15 programme below is summarised further in Appendix C and also advanced enough in the planning stage to be set out in project mandates contained in Appendix C1.
63. The total investment programme since 2013/14 now totals £9.163m and is summarised below. The new investments for approval in 2015/16 totals £4.422m which will be added to the previously approved projects from previous years in the sum of £0.598m. The overall total new investment package for 2015/16 will therefore amount to £5.020m as set out below:

Priority	New in 2013/14 £m	New in 2014/15 £m	Year 2 2013/14 Budget £m	New in 2015/16 £m	Year 3 2013/14 Budget £m	Year 2 2014/15 Budget £m	Total £m
Involve residents in improving their local area and equality access for all – TOTAL £1.733m							
Revenue investment	0.250	0.138	0.085	0.440	0.085		0.998
Capital investment	0.135			0.600			0.735
Clean, safe and healthy communities – TOTAL £1.997m							
Revenue investment	0.284	0.120	0.100	0.051	0.100	0.045	0.700
Capital investment	0.060	0.424		0.595		0.218	1.297
An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £2.156m							
Revenue investment	0.160	0.055	0.050	0.141	0.050		0.456
Capital investment	0.280			1.420			1.700
A strong local economy – TOTAL £3.277m							
Revenue investment	0.655	0.347		0.175		0.100	1.277
Capital investment	1.000			1.000			2.000
TOTAL INVESTMENT PROGRAMME - £9.163m	2.824	1.084	0.235	4.422	0.235	0.363	9.163

New Investment Package and NHB

64. The 2015/16 New Development Package listed below adds to the continuing projects set out in the last two years' budget proposal some of which is delivered in more than one year. As per Appendix F1, total NHB monies available amount to £2.335m, this available pot is being invested as follows:-

Use of NHB 2015/16	£m
Revenue New Investment 2013/14 - 3 rd year delivery	0.235
Revenue New Investment 2014/15 - 2 nd year delivery	0.145
Revenue New Investment 2015/16	0.807
Capital New Investment 2015/16	0.458
Increase in General Balances	0.293
Set Aside for Unitary Status Local Poll	0.100
Sub Total New Investment Delivery 2015/16 Budget Provision	2.038
PCSOs	0.297
TOTAL NHB AVAILABLE 2015/16	2.335

65. The proposed package also includes new 2015/16 Capital Programme investments as below:

New Proposed Investment Areas (Capital)	2015/16 £
Buckshaw Community Centre	600,000
Delivery of CCTV provision	250,000
Bengal Depot Site	120,000
Yarrow Valley Car Park	225,000
Deliver improvements to Market Street	1,000,000
Youth Zone	1,000,000
Land assembly	250,000
Recreational pitch strategy	170,000
Sub – Total Capital Investment	3,615,000
Approved Investment Areas (Capital)	2015/16 £
Astley Park Hall and Park Developments	218,000
Total Capital Investment	3,833,000

66. The New Investment Packages in the proposed budget for 2015/16 are listed below together with the 2015/16 projects approved in previous years:-

New Investment Areas (Revenue)	2015/16 £
Digital access and inclusion	50,000
Development and delivery of community action plans	200,000
Chorley Flower Show	50,000
North West in Bloom	45,000
Town and Country Festival	10,000
Delivery of neighbourhood priorities	50,000
Support the food bank	15,000
Supporting communities to access grant funding	20,000
16/17 Young persons' drop in centre	19,000
Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness	24,000
Free swimming	8,000
Progress key employment sites	50,000
Increase visitor numbers to Chorley	35,000
Support the expansion of local businesses	40,000
Investigate further opportunities to expand Chorley Markets	30,000
Chorley Council Employment Support Fund with Runshaw College	20,000
Additional events at Astley Hall/Park	14,000
Deliver the Chorley Public Service Reform Board work	15,000
Campaigns and events	65,000
Employee health scheme	20,000
Provide a mediation service for Anti-Social Behaviour (ASB) case resolution	7,000
Disabled and dementia online venue access guides	20,000
Sub - Total Revenue Investment	807,000
Approved Investment Areas (Revenue)	2015/16 £
Neighbourhood working - Building capacity in local communities	70,000
Support to VCFS network	15,000
Chorley Credit Union	50,000
Play Area Improvements	100,000
British Cycling	45,000
Town Centre and Steeley Lane pilot action plans	100,000
Total Revenue Investment	1,187,000

67. **Capital Financing**

68. The Capital Programme is set out in Appendices B1 and B2. The schemes will be financed as per the following summary:-

	£000
New Homes Bonus to 2018/19	707
Revenue Contributions – Earmarked Reserve	1,683
External Contributions	600
Capital Receipts	625
Total Capital Financing	3,615

69. In addition to the 2015/16 New Investment Package the budget proposals also include other budget items that are to be funded from New Homes Bonus in 2015/16. These are:

- an uplift in General Balances to increase the financial resilience of the Council's budget of £0.293m which is the main contribution to the overall uplift of £0.350m as per the MTFS at Appendix F.
- a set aside of funds to meet the cost of a Unitary Status Local Poll in the sum of £0.100m (noting that progressing Unitary Status is subject to approval by Full Council).

CAPITAL PROGRAMME

70. The Capital Programme is set out in detail in Appendix B1 covering the proposed capital schemes to support the Corporate Strategy together with the planned financing arrangements.

71. Section B of the Budget Monitoring Report to Executive Cabinet on 20th November 2014 reported the estimate of expenditure for 2014/15 and the forward projections to 2016/17 based on information up to 30th September 2014.

72. There are some amendments in respect of the forecast of expenditure for 2014/15 and additions to the budget in future years.

73. The estimates used to produce the new three year capital programme rely on the most up to date forecast of outturn for 2014/15. As of 31st January 2015 estimated spend on capital projects in 2014/15 is £5.368m. The breakdown by scheme of 2014/15 forecasted expenditure and the proposed new capital programme 2015/16 to 2017/18 is contained in Appendix B1.

74. The asset improvement budget has been brought forward from 2015/16 and re-profiled into 2014/15 in the sum of £100k to enable improvement works at Cotswold House to be completed in the same tranche. This approach is more cost effective than a two phased approach on the same site.

75. The recycling receptacle budget has been brought forward by £45k to reflect an increase in demand during 2014/15.

76. The budget for the Chorley East Health Centre is to be re-profiled to reflect the latest timetable of delivery. The estimated cost is £7.036m and this will be split with approximately one quarter costs in 2015/16, half the cost in 2016/17 and one quarter cost in 2017/18. This is an increase in the cost budget previously reported of £386k although it should be noted that the scheme will be cost neutral to the Council as all costs will be recouped. Progress is being made in relation to the health centre development. At present the CCG is out to consultation in respect of the scheme. There is still further work to do with regard to the agreeing the structure of any deal between ourselves as financiers and the health sector. The final agreement will also be subject to change pending the outcome of funding bids that are currently being considered by NHS England. Therefore the budget contains the maximum total borrowing costs which will of course be cost neutral in revenue terms. Once further progress is made about the structure of the final financing arrangements they will be brought back to members for approval.
77. The purchase of the Leigh Arms public House as the site for the Chorley Youth Zone has taken place in 2014-15 however demolition will likely take place during 2015-16 and the element of budget relating to this (£118k) will be re-phased accordingly.
78. The 115k set aside in 2014/15 as the Council's contribution to the changes to the site at Bengal Street following the lease to Recycling Lives has been re-phased to 2015/16 following delays with signing the lease.
79. A small element of the Cotswold House Improvement budget will be re-phased into 2015/16 to cover retention payments on the work which will become payable a period after completion.
80. The work to extend Clayton Brook Village Hall will now take place after the forthcoming elections as it is used as a polling station, as such the budget will be re-phased into 2015/16.
81. Works to be funded from developer contributions on both the Buckshaw Village rail station and the Puffin crossing at Collingwood will now be carried out during 2015/16.
82. The programme of works in Astley Hall and Park is ongoing with good progress made to date; an element of the budget already agreed will be carried forward for continued use in completing the scheduled programme of works.
83. The new capital investment proposals are outlined in the table above within the new investment section of this report and in Appendix C.
84. The proposals contained in this report would create a capital programme as follows:-
- 2015/16 – £9.214m
 - 2016/17 – £3.991m
 - 2016/17 – £2.232m
 - **Total – £15.437m**
85. The Capital Financing is set out below, anticipated long term borrowing for the period 2015/16 to 2017/18 totals £8.136m, of which £1.100m is in respect of the Croston Flood Prevention Scheme and £7.036m is the Chorley East Health Centre. The only other borrowing is short term and will be repaid by setting aside NHB. The profile of Capital Financing is shown in the table below:

Assumption	2015/16 £m	2016/17 £m	2017/18 £m	Total £m	Note
Prudential Borrowing	1.100			1.100	
Prudential Borrowing – To be repaid by NHB set aside	1.220	0.051	0.054	1.325	
Prudential Borrowing – proposed Health Centre scheme	1.759	3.518	1.759	7.036	(a)
Revenue Funding	1.881	0.083	0.083	2.047	
Developers & Other Contributions	1.374			1.374	(b)
New Homes Bonus	0.736	0.339	0.336	1.411	
Capital Receipts	0.649			0.649	
Government Grants	0.495			0.495	(c)
Total	9.214	3.991	2.232	15.437	

(a) This is cost neutral on the budget.

(b) Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.

(c) Actual Grant allocations could vary from these estimates.

86. With regard to Chorley East Health Centre the proposal remains that a budgeted scheme is included in the 2015/16 to 2017/18 programme. This will assist the Lancashire Care NHS Foundation Trust with the development of the Chorley East Health Centre on Friday Street. The estimated cost is £7.036m.
87. The Council could receive further section 106 contributions. A schedule of the balance of section 106 funding carried forward into 2015/16 and proposed use going forward is attached in Appendix B3.

FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE

88. Contained in the Medium Term Financial Strategy (Appendix F) is a summary of the forecasted budgetary position facing the Council up to and including 2017/18. The MTFS forecast, based on the assumptions described above, projects that the budget deficit position may reach £2.595m by 2017/18. This estimate is based on the continuation of current service levels being delivered and is made pending the announcement of Central Government's next Comprehensive Spending Review.
89. The key message is that the Council remains in a period of continued uncertainty and heightened exposure to risk due to the significant year to year fluctuations made possible by the current, and relatively new, core funding regimes. The strategy aims to address the budget gap taking a long term and sustainable approach whilst at the same time improving financial resilience including increasing the General Fund Balance to £3.0m over the 3 year MTFS period.

90. Despite the degree of estimating within the budget and their possible movement over time, the Council must plan on some basis. This latest plan demonstrates that further significant savings will be needed over the medium term to balance the budget. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.
91. At a summary level there are options available for the Council to consider with regard to balancing the budget by 2017/18. Uncommitted NHB receipts are expected to reach circa £2.6m in 2017/18 which matches the current forecasted budget gaps. Alternatively the council may consider looking at budgetary savings options that could be found from the following sources:-
- Additional income generation
 - Further reductions in expenditure
 - Increases in Council Tax
 - Possible use of NHB
92. The table below sets out that the Council will seek to identify over £5.0m in resource options that can be considered to bridge the budget gap by 2017/18 and will now start to work up the detail. To achieve the required reduction in net expenditure the Council's Strategy will be:
- To continue to restrain Council Tax increases.
 - Deliver a balanced budget over the Financial Planning Period 2017/18.
 - Identify the savings required to balance the budget seeking to minimise the impact on front line service users.
93. In Summary, the table below summarises all the options available for consideration to bridge the forecasted budget deficit over the next three years totalling £5.186m

Total Budget Resourcing Programme to 2017/18

Strategy	£m
<i>INCREASING INCOME</i>	
Use of NHB	2.586
Review of New and Existing Income Streams	0.540
Growing the Borough's Tax Bases – Residential and Business	0.260
Project to Extend Market Walk	0.250
Council Tax Increases	0.250
Sub total - income	3.886
<i>REDUCING COSTS</i>	
Fundamental Review and Re-engineering of Services to Reduce Total Costs	1.150
Debt Restructuring Cost Savings	0.150
Sub total – expenditure	1.300
Total Resources Available to Balance the Budget	5.186

CONCLUSION

94. This paper outlines for the Council the Executive's budget proposals for 2015/16:

- Council Tax for 2015/16 will be frozen for a third year and maintained at the same level as in 2013/13 and 2013/14.
- Budget efficiency savings of £0.708m have been secured in the budget in advance of 2014/15 to address the budget deficit forecasted in the previous MTFS.
- Headroom of £0.095m is created to provide funding for proposed recurring investment in the budget. Four new growth items are proposed to enhance the current service provision of the Council on a permanent basis.
- To increase the financial resilience of the Council in the light of future years' budget pressures and to mitigate against its exposure to risk it is proposed that the General Fund Balances is uplifted by a contribution made in 2015/16 of £0.350m. This is funded by a combination of NHB and budget headroom. The MTFS also proposed that the level of working balances should reach £3.0m over the 3 year lifespan of the strategy to 2017/18.
- A package of Budget Investments can be funded consisting of revenue and capital projects. In 2015/16 the total investment is in excess of £5.0m which means that £9.163m has been invested since 2013/14.
- Investments are consistent with the Budget Consultation result and will be made in key areas to support the new Corporate Strategy:
 1. INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.
 2. CLEAN, SAFE AND HEALTHY COMMUNITIES.
 3. AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.
 4. A STRONG LOCAL ECONOMY.
- Savings have been achieved from areas that have not reduced front line services supporting the Council in maintaining high performance.

- The Capital Programme continues to progress the MTFS objective of minimising its impact on the Council’s level of borrowing commitment. This has been achieved by funding short life assets via contributions from the revenue account as opposed to borrowing. This action facilitate the continued capital investment within the borough as appropriate whilst also 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. They are also compatible with the Council’s proposed Pay Policy as set out in Appendix A2.
95. The MTFS contains the updated budget forecasts to 2017/18 which identifies that further budget savings will be required to bridge the funding gap in future years. The forecasted budget deficit in 2017/18 is estimated to be £2.595m and the MTFS sets out options that can be considered that total £5.186m. Therefore the MTFS provides a plan to deliver a balanced budget over the longer term in Appendix F.
96. The Council will need to continue working extremely hard, be innovative and creative to continue to make efficiencies and at the same time minimise the impact on services. There are still factors that may affect the current forecast financial position, namely the forthcoming CSR and performance against the BRR baseline funding level whilst also 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.
97. The contents of this report are supplemented with additional reports, policies and statements to provide further details as referenced below:

Appendix A1	Formal Council Tax Resolution 2015/16
Appendix A2	Pay Policy 2015/16
Appendix A3	Fees and Charges Income 2015/16
Appendix A4	Proposed Revised Market Rents w.e.f. 01/04/15
Appendix B1	Capital Programme 2015/16 to 2017/18
Appendix B2	Capital Programme 2015/16 to 2017/18 Financing
Appendix B3	S106 and Similar Developers’ Contributions
Appendix C	Budget Investment Package Report
Appendix C1	Budget Investment – Project Mandates
Appendix D	Treasury Management Strategy 2015/16 to 2017/18
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2015/16 to 2017/18
Appendix G	Significant Budget Movements 2014/15 to 2015/16
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2015/16
Appendix J	Assessing the Impact of 2015/16 Budget Proposals

IMPLICATIONS OF REPORT

98. 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

99. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2015/16 to 2017/18 and the Statutory Officer’s Report attached in Appendix E.

COMMENTS OF THE MONITORING OFFICER

100. The budget proposals are in accordance with the requirements of legislation.

COMMENTS OF THE HEAD OF HR AND OD

101. HR will support the implementation of the budget proposals in relation to any changes to staffing resources in line with corporate policy and legislation.

GARY HALL
STATUTORY FINANCE OFFICER

Background Papers:

Executive Cabinet 22nd January 2015 – 2015/16 Budget and Summary Budget Position Over the Medium Term

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	17/02/15	Rev & Capital Budget Report

This page is intentionally left blank

COUNCIL'S PAY POLICY 2015/16 POLICY STATEMENT

1. INTRODUCTION

Under Chapter 8 of the Localism Act 2011 Local Authorities in England and Wales were 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.

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 are included below incorporating the 2.2% increase to the pay spine effective from the 1st January 2015 which was agreed as part of the 2014/15 national pay negotiations.

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.

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, i.e.:

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

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 £106,000 which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken.

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 and Communications
- Finance
- Human Resources
- Transactional Services
- Governance and Legal
- Secretariat
- 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

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
£106,000	£22,212	1:4.8

(1) This change applies to new appointees; the council’s pay protection policy will apply for current post holders.

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 £81,000, which is inclusive of the 7.5% Director’s Car Lease Scheme contribution if this benefit is taken ⁽¹⁾.

This 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.

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.

Director Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£81,000	£22,212	1:3.6

(1) This change applies to new appointees; the council's pay protection policy will apply for current post holders.

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 (£49,397 to £51,145). 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 (£3,753) 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
£54,981	£22,212	1:2.5

Project Director

The level of salary for The Project Director is paid in accordance with the locally agreed Pay Spine as detailed within paragraph 2 of the Procedure, and was assessed at PO Scale N (£57,266 to £59,014). However, as the post falls under the Chief Officer Terms and conditions, the salary figures quoted above are inclusive of the 7.5% Chief Officer Car Lease Scheme contribution. 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.

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

Comparison of the Project 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.

Project Director (including lease car contribution)	Median salary (SCP 25)	Ratio
£59,014	£22,212	1:2.7

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 employee's pension entitlements will not normally be provided for any Council employee, unless there are exceptional circumstances.

Officers on Chief Officer terms and conditions have the option to opt out of the pension scheme and take the employers contributions as additional salary.



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.

Professional Subscriptions

A number of employees are members of professional organisations in connection with their employment at the Council though membership is not essential to enable them to undertake their duties on behalf of the Council. Therefore, it is the policy of the Council to only pay for an employee's subscription to a professional organisation where they have statutory responsibility.

Other Benefits

Chorley Council pays for all employees including the senior managers detailed within this policy, to have level 1 access to a Health Care Plan, if they so wish. For all those employees participating in the scheme the value of the benefit is £52 per employee per annum. Anyone wanting to increase the level of cover, or include partners or spouses on the Health Care Plan must pay any additional premium themselves, through their salary.

5. LOWEST PAID EMPLOYEES

Lowest Paid Employees

At a meeting of the Council on the 8th January 2013, Chorley Council adopted the “Living Wage” for all its employees, excluding apprentices (see below), to address the issue of low pay. The Living Wage Foundation, which is a national body, established and annually updates what it considered to be a “living wage” which is an hourly rate and is currently £7.85 for outside London. The rate is set by the Centre for Research in Social Policy and is based upon what it considers to be the basic cost of living to provide a minimum income standard. This compares with the National Minimum Wage which is currently £6.50 per hour.

Therefore, excluding apprentices (see below), the lowest paid employees at Chorley Council are paid in accordance with the Living Wage within scale 1 which is the lowest grade within the national pay structure for Local Government. However, whilst the lowest point on the nationally negotiated pay spine for scale 1 is 5 (£13,500 per annum) the minimum point used by Chorley Council is the national point 11 (£15,207 per annum, £8.04 per hour), which is above the “living wage” rate. In order to ensure we can keep accommodating the “living wage” increases SCP 12 (£15,523 per annum, £8.21 per hour) has been moved from Scale 2 and put in the top of Scale 1. By doing this it protects the job evaluation process which has posts currently evaluated within scales 1 and 2, and ensures that the council is able to accommodate future increases in the living wage. This change only affects a small proportion of staff that are on this grade and will enable them to now be able to progress to SCP 12 through incremental progression, thereby further addressing low pay.

Salary range for Scale 1

Point	Annual salary	Hourly rate
11	£15,207	£8.04
12	£15,523	£8.21

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

Apprenticeships

There are a number of apprentices currently employed by Chorley Council, within Health, Environment and Neighbourhoods, Transactional, ICT & Customer Services and Streetscene. With effect from 1st April 2014 it was agreed that they should receive the current National Minimum Wage with effect from 1st October 2014 is detailed below:-

Under 18	£3.79 per hour
18 - 20	£5.13 per hour
21 and above	£6.50 per hour

Apprenticeships are usually employed for a fixed period of 2 years and Apprentices who are in the second year of their apprenticeship and are age 19 or above, automatically receive the relevant minimum wage rate. It is therefore difficult to ascertain the exact cost of extending the minimum wage to all apprentices as it depends upon the age profile and length of service of the apprentices at any given time, as the rate can vary by up to £2.59 per hour. A broad estimate would indicate that the cost of employing apprentices would increase by about £10,000 per annum.

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.



**NJC FOR LOCAL GOVERNMENT SERVICES
PAY SCALES 01/01/2015 TO 31/03/2016**

SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
11	15,207	8.0453	13	15,941	8.4336
12	15,523	8.2125	14	16,231	8.5870

SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	16,572	8.7674	19	18,376	9.7218
16	16,969	8.9775	20	19,048	10.0774
17	17,372	9.1907	21	19,742	10.4445
18	17,714	9.3716			

SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	20,253	10.7149	26	22,937	12.1348
23	20,849	11.0302	27	23,698	12.5374
24	21,530	11.3905	28	24,472	12.9469
25	22,212	11.7513			

SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	25,440	13.4590	32	27,924	14.7732
30	26,293	13.9103	33	28,746	15.2081
31	27,123	14.3494	34	29,558	15.6377

PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	28,746	15.2081	51	44,817	23.7105
34	29,558	15.6377	52	45,739	24.1982
35	30,178	15.9657	53	46,679	24.6956
36	30,978	16.3889	54	47,592	25.1786
37	31,846	16.8481	55	48,522	25.6706
38	32,778	17.3412	56	49,367	26.1335
39	33,857	17.9121	57	50,271	26.0235
40	34,746	18.3824	58	51,145	27.0583
41	35,662	18.8670	59	52,020	27.5212
42	36,571	19.3479	60	52,894	27.9836
43	37,483	19.8304	61	53,768	28.4460
44	38,405	20.3182	62	54,642	28.9084
45	39,267	20.7742	63	55,517	29.3713
46	40,217	21.2768	64	56,391	29.8337
47	41,140	21.7651	65	57,266	30.2966
48	42,053	22.2482	66	58,139	30.7585
49	42,957	22.7264	67	59,014	31.2214
50	43,882	23.2158			

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	

FEES & CHARGES

DESCRIPTION	2015/16 BUDGET £	IMPACT OF INCREASE IN FEES & CHARGES							
		0.5% £	1% £	1.5% £	2% £	2.5% £	3% £	4% £	5% £
Chief Executive									
Legal Services/Other Costs Recovered	(32,000)	(160)	(320)	(480)	(640)	(800)	(960)	(1,280)	(1,600)
Lancastrian Room - Casual Room Hire	(12,500)	(63)	(125)	(188)	(250)	(313)	(375)	(500)	(625)
Investment Portfolio - Rent Garages	(25,000)	(125)	(250)	(375)	(500)	(625)	(750)	(1,000)	(1,250)
Tolls-General Markets	(305,000)	(1,525)	(3,050)	(4,575)	(6,100)	(7,625)	(9,150)	(12,200)	(15,250)
Tolls-Flat Iron Markets	(70,000)	(350)	(700)	(1,050)	(1,400)	(1,750)	(2,100)	(2,800)	(3,500)
Customer & Advice Services									
Local Land Charges	(113,000)	(565)	(1,130)	(1,695)	(2,260)	(2,825)	(3,390)	(4,520)	(5,650)
Street Names & Numbering	(16,000)	(80)	(160)	(240)	(320)	(400)	(480)	(640)	(800)
Public Protection, Streetscene & Community									
Car Park Management - Off-Street Parking Fees	(635,000)	(3,175)	(6,350)	(9,525)	(12,700)	(15,875)	(19,050)	(25,400)	(31,750)
Other Licences	(2,060)	(10)	(21)	(31)	(41)	(52)	(62)	(82)	(103)
Public Protection - Licence Fees	(18,000)	(90)	(180)	(270)	(360)	(450)	(540)	(720)	(900)
Refuse Collection - Civic Amenity Collection	(21,110)	(106)	(211)	(317)	(422)	(528)	(633)	(844)	(1,056)
Waste and Recycling Services - Wheeled Bins	(20,000)	(100)	(200)	(300)	(400)	(500)	(600)	(800)	(1,000)
Neighbourhood Quality Te/Pest Control Contracts	(8,000)	(40)	(80)	(120)	(160)	(200)	(240)	(320)	(400)
Regulatory Services - Rechargeable Works	(15,000)	(75)	(150)	(225)	(300)	(375)	(450)	(600)	(750)
Streetscene Delivery Teams - Rechargeable Works	(10,000)	(50)	(100)	(150)	(200)	(250)	(300)	(400)	(500)
Streetscene Delivery Teams - Football Pitches	(5,630)	(28)	(56)	(84)	(113)	(141)	(169)	(225)	(282)
Adlington Cem-Grant Right of Burial	(2,000)	(10)	(20)	(30)	(40)	(50)	(60)	(80)	(100)
Adlington Cem-Interment Fees	(3,250)	(16)	(33)	(49)	(65)	(81)	(98)	(130)	(163)
Adlington Cem-Interment Fees - Ashes	(1,050)	(5)	(11)	(16)	(21)	(26)	(32)	(42)	(53)
Chorley Cem-Grant Right of Burial	(23,000)	(115)	(230)	(345)	(460)	(575)	(690)	(920)	(1,150)
Chorley Cem-Interment Fees	(27,000)	(135)	(270)	(405)	(540)	(675)	(810)	(1,080)	(1,350)
Chorley Cemetery/Memorials	(5,000)	(25)	(50)	(75)	(100)	(125)	(150)	(200)	(250)
Chorley Cemetery/Certificate of Burial Fees	(2,010)	(10)	(20)	(30)	(40)	(50)	(60)	(80)	(101)
Chorley Cemetery/Inscriptions	(1,250)	(6)	(13)	(19)	(25)	(31)	(38)	(50)	(63)
Chorley Cem-Interment Fees - Ashes	(5,000)	(25)	(50)	(75)	(100)	(125)	(150)	(200)	(250)
Astley Park Coach House - Room Hire	(3,000)	(15)	(30)	(45)	(60)	(75)	(90)	(120)	(150)
Tatton Community Centre - Room Hire	(10,000)	(50)	(100)	(150)	(200)	(250)	(300)	(400)	(500)
Astley Village Community Centre - Room Hire	(10,300)	(52)	(103)	(155)	(206)	(258)	(309)	(412)	(515)
Clayton Brook Village Hall - Room Hire	(5,890)	(29)	(59)	(88)	(118)	(147)	(177)	(236)	(295)
Eaves Green Community Centre - Room Hire	(12,360)	(62)	(124)	(185)	(247)	(309)	(371)	(494)	(618)
TOTAL INCOME	(1,419,410)	(7,097)	(14,194)	(21,291)	(28,388)	(35,485)	(42,582)	(56,776)	(70,971)

This page is intentionally left blank

APPENDIX A4

Changes to Market Rents w.e.f. 01/04/15

Flat Iron Market

2014-15

- Marketing levy increased by 1% to 2.5%
- Traders without arrears in December will get a free week in March (equivalent to 2% discount)
- Traders who stand each Tuesday in January & February will get an additional free week in March (equivalent to a further 2% discount)
- Invoices will be issued in four quarterly bills of equal 13 weeks (less any free weeks in Q4)

2015-16

- 2% increase on all charges
- Parking charges will be introduced at £1 per day pay & display

2016-17

- Inflationary increase on all charges

Covered Market Cabins (with water)

2014-15

- Marketing levy increased by 1% to 2.5%
- Traders without arrears in December will get a free week in March (equivalent to 2% discount)
- Change from daily to weekly fees
- Invoices will be issued in four quarterly bills of equal 13 weeks (less any free weeks in Q4)

2015-16

- 2% increase on all charges
- 2.5% levy applied to cabins with water supply *plus*
- 2.5% levy applied to cabins licensed for fruit & vegetables (or similar)
- Parking charges will be introduced at £75 (inc. vat) for 6 months or £1 per day pay & display

2016-17

- Inflationary increase on all charges
- Parking concessions to be reviewed

Covered Market Cabins

2014-15

- Marketing levy increased by 1% to 2.5%
- Traders without arrears in December will get a free week in March (equivalent to 2% discount)
- Change from daily to weekly fees
- Invoices will be issued in four quarterly bills of equal 13 weeks (less any free weeks in Q4)

2015-16

- 2% increase on all charges
- Parking charges will be introduced at £75 (inc. vat) for 6 months or £1 per day pay & display

2016-17

- Inflationary increase on all charges
- Parking concessions to be reviewed

Covered Market Tables

2014-15

- Marketing levy increased by 1% to 2.5%
- Traders without arrears in December will get a free week in March (equivalent to 2% discount)
- Change from daily to weekly fees consisting of:
 - Tuesday & Saturday designated as peak days (charges remain the same)
 - Thursday & Friday designated off-peak days (charges averaged over the 2 days)
 - £25.02 stalls become £20.26 each off-peak day (full week = £90.56)
 - £22.80 stalls become £19.15 each off-peak day (full week = £83.90)
 - £16.00 stalls become £12.38 each off-peak day (full week = £56.76)
 - £14.77 stalls become £11.76 each off-peak day (full week = £53.06)
 - £12.22 stalls become £10.49 each off-peak day (full week = £45.42)
 - £10.96 stalls become £ 9.86 each off-peak day (full week = £41.64)
- Invoices will be issued in four quarterly bills of equal 13 weeks (less any free weeks in Q4)

2015-16

- 2% increase on all charges
- Parking charges will be introduced at £75 (inc. vat) for 6 months or £1 per day pay & display

2016-17

- Inflationary increase on all charges
- Parking concessions to be reviewed

Casual Traders

2014-15

- No changes to daily charges
- Craft traders on Thursdays will be charged existing Casual daily rate at £22.50

2015-16

- Flat Iron increase to £20 for half and £30 for a full gazebo
- Covered Market increase to £25 on Thursday or Friday
- Covered Market increase to £29 on Tuesday or Saturday
- Parking charges will be introduced at £1 per day pay & display

Additional Income 2015/16

The forecast impact on the 2015/16 revenue budget as a result of the above proposals is summarised in the table below:

SUMMARY	Income 2015/16 £
Market Tolls/Rents	(7,400)
Water Supply Levy	(2,000)
Waste Levy	(600)
Parking Fees	(10,000)
TOTAL	(20,000)

This page is intentionally left blank

Capital Programme 2015/16 to 2017/18

	2014/15 Current Forecast	2015/16	2016/17	2017/18	2015/16 to 2017/18
	£'000	£'000	£'000	£'000	£'000
Regeneration Programme					
Market Street Redevelopment	1,000	0	0	0	0
Other Regeneration Projects	182	118	0	0	118
Car Park Resurfacing	411	0	0	0	0
Market Street Refurbishment (98-102)	55	0	0	0	0
Asset Improvement Programme	115	196	200	200	596
Chorley East Health Centre	0	1,759	3,518	1,759	7,036
HR Management System	0	0	0	0	0
Chorley Market Gazebos	0	0	0	0	0
Electoral Registration	12	0	0	0	0
Bengal Street Grant	0	40	0	0	40
Total Chief Executives	1,775	2,113	3,718	1,959	7,790
Affordable Housing Projects					
St George's Street	272	0	0	0	0
Halliwell Street	77	0	0	0	0
Beaconsfield Terrace	27	0	0	0	0
Chapel Lane	9	0	0	0	0
Housing Renewal	100	0	0	0	0
Disabled Facilities Grant	405	420	0	0	420
Cotswold House Improvements	678	31	0	0	31
Bengal Street Depot Accommodation	0	75	0	0	75
Land Assembly	0	250	0	0	250
Home Energy Repair Grants	0	0	0	0	0
Climate Change Pot	7	0	0	0	0
IT projects	22	0	0	0	0
Total Customer and Advice Services	1,597	776	0	0	776
Astley Hall & Park Development (carried forward)	505	575	0	0	575
Adlington Play Facilities (s106)	215	0	0	0	0
Big Wood Reservoir	12	0	0	0	0
Clayton Brook Village Hall Extension	3	127	0	0	127
Eaves Green Play Development (s106)	180	0	0	0	0
Leisure Centres Improvements	3	275	75	75	425
Leisure Centres Improvements	14	0	0	0	0
Play & Recreation Fund (s106) [BUTTERMERE]	34	0	0	0	0
Play Areas - 2013/14 Investment (Years 2 and 3)	0	200	0	0	200
Play Area and Playing Pitch S106	188	0	0	0	0
Rangletts Recreation Ground (s106)	635	0	0	0	0
Recycling receptacles (bin replacement)	195	75	115	115	305
Buckshaw Village Cycle Network (s106)	11	0	0	0	0
Buckshaw Village Rail Station (s106)	0	726	0	0	726
Eaves Green Link Road - contbn to LCC - (s106)	0	0	0	0	0
Highway Improvements Pilling Lane Area (s106)	0	0	0	0	0
Puffin Crossing Collingwood Letchworth (s106)	0	48	0	0	48
Yarrow Valley Country Park Reservoir Work	2	0	0	0	0
Croston Flood Prevention Scheme	0	1,100	0	0	1,100
Delivery of CCTV provision	0	84	83	83	250
Buckshaw Community Centre	0	600	0	0	600
Recycling Lives - Depot split	0	120	0	0	120
Yarrow Valley Car Park	0	225	0	0	225
Deliver Improvement to Market Street	0	1,000	0	0	1,000
Contribution to Youth Zone	0	1,000	0	0	1,000
Recreational Strategy	0	170	0	0	170
Total Public Protection, Streetscene and Community	1,997	6,325	273	273	6,871
Total Capital Programme	5,368	9,214	3,991	2,232	15,437

This page is intentionally left blank

Capital Programme Financing 2015/16 to 2017/18

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2015/16 to 2017/18 £'000
<u>External Funding</u>					
External Contributions	2,526	1,374			1,374
Government Grants	842	495			495
Total External Funding	3,368	1,869	0	0	1,869
<u>Chorley Council Resources</u>					
Revenue Contributions to Capital	509	1,881	83	83	2,047
New Homes Bonus	446	736	339	336	1,411
Capital Receipts	211	649			649
Short term borrowing (to be repaid by NHB set aside)	834	1,220	51	54	1,325
Prudential Borrowing					
Chorley East Health Centre	0	1,759	3,518	1,759	7,036
Croston Flood Prevention Scheme	0	1,100			1,100
Total Chorley Council Resources	2,000	7,345	3,991	2,232	13,568
Capital Financing Total	5,368	9,214	3,991	2,232	15,437

This page is intentionally left blank

Developers' Contributions 2015/16 to 2017/18

<u>Budgeted use of developers' contributions</u>	2015/16			2016/17			2017/18			2018/19			BAL C/F 31/03/18 £000	
	BAL B/F 31/03/15 £000	RECEIPTS £000	USE £000	BAL C/F 31/03/16 £000	RECEIPTS £000	USE £000	BAL C/F 31/03/17 £000	RECEIPTS £000	USE £000	BAL C/F 31/03/18 £000	RECEIPTS £000	USE £000		
Various Purposes	(1,874)		630	(1,244)			(1,244)	0	0	(1,244)	0	0	(1,244)	(1)
Affordable Housing	(126)			(126)			(126)	0	0	(126)	0	0	(126)	(1)
Transport	(744)		744	0			0	0	0	0	0	0	0	(1)
Play / Recreational Facilities	(466)			(466)			(466)	0	0	(466)	0	0	(466)	(1)
	(3,209)	0	1,374	(1,835)	0	0	(1,835)	0	0	(1,835)	0	0	(1,835)	

(1) Further contributions may be receivable between 2015/16 and 2018/19.

Use of Contributions Receivable from Developers 2014/15 to 2015/16

	2014/15 £000	2015/16 £000
Rangletts Recreation Ground	635	
Affordable Housing projects at Beaconsfield Terrace, Halliwell Street and St George's Street	375	
Cotswold House Improvements	47	
Puffin Crossing Collingwood Rd/Letchworth Drive		48
Buckshaw Village Cycle Network	11	
Buckshaw Village Railway Station		726
Big Wood Reservoir	12	
Eaves Green Play Development	179	
Play and Recreation Fund projects	24	
Adlington Play Facilities (Grove Farm)	164	
Play, Recreation and Public Open Space projects	188	
Buckshaw Community Centre		600
	1,635	1,374

This page is intentionally left blank

Report of	Meeting	Date
Chief Executive	Special Council	3 rd March 2015

BUDGET INVESTMENT PACKAGE 2015/16

PURPOSE OF REPORT

- To present for approval a package of budget growth items as part of the budget approval process. The report contains 22 budget growth investments in respect of the Revenue Budget and 8 Capital Programme budget growth schemes.

RECOMMENDATIONS

- That the Council approves the revenue and capital growth items as set out in the report below.

EXECUTIVE SUMMARY OF REPORT

- This paper presents:
 - 22 growth schemes in the Revenue Budget that support the budget principles agreed at Executive Cabinet in January, the Council's strategic priorities and the findings of the budget consultation.
 - 8 growth schemes to be included in the Capital Programme.
- The investment proposals have been grouped into four categories based on the corporate strategy priorities:
 - Involving residents in improving their local area and equality of access for all**
Total Revenue Proposals: **£0.440m**;
Total Capital Proposals: **£0.600m**.
 - Clean, safe and healthy communities**
Total Revenue Proposals: **£0.051m**;
Total Capital Proposals: **£0.595m**.
 - An ambitious council that does more to meet the needs of residents and the local area**
Total Revenue Proposals: **£0.141m**;
Total Capital Proposals: **£1.420m**.
 - A strong local economy**
Total Revenue Proposals: **£0.175m**;
Total Capital Proposals: **£1.000m**.

Investment proposal – Revenue Budget	£0.807m
Investment proposal – Capital Budget	£3.615m
TOTAL INVESTMENT PACKAGE 2015/16	£4.422m

Confidential report Please bold as appropriate	Yes	No
--	-----	----

CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

6. The budget estimate for 2015/16 includes headroom to allow for investment in priorities. This has been partially been achieved as a result of an effective, pre-budget efficiency programme and utilisation of available New Homes Bonus funds.

BUDGET PROPOSALS

7. The Executive published the outline budget for consultation during January 2015, setting out its overall intention for spending and investment in the borough for the forthcoming financial year 2015/16. The proposals are all focussed on the priorities of the Corporate Strategy, summarised in the project synopses later in this report and set out in more detailed project mandates in Appendix C1.

BUDGET CONSULTATION RESULTS

8. The budget consultation results are attached in Appendix I on the agenda. They show a good spread of support for each of the investment areas with working with all other public service providers in the borough to make sure residents are getting the best deal possible coming out as the top priority for Chorley residents. Reference to improving the town centre and its offer, and to improving the cleanliness of the borough were also mentioned in a number of the comments. The areas for investment outlined below have all been designed to support the achievement of the priorities through targeted activity and a sustainable approach.

REVENUE BUDGET GROWTH SCHEMES

9. The table below identifies the growth schemes for 2015/16:

10. **2015/16 Proposed budgeted new investments - £4.422m**

Investment Areas (Revenue)	2015/16 Amount £
Digital access and inclusion	50,000
Development and delivery of community action plans	200,000
Chorley Flower Show	50,000
North West in Bloom	45,000
Town and Country Festival	10,000
Delivery of neighbourhood priorities	50,000
Provide support to food provision schemes	15,000
Supporting communities to access grant funding	20,000
16/17 Young persons' drop in centre	19,000
Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness	24,000
Free swimming	8,000
Progress key employment sites	50,000
Increase visitor numbers to Chorley	35,000
Support the expansion of local businesses	40,000
Investigate further opportunities to expand Chorley Markets	30,000
Chorley Council Employment Support Fund with Runshaw College	20,000
Additional events in Astley Hall/Park	14,000
Deliver the Chorley Public Service Reform Board work	15,000
Campaigns and events	65,000
Employee health scheme	20,000
Provide a mediation service for Anti-Social Behaviour (ASB) case resolution	7,000
Disabled and dementia online venue access guides	20,000
Total Revenue Investment	807,000

11. The above new schemes will be added to the projects approved in 2013/14 and 2014/15 that were approved to run for more than one year. Adding the existing investment projects to the proposed new list above brings the total investment to £1,187,000.

Approved Investment Areas (Revenue)	Investment position update	2015/16 £
Neighbourhood working - Building capacity in local communities	This is the final year of a three year programme to deliver agreed improvements to neighbourhood working. The budget is to specifically support community development work and to increase volunteering capacity within the communities.	70,000
Support network to VCFS	The VCF sector has a vital role to play in delivering services for the benefit of Chorley residents, increasing levels of volunteering and encouraging community engagement. This is a continuation of support provided to the VCF network who act as an over-arching organisation responsible for coordinating the sector. Their role is developing all the time, and most recently includes taking over the administration and coordination of the equality forum.	15,000
Chorley Community bank	This is the final year of a 3 year project to establish the Chorley Credit union and to develop it to a stage where it becomes self-sustaining.	50,000
Play Area Improvements	This is the final year of a 3 year programme of improvements to Council owned play areas.	100,000
British Cycling	This two year project aims to support the development and delivery of a cycling and sporting programme of activities and events in Chorley in partnership with British Cycling. At the beginning of April this will see the delivery of a televised grand prix event being held attracting large numbers of visitors and positive media attention on the borough.	45,000
Town Centre and Steeley Lane pilot action plans	This is a two year project to deliver improvements to gateway areas to the town centre and link the Steeley Lane shopping area to the town centre through improvements to public realm and signage. This will benefit local businesses and create a more cohesive town centre experience for shoppers and visitors.	100,000
Sub Total – Approved multi-year new investments from 2013/14 and 2014/15		380,000
Total Revenue New Investments proposed for 2015/16		807,000
Total New Investment Package for 2015/16		1,187,000

CAPITAL PROGRAMME BUDGET INVESTMENT SCHEMES

12. Eight further Capital Programme investments are proposed:

Investment Areas (Capital)	2015/16 Amount £
Buckshaw Community Centre	600,000
Delivery of CCTV provision	250,000
Bengal Depot Site Split	120,000
Yarrow Valley Car Park	225,000
Deliver improvements to Market Street	1,000,000
Youth Zone in Chorley	1,000,000
Deliver a business case for an Extra Care scheme including land assembly	250,000
Recreational pitch strategy	170,000
Total Capital Investment	3,615,000

13. The above new schemes will be added to the Astley Hall and Park Development project approved for 2014/15 of £218,000. This budget will provide funds to support the delivery of a number of key actions from the Astley 20:20 development plan including a destination play area, event parking, event staging, footpath lighting, sensory garden, street furniture and pathway improvements.

14. Adding this existing investment project to the proposed new proposed list above brings the total investment to £3,833,000.

15. The Capital Schemes will be financed as follows:-

	£000
New Homes Bonus to 2018/19	707
Revenue Contributions – Earmarked Reserve	1,683
External Contributions	600
Capital Receipts	625
Total Capital Financing	3,615

PROJECT SYNOPSES**16. CAPITAL PROGRAMME BUDGET GROWTH SCHEMES****Buckshaw Community Centre – Estimated Capital Budget £600,000**

To deliver a new Community Centre on Buckshaw Village.

Delivery of CCTV provision – Estimated Capital Budget £250,000

This project will fully assess the Councils current CCTV infrastructure and identify which monitoring, recording and camera equipment requires upgrading to current standards of image capture and recording. It will then develop and deliver a three year programme of improvements.

Bengal depot site split – Estimated Capital Budget £120,000

This project will split the current Bengal Street depot into two areas. One area is to be leased out to Recycling Lives. The remaining area will be retained by the council as its operational depot.

Yarrow Valley car park – Estimated Capital Budget £225,000

To upgrade the main car park at Yarrow Valley to provide up to 135 car parking spaces including drainage.

Deliver improvements to Market Street – Estimated Capital Budget £1,000,000

Following the implementation of a shared surface scheme to southern Market Street, as part of the ASDA redevelopment, this scheme will continue the public realm improvements up to the St Thomas Road junction.

Youth zone – Estimated Capital Budget £1,000,000

We will work with partners to progress delivery of the Chorley Youth Zone namely to reach an agreement in terms of funding, location, operational requirements and secured planning permission of the Youth Zone.

Deliver a business case for an Extra Care scheme including land assembly – Estimated Capital Budget £250,000

This project consists of developing a scheme design and financial appraisal for a proposed Council-owned and managed, extra care scheme.

Recreational pitch strategy – Estimated Capital Budget £170,000

The project supports the delivery of key schemes within the Council's Play, Open Space and Playing Pitch Strategy.

17. REVENUE BUDGET GROWTH SCHEMES**INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL****Digital access and inclusion - £50,000**

This project involves the delivery of eight specific actions with the aim to ensure that everyone in the borough can get online, do more online and benefit from being online.

Development and delivery of community action plans - £200,000

The aim of this project is to better understand community needs and to work with partner agencies, such as Police, Fire Rescue, LCC, Health and housing providers to coordinate, integrate and deliver services at a local level when it is appropriate.

Chorley Flower Show - £50,000

Following on from Chorley's successes in both the Britain in Bloom and North West in Bloom awards, this project will see the creation and delivery of a flower show in Chorley. The intention is

to create a flower show that rivals other well-known shows, attracting visitors to the region and supporting the development of the local economy.

North West in Bloom - £45,000

To further support the on-going In-Bloom work, a budget is requested to cover a range of additional features and improvements.

Town and Country Festival - £10,000

This project involves working with a newly-formed committee who are looking to rejuvenate a town and country festival in Chorley. It would be on a similar theme to the Royal Lancashire Show but slightly smaller in scale for its first year. It is expected that the event will increase visitor numbers to Chorley and increase trade in town and surrounding areas.

Delivery of neighbourhood priorities - £50,000

This project will deliver priorities established through the neighbourhood group meetings and agreed by Executive Cabinet to provide additional funding supporting works over and above business as usual.

Provide support to food provision schemes - £15,000

This project makes provision to support schemes that are providing assistance to those who are most vulnerable and in need of food parcels, nutritious meals and related assistance.

This support will consist of funding to support delivery of schemes and will be complemented by the service offered through the Council's welfare reform and employability officers to support residents to ensure they are offered appropriate assistance and related services. This will involve close working with partner agencies and organisations running schemes with the aim being to reduce the number of vulnerable residents who are need of support.

Supporting communities to access grant funding - £20,000

This project will procure a grant finder tool which will support internal services and external partners to work with local community groups and organisation to access grant funding. The overall aim of this project is to support local groups and organisations across Chorley to access opportunities and secure funding to improve services and facilities in the local area.

CLEAN, SAFE AND HEALTHY COMMUNITIES

Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness - £24,000

The project will provide an accommodation finding service for 'non-priority' households threatened with homelessness, which will mainly be single people but could include couples or other household types with all members over the age of 18. Households which are 'non-priority' according to homelessness legislation have a right to advice and assistance from the Local Housing Authority, however there is no duty to house them, and with limited resources 'non-priority' households are more at risk of rough sleeping.

16/17 Young persons' drop in centre - £19,000

This budget will enable the continuation for another year of the drop-in service for 16/17 year olds that provides housing advice, family mediation and counselling for young people.

Free swimming - £8,000

This budget will deliver free swimming for 16 year olds and under during the summer school holiday period.

AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA**Additional events in Astley Hall/Park - £14,000**

In line with the Astley 2020 vision, the project will deliver a comprehensive events programme at Astley Hall together with continued funding support for the Big Drum day.

Deliver the Chorley Public Service Reform Board work plan - £15,000

This project is focused on delivering the work plan of the Chorley Public Service Reform Board. The board has a clear focus on how organisations can collectively deliver high quality public services to the public efficiently and effectively ensuring a better service for communities and better outcomes and value for residents.

The project will see the delivery of a number of work streams over the next year including assets, data sharing, joint commissioning and integrated wellbeing and resilience services.

The delivery of this project provides an opportunity to transform the way public services are delivered locally and to explore public service integration, particularly around health and wellbeing.

Campaigns and events - £65,000

This work aims to build on the success of the 2013 and 2014 campaigns and events programmes. The programme has been well-received by residents since it started to become established two years ago, and is an important way of engaging with the community. The work would ultimately create and deliver an annual programme with something for different interests and audiences each month, bringing new people into the town and borough and supporting the local economy.

Employee health scheme - £20,000

This project is a continuation of a Health Cash Plan funded by the council. The council pays a fixed contribution per employee which then enables 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.

The scheme has proved to be very successful in its three years, and this project would extend the scheme for a further 12 months.

Provide a mediation service for Anti-Social Behaviour (ASB) case resolution (mediation for ASB disputes) - £7,000

Investigations into cases of anti-social behaviour can often be dealt with and de-escalated using mediation techniques between the parties affected. This project will deliver a scheme to refer parties into mediation where appropriate and will be assessed over the course of the year in terms of success and impact.

Disabled and dementia online venue access guides - £20,000

This is a new project, which aims to maximise choice and independence for disabled people and those with dementia who are visiting venues within the borough. It will include a survey of 200 venues across the borough, taking into account the features of each venue and cross checking them against disability and dementia requirements. This surveying work will provide local employment opportunities for disabled people. The access guides developed as a result will be available online to help people visit the venues in our borough.

A STRONG LOCAL ECONOMY**Progress key employment sites - £50,000**

Creating jobs for local people is one of the Council's top priorities and developing land as employment sites has the potential to create thousands of jobs for local people. Chorley currently has a number of outstanding employment sites; the delivery of this project will see the council taking a 'hands on' approach in working with developers, land owners and the LEP to bring forward these employment sites for development.

Increase visitor numbers to Chorley - £35,000

The aim of this project is to bring more short stay visitors into Chorley through the marketing and promotion of Chorley's assets and attractions and through delivery of an annual programme of events.

It builds upon the work the Council has done in the last few years to increase the number and quality of events it directly delivers and also links to the support services available to new and existing businesses.

Overall, increasing visitors to Chorley will support local businesses and the local economy.

Support the expansion of local businesses – £40,000

The project will aim to:

- Continue to deliver the Chorley Business Investment for Growth fund (BIG) grant scheme to support the expansion of existing companies who are creating/safeguarding jobs, subject to funding.
- Integrate this grant provision into the wider business advice and support service for existing businesses in the Borough who have been trading for more than 3 years in order to help them to survive and grow.

The BIG grant can be used for the construction of new buildings; the refurbishment/ adaptation of existing business premises; site engineering works; the purchase of plant and machinery; signage; hard/soft landscaping and security improvements. Grant contributions from the fund are based on the amount of jobs, and other outputs, that the business will create as a result of the overall investment.

Investigate further opportunities to expand Chorley Markets – £30,000

This project aims to investigate and consult on further opportunities to expand Chorley Markets.

Chorley Council employment support fund with Runshaw College - £20,000

Working with Runshaw College, this project supports local businesses in developing apprentice opportunities and supports young people in accessing these opportunities.

18. A summary of all the New Investment Packages delivered in the last three budget rounds are set out below for information. The total new investment packages total £9.163m

Priority	New in 2013/14 £m	New in 2014/15 £m	Year 2 2013/14 Budget £m	New in 2015/16 £m	Year 3 2013/14 Budget £m	Year 2 2014/15 Budget £m	Total £m
Involve residents in improving their local area and equality access for all – TOTAL £1.733m							
Revenue investment	0.250	0.138	0.085	0.440	0.085		0.998
Capital investment	0.135			0.600			0.735
Clean, safe and healthy communities – TOTAL £1.997m							
Revenue investment	0.284	0.120	0.100	0.051	0.100	0.045	0.700
Capital investment	0.060	0.424		0.595		0.218	1.297
An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £2.156m							
Revenue investment	0.160	0.055	0.050	0.141	0.050		0.456
Capital investment	0.280			1.420			1.700
A strong local economy – TOTAL £3.277m							
Revenue investment	0.655	0.347		0.175		0.100	1.277
Capital investment	1.000			1.000			2.000
TOTAL INVESTMENT PROGRAMME - £9.163m	2.824	1.084	0.235	4.422	0.235	0.363	9.163

IMPLICATIONS OF REPORT

19. 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

20. The financial implications of the budget are set out in the main report and the Medium Term Financial Strategy.

COMMENTS OF THE MONITORING OFFICER

21. The proposals are in line with legislation.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Hanne Harland Rebecca Huddleston	5101	9 th Feb 2015	APP C Budget Investment report 2015-16

This page is intentionally left blank

PROJECT MANDATES

REVENUE PROJECTS
1. Digital access and inclusion
2. Development and delivery of community action plans
3. Chorley flower show
4. North West in Bloom
5. Town and Country Festival
6. Delivery of neighbourhood priorities
7. Provide support to food provision schemes
8. Supporting communities to access grant funding
9. 16/17 young person's drop in centre
10. Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness
11. Free Swimming
12. Progress key employment sites
13. Increase visitor numbers to Chorley
14. Support the expansion of local businesses
15. Investigate further opportunities to expand Chorley Markets
16. Joint Employment Initiative with Runshaw College
17. Additional Events in Astley Hall/Park
18. Deliver the Chorley Public Service Reform Board work plan
19. Campaigns and Events
20. Employee Health Scheme
21. Provide a mediation service for ASB case resolution (Mediation service for anti-social behaviour disputes)
22. Disabled and dementia online venue access guides
CAPITAL PROJECTS
23. Buckshaw community centre
24. Delivery of CCTV provision
25. Bengal depot site split
26. Yarrow Valley car park
27. Deliver improvements to Market Street
28. Youth Zone in Chorley
29. Develop a business case for an extra care scheme including land assembly
30. Recreational pitch strategy

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Digital Access and Inclusion

Date: 01/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Customer and Advice Services

1. Project Overview

Digital inclusion is the ability of individuals and groups to gain the benefits of information and communication technologies in order to enhance their access to public services and their quality of life.

This project involves the delivery of eight specific actions with the aim to ensure that everyone in the borough can get online, do more online and benefit from being online.

2. Project Background

The project is driven by the changes to the welfare reform agenda in particular Universal Credit. These changes are a major cultural change in the way people receive and access support and it is clear from the proposals that on-line services is at the heart of the reforms. There is therefore a need to invest in digital inclusion within Chorley to ensure individuals are not excluded from receiving the help and support they need. The term digital inclusion refers to the following –

‘Digital inclusion is the ability of individuals and groups across Chorley to gain the benefits of information and communication technologies in order to enhance their access to public services and their quality of life’.

3. Corporate Priorities

This project supports and contributes to the following corporate priorities:

- An ambitious Council doing more to meet the needs of residents in a local area

4. Objectives

Project objectives include -

1. Raising awareness of online access and technology;
2. Examine options to deliver technology to hard to reach groups;
3. Examine options to provide low cost equipment to non-profit groups.
4. To work with other organisations to provide public access to technology in high need locations.
5. Develop a directory of free public access points across the borough;
6. Deliver the Council’s digital strategy – improving the Council’s online services;
7. To work in partnership with other agencies to develop the skills of welfare benefits claimants to enable them to claim online.
8. To work with other organisations develop options for providing training in the use of computers to events for the public

5. Scope

At present activity regarding digital inclusion is delivered in an un-coordinated manner, and overall investment is relatively low. This project will seek to coordinate and target resources and support in order to provide residents with access to IT resources and training and support to ensure they have the necessary skill set.

Project Mandate

The project will also look to pilot the scheme within more rural localities and discussions will take place with local parish councils as to how this can be moved forward.

6. Key Project Milestones

This is a minimum two year project and the milestones below will cover the first year of the project only. Milestones for the second year will be developed following a review of the activities and outcomes of year one.

The key milestones for year one are:

1. Ensuring appropriate IT equipment/infrastructure including wi-fi is provided in Community Centres across Chorley for use by local residents. March 2015
2. Identify where and who is currently providing digital support to Chorley residents and identify where there are gaps or where the provision can be enhanced. February 2015
3. Linked to the two tasks above, develop the Digital Inclusion offer in particular developing and publicising a directory of free public access points across the Borough and working with other organisations to develop, deliver and promote training sessions for residents in the use of computers, in particular targeting hard to reach groups and residents with minimal if any digital experience and/or no access to ICT equipment. April 2015
4. Linked to 1 work with Community Centre management and Spice to identify an on-going programme of sessions within community centres where the residents without access to a computer can use the equipment and be supported by digital champions identified through the SPICE programme. May 2015
5. Working with third parties develop a project which will provide digital equipment e.g I pads to low income residents who have no IT access. June 2015
6. Working with a parish council, pilot the development of a rural hub which enables local residents to access IT equipment and digital support and training in the rural area. This pilot would form the blueprint of a roll out to other rural areas in Chorley in 2016/17. July 2015

7. Constraints

The project has funding of £50,000 over two years (25k/25k to fund mainly ICT infrastructure, provide match funding for task 5, commission trainers and fund marketing/publicity material). This project will be one part of the workload of the Welfare Reform and Housing Options Manager and will require support from other staff in the organisation to ensure delivery. The timescales have been set to reflect that there is not a full time dedicated resource and to allow sufficient time for the work required to engage Parish Council's and other third parties in the project.

This is a new area of work for the Council and therefore, it is unknown to what extent third parties will be willing to engage and the extent to which residents will be prepared to access IT facilities in public buildings and how successful we will be in attracting volunteers to be digital champions. All three elements will be required if this project is to be successful.

Project Mandate

8. Impact on other Directorates/Projects

The project will require support from ICT, Customer Services, Housing, Street Scene and Leisure and Policy & Communications.

PROJECT DOCUMENTATION

PROJECT MANDATE

Development and delivery of community action plans

Date: 15/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Public Protection, Streetscene and Community

1. Project Overview

2. Project Background

The aim of this project is to better understand community needs and to work with partner agencies, such as Police, Fire Rescue, LCC, Health and housing providers to coordinate, integrate and deliver services at a local level when it is appropriate.

Some elements of this work are already being piloted in Clayton Brook, and will be rolled out to other urban and rural community areas. In each case the community action plan will identify priorities for each area, including the need, use, and requirements for community facilities, transport infrastructure, CCTV, crime and policing, health and wellbeing of communities and improvements to local service centres.

3. Corporate Priorities

This project supports the corporate priority Involving residents in improving their local area and equality of access for all.

4. Objectives

To recruit a community development worker to coordinate the establishment of community actions plans within scope:

- To consolidate the pilot community action plan created for Clayton Brook
- To establish community action plans for the areas of Astley Village and Chorley East
- To develop a rural communities action plan

To ensure all partner agencies are engaged in the development of the community action plans within scope.

To ensure the wider issues of health and wellbeing, social isolation as well as community infrastructure are considered in the development of community action plans

5. Scope

It is intended that community action plans will be developed for four key areas of the Borough; Astley Village, Chorley East, Clayton Brook and Rural. The expected outcome within the year is to have recruited an experienced community development worker to coordinate partners and develop community engagement to produce detailed and coordinated plans.

6. Key Project Milestones

- Recruitment of community development worker to lead on the project – April 2015
- Establishment of multi-agency and community forum to identify needs and actions for the communities within scope – Oct 2015
- To commence delivery of action plans to agreed timescales – Oct 2015

7. Constraints

A budget of £200,000 has been identified to support the delivery of this project; this includes the funding for the community development officer who will coordinate delivery of the project.

8. Impact on other Directorates/Projects

This project is one of a cross cutting nature and representation from a variety of Directorate services will be required to identify current input into the communities within scope as well as contributing to determining future community needs and planning actions to satisfy those needs.

In addition current and future projects may make a contribution to the community action plans and their delivery.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Chorley Flower Show

Date: 11/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

Following on from Chorley's successes in both the Britain in Bloom and North West in Bloom awards, this project will see the creation and delivery of a flower show in Chorley. The intention is to create a flower show that rivals other well-known shows, attracting visitors to the region and supporting the development of the local economy.

2. Project Background

The Council has a successful horticultural track record, winning the Silver Award for the Best Small City category at the 2014 Britain In-Bloom Awards and the Gold Award for the same category at the 2014 North-West In-Bloom Awards. Chorley also won a number of discretionary awards. Judges were impressed by the overall effort of our first time entry in the small city category and commented on the excellent community involvement and dynamic approach used by the council in order to obtain community participation. The delivery of this project builds on these successes.

3. Corporate Priorities

This project supports the corporate priority involving residents in improving their local areas and equality of access for all and the corporate priority a strong local economy.

4. Objectives

The intention is to create and deliver a flower show that has the potential to become an annual event, rivalling other well-known flower shows and drawing in people from across the region and beyond, increasing visitor numbers to Chorley and increasing trade in the town and surrounding areas.

5. Scope

The Chorley Flower show will follow on from the council's entry in the RHS Chelsea Flower show. The Chelsea exhibit will form the central attraction at the Chorley Flower Show which will be held within the Astley Hall park area.

The Show consists of three key exhibit areas –

- An area for professional exhibitors
- An area for gardening enthusiasts
- An area for local school displays

6. Key Project Milestones

The event is in the diary for Friday, Saturday and Sunday 24, 25 and 26 July 2015. An outline of the key milestones involved in organising and delivering the event are outlined below, however, additional milestones may be identified as the planning and organising of the event develops.

Plan location of marquees and different aspects of the show	December 2014
Draft outline plan of schedule for the three days	December 2014
Engage with Horticultural Exhibitors Association to gain advice on	January 2015

Project Mandate

delivering the show	
Create a working party with member input	January 2015
Invite exhibitors to come forward	Jan/Feb 2015
All logistics in place	April 2015
Preparation of flower show area	May/June 2015
Administration until the event is delivered	Ongoing

7. Constraints

A budget of £50,000 has been identified, with approximately 10k for the marquee, 5k for prizes and 35k for actual delivery of the event. The RHS Flower Show Tatton Park is being held on the same weekend; potential constraints exist in regards to us attracting some of the top exhibitors within the region. It is also worth noting that this will be the first time Chorley Council holds this type of event, it is inevitable that the delivery of this new project will also be a learning experience.

8. Impact on other Directorates/Projects

Delivery of the flower show will require support from Communications in terms of marketing and promoting the event and Economic Development in particular the Town Centre and economic regeneration teams in terms of equipment needed for the event and engagement with local businesses.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

North West in Bloom

Date: 10-12-2014

Author: Jamie Dixon

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

Additional funding to support the Council in the 2015 North-West In-Bloom.

2. Project Background

The Council won the Silver Award for the Best Small City category at the 2014 Britain In-Bloom Awards and the Gold Award for the same category at the 2014 North-West In-Bloom Awards. A number of discretionary awards were also won.

To further support the on-going In-Bloom work a range of additional features and improvements have been identified for investment as follows:

- 20 Planters in town centre £20K
- 100 Hanging Baskets in Town Centre £5K
- Additional Willow figures £5K
- Formal garden in Astley £5K
- Wildflower areas £10K

3. Corporate Priorities

This project will contribute to the following objectives:

- Clean safe and healthy communities.
- An ambitious Council that does more to meet the needs of residents and the local area.
- Involving residents in improving their local area and the equality of access for all.
- A strong local economy.

4. Objectives

- To win North-West In-Bloom out-right.
- To be nominated for Britain In-Bloom 2016.

5. Scope

The project includes investment in new additional features / planting that will directly support and enhance the Council's entry in 2015 North-West In-Bloom.

6. Key Project Milestones

- *Wildflower planting schemes agreed and installed - Apr/May 2015*
- *New planters / hanging baskets installed May 2015*
- *New willow people figures installed May 2015*
- *Formal garden in Astley installed May 2015*
- *North-West In-Bloom judging – July-Aug 2015 (TBC)*
- *North-West In-Bloom results – October 2015*

Project Mandate

7. Constraints

£45,000 budget to be allocated during quarter 1 of 2015-16.

8. Impact on other Directorates/Projects

Town Centre and economic regeneration teams by supporting a vibrant town centre and local economy.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Town and Country Festival

Date: 10-12-2014

Author: Jamie Dixon

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

Financial support for the Chorley Town & Country Festival

2. Project Background

This project involves working with a newly-formed committee who are looking to rejuvenate a town and country festival in Chorley. It would be on a similar theme to the Royal Lancashire Show but slightly smaller in scale for its first year. It is expected that the event will increase visitor numbers to Chorley and increase trade in town and surrounding areas.

To support the event in the first year it is proposed that the Council sets aside a £10K fund to support the event.

3. Corporate Priorities

This project will contribute to the following objectives:

- An ambitious Council that does more to meet the needs of residents and the local area.
- A strong local economy.

4. Objectives

- Increased visitor numbers to Chorley and increased trade in town and surrounding areas.
- More events for local residents.

5. Scope

The project includes investment in new additional features / planting that will directly support and enhance the Council's entry in 2015 North-West In-Bloom.

6. Key Project Milestones

- *Event to take place 24-26 July 2015.*

7. Constraints

£10,000 budget to be allocated during quarter 1-2 of 2015-16.

8. Impact on other Directorates/Projects

Town Centre and economic regeneration teams by supporting a vibrant town centre and local economy.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

1. Deliver Agreed Neighbourhood Priorities

Date: 28 November 2014

Author: Simon Clark

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

This project will deliver priorities established through the neighbourhood group meetings and agreed by Executive Cabinet.

2. Project Background

The project is the continuation of enabling neighbour areas to determine priorities for delivery in year through their ward councillor, parish council and county councillor representatives.

3. Corporate Priorities

Project delivery supports the Council's priorities to involve residents in improving their local areas and equality of access for all and clean, safe and healthy communities.

4. Objectives

The objectives of this project are:

- Members and neighbourhood area representatives have significantly more control and say in what happens in their area and potentially direct access to resources to deliver.
- Increase in the percentage of people satisfied with their neighbourhood as a place to live.

5. Scope

The scope of the project is limited to delivering a programme of a maximum of 24 neighbourhood priorities as determined by the neighbourhood area groups in Jan/Feb 2015 and agreed by Executive Cabinet.

6. Constraints

The project will be delivered during 2015/16 and will be subject to Executive Cabinet approval.

Other constraints will be the level and extent of partner engagement where priorities are dependent on them to contribute and deliver.

Project Mandate

7. Impact on other Directorates/Projects

Neighbourhood working is not just the responsibility of Health, Environment and Neighbourhoods. Other services will also have a role to play, including:

- Democratic Services
- Streetscene and Leisure Contracts
- Policy and Communications
- Planning
- Housing
- Economic Development

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Provide support for food provision schemes

Date: 09/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Chief Executives Office

1. Project Overview

This project makes provision to support schemes that are providing assistance to those who are most vulnerable and in need of food parcels, nutritious meals and related assistance.

This support will consist of funding to support delivery of schemes and will be complemented by the service offered through the Council's welfare reform and employability officers to support residents to ensure they are offered appropriate assistance and related services. This will involve close working with partner agencies and organisations running schemes with the aim being to reduce the number of vulnerable residents who are need of support.

2. Project Background

There are a number of schemes operating in the borough which provide support to extremely vulnerable residents through the provision of food parcels, nutritious meals and other related support when they are most in need. These services have experienced significant increases in demand over recent years; largely resulting from Welfare Reform changes that impacted the availability of Social Fund loans that were previously accessed by individuals and families in crisis.

These services are largely run and delivered by volunteers, relying on donations of food and other support from a variety of community and business sources. They provide an important support to individuals and families in crisis, and also an opportunity to ensure that individuals know about the other sources of support and advice that are available, such as those offered by the council (for example the employability officers). In addition, they help to reduce social isolation of vulnerable individuals who may otherwise have few support networks.

3. This project supports the following corporate priorities:

- Involving residents in improving their local area and equality of access for all.

4. Objectives

The objectives of this project are:

- To ensure that the local providers of food parcels and nutritious meals to very vulnerable residents are able to meet local demand through capacity and resources.
- To ensure that those visiting those schemes are advised of the most appropriate support and assistance available to meet their requirements.
- To mitigate the impact of Welfare Reform changes on the most vulnerable residents of the borough.

5. Scope

Project Mandate

The scope of this project is to make available financial support to the suitable schemes to enable them to meet the needs of local residents in crisis situations and to work closely with them and partner agencies to provide additional support to service users. This will be achieved through the following -

- Understanding local need and demand for food related assistance through engaging with local partners.
- Ensuring that the operators are aware of Welfare Reforms changes, their principles and associated support mechanisms such as Urgent Care and Needs fund and other referral pathways.
- Ensuring that support reaches those in the borough who need it most through the development of necessary checks and balances.

The project will be led by Policy and Communications.

6. Key Project Milestones

Actions	Method	Time scale
Identify local schemes and organisations providing support and assess the level of need	Information gathering	April 2015
Agree level of support for suitable organisations and schemes	Contract / grant agreements	May 2015
Work with schemes to ensure that they are aware of appropriate paths for referrals for vulnerable people	Joint working with the Welfare Reform Officer, the Employability Officer and the relevant organisations.	Ongoing

7. Constraints

A budget of £15,000 has been identified to support the schemes in the borough. Most of the schemes are run by volunteers and so the delivery of services are reliant on their capacity. Constraints also exist around partner relations; putting in place successful interventions and reducing the number of residents needing to access the provision is dependent on the Council's relationship with partners in identifying appropriate support that best suits individual circumstances and needs.

8. Impact on other Directorates/Projects

The delivery of this project is closely supported by the Welfare Support Officer and Employability Support Officer who work closely with both partner agencies and the relevant schemes to ensure individuals are advised of the most appropriate support and assistance available to meet their needs.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Supporting communities to access grant funding

Date: 11/12/2014

Author: Rebecca Huddleston

Responsible Directorate: Chief Executives Office

1. Project Overview

This project will procure a grant finder tool which will support internal services and external partners to work with local community groups and organisation to access grant funding. The overall aim of this project is to support local groups and organisations across Chorley to access opportunities and secure funding to improve services and facilities in the local area.

2. Project Background

The Council works with local community groups and organisations across the borough and over the years there have been various funding initiatives offered by the Council to support these groups included core funding and small community grants. While generally only small amounts are available they can and do support communities to access larger pots on money available through other regional and national grant schemes.

There is however no current provision to support community groups to find other grant funding sources applicable to their needs or to apply for it. In the past the Council has employed a dedicated external funding officer, but this comes with a significant cost. Subsequently we have also provided free access to a grant information from our website, which left the onus on groups and individuals to use the system unsupported. Data showed that very few people used this facility.

It is thought that the approached proposed in this project of procuring a system which our staff or partners will use when working with local organisations will have the most impact and be the best value for money.

3. Corporate Priorities

This project supports the council's corporate priority of involving residents in improving their local area and equality of access for all and delivery of the long term outcomes:

- Residents who take pride in where they live and their achievements; and
- All residents are able to take an active part in their community

4. Objectives

The key objectives for this project are to:

- Work more closely with local communities to support them in accessing grant funding.
- Work together with VCFS partners, providing a tool/service for them to enable them to better work with local communities in accessing funding; and
- Increase grant funding coming into the borough, ensuring that the investment more than pays for itself.

5. Scope

The scope of this project involves the:

- Procurement of a grant finder solution;

Project Mandate

- Internal promotions of the facility, ensuring all services are aware of it and how they could use it when working with local groups and organisation. This may include setting targets and/or establishing a small competition for the service/person who can bring in the most funding.
- Communications and possibly training for Members of the service so that they can point local communities and groups in the right direction for support or provide them with support directly;
- Promotion of the service to the local groups and organisations;
- Working with VCFS partners to provide them with access and encourage them to make the most of it; and
- The monitoring and annual evaluation of the new service, in terms of number of times it has been accessed, percentage of successful grant applications and total value of the grants brought into the borough, etc.

6. Key Project Milestones

The key project milestones for the first year are:

- Procurement of a grant finder system – April 2015
- Promotion/communications about the system and service to staff, members, VCFS and public – May 2015
- Monitoring – Quarterly from quarter 2
- Evaluation – April 2016

7. Constraints

The budget requested for this project is £20,000 which should pay for access to a grant system for three years from 2015/16 – 2017/18.

8. Impact on other Directorates/Projects

This project has the potential to support the work of any service which works with local community groups and organisations. However the main users are expected to be from Health Environments and Neighbourhoods service.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

16/17 Young Persons Drop-in

Date: 28 November 2014

Author: Fiona Daniels

Responsible Directorate: Customer and Advice Services

1. Project Overview

The drop-in service is for 16/17 year olds only and operates two days a week on Tuesdays and Fridays from Lord Street in Chorley. It is the gateway (single point of access) for referrals of 16/17 year olds from the Chorley area that are at risk of becoming homeless. The drop in also provides mediation and support to 16/17 year olds at risk of homelessness

2. Project Background

The service has been delivering outcomes since January 2012 and was developed following a one-off payment of £30k from the Department for Communities and Local Government. Since then the service has been funded as a growth item.

The funding received and the subsequent commissioning of the service followed significant issues arising during 2011 when Chorley Council and LCC Children's Social Care were in conflict regarding the support requirements for young people. At that time, the number of 16/17 year olds presenting as homeless was increasing and resulting in a reactive response where the approach taken by the different agencies was in conflict and often resulted in young people being placed inappropriately in temporary accommodation.

Following extensive discussions with Children's Social Care (CSC) led by Chorley Council it was agreed that the focus should be on prevention and that this service would be a single gateway for referral which would focus on trying to keep the young people at home.

3. Corporate Priorities

The project supports two of the four priorities:

- Involving residents in improving their local area and equality of access for all, and
- Clean, safe and healthy communities.

The project also supports the Council's prevention of Homelessness Strategy, the Working with families' project, the Council's work on Children's safeguarding and contributes to the reduction in NEETS and improving life chances of young people.

4. Objectives

65 16/17 year olds have used the service between April 2013 and March 2014, the majority were helped to either stay at home, stay with other members of their family in settled accommodation or accessed supported accommodation.

It is anticipated that the continuation of the service would:

- Provide support to 70 young people (based on current performance)
- Maintain the positive working relationship that has been established between CBC and CSC

Project Mandate

5. Scope

A budget of £19,000 has been identified to enable the service to be delivered until March 2016. The funding will be used to pay for the two part time mediation/support workers, the hiring of the venue, equipment and some materials. .

6. Constraints

LCC currently provide an officer from CSC to attend the drop-in and we would look to LCC to continue to provide that resource.

7. Impact on other Directorates/Projects

The main impact will be on the Housing Options and Supported Housing Services.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness

Date: 12th December 2014

Author: Mick Coogan

Responsible Directorate: Customer and Advice Services

1. Project Overview

The project will provide an accommodation finding service for 'non-priority' households threatened with homelessness, which will mainly be single people but could include couples or other household types will all members over the age of 18. Households which are 'non-priority' according to homelessness legislation have a right to advice and assistance from the Local Housing Authority, however there is no duty to house them, and with limited resources 'non-priority' households are more at risk of rough sleeping. The service will take referrals from the Council's Housing Options

Clients will mainly be assisted by working with private landlords and fostering successful relationships by supporting the landlord where necessary. Landlord incentives can be provided as well as necessities for some tenants such as furniture packs. Once finding accommodation the service will work with tenants and landlord to ensure the tenancy is sustained successfully.

2. Project Background

AAAW have provided an accommodation finding service in Chorley, Preston, South Ribble and West Lancashire funded £44,600 per annum by DCLG ring-fenced funding to help non-priority homeless households and therefore prevent rough sleeping. The service was originally contracted from 1st December 2013 to 30th November 2014, however due to its success the option was taken to extend it a further year to 30th November 2015, however after that date there is no further funding available.

The service, operating under the name Safe Lets, has received positive feedback from Clients, landlords and referrers, and challenging clients have been housed. In the first year 201 referrals were taken by Safe Lets and advice given, 109 of which were from Chorley, and 42 households have been successfully helped into new private rented tenancies (33 from Chorley). 7 households (all Chorley) have maintained successful tenancies for over 7 months so far, and there have been no tenancies that have failed.

Due to the above a bid was put to the Budget Growth New Development Package for £6,000 for the remainder of 2015/16 and £18,000 for 2016/17 to provide a Chorley only service.

3. Corporate Priorities

By commissioning a non-mandatory service the Council is demonstrating that it is: *"an ambitious council that does more to meet the needs of its residents"*, in particular *"an ambitious council that continually strives to improve"*.

The objective of *"clean, safe and healthy communities"* will be met by providing suitable housing and reducing health inequalities by reducing rough sleeping.

4. Objectives

At least 25 households pro rata per annum will be found new private rented properties.

Project Mandate

At least 80 households pro rata per annum will be accepted as referrals and advice provided.

At least 85% of tenants and landlords will be satisfied with the service.

5. Scope

The service will fit under the Housing Options umbrella as a tool to assist households we do not owe a duty to. It is accommodation finding but not emergency access. Priority households cannot be assisted through the service.

Chorley council will commission the service and have regular contract monitoring meeting with the service provider.

6. Key Project Milestones

Draw up tender brief and have the criteria approved by the Executive Member or Executive cabinet as appropriate – Target June 2015

Call for Tender via 'The Chest' – Target July 2015

Shortlisting and tender evaluation - Target September 2015

Appoint contractor – Target October 2015

Contract starts – Target 1st December 2015

7. Constraints

The budget may affect the number of tenders, as there was only one tender for the initial contract. The supply of referrals from Housing Options will be needed in order to hit the targets.

8. Impact on other Directorates/Projects

There is no link to any specific project, however there are demonstrable benefits to the work of the Housing Options team. The Public Protection, Streetscene and Community directorate is likely to benefit if the numbers of occasions of rough sleeping are reduced, in particular the Neighbourhoods Team.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Free Swimming

Date: 28 November 2014

Author: Jo Oliver

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

This budget will deliver free swimming for 16 year olds and under during the summer school holiday period.

2. Project Background

Free swimming was offered in 2014 for a 7 week period over the summer holidays in July and August for those aged 16 or under. The scheme was offered in conjunction with Active Nation, the Council's indoor leisure partner.

Attendances in 2014 were 3,579 across the two sites which is a 5% increase on last year's figures and could have been higher had the weather not been as good given that indoor pools are usually busier in poorer weather.

Publicity about the scheme started earlier this year and was more widespread which helped attendances along with Active Nation providing a better registration and entrance system. The scheme is now established and families aware of its existence.

The scheme encourages young people to take part in health and wellbeing activity by making swimming accessible and increasing visitor numbers to the council leisure facilities.

Free swim sessions will be offered as last year, Monday to Friday inclusive at All Seasons and on three week days at Brinscall pool. Sessions are usually held in the afternoon and Active Nation manages numbers and the duration of each swim.

3. Corporate Priorities

This project contributes to the following corporate priorities:

- Clean, safe and healthy communities.

4. Objectives

- To provide free swimming sessions to children aged 16 or younger at All Seasons Leisure Centre and Brinscall Swimming Pool throughout the school Summer holidays.
- To promote use of leisure centres, exercise and healthy lifestyles.

5. Benefits

The free swim offer supports the Council's Corporate Strategy of providing clean, safe and healthy communities. Free swimming is a popular activity, helps reduce health inequalities and provides a diversionary activity for young people during the holidays.

Project Mandate

6. Scope

Provide free swimming opportunities to children aged 16 or younger at All Seasons Leisure Centre and Brinscall Swimming Pool throughout the school Summer holidays. Work with Active Nation to agree this year's offer and any improvements to the project based on last year's scheme.

7. Key Project Milestones

Task	Duration	Start	Finish
Work with AN to define scope of offer	2 months	April 15	May 15
Develop Communications strategy	1 month	June 15	June 15
Scheme goes live	7 weeks	July 15	Sept 15
Review scheme	1 month	Oct 15	Nov 15

8. Constraints

- Budget of £8,000.
- Swimming to be provided during summer holidays.

9. Impact on other Directorates/Projects

This supports the work undertaken by the council's leisure team to promote sport, exercise and healthy lifestyles.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Progress key employment sites

Date: 05/01/2015

Author: Cath Burns

Responsible Directorate: Chief Executive

1. Project Overview

Creating jobs for local people is one of the Council's top priorities and bringing forward sites that are suitable for inward investment has the potential to create thousands of jobs for local people. A number of employment sites have been identified as suitable for inward investment; the delivery of this project will see the council taking a hands on approach in working with developers, land owners and the LEP to enable these employment sites to be brought forward for development.

2. Project Background

A key priority within the Economic Development Strategy is to promote and increase inward investment in Chorley through maximising best use of available employment land and buildings in the borough in order to support economic growth and provide a mix of well paid, high and low skilled jobs.

The Revolution at Buckshaw Village is Chorley's Strategic Regional Site, providing a high quality logistics and industrial park to attract high profile occupants Kimberly Clark and Parcelforce and creating hundreds of jobs locally.

The Chorley Local Plan will provide a future supply of employment land in Chorley upto 2026. A number of employment sites have been identified as suitable for inward investment. Work is now needed to bring forward key employment sites in Chorley in order to continue to drive economic growth and prosperity.

An Inward Investment Employment Sites Development Plan has been prepared and identifies key milestones in relation to bringing forward the various employment sites. Chorley has approximately 86 hectares of land to offer potential developers, if brought forward the land has the potential to create thousands of jobs for local people. Developing just half of the sites could provide over 3,000 jobs, more than Chorley's current unemployment levels. It is the council's ambition to facilitate 50% of these employment sites by 2022.

3. Corporate Priorities

The project supports the Council's Corporate priority in developing 'A strong local economy', in particular supporting the development of a strong and expanding business sector and providing residents with access to high quality employment opportunities.

4. Objectives

The project will aim to deliver the key milestones for selected sites identified in the Inward Investment Employment Sites Development Plan.

Project Mandate

5. Scope

The scope of this work will include undertaking site investigations and assessments, preparing master plans, establishing stakeholder groups and preparing planning applications. The following sites have been identified as a priority to bring forward for employment :

- The Revolution
- Group 1, Buckshaw village
- Southern Commercial, Buckshaw Village
- M61 Botany Bay
- North of Euxton Lane
- Botany/Great Knowley
- Land East of Wigan Road
- Land NE of M61 Junction

6. Key Project Milestones

Site	Key Milestones to Bring Land Forward
The Revolution	<ul style="list-style-type: none"> • Continue with inward investment campaign (on-going)
Group 1	<ul style="list-style-type: none"> • Meetings with Persimmon (Jan 2015 onwards) • Commission prospectus (Feb 2015 onwards) • Identify developer (Mar 2015 onwards)
Southern Commercial	<p><u>Orbit</u></p> <ul style="list-style-type: none"> • Property Services to revise financial appraisal and meeting with Orbit to agree way forward (Jan 2015) • Proposal made to Orbit to de-risk first speculative build (Feb 2015) <p><u>Gough</u></p> <ul style="list-style-type: none"> • Representative of Gough Family to respond regarding taking their site forward (Jan 2015) <p><u>Primrose Holdings</u></p> <ul style="list-style-type: none"> • Planning application submitted (Jan 2015) • Development completed (Dec 2015)
M61 Botany Bay	<ul style="list-style-type: none"> • Appoint neutral 3rd party representative (Feb 2015) • Undertake site investigations/assessments (Feb - May 2015) • Prepare draft masterplan (May 2015) • Masterplan consultation (June 2015) • Finalise masterplan (July 2015) • Submit planning application (Aug 2015)
North of Euxton Lane	<ul style="list-style-type: none"> • Negotiate land swap with HCA (Oct 2014 onwards) • Conclude GD2 submission (Dec 2014 onwards) • Developer working towards outline planning application (Jan 2015) • Undertake site investigations/assessments (Dec 2014 – May 2015) • Final decisions on future of site, next steps, possible funding opportunities and coordination of digital health elements (Feb / March 2015)
Botany/Great Knowley	See 'M61 Botany Bay'

Project Mandate

<p>Land east of Wigan Road</p>	<ul style="list-style-type: none"> • Negotiate land swap (Oct 2014 onwards) • Conclude GD2 submission (Dec 2014 onwards) • LCC working on highways assessments (January 2015 onwards) • Establish stakeholder group inc developer partners (Mar 2015) • Submit planning application (June 2015) • Planning decision (Sep 2015)
<p>Land to NE of M61 Junction</p>	<ul style="list-style-type: none"> • Liaise with land owner on future plans and timescales (Dec 2014 onwards)

It should be noted that timescales are indicative and sometimes reliant on third party co-operation.

7. Constraints

Successfully managing relations with existing land owners, developers and the LEP will be key. Constraints also exist around planning in terms of land being used for employment creation rather than another usage such as residential. A growth budget of £50,000 has been identified to support this work.

8. Impact on other Directorates/Projects

The delivery of this project will require support from Property Services in terms of in-house valuations, identifying land ownerships and commissioning site assessments. Support from Planning Policy will be required to help prepare masterplans and comply with planning policy.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Increasing visitor numbers to Chorley

Date: 11/12/2014

Author: Rebecca Huddleston

Responsible Directorate: Chief Executives Office

Project Mandate

1. Project Overview

The aim of this project is to bring more short stay visitors into Chorley through the marketing and promotion of Chorley's assets and attractions and through delivery of an annual programme of events.

It builds upon the work the Council has done in the last few years to increase the number and quality of events it directly delivers and also links to the support services available to new and existing businesses.

Overall, increasing visitors to Chorley will support local businesses and the local economy.

2. Project Background

The Lancashire visitor economy attracts 60m visitors a year, which is more than Cumbria including the Lake District. Lancashire numbers have increased by 4.5% since 2010, and nationally the visitor economy is expected to grow strongly. While Lancashire's tourism economy is particularly focused in Blackpool and the Fylde coast, Lancaster, Preston and the Ribble Valley, It is recognised that Chorley has a broad range of tourism assets. The sector accounts for approximately 8% of businesses in Chorley and generates around 4,000 jobs.

There is opportunity to capitalise on the wider success of tourism in Lancashire and predicted increases in visitor economy growth. Chorley does have a lot to offer and attracting visitors to the town centre and surrounding areas could have a positive impact on the local economy.

In addition more people are increasingly looking closer to home for events, attractions and holiday breaks due to increasing travel costs and less disposable income which means that there is a genuine opportunity to capitalise on encouraging people from the surrounding areas to visit and stay locally.

3. Corporate Priorities

This project will support the Council's priorities of a strong local economy and an ambitious council that does more to meet the needs of residents and the local area.

4. Objectives

This project will build on what has been done so far through delivering bigger and better events, attracting even more people into the borough for day or short visits. It will also aim to promote Chorley assets and visitor attractions locally and wider within the region. This will include working with local businesses and Marketing Lancashire.

The key objectives for the project are to:

- Increase visitor numbers into the borough;

Project Mandate

- Raise awareness of the assets and attractions in the borough, through working together with relevant local businesses and Marketing Lancashire;
- Develop a marketing campaign and materials.

5. Scope

The scope of this project is to focus on increasing day and short visits into the borough. The target audience are to promote things to do and places to visit to local residents who may not be aware of all there is in Chorley and also wider within the region.

The first step will be to establish an initial list of Chorley's assets and attractions. We could engage local people in this task through social media.

The next step will be to develop relationships with the relevant owners and managers and to see what their plans are for the coming years and how we could work together to promote their assets further.

As part of this work it may be useful to:

- establish a tourism forum;
- develop a visitor guide;
- develop an visitor focused website for the borough; and/or
- consideration of a tourist information point.

Not included in the scope at this time, is the promotion of Chorley outside of the region. This may be reviewed and re-considered in the future.

Also excluded from the scope of this project is the delivery of events, which will be done through the campaigns and events projects.

6. Key Project Milestones

The key milestones of this project are to:

- Identification of an initial list of the boroughs assets and attractions – March 2015
- Development of an increasing visitor's campaign and plan – April 2015
- Establish links with local businesses (including developing a quarterly tourism forum involving a wide range of business from the sector)– May 2015
- Develop links with Marketing Lancashire – May 2015
- Development of promotional materials – June May
- Delivery of the campaign – May 2015 – March 2016

7. Constraints

A budget of £35,000 has been requested for the delivery of this project. This budget will include the promotion of Chorley's assets through Marketing Lancashire, local media and trade media as well as the development of promotional materials, establishing and running costs of a tourism forum and other resources as required.

8. Impact on other Directorates/Projects

This project links to the work in Economic Development.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Support the Expansion of Local Businesses

Date: 11/12/14

Author: Tony Openshaw

Responsible Directorate: Chief Executive's

1. Project Overview

A support service for existing businesses, trading for more than 3 years, is now available through Chorley Council. This service was established to assist businesses to survive and grow and is provided by a dedicated business adviser.

A reward scheme to support the expansion of existing businesses, trading over 6 months, who are creating/safeguarding jobs has now been launched. This fund is called the Chorley Business Investment for Growth fund (BIG).

The BIG grant can be used for the construction of new buildings; the refurbishment/adaptation of existing business premises; site engineering works; the purchase of plant and machinery; signage; hard/soft landscaping and security improvements. Grant contributions from the fund are based on the amount of jobs, and other outputs, that the business will create as a result of the overall investment.

2. Project Background

Businesses in Chorley have access to a dedicated business adviser to support them with their development and growth plans.

In the past, the majority of business advice and information for existing businesses was provided by Business Link which employed 51 Business Advisors across Lancashire to intensively assist companies. With the restructure of Business Link, the provision of free dedicated one to one business advisory support to existing businesses in Chorley ceased in November 2011. Central Government has, instead, put in place a Business Link on-line resource. This resource is proving to be very limited. This is substantiated by the June 2012 Survey by the Open University Business School which found that “the internet is not necessarily the best way to deliver business advice, which often needs to be tailored to the specific needs of a particular organisation”.

Furthermore, the closure of the Regional Development Agencies in March 2012 has been a factor in the worsening supply of quality business advice and information from qualified and experienced business advisors.

The provision of quality one to one business advice and information to our existing businesses is fundamental to the Chorley economy for the following reasons:

- Maintaining the existing business and employment base which is more vulnerable in these uncertain economic times. Clients receiving formal business support have a higher chance of business survival than those receiving no support.
- Improving competitiveness and supporting the growth of existing businesses.
- Many businesses remain unaware of the support which is on offer, as do intermediaries such as banks and accountants.
- Complements Chorley Council's new business start up scheme. New businesses increase competition in the market place, forcing 'business churn'- existing businesses need to be able to raise their game if they are to compete in the market.

Project Mandate

Existing and planned support for the provision of quality business advice and information is limited. There has been one noteworthy development, namely the establishment of Boost Business Lancashire in 2013 and the creation of a Business Growth Hub led by the Lancashire LEP (Lancashire Enterprise Partnership). Ten different strands of support can be accessed providing certain criteria can be met. However, not all support is accessible to existing businesses and some only target SME's in identified priority sectors. For example, the Growth Accelerator programme requires companies to commit to year on year growth of 20%. Due to this targeting, a significant proportion of Chorley businesses are not being served by this initiative, the funding for which finishes in June 2015.

The Chorley BIG grant complements existing provision and provides a reward scheme to support the expansion of existing companies who are creating/safeguarding jobs. An integral element of the programme is a community repayment scheme which has now been successfully trialled.

3. Corporate Priorities

This project fits in with the Council's Corporate Priority on 'A strong local economy' by supporting a 'Strong and expanding business sector' and providing 'Access to high quality employment'.

4. Objectives

The project will aim to:

- Continue to deliver a grant scheme to support the expansion of existing companies who are creating/safeguarding jobs, subject to funding.
- Integrate this grant provision into the wider business advice and support service for existing businesses in the Borough who have been trading for more than 3 years in order to help them to survive and grow.

5. Scope

The Chorley BIG grant will be accessible to all existing businesses and as such there will be a need to raise awareness amongst the Chorley business community and through the business networks that the Council is engaged with. The focus will be:

- To promote the grant scheme to target businesses with a view to maintaining stability in these uncertain economic times as a first priority, and then to seek out untapped potential.
- Utilise the Council's grant resource to leverage other grant sources such as those offered by Regenerate Pennine Lancashire and Boost Business Lancashire so as to further assist businesses in bringing capital projects to fruition. To work in partnership with such funding bodies and other agencies that provide business support such as MAS (Manufacturing Advisory Service) to ensure referrals are made into the Chorley service, and vice versa.

Project Mandate

- To complement the Starting In Business Grant and the work of the Council’s start-up Business Advisor in providing an integrated business support service..

6. Key Project Milestones

Key milestones include:

Key Action	Milestone Date	
Continue to progress BIG grant applications	From 2015	April
Formalise the Community Repayment Scheme and include in grant application and guidance notes	From 2015	April

7. Constraints

Staff Resources – the amount of time the Business Advisor has to spend on the grant programme could be a constraint. Should demand from businesses for grants outstrip the officer time available this may result in a delay in grants being processed.

Finance – the amount of money available may not be sufficient to meet demand, should there be an increase in up-take of the Chorley BIG grants.

8. Impact on other Directorates/Projects

The role of the Business Advisor will complement the work of the Council’s start-up Business Advisor. The Community Repayment Scheme has an option to engage with the Council’s Time Credits programme. The Communications Team will be involved in any PR around the successful completion of grant funded projects.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Investigate Further Opportunities to Expand Chorley Markets

Date:10/12/14

Author: Conrad Heald

Responsible Directorate: Chief Executive

Project Mandate

1. Project Overview

This project aims to investigate, and consult on further opportunities to expand Chorley Markets and also to ensure that a continuous market service is maintained throughout the construction of the Market Walk extension should it go ahead.

2. Project Background

Chorley is famous for its markets, which date back to 1498 - the most popular market day in the Lancashire town is Tuesday with over 150 outdoor stalls under gazebos on the Flat Iron.

These days the borough is proud of the tradition but the market has moved on - there's a cash point on site and the range of goods mirrors the popular lines of the High Street. Food and local fresh produce is one of the major strengths and there's free coach parking for group travel with visitors coming from all over the country.

Chorley also has a Covered Market, open five days a week and the local food and craft market is held every second Saturday of the month along Fazakerley Street with a wide selection of quality goods from local producers. The specialist market has a range of gifts, local produce and quality food with people coming from across Lancashire to visit each month.

This project aims to identify potential opportunities to both expand Chorley's existing market provision and also as options for the temporary re-location of the Markets during the construction period for Market Walk phase 2, should that project go ahead.

3. Corporate Priorities

This project fulfils the Strong Local Economy priority.

4. Objectives

The project aims to:

1. Develop and consult on a plan to expand Chorley Markets
2. Provide a continuous outdoor market service throughout Market Walk Phase 2 construction.

5. Scope

The scope of the project is to include:

A review of the current market provision and the completion of a future development plan for the markets.

6. Key Project Milestones

- Establishing Legal Authorities Apr 15
- Asses impact of planning permissions for MW Phase 2 Jun 15
- Evaluate options July 15

Project Mandate

- Consult on preferred option
- Executive Cabinet Decision
- Programme of change

Sept 15
Oct 15
TBC

7. Constraints

This project has a budget of £30k.

8. Impact on other Directorates/Projects

- The Communications team need to be informed as trader/public reaction may be negative
- The Legal team need to inform the project of legal issues / processes
- The project team for Market Walk phase 2 need to be kept fully informed.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Chorley Council employment support fund with Runshaw College

Date: 09/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Chief Executive's office

Project Mandate

1. Project Overview

Working with Runshaw College, this project supports local businesses in developing apprentice opportunities and supports young people in accessing these opportunities.

2. Project Background

This project builds on the success of the 2013 Corporate Strategy project 'Implement a joint employment initiative with Runshaw College' which will come to an end in April 2015. The project was initiated in response to the number of unfilled apprentice opportunities that existed at the time within the borough. Evidence from Runshaw College suggested that the vacancies were remaining unfilled for the following reasons –

- Access to transport
- Start-up costs e.g. equipment, uniforms etc.
- Right skills and training

To support local businesses and young people in overcoming these barriers the project funded an employment support scheme which was administered by Runshaw College. The fund enabled employers to access support towards costs additional to wages such as equipment costs in particular IT equipment, and enabled apprentice to access support to suit their specific needs, such as transport costs or uniform costs.

The availability of funds has proved a valuable incentive to persuade Chorley businesses to recruit from within the area; the project has so far supported 63 young people into apprentice schemes, 42 of which were classified as NEET prior to enrolment.

3. Corporate Priorities

The project directly supports the corporate priority 'A strong local economy', in particular high quality employment and education opportunities. The project also directly links to and supports the following corporate strategy indicators –

- Number of working age people on out of work benefits
- % of 16-18 not in education, employment or training

4. Objectives

This project will continue to support the development of apprentice opportunities within the borough, with the aim to reduce the number of young people, particularly NEET young people, excluded from employment opportunities.

5. Scope

The project will be limited to those accessing opportunities through Runshaw College and will need to be flexible enough to deal with individual circumstances.

Project Mandate

6. Constraints

A budget of £20,000 has been allocated for a period of two years; this budget will be used to overcome some of the financial barriers that young people face in accessing and sustaining apprenticeships. The budget will also provide incentives to local businesses to encourage them to develop apprentice opportunities.

7. Impact on other Directorates/Projects

There are limited resource implications as the scheme is run and administered through Runshaw College however the project closely aligns and supports existing incentive employment projects delivered within Economic Development such as Chorley Works.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Additional events in Astley Hall and Park

Date: 12-12-2014

Author: Jamie Dixon

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

Additional funding to support a comprehensive events programme at Astley Hall

2. Project Background

Currently there is only a £6K budget to fund arts development and events at Astley Hall. Over recent years this budget has been allocated in full to support the Big Drum Day event in August.

In line with the Astley 2020 vision, the project will provide for an additional 14K to fund a comprehensive events programme at Astley Hall together with continued funding support for the Big Drum day.

The following events programme is planned for 2015:

- | | | |
|-------------|---------------------|--|
| • April | Astley Alive! | Good Friday -Easter Monday (3 rd - 6 th April) |
| • May | Museums at Night | 14 th – 16 th May |
| • August | Big Drum Day | TBC |
| • September | Gruffalo Event | TBC |
| • November | Astley Illuminated | TBC |
| • December | Christmas at Astley | First 3 Saturdays of December |

3. Corporate Priorities

This project will contribute to the following objectives:

- An ambitious Council that does more to meet the needs of residents and the local area.
- A strong local economy.

4. Objectives

- Increased visitor numbers to Chorley and increased trade in town and surrounding areas.
- More events for local residents.

5. Scope

The project includes investment in events at Astley Hall and Park.

6. Key Project Milestones

- | | | |
|-------------|---------------------|--|
| • April | Astley Alive! | Good Friday -Easter Monday (3 rd - 6 th April) |
| • May | Museums at Night | 14 th – 16 th May |
| • August | Big Drum Day | TBC |
| • September | Gruffalo Event | TBC |
| • November | Astley Illuminated | TBC |
| • December | Christmas at Astley | First 3 Saturdays of December |

Project Mandate

7. Constraints

£14,000 additional budget to be allocated during 2015-16.

8. Impact on other Directorates/Projects

Town Centre and economic regeneration teams by supporting a vibrant town centre and local economy.

Requires support for marketing and promotion from Policy and Comms Team.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Deliver the Chorley Public Service Reform Board work plan

Date: 01/12/2014

Author: Natalie Taylor-Proctor

Responsible Directorate: Chief Executive

Project Mandate

1. Project Overview

This project is focused on delivering the work plan of the Chorley Public Service Reform Board. The board has a clear focus on how organisations can collectively deliver high quality public services to the public efficiently and effectively ensuring a better service for communities and better outcomes and value for residents.

The project will see the delivery of a number of work streams over the next year including assets, data sharing, joint commissioning and integrated wellbeing and resilience services.

The delivery of this project provides an opportunity to transform the way public services are delivered locally and to explore public service integration, particularly around health and wellbeing.

2. Project Background

At the Chorley Partnership Executive in April 2014 it was agreed to refocus the purpose and aims of the partnership and change this decision making body to become the Chorley Public Service Reform Board. The change in purpose was in response to the drive towards the integration of health and social care plus the other challenges currently faced by public services. The objective of the board is to –

“Work together to ensure high quality public services with the best outcomes and value for residents and provide better coordinated and integrated services which are intelligence led.”

3. Corporate Priorities

This project supports and contributes to the following corporate priorities:

- An ambitious Council doing more to meet the needs of residents in a local area
- Clean safe and healthy communities

4. Objectives

The board has a number of work streams to deliver over the next year which include -

- Chorley Wellbeing and Resilience Service
- Integrating our assets
- Intelligence led services and sharing intelligence
- Joint Commissioning

It is envisaged that deliver of these work streams will enable transformational change across all of the wellbeing services currently provided in Chorley.

5. Scope

The scope of this project is to support the delivery of these work streams and will be led by Sarah James in Policy and Communications and achieved through joint partner

Project Mandate

funding of the Programme Office. A budget of £15,000 has been identified by Chorley Council to fund the Programme Office; this will contribute to the funding of the Chorley and Public Service Reform Board officer role which will provide support to the Chorley Public Service Reform Board in delivering their work programme for 2014/15.

6. Key Project Milestones

<p>Chorley Wellbeing and Resilience Service</p>	<ul style="list-style-type: none"> • Outline Business Case approved • Development of service matrices • Development of matrix for an integrated service and model options for delivery • Report and Recommendations • Approval of implementation plan
<p>Integrating our assets</p>	<ul style="list-style-type: none"> • Outline Business Case approved • Collect and analyse current property portfolios, make recommendations • Agree recommendations and implementation plan
<p>Intelligence led services and sharing intelligence</p>	<ul style="list-style-type: none"> • Outline Business Case approved • Evaluation of data /processes, review of codes and develop joint agreement • Develop and deliver model for testing new agreements
<p>Joint Commissioning</p>	<ul style="list-style-type: none"> • Outline Business Case approved • Profile current commissioning • Develop test model • Agree recommendations for future commissioning

7. Constraints

Delivery of the work plan is dependent on the continued commitment of partner organisations.

Constraints exist around resourcing; the Programme Office is currently jointly funded by Chorley and South Ribble Clinical Commissioning Group, Lancashire Care Foundation Trust, Lancashire Teaching Hospitals Trust, Lancashire County Council, and Chorley Council. Any further funding to support delivery of this work is dependent on all partners continued support.

Further constraints exist around partnership working; the recommendations from this work could have an impact on working practices with partners.

8. Impact on other Directorates/Projects

This project provides an opportunity to maximise our links with partners and to explore public service integration. It will therefore also be important to keep up the momentum on this work in conjunction with the unitary status bid which is being explored as part of the 2014/15 Corporate Strategy project 'Investigate future business models for public services in Chorley'.

Support may also be required from Health, Environment and Neighbourhoods in terms of delivering the work streams.

Project Mandate

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Campaigns and Events

Date: 11/12/2014

Author: Rebecca Huddleston

Responsible Directorate: Chief Executives Office

Project Mandate

1. Project Overview

This work aims to build on the success of the 2013 and 2014 campaigns and events programmes. The programme has been well-received by residents since it started to become established two years ago, and is an important way of engaging with the community. The work would ultimately create an annual programme with something for different interests and audiences each month, bringing new people into the town and borough and supporting the local economy.

It will include the continuation of some of the existing campaigns as well as delivery of some new campaigns which are still to be identified.

It will include the delivery of bigger and better annual events such as the picnic in the park and Chorley Live, as well as the introduction of some new events such as the British cycling road race and a gaming event.

It will also include working more closely with Creative Network on the delivery of some of the events in order to deliver and promote the events in a professional and cost effective way.

Finally, a new element of this work, will be to develop a corporate approach to securing sponsorship for future events and also to consider whether some events should be delivered on a more commercial basis, with a view to breaking even on costs.

2. Project Background

The core communications budget is £40,000. This is used for the all corporate publicity, advertising, campaigns and events. There are some annual calls on that budget. They include:

- the What's Happening magazine (four issues a year) for c.£15,000;
- printing and advertising costs (including, for example bus shelter posters, the Attain email system, and advertising new services) for c. £10,000;
- Campaigns (c. £10,000)

The expansion of the events programme in the past two years has been supported by budget investment packages for the past two years. These, along with sponsorship and use of other budgets, have enabled a larger programme to be delivered that has been well-received and encouraged visitors to the town centre and borough, and well as improving the reputation of the borough and council. The broad costs of the events which have been paid for from the communications budget are:

Event	Approx. visitor numbers	Approx. cost
Picnic in the park	8,000	£11,000
Animals in the park	600	£1,000
Theatre in the park	1,000	-£600
Chorley Live	5,000	£5,000
What's your story – literary festival	900	£2,000
Christmas attractions and events	6,000	£30,000

Project Mandate

The events programme could be reduced and refocused without the budget investment, and would probably concentrate on one Christmas event for the lights switch on and one summer event, with a reduced focus on campaigns.

The 2015 events programme is just being finalised and aims to be bigger and better than ever, through building on and further improving existing events to organising new events such as the Chorley flower show (which is considered under a separate budget growth item) and a gaming event.

Overall, despite the additional £20,000 budget which was approved last year, the Communications budget has been overspent by approximately £30,000. This is due to the costs in delivery of the events, and has been managed in 2014/15 through the use of underspends elsewhere.

3. Corporate Priorities

This work supports the council's priorities to be an ambitious council that does more to meet the needs of residents and the local area, and a strong local economy.

4. Objectives

The objectives of this work are to:

- Promote and increase engagement in the changed approach to neighbourhood working and civic pride;
- Support the economic development strategy, with a campaign to promote the town centre – with an aim to increase visitor star and diversify the reasons for improving the town centre;
- improve the way we communicate directly with residents;
- help create a Cleaner Chorley targeting in particular litter, dog fouling, flytipping and graffiti;
- better promote our assets and attract more people into Chorley;
- deliver free or low cost professional events to attract more people into Chorley and support the local economy; and
- to reduce the cost to the council of delivery of events, through sponsorship and minimal charging.

5. Scope

The scope of the work includes:

- Developing an evidenced based programme of campaigns for 2015/16.
- Delivery of the campaigns for 2015/16.
- Delivery of the 2015 events programme
- Developing and implementing a corporate approach to achieving sponsorship for key corporate events.
- Consideration of low cost charging to reduce the cost of delivery of some events, while improving the quality and professionalism of the events.
- Ensuring that where possible time credits are embedded into the delivery of the events, either through earning or spending credits.

Project Mandate

6. Key Project Milestones

- Development and approval of a campaigns plan for 2015/16 – January
- Finalise and approval of the 2015 events programme including an approach to charging for some events - February
- Develop corporate sponsorship options Jan 2015 / approval Feb 2015 / delivery March onwards.
- Delivery of campaigns and events – as per the plans.

7. Constraints

The main constraints on the delivery of campaigns and events are budget and resources.

A total budget of £65,000 is requested to support the delivery of campaigns and events in 2015/16.

This is based on a continuation of the £20,000 growth budget approved in 2013/14 and 2014/15, a further £30,000 based on the overspend on campaigns and events this year, and finally a further £15,000 which may be required to work with external service providers to improve existing events and develop one or two new events such as a gaming event and local produce food and drink events. Commissioning external providers such as Rock FM to support us in delivering events has proved to be successful and cost effective, and it also reduces the impact on capacity within the service.

8. Impact on other Directorates/Projects

The delivery of campaigns will involve closely working with service areas.

In addition the integration of time credits into events will involve working closely with HEN.

The delivery of events will also involve working closely with a range of service areas including economic development and streetscene and leisure contracts.

Appendix A – Draft programme of events for 2015

Date	Event	Location	Organiser
March	Gaming event taster	Town Centre	Chorley Council and Creative Network
March	Astley Alive	Astley Hall, Coach House and Farmhouse	Chorley Council
2 April	Chorley Grand Prix Community Warm Up	Town Centre	Chorley Council and British Cycling
3 April	Chorley Grand Prix	Town Centre and across Chorley Borough	British Cycling and Chorley Council
25 April	What's Your Story Chorley	Town Centre	Chorley Council and Creative Network
25 April	Day of Dance	Town Centre	Amounderness Ladies Dance Group
26 April	St George's Day Parade	Town Centre	Chorley District Scouts
15 May – 17 May	Museums at Night	Astley Hall	Chorley Council
17 May	Lancashire Vehicle Club Rally	Astley Park	Lancashire Vehicle Club
5 June – 7 June	Chorley Carnival	Astley Park	Chorley Carnival Committee
5 July	Picnic in the Park	Astley Park	Chorley Council
18 July	Animals in the Park	Astley Park	Chorley Council
24 July – 26 July	Chorley Town and Country Festival	Astley Park	Alan Myles
24 July – 26 July	Chorley Flower Festival	Astley Park	Chorley Council
2 August	Big Drum Day	Astley Park	Grupo SambrAfric
5 August	Playday	Coronation Recreation Ground	Chorley Council
16 August	Hillcrest Dog Show	Astley Park	Hillcrest Vets
26 August	Playtime in the Park	Astley Park	Chorley Council and HomeStart
1 September	Axel Scheffel Exhibition/Event	Astley Hall	Chorley Council
19 September – 20 September	Heritage Open Day	Astley Hall, Coach House and Park	Chorley Council
2 October - 3 October	Chorley Live	Town Centre	Chorley Council and Creative Network
31 October	Halloween Event	Astley Hall	Chorley Council

Project Mandate

1 November	Winter Sparkle	Astley Hall, Coach House and Park	Derian House
November	Gaming Festival	Town Centre	Chorley Council and Creative Network
14 November	Christmas Lights Switch On	Town Centre	Chorley Council
21 November – 22 November	Astley Illuminated	Astley Hall	Chorley Council
28 November – 20 December	Father Christmas at Astley Hall	Astley Hall	Chorley Council

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Employee Health Scheme

Date: 17 November 2014

Author: Jane McDonnell

Responsible Directorate: Chief Executive

Project Mandate

1. Project Overview

This project is a continuation of a Health Cash Plan funded by the council. The council pays a fixed contribution per employee which then enables 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.

The scheme has proved to be very successful in its three years, and this project would extend the scheme for a further 12 months.

2. Project Background

An employee health scheme was introduced in 2012/13 following two years of no pay award for staff. In the background of very small or no pay awards, it was felt that continued pay freezes could lead to disengagement, lower productivity and morale. The health scheme was therefore introduced in an effort to offer some reward and benefit to staff during this period.

Since January 2014 the scheme has had 427 claims totally £16,350 for services including dental care, optical care, hospital stays, prescriptions and wellbeing such as physiotherapy and acupuncture.

The current contract with UK Healthcare is expiring in May 2015 therefore a procurement exercise would be carried out in early 2015 to procure a new provider.

3. Corporate Priorities

This project supports the council's priority to be an ambitious council that does more to meet the needs of residents and the local area.

4. Objectives

The key objective is the continuation of this scheme for a further 12 months, which would support:

- Improved employee health;
- Increased staff satisfaction and engagement;
- Improvements in staff benefits, creating a more attractive package for potential employees; and

5. Scope

The scheme would be applied to all employees, including agency workers who have worked for more than 12 weeks, and temporary staff that are employed within the year.

6. Constraints

The cost to the Council equates to approximately £1 per employee per week, which over a period of 12 months could be contained within a budget of £20,000. A budget of

Project Mandate

£20,000 has been identified to support delivery of the project within the New Investment Package for 2015/16.

7. Impact on other Directorates/Projects

The scheme is accessible to all staff, but has no specific impact on services other than HR&OD who are responsible for coordinating the scheme.

This scheme would run alongside other health and wellbeing initiatives we are running in the next 12 months which include:

- Running Club
- Fit Club
- Flu Vaccinations
- Pilates
- Health related fun activity

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Mediation Service for Anti Social Behaviour Disputes

Date: 28 November 2014

Author: S Clark

Responsible Directorate: Public Protection, Streetscene and Community

1. Project Overview

Investigations into cases of anti-social behaviour can often be dealt with and de-escalated using mediation techniques between the parties affected. This project will deliver a scheme to refer parties into mediation where appropriate and will be assessed over the course of the year in terms of success and impact

2. Project Background

A number of anti-social behaviour complaints can be more appropriately dealt with and a resolution reached between parties by using mediation techniques. However mediation is particularly resource intensive and requires specialist skills to deliver. There are a number of external agencies who provide mediation services in a neighbour to neighbour setting and where anti-social behaviour or perceptions of it are at issue.

The project will introduce a new service to the council that parties who meet pre-determined criteria will be referred into a mediation setting by agreement.

3. Corporate Priorities

This project meets the following corporate priorities:

- Clean safe and healthy communities
- An ambitious Council doing more to meet the needs of residents in a local area

4. Objectives

The project will:

- Set criteria for referral into a mediation process
- Utilise the service if appropriate and where parties meet the referral criteria
- Measures will be established to record the use and impact of the service throughout the year

5. Benefits

Benefits include:

- Parties are able to access professional mediation services
- Internal resources are released from engaging in this highly specialised work.

6. Scope

The scope of this project is confined to the introduction, for one year, of a mediation service where specific cases of anti-social behaviour can be referred into the service. Referrals would need to need specific access criteria. It is not intended to provide the service for other areas where mediation might provide a solution such as general noise or nuisance complaints or neighbour disputes at this stage.

Project Mandate

7. Key Project Milestones

Key Milestones are:

- Establish referral criteria for access to service
- Measure and monitor service use
- Measure outcomes and determine success

8. Constraints

- The number of cases that meet referral criteria will be a constraint on delivery of the service.
- The number of mediation sessions will act as a constraint on the success of mediation in each case
- A budget of £7,000 has been identified to deliver the mediation service, it is expected that this budget will support referral of approximately 10 anti-social behaviour dispute cases.

9. Impact on other Directorates/Projects

No impact is anticipated on other service areas.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Date: 18th December 2014

Author: Sarah James

Responsible Directorate: Chief Executives

Project Mandate

1. Project Overview

This is a new project, which aims to maximise choice and independence for disabled people and those with dementia who are visiting venues within the borough. It will be achieved through a survey of 200 venues across the borough, taking into account the features of each venue and cross checking them against disability and dementia requirement. This surveying work will be completed with community consultation events and provide local employment opportunities for disabled people. The access guides developed as a result will be available online to help people visit the venues in our borough.

2. Project Background

Chorley Council is currently working towards becoming a dementia friendly town and has undertaken a number of initiatives towards this end. It also has a well-established Equality Forum which promotes and lobbies for equitable services on behalf of disabled groups as well as all other protected characteristics. Recent successes have included obtaining funding for a Changing Places facility in Chorley Town Centre which opened in October 2014.

This project aims to take this further by surveying venues across the borough and publishing access guides to inform the public of the features of each venue. Residents and communities will be involved in deciding which venues to survey (approx. 200). There are then opportunities for local disabled people to be involved in the survey work. The online guides will be produced and feedback given to venues as to how they can become more accessible. They will then be published online as detailed access guides to provide a graphical summary of the venue's accessibility using access icons, together with highly detailed information in relation to each of the key features of the venue. The guide describes a journey into and throughout the venue and includes photographs of the features covered. This will help to encourage visitors to the borough and maximise independence and choice for disabled people in accessing their local area and the places we to visit.

The project will run over three years, with the community consultation and surveying work being undertaken in year one and updates being provided in years two and three.

The project will be delivered in association with a company called Disabledgo, who will organise the surveying and consultation leading to online publication of guides on their website.

3. Corporate Priorities

The project supports two of the four priorities:

- Involving residents in improving their local area and equality of access for all, and
- An ambitious Council that does more to meet the needs of residents and the local area.

4. Objectives

The project will;

Project Mandate

- Survey and develop access guides for 200 venues across the borough
- Develop 40 detailed access guides
- Organise community involvement events. A community consultation and launch event in Year 1 and focus groups with local disability organisations and forums twice a year in years 2 to 3 inclusive.
- Publish access guides online

5. Scope

A budget of £20,000 has been identified to enable the project to run over three years from 2015/16 to 2017/18.

6. Constraints

Possible constraints on the project may be the willingness of venues to participate. This will be minimised through work with communities.

7. Impact on other Directorates/Projects

The main impact will be on Policy and Communications and Streetscene and Leisure Contracts (in terms of assets).

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Buckshaw Community Centre

Date: 10-01-2015

Author: Jamie Carson

Responsible Directorate: Public Protection, Streetscene & Community

1. Project Overview

To deliver a new Community Centre on Buckshaw Village.

2. Project Background

Buckshaw Community Development Group has been meeting for 18+ months to consider community development issues on Buckshaw Village and how groups can work together for the benefit of residents. The key issue has been the lack of community facilities in the village. Research has been undertaken to identify existing provision and demand for community space. As Buckshaw is developed out further, and as the village becomes more established, there will be a further increase in the demand for such facilities.

A small task and finish group, involving various stakeholders, has been established to look at this issue. The initial focus of the groups work was to look at the existing Community Centre and see what opportunities there are for extending or adapting the building. There are limited opportunities to do this and they do not present good value for money, in terms of space created and impact on the rest of the centre. As part of the consultation, a number of respondents suggested an additional centre was required and various locations were put forward.

3. Corporate Priorities

This project will contribute to the following objectives:

- Clean, Safe and Healthy Communities
- An ambitious Council that does more to meet the needs of residents and the local area.
- Involving residents in improving their local area and equality for access for all.
- A strong local economy.

4. Objectives

The objective of this project is to identify a plot of land and build a new Community Centre. It would be the Council's intention to transfer the management of this facility into a community management arrangement, as per the Council's policy.

5. Scope

The scope for this project includes:

- Site assembly.
- The procurement and the construction of the Community Centre.
- Appropriate arrangements to place the new centre into community management, as soon as possible after opening.

6. Key Project Milestones

The project has the following Milestones:

- Negotiating the site assembly – April 2015.
- Seek planning permission – March/April 2015.
- Agree procurement/construction methods – April 2015.
- Anticipated start of construction work – July 2015
- Completion of Centre – 1st quarter 2016.

7. Constraints

The project has a Capital Budget of £600,000. The project requires successful negotiation with landowners. In order to place the facility into community management the project management team will need to identify volunteers who are willing to take on the task of managing the facility.

8. Impact on other Directorates/Projects

The project will require input/support from the following teams within the Council:

- Property
- Legal
- Finance
- Development Control
- Leisure
- Health/Environment and Neighbourhoods

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

CCTV – INFRASTRUCTURE UPGRADE

Date: 5 January 2015

Author: Simon Clark

Responsible Directorate: Public Protection Streetscene and Community

1. Project Overview

This project will fully assess the Councils current CCTV infrastructure and identify which monitoring, recording and camera equipment requires upgrading to current standards of image capture and recording. Where possible the assessment and upgrade will seek use technology that provides some future proofing of the system and interoperability with other systems.

2. Project Background

In 2014 the Councils Overview and Scrutiny Committee undertook a review of the Councils CCTV provision and made recommendations to the Councils Executive Cabinet. On 23 Oct 2014 the Exec Cabinet resolved the following:

1. It is recommended that Members accept the O&S Task Group option 5 to implement a phased capital works programme to upgrade the current CCTV infrastructure.
2. It is recommended that a capital budget of £250,000 be established to fund the capital works over a period of three years
3. It is recommended that the Director of Public Protection Streetscene and Community in consultation with the Executive Member for Public Protection have delegated responsibility to develop and commence the procurement programme to select a suitable contractor to deliver the infrastructure upgrade programme.
4. Executive Cabinet accepts the O&S Task Group recommendation to explore outsourcing, subscription and Parish Council contributions to CCTV infrastructure upgrade. Therefore it is recommended that all these areas are explored as part of the procurement and delivery of the capital works programme. In addition Executive Cabinet recommends that consideration is given to any new system and equipment being compatible with wider local authority CCTV services.

3. Corporate Priorities

This project relates to the Councils corporate priority of clean, safe and healthy communities.

4. Objectives

The project aims to achieve the following:

- Establish current infrastructure maintenance and repair levels and identify the elements of CCTV infrastructure that should be upgraded to ensure the system meets current standards of image capture, recording and monitoring.
- Develop a 3 year upgrade programme
- Establish on an intelligence led basis which camera locations are necessary to support community safety.

5. Scope

Project Mandate

The scope of this project includes the hardware required to operate a CCTV system that captures, monitors and records CCTV footage to current industry standards for a public community safety based service.

It does not cover the operational times of the service as this was reviewed as part of the O&S review within the last 12 months and determined as fit for purpose.

6. Key Project Milestones

1. January 2015 - appoint CCTV consultant to provide initial infrastructure assessment
2. February 2015 – Review current coverage and propose changes on an intelligence led basis
3. March 2015 – Establish a 3 year upgrade programme
4. March 2015 – Commence procurement exercise to procure a 3 year upgrade programme including repair and maintenance of new and remaining infrastructure
5. July 2015 – Award contract and commence 3 year upgrade programme

7. Constraints

This project will be constrained by an initial budget provision of £250,000
The project will be constrained by the focus on existing and intelligence led provision of CCTV coverage and will therefore not deliver camera locations 'on request'

8. Impact on other Directorates/Projects

There will be an impact on Legal and Procurement teams who will be supporting the delivery of the project.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Bengal Street Depot Works

Date: 5th Jan 2015

Author: Keith Davy

Responsible Directorate: Chief Executive

Project Mandate

1. Project Overview

The proposal is to split the current Bengal street Depot into two areas. One area is to be leased out to Recycling Lives. The remaining area will be retained by the council as its operational depot. To achieve this, the following works are required

1. Bring the existing bungalow building up to a reasonable habitable standard to create office space for the Streetscene operational management team.
2. Erect a dividing fence to split the site including gates.
3. Traffic management (round-a-about / white lining) as detailed in the planning approval.
4. Relocation of the fuel tank and portacabins / storage containers.
5. Demolition of the old buildings (joiners workshop)

2. Project Background

As part of the Council's Strategy of rationalising council buildings, the Leisure Services Team, Streetscene and Public Protection Teams located at Bengal Street depot were relocated to the Civic Buildings in Union Street.

This freed up the main office building and a review of the depot activities indicated that the main operational activities could be carried out on a smaller footprint.

The vacant premises and half of the yard area were advertised as available to let on the open market. Recycling Lives, a registered charity offering accommodation, education and training to the homeless and long term employed, approached the council about leasing the available space.

Terms and conditions are agreed for the lease and so the Council must now complete the works as identified above to split the site into two secure and self -contained areas.

3. Corporate Priorities

The delivery of the Project will assist with the Council delivering efficient services (reduce revenue outgoings including reduced rates, utility and maintenance costs) together with bringing investment into the Borough through the grant of the lease to Recycling Lives and provide employment opportunities to residents.

4. Objectives

The project will;

- a) Create a secure depot which meets the operational requirements of the council.
- b) Be delivered within the Budget allocated
- c) Be delivered within a timeframe that meets the requirements of Recycling Lives who will occupy the adjoining area of the Depot site.
- d) Deliver revenue savings to the Council
- e) Be completed within the financial year 2015/16

Project Mandate

5. Scope

The project includes all the objectives above.

In order to be fit for purpose the depot should include the following;

- a) Office/ workshop/ stores/ staff welfare facilities
- b) Vehicles, fuel, plant and equipment storage
- c) Waste storage/ transfer and waste water disposal
- d) Storage of materials, chemicals, plants

The project excludes any works to the area of the depot which is to be leased to Recycling Lives

6. Key Project Milestones

- a) Agree a final specification for the Works (March 2015)
- b) Tender the Works (April 2015)
- c) Demolish the old Buildings (Joiners workshops) (March 2015)
- d) Relocate storage containers to Council retained site (March 2015)
- e) Complete Internal fit out works to Retained Buildings (March 2016)
- f) Complete External Works to the Site (March 2016)

7. Constraints

The key constraints are;

- a) Demolition of the old Buildings and relocation of storage containers from the area of the depot to be leased to Recycling Lives (March 2015)
- b) Delivery of all Works within the budget allocation

8. Impact on other Directorates/Projects

The Project will ultimately impact upon the delivery of services of the Streetscene Teams. The works involve the relocation/ upgrade of a number of facilities, however as part of the Project Brief any alterations have been agreed in advance with the Streetscene Teams.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Yarrow Valley Car Park

Date: 08-01-2015

Author: Jamie Dixon

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

To upgrade the car park at Yarrow Valley to provide up to 135 car parking spaces.

2. Project Background

The car park at Yarrow Valley currently comprises of an aggregate surface without drainage and provides space for approximately 80 cars. This type of surface creates lots of pot holes that fill with water making parking difficult for visitors. The Green Flag judges have recommended that the car park surface is upgraded to provide a fit for purpose car park suitable for a popular country park. Customer feedback also supports the proposed improvements.

3. Corporate Priorities

This project will contribute to the following objectives:

- Clean safe and healthy communities.
- An ambitious Council that does more to meet the needs of residents & the local area.
- Involving residents in improving their local area and the equality of access for all.

4. Objectives

- To upgrade the car park at Yarrow Valley to provide up to 135 car parking spaces.
- To fulfil the Green Flag recommendations for improvement.

5. Scope

- To upgrade the main car park at Yarrow Valley to provide up to 135 car parking spaces including drainage.

6. Key Project Milestones

- | | |
|--|--------|
| • Site investigation work complete | May-15 |
| • Final design and planning details complete | Jun-15 |
| • Submit planning permission | Jul-15 |
| • Planning permission approved | Nov-15 |
| • Procurement complete | Feb-15 |
| • Work started (phased) | Mar-16 |
| • Work complete | Jun-16 |

7. Constraints

£225,000 to provide up to 135 car parking spaces at Yarrow Valley.

8. Impact on other Directorates/Projects

Will involve working with planning, procurement and property services.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Deliver Improvements to Market Street (North)

Date:05/01/15

Author: Conrad Heald

Responsible Directorate: Chief Executive

1. Project Overview

Following the successful implementation of a shared surface scheme to southern Market Street, as part of the ASDA redevelopment, this scheme will continue the public realm improvements up to the St Thomas Road junction.

2. Project Background

Market Street has traditionally been a secondary retail location within the town centre and recent projects to rejuvenate the area such as the redevelopment of the former McDonalds site, redevelopment of the former QS fashion site, Fleet Street car park improvements and re-opening Market Street (North) to traffic have increased vitality and vibrancy to the area encouraging retail activity. In the past year the southern end of Market Street has benefitted from investment into the public realm to develop the 'shared surface' concept and encourage pedestrians to move safely with cars and cyclist in the same space. Following its successful introduction, the council would like to continue this investment in the public realm from its current finishing point at St Georges Street up to St Thomas Road. The extended scheme will incorporate the new free on-street parking which resulted from the re-opening of Market Street (North) in 2014.

3. Corporate Priorities

This project fulfils the Strong Local Economy priority, in particular supporting a vibrant town centre.

4. Objectives

The project aims to:

1. Provide a shared surface public realm concept to Market Street (North).
2. Consult with town centre stakeholders on any proposed changes.
3. Deliver a final approved scheme.

5. Scope

The scheme will encompass the junctions of St Georges Street (previously finished in March 2015) up to St Thomas Road (including improvements to traffic flow entering Market Street / High Street. Any junctions between these points such as Chapel Street and Fazakerley Street will be improved as far as engineering levels determine (but not the entire street).

The project will encompass:

- A site survey of what exists
- Concept design to be consistent with Market Street (South)
- Consultation with town centre stakeholders
- Engineering design by LCC
- Construction

Project Mandate

6. Key Project Milestones

- Site surveys January 2015
- Concepts designs April 2015
- Consultation June 2015
- Final engineering designs/schedules July 2015
- Tendering of contract September 2015
- Award of contract October 2015
- Construction commences Jan 2016

7. Constraints

- The project has a budget of £1mn.
- Availability of materials consistent with existing
- Utility locations / Utility companies cooperation
- LCC Highways department capacity to design and tender
- Minimising loss of parking spaces both temporarily and permanently
- Minimising impact on access to businesses
- Minimising disruption at key trading times i.e. Christmas

8. Impact on other Directorates/Projects

- The Communications team need to be informed to manage business / public information
- The Planning department need to be involved in formulating the design and monitoring the delivery
- The Streetscene team need to be aware of street furnishing requirements / maintenance
- This may be being constructed at the same time as Market Walk Phase 2 is taking place leading to a lack of alternative parking and diversionary routing

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Chorley Youth Zone

Date: 12/01/2015

Author: Jamie Carson

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

This project will focus on the delivery of the Youth Zone, exploring different delivery models with partners Lancashire County Council, Onside Youth Zones and The Arts Partnership.

2. Project Background

18 months ago Lancashire County Council announced plans to develop a Youth Zone at their Union Street premises. At the same time Chorley Council were in discussions with The Arts Partnership regarding the potential development of their building on Railway Street. This resulted in discussions between Chorley Council, Lancashire County Council and The Arts Partnership regarding the possible locating of the Youth Zone. Subsequently, Onside Youth Zones were involved in the discussions.

The Youth Zone project was reported to Council in November 2014, and approved.

3. Corporate Priorities

This project supports and contributes to the priorities:

- An ambitious council that does more to meet the needs of residents and the local area
- Clean, safe and healthy communities

4. Objectives

The Youth Zone will provide 'world class' facilities for young people and be open 7 evenings per week. It will also be open all day during school holidays. In order to provide an exciting and stimulating environment there will be 10+ activities available at any point in time. Operation of the Youth zone will be undertaken by a new charitable trust 'Chorley Youth Zone Charitable Trust'. The objectives of the project are to deliver -

- a finalised plan for the Chorley Youth Zone
- agreement on contributions between all partners
- confirmation as to operational requirements of partners
- a new charitable organisation, Chorley Youth Zone Charitable Trust, to operationally deliver the Youth Zone
- secure planning permission for the Youth Zone

5. Scope

The scope of this project is to work with partners to progress delivery of the Chorley Youth Zone; namely to reach an agreement in terms of funding, operational requirements and secured planning permission of the Youth Zone. It is envisaged that the Youth Zone will open in April 2016 but this is outside the scope of this project.

Project Mandate

6. Key Project Milestones

Site assembly	January 2015
Agreement as to operational requirements of the partners	February 2015
Finalisation of design	March 2015
Establish Charitable Trust	Spring 2015
Public Consultation	Est. May 2015
Planning Application	May 2015
Procurement	July 2015
Consultation with young people to ensure the Youth Zone meets their requirements	Various
Demolition and construction	October 2015

7. Constraints

Constraints exist around funding. It is intended that the project will be funded by Chorley Council, Lancashire County Council and private donations and grants from Onside Youth Zones. Contributions have been agreed in principle between Chorley Council and Lancashire County Council, however, further discussions are expected to take place over the next three months to finalise details. Plans have been agreed to meet a potential funding gap if these discussions do not result in agreement.

8. Impact on other Directorates/Projects

The delivery of the project will impact on both Planning and Governance. As delivery progresses the project may also require support from additional council services in particular Policy and Communications.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

**Develop a Business Case for an Extra Care Scheme
Including Land Assembly**

Date: 6th January 2015

Author: Zoe Whiteside

Responsible Directorate: Customer and Advice Services

Project Mandate

1. Project Overview

This project consists of developing a scheme design and financial appraisal for a proposed Council-owned and managed, extra care scheme. The proposed scheme is intended to be situated on an identified town centre site, which is in the main, currently in the Council's ownership, with pockets leased to other organisations.

The project will not deliver the actual building and associated service, it will deliver an option appraisal, with preferred scheme design and proposal to proceed (or not, in the unlikely event it proves unviable to proceed). The project includes the land assembly work necessary to acquire most if not all of the Fleet Street site.

2. Project Background

Lancashire County Council (LCC) published an Extra Care Strategy for Lancashire at the same time the Council was exploring options for the Town Centre as part of the master plan and considering the options of delivery of new housing, particularly for older people. There are limited housing options available for older people in Chorley, with limited supply of (affordable) extra care housing. Meeting this housing need fits strategically with the Council's aims and will assist LCC in the delivery of their strategic aims, with LCC committing to provide funding for the scheme should it come to fruition.

Corporate Priorities

Involving residents in improving their local area and equality of access for all	X	A strong local economy	
Clean, safe and healthy communities	X	An ambitious council that does more to meet the needs of residents and the local area	X

3. Objectives

The project will achieve the following objectives:

- Identification of an Extra Care Scheme proposal which meets the needs of local people and is endorsed by both council officers and the relevant external partners and stakeholders.
- A financial appraisal and outline business model which will illustrate the capital and revenue income and expenditure necessary to make the scheme operate and include any surplus or deficit generated.
- Acquisition of all or the majority of the site as freehold (or par leasehold with the permission to build).
- To produce a single proposal for Executive Cabinet to consider.

4. Scope

The project will deliver officer time and professional consultancy work only, with the final product being a report detailing a preferred scheme design, with detailed drawings and artist impressions, and a financial model. It will not deliver the planning application and any subsequent permission, the HCA bid or the completed new build scheme.

Project Mandate

5. Key Project Milestones

The establishment of an Extra Care Project Group comprising of both council officers and external partners.
November 2014

Identification of key principles for the scheme model including features and facilities.
January 2015

Written confirmation from partners of financial support (capital and revenue).
March 2015

Regular engagement with the HCA with a view to securing 'in principle' support for AHP grant.
November 2014

The commissioning of suitably qualified architects to develop a number of outline sketch designs, based on different models and available floor space.
March 2015

Completion of negotiations and associated Executive Member Decisions to acquire all or one of the non- council owned buildings on the site including HSS hire and St. Johns Ambulance.
June 2015.

Considered appraisal and evaluation of the initial sketch designs using internal and external expertise, including but not exclusive to including strategic housing, planning officers, property services, finance, Clinical Commissioning Group representatives, Adult Social Care representatives.
June 2015

A final detailed scale design including detailing and planning-application ready drawings, which provide the scheme model including mix and type of apartments, any commercial facilities and any other shared communal and or community facilities.
July 2015

Legal transfer of Ownership of either or both of, HSS and the St Johns Ambulance buildings.
September 2015

An Executive Cabinet report detailing the proposed scheme design and business model.
September 2015

6. Constraints

Staff expertise – developing new social housing is a new area of work for the Council and therefore there is a need to commission external expertise. Initially Architects only will be commissioned and internal capacity will be used for the financially modelling however there may be a need to commission other experts as the project evolves.
Budget is £250,000 capital and £30,000 revenue funding.
Parts of the site include existing long leases and buildings not currently owned by the Council and therefore the property or lease holders could fail to engage in negotiations.

7. Impact on other Directorates/Projects

Project Mandate

Procurement will be involved in the development and advertisement of the tender for the Architect.

Finance Team will provide the capacity and expertise to deliver the financial modelling. Planning & Property Services Teams will be involved in the design of the scheme including planning policy and building regulation considerations.

Legal and Property Services will be involved in the negotiations and acquisitions of the non- council owned buildings and leases.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

Recreational Pitch/Open Space Strategy

Date: 12-01-2015

Author: Jamie Carson

Responsible Directorate: Public Protection, Streetscene & Community

Project Mandate

1. Project Overview

The project supports the delivery of key external schemes within the Council's Play, Open Space and Playing Pitch Strategy.

2. Project Background

The Play, Open Space and Playing Pitch Strategy sets out how the Council and partners plan to protect, manage, enhance and secure its open spaces over the next 5 years. The strategy focuses on sites that need to be improved and sustained to mitigate against negative trends and recommends how any identified deficiencies in provision should be addressed. The strategy identifies a number of facilities that are required to meet local need, for example, athletics training facilities and 3G sports pitches. The strategy also identifies significant open spaces that require development and investment in order to ensure their long term viability, for example, Cuerden Valley Country Park.

3. Corporate Priorities

This project will contribute to the following objectives:

- Clean, Safe and Healthy Communities
- An ambitious Council think there's more to meet the needs of residents and the local area.
- Involving residents in improving their local area and equality of access for all.
- A strong local economy.

4. Objectives

The key objective of this project is to work with local partners to identify ways of delivering the Council's Play, Open Space and Playing Pitch Strategy that also support their objectives. For example, this could include working with schools in order to deliver enhancements to facilities that benefit school pupils and also the wider community during times when the school is not in use.

It is not the intention that the Council's funding would pay full cost of any developments; it is the Council's intention that our investment levers in funding from the partner and also external funding from other sources.

5. Scope

The scope for this project would be schemes of a strategic nature that deliver key elements of the Council's Play, Open Space and Playing Pitch Strategy. By their nature, the schemes once delivered, would not be replicated by lots of other organisations within the Borough. For example, it is not the intention to use this funding to support numerous drainage projects for many sport organisations.

6. Key Project Milestones

The project has the following key Milestones:

- Identify and engage with potential partners – by March 2015.
- Identify projects to support with this funding, subject to them attracting other funding from other sources – by May 2015.

Project Mandate

Milestones for individual projects will be identified as and when suitable projects are brought forward.

7. Constraints

£170,000 has been identified for 2015/16. In order to deliver the projects objectives it requires willing partners with appropriate schemes to come forward and engage. In order to lever in other funding this requires the partners to be able to contribute and also for external funding to be applied for and secured.

8. Impact on other Directorates/Projects

The project will be led by the Streetscene and Leisure Contracts team. The project will require support from Legal and Finance colleagues. In the event of the project requiring planning permission, then colleagues in Development Control will also be involved.

Report of	Meeting	Date
Statutory Finance Officer	Special Council	3 March 2015

TREASURY STRATEGIES AND PRUDENTIAL INDICATORS (2015/16 TO 2017/18)

PURPOSE OF REPORT

1. To present for approval the Treasury Strategy and Prudential Indicators for the years 2015/16 to 2017/18. Submission of these reports is a requirement of the Codes of Treasury Practice with which the Council must comply.

RECOMMENDATION(S)

2. That Council approve
 - The Prudential Indicators for 2015/15 to 2017/18, as set out in this report
 - The Treasury Management Strategy for 2015/16 and Treasury Indicators
 - The Annual Investment Strategy 2015/16
 - The Annual Statement of MRP Policy 2015/16

EXECUTIVE SUMMARY OF REPORT

3. The report presents Prudential Indicators relating to capital expenditure and financing, and the level of external borrowing. Table 1 includes £1.1m capital expenditure in 2015/16 on Croston Flood Prevention being financed by Prudential Borrowing over fifty years. In addition, £2m New Homes Bonus is to be applied from 2016/17 to 2020/21 to repay temporary Prudential Borrowing incurred from 2015/16 to 2017/18; and to finance capital expenditure instead of borrowing in 2016/17 and 2017/18.
4. The proposed MRP Policy for 2015/16 is unchanged from that for 2014/15. It permits an "MRP Holiday" in respect of capital projects that take more than one financial year before completion.
5. No changes are proposed to the Investment Strategy for 2015/16, but a review of counterparties should be presented to Governance Committee during 2015/16. The following limits remain in force:
 - The maximum that can be invested with the part-nationalised banks remains at £5m, and with other institutions £2m. Up to £3m can be deposited in funds affording instant access (Money Market Funds and Call Accounts).
 - Funds can be deposited for up to one year in the part-nationalised banks and with local authorities, and for a maximum of 3 months with other institutions.
 - Investments are restricted to United Kingdom-registered financial institutions.
 - Deposits with the Debt Management office are permitted up to the DMO limit of six months. There is no limit on the amount.

Confidential report Please bold as appropriate	Yes	No
Key Decision? Please bold as appropriate	Yes	No
Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- 6. With security of investments being the paramount objective no change in the current narrow range of UK-registered counterparty institutions is proposed. However a review of investment counterparties (financial institutions and investment criteria) should be presented to Governance Committee during 2015/16.
- 7. Approval of the Prudential Indicators, Treasury Management Strategy, Treasury Indicators, and Annual Investment Strategy is necessary to comply with statutory requirements.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 8. None

CORPORATE PRIORITIES

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

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

- 10. 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 the Chartered Institute of Public Finance and Accountancy (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.
- 11. 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.
- 12. 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

Department for Communities and Local Government (DCLG), to prepare an annual Investment Strategy to identify how that discretion should be applied.

13. This report therefore brings together these related requirements. The Governance Committee's role is to scrutinise these policies and practices, while the Council is required to approve them.

PRUDENTIAL INDICATORS 2015/16 to 2017/18

14. 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 General Fund revenue budget.
15. 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

16. The following statement summarises the latest estimates of capital expenditure and the methods of financing the programme.

Table 1 - Capital Expenditure	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Capital expenditure incurred directly by the Council	5,368	9,214	3,991	2,232
Less Capital resources				
Capital receipts	211	649	0	0
Grants & contributions	3,368	1,869	0	0
Revenue and reserves	955	2,617	422	419
Unfinanced amount (affects the CFR: see Prudential Indicator 2 below)	834	4,079	3,569	1,813
Of which:				
General capital expenditure	834	1,220	51	54
Croston Flood Prevention	0	1,100	0	0
Chorley East Health Centre	0	1,759	3,518	1,759

17. Capital expenditure in respect of the Chorley East Health Centre on Friday Street is estimated to be spread over three financial years, and will be financed with Prudential Borrowing. The revenue consequences will be reflected in the revenue budget from 2018/19 onwards.
18. Of the unfinanced amount in 2015/16, £1.1m is in respect of Croston Flood Prevention, being financed by Prudential Borrowing over fifty years. The Prudential Borrowing to finance general capital expenditure from 2015/16 to 2017/18 is in effect short-term, because New Homes Bonus grant will be applied each year from 2016/17 to 2020/21 to finance the MRP and as voluntary set aside to reduce the CFR balance. In total £2m New Homes Bonus grant would be applied, part of which would be to used finance capital expenditure in 2016/17 and 2017/18 as an alternative to incurring additional borrowing.

Prudential Indicator 2 – Capital Financing Requirement (CFR)

19. The CFR is a measure of the Council's indebtedness resulting from its capital programme. It increases when, as above, the Council incurs unfinanced capital expenditure or leases liabilities. Its importance lies in the fact that it results in a charge to the revenue account, to make provision to finance the expenditure (the Minimum Revenue Provision - MRP).
20. It should be noted that this indebtedness does not necessarily result in the Council having an immediate need to take out additional external borrowings. This is because the Council has various reserves, and the cash which supports those reserves can be used temporarily instead of borrowing.
21. The CFR is important therefore because it creates a charge to the Council's General Fund, which therefore has an impact on Council Tax. The following table shows how the CFR is changing over the next few years.

Table 2 - CFR	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Estimated CFR at year-end	33,239	36,819	39,787	40,990
Reasons for the annual change in the CFR				
Unfinanced capital expenditure (see Table 1)		4,079	3,569	1,813
Annual revenue charge (MRP)		(499)	(601)	(610)
Of which:				
General capital expenditure	10,033	10,896	10,515	10,135
Croston Flood Prevention	0	1,100	1,078	1,056
Market Walk Shopping Centre	23,206	23,064	22,917	22,763
Chorley East Health Centre	0	1,759	5,277	7,036

22. The CFR will be reduced by voluntary set aside from 2018/19 onwards, being the use of New Homes Bonus grant estimated to be available in future years. This would be applied to eliminate the CFR relating to general capital expenditure to be financed by Prudential Borrowing from 2015/16 to 2017/18. This part of the total CFR will be reduced to nil by the end of 2020/21.
23. There will be an "MRP Holiday" in respect of the Chorley East Health Centre on Friday Street, as permitted by the proposed MRP policy. The CFR will be eliminated over 25 years from 2018/19 onwards.

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

24. This indicator shows the proportion of the receipts from government grants and local taxation that is required to meet the costs associated with capital financing (interest and principal, net of interest received). The ratio shows an increase from 2015/16 onwards, which reflects the reduction in the revenue stream in respect of government funding. Financing costs increase as a result of additional prudential borrowing.

Table 3 - Ratio of financing costs	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
Ratio	9.19	7.33	11.56	11.37

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

Table 4 - Impact of capital investment decisions	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Increase/(decrease) in Band D charge	(0.69)	0.93	9.27	14.43

25. 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. It has to be stressed that the complexity, and notional nature, of the calculations mean that the figures should only be treated as being indicative, being based on very broad assumptions, for example, about interest rates over the long-term. They do not represent forecast changes to levels of Council Tax.

TREASURY MANAGEMENT STRATEGY 2015/16 to 2017/18**Background**

26. 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

27. The Council has a statutory obligation to have regard to the CIPFA Code of Practice, 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 D(2).

Reporting

28. 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 Governance Committee during the year as required.

Borrowing and Investment Projections

29. The Council's borrowings and investment are inter-related. The following table details the estimated changes in borrowings and cash balances available for investment, consistent with the capital and revenue budgets. The table is prepared on the assumption that additional PWLB loans will be taken before the end of 2014/15 and 2015/16 to replace the use of internal borrowing, and to achieve long-term savings by borrowing before the interest rate rises forecast by our advisors take effect. In addition, borrowing repayable during 2015/16 will be repaid, and it is assumed that most Prudential Borrowing incurred for capital financing will be external rather than internal cash balances.
30. The table presents the estimated maximum borrowing in each financial year, in order to calculate the Operational Boundary and Authorised Limit in Tables 6 and 7 below. Setting those Prudential Indicators at the highest estimated level would mean that the option of taking further PWLB loans would be available without the need to amend the limits first. However, the effect of taking additional external loans would be to increase cash balances available for investment. There would be a "carrying cost" in the short-term of doing this, because the rate of return on the additional cash would be lower than the interest payable on the borrowing. However, there would be longer-term savings if loans are taken before interest rate rises are implemented. In addition, our advisors are forecasting increased rates of return on cash invested within the current budget cycle.

Table 5 - Borrowing and Investments	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Borrowing at period start	20,264	24,042	32,659	34,383
Borrowing repaid in year	(1,222)	(6,442)	(3,294)	(3,756)
Borrowing in year	5,000	15,059	5,018	3,659
Borrowing at period end	24,042	32,659	34,383	34,286
Surplus cash for investment at year end	(8,000)	(13,000)	(13,000)	(13,000)
Net borrowing/(investments)	16,042	19,659	21,383	21,286

The issues affecting the timing of any borrowing are discussed in below.

Prudential Indicator 7

31. 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

32. 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. As discussed above, this table assumes that additional external borrowing will be taken from 2014/15 onwards to replace the use of internal cash balances.

Table 6 - Operational Boundary	31/3/15 Estimate £'000	31/3/16 Estimate £'000	31/3/17 Estimate £'000	31/3/18 Estimate £'000
Borrowings	24,042	32,659	34,383	34,383
Other long-term liabilities	15	15	15	15
Operational boundary	24,057	32,674	34,398	34,398

Prudential Indicator 9 The Authorised Limit

33. 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	31/3/15 Estimate £'000	31/3/16 Estimate £'000	31/3/17 Estimate £'000	31/3/18 Estimate £'000
Borrowings	26,042	34,659	36,383	36,383
Other long-term liabilities	15	15	15	15
Authorised Limit	26,057	34,674	36,398	36,398

Economic outlook and expected movement in interest rates

34. The report of the Council's consultants, Capital Asset Services, is attached at Appendix D(1).
35. Capita indicate that investment returns are likely to remain relatively low during 2015/16. Bank Rate is now expected to increase in the March quarter of 2016/17, which is a little earlier than previously expected.

Borrowing strategy

36. Prudential Indicators presented in this report reflect the assumption that before the end of the 2014/15 financial year, the use of internal cash balances for capital financing purposes would be replaced in part with further PWLB loans. This reflects Council approval in November 2013 of the financing of the purchase of Market Walk by external borrowing, and gives the flexibility to take further PWLB loans should interest rates be attractive and longer-term interest savings are achievable. The timing of any additional borrowing and estimated changes in interest rates would be discussed with the Council's treasury advisors, Capital Asset Services.
37. There is still some likelihood that actual borrowing may be lower than presented in Tables 5, 6 and 7. While internal cash balances are available, the greatest benefit to the revenue budget is to avoid borrowing at say 3% than to invest them at say 0.5%. Adopting this strategy would mean that cash balances available for investment would be lower than presented in Table 5, but this would be worthwhile if the effect is a net saving for the Council's revenue budget. However, as PWLB interest rates are forecast to increase within this budget cycle, long-term savings could be achieved by borrowing sooner rather than later, even though there would be a short-term "carrying cost".

Treasury Management Limits on Activity

38. 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

39. The Council is exposed to interest rate movements on its invested cash. The amount varies significantly over the course of the year, and during each month. Potentially balances can peak at around £25m for short periods, especially if PWLB loans replace the use of internal cash balances for capital financing. This amount will therefore form the limit.

Table 8 - Variable rate upper limit	2014/15	2015/16	2016/17	2017/18
	Revised £m	Estimate £m	Estimate £m	Estimate £m
Upper limit on variable rate exposure	20	25	25	25

Treasury Indicator 2 – Upper limit on fixed rate exposure

40. The Council is exposed to fixed rate interest on any long term liabilities and PWLB borrowings. It is proposed that up to 100% of the debt be at fixed rates.

Table 9 - Fixed rate upper limit	2014/15	2015/16	2016/17	2017/18
	Revised	Estimate	Estimate	Estimate
Upper limit on fixed rate exposure	100%	100%	100%	100%

Treasury Indicator 3 - Maturity structure of borrowing

41. The Council is required to determine upper and lower limits for the maturity structure of its debt. This Treasury Indicator is calculated as at 31 March 2016, and the upper limit assumes that there would be further PWLB borrowing during 2014/15 and 2015/16 to replace the use of internal cash balances, and to replace loans repayable in those years.

Table 10 - Maturity structure of borrowing	As at 31/3/16	
	Lower Limit	Upper Limit
Under 12 months	10%	13%
12 months to 2 years	10%	13%
2 to 5 years	27%	34%
5 to 10 years	12%	13%
10 years and above	28%	40%

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

42. It is not planned to make any investments for periods over 364 days. Such investments would be “non-specified”, as explained in the Investment Strategy below. This policy should be reviewed by Governance Committee during 2015/16, when the list of investment counterparties is reconsidered in the light of changes to credit rating criteria.

Use of Treasury Advisors

43. The Council recognises that responsibility for treasury decisions cannot be delegated to its advisors (Capita Asset Services) but remains its responsibility at all times.

Performance Indicators

44. 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. Average 7-day LIBID plus 10% has been set as a performance indicator for Shared Financial Services. This means, for example, that if average 7-day LIBID were 0.35%, the target would be to achieve 0.39%. Actual investment returns have exceeded this target during 2014/15, but it is likely that the margin above the target will reduce.

INVESTMENT STRATEGY 2015/16

Introduction

45. Under the Power in Section (15) (1) of the Local Government Act 2003 the DCLG 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 guidance.
46. 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.
47. 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

Chorley Strategy 2015/16

Objectives

48. The Council’s investment priorities are:
 - The security of capital and
 - The liquidity of its investments.
49. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
50. The borrowing of monies purely to invest or on-lend and to 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

51. 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.

52. 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.
53. The Council policy has been to only make specified investments. It normally uses only the simplest instruments such as money market deposits or deposits in call accounts and Money Market Funds. It does also have a facility to purchase Treasury Bills (issued by the Government) and Certificates of Deposit (issued by the major financial institutions).

Counterparty Selection Criteria

54. In determining which institutions are “High Quality” the Council uses the creditworthiness service provided by Capital Asset Services. 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
55. 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

The Council only lends to UK financial institutions. This strategy does not therefore specify a minimum sovereign rating.

The Council may use AAA rated Money Market Funds.

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

The Council may lend to other Local Authorities.

Currently all deposits except those with the part-nationalised banks are restricted to three months

There are dozens of banks and building societies registered in the UK, but only a small minority are of “High Quality” and therefore suitable for placing investments. Governance Committee should consider whether any additional UK counterparties should be added to the list, in order to minimise the occasions when funds are deposited with the DMO, which pays a low rate of interest (currently 0.25%). Though deposits with the DMO are secure, the low rate of interest offered brings down the average rate of interest earned.

Advice from Capita Asset Services about changes to credit rating methodology and the implications for the Council’s Investment Policy is presented in Appendix D(1).

Monitoring of Credit ratings

- 56. Capital Asset Services supply rating warnings and changes by e-mail immediately following their issuance by the rating agencies. The colour-coded counterparty lists are reissued weekly, updated by such changes. The information is also available at any time via Capita’s Passport web site (see Table 11 below). Members of the Shared Financial Services’ Financial Accountancy team are also registered with the three credit rating agencies so that ratings can be checked online independently of Capita.

Table 11 - Passport by Capita: online monitoring of approved counterparties for investments

The screenshot shows the 'Passport by Capita' web application. At the top, the user 'michael jackson' is logged in. The main navigation bar includes 'Credit List', 'Credit Updates', 'Portfolio', 'Documents', and 'Help'. Below this, a 'Wiki Content' section provides information about the data sources (Fitch, Moody's, Standard and Poor's) and the purpose of the Credit List. A table titled 'List of Approved Counterparties for Lending' is shown, with a note that values highlighted in yellow indicate a change in the past 14 days. The table has columns for Fitch Ratings (Long/Short Term), Moody's Ratings (Long/Short Term), S&P Ratings (Long/Short Term), Suggested Duration, (Watch/Adjusted) Outlook, CDS Price, CDS Status, and (CDS Adjusted with manual override). A 'Parameters' sidebar on the right allows filtering by Country (United Kingdom) and Counterparty Type (AAA rated and Government back). The table shows one entry for 'United Kingdom' with ratings SR AAA, SR Aa1, SR AAA, and a suggested duration of 20.00.

Time and money Limits

- 57. 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

- 58. There are no plans to provide additional training in 2015/16.

Financial Institutions and Investment Criteria (2015/16 Treasury Strategy)

Category	Institutions	CAS colour code	Sovereign rating	Max period	Limit per Institution
Sovereign or Sovereign "type"	DMADF			6 months	No limit
	Local Authority			1 year	£3m
UK Partly nationalised institutions	RBS group (inc Nat West)	Blue	AAA	1 year	£5m per group
	Lloyds Group (inc HBoS & Lloyds)	Blue		1 year	£5m per group
Independent UK Institutions	HSBC	Orange	AAA	Restricted to 3 months	£2m
	Barclays,	Green			£2m
	Nationwide	Green			£2m
Money Market Funds	Standard Life Global liquidity MM Fund	Aaa/MR1+		instant access	£3m
	Prime Rate MMF				£3m
Deposit/Call Accounts	Barclays Bank of Scotland Nat West Lancs CC		AAA	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 2015/16

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 require a local authority to determine each year an amount of Minimum Revenue Provision (MRP) which it considers to be prudent. This should be by reference to the calculated Capital Financing Requirement (CFR). Linked to this regulation, the Department for Communities and Local Government (DCLG) produced statutory guidance (updated in February 2012), which sets out what may constitute prudent provision.

In accordance with the DCLG guidance, this statement sets out the Council's MRP policy for the forthcoming financial year, 2015/16.

The aim of the policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure which gave rise to the debt provides benefits.

MRP shall commence in the financial year following that in which the capital expenditure is incurred, or in the year following that in which the relevant asset becomes operational (1).

In respect of the proportion of the Capital Financing Requirement which relates to debt incurred prior to 2008/9, MRP shall be charged on this at the rate of 4% in accordance with option 1 of the guidance, otherwise known as the Regulatory Method.

The MRP liability on debt incurred from 2008/09 onwards shall be based on the estimated useful life of the asset, (option 3 of the guidance, known as the Asset Life Method). The MRP shall be calculated using the following methods, as appropriate for specific capital expenditure:

- Equal instalments: where the principal repayments made are the same in each year
- Annuity: where the principal repayments increase over the life of the asset

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

Note:

(1) This is referred to in the report as an "MRP Holiday".

IMPLICATIONS OF REPORT

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

These are contained in the report

COMMENTS OF THE MONITORING OFFICER

The recommendations are appropriate as explained in the body of the report.

Background Papers			
Document	Date	File	Place of Inspection
CIPFA Treasury Management in the Public Services: Code of Practice & Guidance Notes			Town Hall
CIPFA Prudential Code for Capital Finance in Local Authorities			Town Hall
DCLG Guidance on Local Government Investments			Town Hall
DCLG Guidance on Minimum Revenue Provision			Town Hall

Report Author	Ext	Date	Doc ID
Michael L Jackson	5490	6 February 2015	Treasury Strategy 2015-16 Onwards.doc

APPENDIX D(1)

The following is the advice of the Council's treasury management consultants Capita Asset Services

Prospects for interest rates

The Council has appointed Capita Asset Services (CAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the CAS central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.10	3.30	3.30
Jun 2015	0.50	2.20	3.40	3.40
Sep 2015	0.50	2.30	3.60	3.60
Dec 2015	0.50	2.50	3.80	3.80
Mar 2016	0.75	2.60	3.90	3.90
Jun 2016	0.75	2.70	4.00	4.00
Sep 2016	1.00	2.80	4.20	4.20
Dec 2016	1.25	3.00	4.30	4.30
Mar 2017	1.25	3.10	4.40	4.40
Jun 2017	1.50	3.20	4.50	4.50
Sep 2017	1.50	3.30	4.60	4.60
Dec 2017	1.75	3.40	4.60	4.60
Mar 2018	2.00	3.50	4.70	4.70

UK GDP growth surged during 2013 and 2014 but cooled somewhat towards the end of 2014. However, growth is expected to regain stronger momentum during 2015 and 2016 under the stimulative effect of the sharp fall in oil prices and inflation potentially falling into negative territory, but anyway being near to zero until towards the end of 2015. Combined with a significant rise in average wage rates, this is expected to lead to consumer disposable income rising by around 3.5% in 2015. This would therefore strengthen consumer expenditure without much downside to the savings ratio. However, there still needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. The Bank of England February Inflation Report drew attention to the falling level of unemployment and the reduction of spare capacity or slack in the economy. This is expected to feed through into an increase in pressure for wage increases and together with the sharp fall in the price of oil starting to fall out of the twelve month calculation of CPI inflation in quarter 4 of 2015, is expected to result in a sharp rise in inflation from near zero in that quarter and also onward into 2016.

The US, the biggest world economy, has generated stunning growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3, followed by a cooler 2.6% in Q4 (overall 2.4% for 2014 as a whole). This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path to full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by the end of 2015.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election on 25 January 2015 brought to power a coalition which is strongly anti EU imposed austerity. However, if this should eventually result in Greece leaving the

Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti-austerity political parties throughout the EU is much more difficult to gauge;

- As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation and the Middle East, have led to a resurgence of those concerns as risks increase that it could be heading into a prolonged period of deflation and very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been highly volatile during 2014 and early 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The opening weeks of 2015 saw gilt yields dip to historically phenomenally low levels after inflation plunged, a flight to quality as a result of the Greek situation and the start of a huge programme of quantitative easing, (purchase of EZ government debt), by the ECB in January 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

Investment returns expectations

Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2015/16 0.75%
- 2016/17 1.25%
- 2017/18 2.00%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next eight years are as follows:

2015/16 0.60%
 2016/17 1.10%
 2017/18 1.75%
 2018/19 2.25%
 2019/20 2.75%
 2020/21 3.00%

2021/22 3.25%
2022/23 3.25%
Later years 3.50%

Economic Background

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then growth in 2014 of 0.6% in Q1, 0.8% Q2, 0.7% Q3 and 0.5% Q4 (annual rate for 2014 of 2.6%), growth is expected to gain increased momentum during 2015 and 2016 to annual rates of 2.9%, (2017 2.7%). This will be a response to two developments; firstly, the stimulative effect of the sharp fall in oil prices in quarter 4 of 2014 and then inflation potentially falling into negative territory during 2015, but anyway being near to zero until towards the end of the year. Secondly, due to an expected return to a significant rise in average wage rates due to the continuing fall in unemployment to about 5.5% by mid 2015, (the long run equilibrium level is 5.0%), and the further erosion of spare capacity, (slack), to about 0.5% of GDP. This is expected to lead to total consumer disposable income rising by no less than around 3.5% during quarter 3 2015. This would therefore strengthen consumer expenditure, but without much downside to the savings ratio.

However, for this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. In addition, there has been a need for a major improvement in labour productivity, which has languished at dismal levels since 2008, to support longer term increases in pay rates and economic growth after the positive effect of the fall in oil prices dissipates. The February Inflation Report contained good news on that score that productivity was forecast to increase by just under 0.75% in the first three quarters of 2015.

The February Inflation Report also explained that the initial fall in the price of oil of over 50% would cause an overall reduction in CPI of about 0.8% in quarter 2 2015 and boost UK GDP by around 0.5% during the MPC's three year forecast period. It also forecast that the sharp fall in the price of oil and its knock on effects, would start falling out of the twelve month calculation of CPI inflation in quarter 4 of 2015. This is expected to result in a sharp rise in inflation from near zero in that quarter and also onward into 2016. The report also mentioned a potential risk of deflation becoming embedded, which could then require remedial action by the MPC such as a cut in Bank Rate and / or further quantitative easing, This is viewed as being a small risk given the above expected sharp increase in inflationary pressures. However, while inflation is at or near 0% for much of 2015, it is unlikely that the MPC would make a start on increasing Bank Rate. Market expectations for the first increase in Bank Rate have therefore moved from quarter 3 2015 after the November 2014 report, to around mid year 2016 during February 2015. However, the MPC is focused on where inflation will be over a 2 – 3 year time horizon so too much emphasis should not be placed on the short term inflation outlook, especially when the February report identified a slight increase in inflationary pressures on that time horizon to just above the 2% target. This treasury management report is therefore based on a forecast of a first increase in Bank Rate in quarter 1 of 2016, though it would be quite possible for it to be in quarter 4 of 2015 if events were to turn out favourably in Greece, the EZ as a whole and elsewhere.

The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed, being only a fraction lower than the previous year through to December 2014. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated. The flight to quality in January 2015 has seen gilt yields fall to incredibly low levels, which will reduce interest costs on new and replacement government debt.

Eurozone (EZ). The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In January 2015, the inflation rate fell further, to reach a low of -0.6%. However, this is an average for all EZ countries and includes some countries with even higher negative rates

of inflation. Initially, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. As this failed to have much of a discernible effect, the ECB launched a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected EZ countries. This programme will run to September 2016.

Concern in financial markets for the Eurozone had subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause for concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

Greece: the general election on 25 January 2015 has brought to power a coalition which is anti EU imposed austerity. Although it is not certain that Greece will leave the Euro, the recent intractability of the troika (the EU, ECB and IMF), to finding a negotiated compromise with the new Greek government leaves this as a real possibility. However, if Greece was to leave the EZ, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. Nevertheless, the indirect effects of the likely strengthening of anti-EU and anti-austerity political parties throughout the EU are much more difficult to gauge. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries which have high unemployment rates. Of particular concern is the fact that Spain and Portugal have general elections coming up in late 2015. This will give ample opportunity for anti-austerity parties to make a big impact.

There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti-austerity policies. Any loss of market confidence in either of the two largest Eurozone economies, after Germany, would present a huge challenge to the resources of the ECB to defend their debt.

USA. The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 of 4.6%, Q3 of 5.0% and Q4 of 2.6%, (overall 2.4% during 2014 as a whole), provides great promise for strong growth going forward. It is confidently forecast that the first increase in the Fed. rate will occur by the end of 2015.

China. Government action in 2014 to stimulate the economy almost succeeded in achieving the target of 7.5% growth but recent government statements have emphasised that growth going forward will slow marginally as this becomes the new normal for China. There are concerns that the Chinese leadership has only just started to address an unbalanced economy, which is heavily over dependent on new investment expenditure, and for a potential bubble in the property sector to

burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession. The Japanese government already has the highest debt to GDP ratio in the world.

Forward View

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

There has been exceptionally high volatility in gilt yields and PWLB rates during January and February 2015. It is likely that this trend could continue through 2015 and that there could be swings of 50 basis points, (0.50%), during even one quarter.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.

- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the EU, economic and debt management policies adopted by the new government.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities. There could also be a sharp fundamental reassessment of investments in the debt and equities of emerging countries which have chased higher yields during a prolonged period when yields and returns in western countries have been heavily suppressed; countries such as Brazil and Russia are already in recession and facing major economic and political challenges.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Changes to credit rating methodology

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.

It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.

Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.

Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it

cannot be relied upon.” With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.

As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor’s that we have always taken, but a change to the use of Fitch and Moody’s ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology.

Implications for Investment Policy

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council should engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

The CAS creditworthiness service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody’s and Standard and Poor’s. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties.

APPENDIX D(2)**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.

**APPENDIX E**

Report of	Meeting	Date
Statutory Finance Officer	Council	3 March 2015

REPORT OF THE STATUTORY FINANCE OFFICER**PURPOSE OF REPORT**

1. To provide advice to the Council as required under s25 of the Local Government act 2003.

RECOMMENDATION(S)

2. The Council are recommended to note the Statutory Finance Officer's comments and advice under Section 25 of the Local Government Act 2003 as set out in this report and have regard to it when considering the budget proposals for 2015/16.

EXECUTIVE SUMMARY OF REPORT

3. 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 within the budget are manageable and do not compromise the delivery of that budget.
4. This report outlines the key assumptions and risks contained in the budget and identifies that over time working balances should be increased to mitigate some of those risks.
5. In terms of the 2015/16 budget once again all key budgets have been re worked to align with expected outturn for 2014/15 and therefore reflect the ongoing cost of delivering the current levels of service. The budget in effect contains no expenditure savings targets, whilst there continues to be income targets contained within the budget; these are based upon contractual agreements or have been realigned to reflect the latest performance information. Market Walk will be the council's biggest income generator in terms of fees and charges and to mitigate some of the risks to income money is being set aside into an equalization account to be used should rental targets not be achieved.
6. The forecast therefore is that the budget will be balanced in 2015/16 and that in year a significant sum will be contributed into working balances to mitigate against future risks, as it is clear reductions in central funding are likely to continue for some time to come.

7. The exact details are unknown at this point as we have only received one year's funding settlement. Post general election the proposition will become clearer.
8. Key risks remain around in particular the forecasting of business rate receipts. Growth has been achieved but this to date has been offset by appeals and as such the strategy will be consistent with previous years and only growth will be built into the base once achieved. Therefore none of the forward forecasts contain any assumptions that the business rate base will grow there of course remains the risk that the business rate income could also reduce, but given what we know about development in the area there is less risk of this occurring in the short to medium term.
9. Having reviewed the underlying assumptions and commented on the position in relation to key 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	Yes	No
--	-----	-----------

CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives and to the Council's ability to deliver its corporate plan whilst ensuring a balanced budget is achieved. The medium term financial plan sets out how council resources will be used to deliver those priorities.

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

11. Under the requirements of Section 25 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.

THE ROBUSTNESS OF ESTIMATES

12. In terms of the budget proposals, once again in 2015/16 a thorough reassessment of the budgets has been undertaken by Directors and their accountants based upon the latest information available. In terms of the key assumptions contained particularly in the 2015/16 budget these are shown in the medium term financial plan but are summarized for convenience below

KEY ASSUMPTIONS

13. The table below shows the key assumptions made in forecasting forward the Council's financial position.

Assumption	2015/16	2016/17	2017/18
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Market Walk – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

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

COUNCIL TAX INCREASES

15. The Administration's aim in their future strategy remains to contain future increases. Accordingly the forecast budget position in future years does not take account of any potential council tax increases. However the medium term financial plan models the impact of limited council tax increases. As the council tax is decided annually it will be for the council to determine if any actual increases are implemented. A prudent approach is therefore been taken to forward forecasting council tax yield. If housing growth continues at the current rate it is likely that council tax yield will be greater.

COUNCIL TAX FREEZE GRANT

16. The Administration are proposing to freeze council tax in 2015/16, therefore the council will be eligible to receive freeze grant as set out in the report.

REDUCTION IN GRANT SETTLEMENT

17. The government announced the grant settlement for 2015/16 just prior to Christmas and it was in line with expectations but was only a one-year settlement. For future years it is unclear what may happen and we will know only after the general election the future grant settlements. However it is clear that at a macro level more reductions in public spending are expected. I have therefore assumed some further reductions in grant in 2016/17 and beyond on the basis that over time many councils are expecting the rate support grant to be eliminated completely it is just the pace of reduction that is unknown at this point.

NEW HOMES BONUS

18. The inclusion of the new homes bonus in the 2015/16 base forecast has been limited to that received prior to 2013/14. This is consistent with previous year's approaches so as not to become too reliant on this funding stream to support recurrent expenditure. The amount receivable is recalculated each year and is dependent upon the number of new properties built in the borough each year. This approach serves to mitigate the risk in respect of variable funding by restricting the reliance of the council on this income stream to balance the budget. This allows for maximum flexibility with regard to its future use. The funding source remains important in terms of the councils overall financial position and the medium term financial plan identifies that should housing growth continue over the next couple of years at broadly the same rate as now then the additional new homes bonus expected could cover the budget deficit. This is important in terms of financial strategy and gives the council head room to consider how best to manage its resources and make the necessary changes to make itself more self-sufficient which is a key objective in the medium term financial strategy in a planned way over a period of time.

NET FINANCE OF MARKET WALK

19. The assumption built into the 2015/16 forecast is that the internal cash position will remain positive and that we will continue to internally finance some of the debt required rather than borrow. The rationale for this approach is that the interest earned on deposits is significantly less than borrowing costs and in treasury management terms is financially advantageous to the council. That said, I need to be able to react to what happens in the financial markets and as borrowing rates fluctuate be able to react. If rates as forecast fall then it will be appropriate to take on some additional borrowing as those advantageous rates. For this reason I have left some headroom for in year borrowing.

BUSINESS RATE RETENTION

20. The budget report explains the volatility of this income stream due to its nature. However we are in a stronger position than in previous years in that the details of how the scheme operates are now much clearer. The income levels contained within the budget are based upon a set of assumptions in particular in relation to appeals. In respect of the provision I have reviewed each type of appeal claim and risk scored them to arrive at a provision figure. As more appeals are settled more experienced in gained as to the likely outcome. It remains the position however that only when those appeals are settled I will know if my analysis has been correct. The backlog of appeals is decreasing which improves confidence in the forecasting but new appeals continue to come on stream. At present any growth in business rate is being offset by losses on appeals and for this reason I am building no estimated growth into any

future years forecast which I believe is a prudent approach. The budget assumptions also include the worse-case scenario in terms of the Collection Fund position at this point.

PENSION FUND CONTRIBUTIONS

21. All of the figures contained in the budget are based upon tactual contribution rates determined by the pension fund actuary and will remain at the levels set out in the budget until the next tri-annual review.

SUPPORTING PEOPLE INCOME

22. Whilst the County Council has seen significant reductions in its financing and is making significant changes to many budget heads they have been able to give us some certainty about funding over the next year or so and the forecasts reflect the anticipated income levels based upon those discussions.

PAY AWARD

23. The estimates for 2015/16 are based upon the most recent announcement of actual pay award, so in that respect are robust. Future years are based upon the fact that pay restraint is likely to continue.

MEDIUM TERM FINANCIAL PLAN

24. The MTFP sets out the Council's plans to bridge the funding gap as summarised below:

Total Summary Budget Resource Options to 2017/18

STRATEGY	£m
INCREASING INCOME	
Use of NHB	2.586
Review of New and Existing Income Streams	0.540
Growing the Borough's Tax Bases – Residential and Business	0.260
Project to Extend Market Walk	0.250
Council Tax Increases	0.250
Sub total - income	3.886
REDUCING COSTS	
Fundamental Review and Re-engineering of Services to Reduce Total Costs	1.150
Debt Restructuring Cost Savings	0.150
Sub total – expenditure	1.300
Total Resources Available to Balance the Budget	5.186

25. The plan identifies that broadly speaking the administration will attempt to bridge the budget gap by generating additional revenue of circa £1.3m. Therefore unless this target can be exceeded it is possible that expenditure reductions again of circa £1.3m will be required by 2017/18. The certainty of in particular the new homes bonus will significantly influence the nature and shape of the Council's financial position and this may only be known post-election. In the meantime the councils plans are based upon attempting to become more financially sustainable, in the first instance through additional income generation and secondly through future efficiency gains. The council is fortunate in being able to transition any change using the new homes bonus on a temporary basis if required.

OTHER RISKS

26. The most significant future risk facing the council is the announcement by the county council that from 2018 it intends to stop paying recycling credits to the council. This amounts to almost £1m for this council and represents a major significant risk to all collection authorities in Lancashire. This council is working with other councils to work up a strategy to deal with this situation and once that work is complete members will need to consider options for mitigating this significant loss of income. As the reduction is a number of years away the council has time to consider its options.

LEVELS OF WORKING BALANCES

27. The budget for 2015/16 has been established on the basis of not utilising any working balances to fund expenditure. The previous MTFP indicated that working balances should be no less than £2m. This level was based upon risk contained in the budget particularly around future levels of government funding and the volatility in the funding system in relation to business rate retention.
28. Latest intelligence indicates that it is likely that further reductions in funding are likely in local government given that a number of commitments to protecting other services have been made. For this reason I feel that it is important to reconsider the level of working balances required.
29. In my view the council should look to have a level of working balances that at least cover:
- a. The expected budget deficit moving forward, and
 - b. The risk of loss of deposits should future baking crisis occur
30. The MTFP sets out that based upon current assumptions the councils budget deficit could reach £2.6m by 2017/18. Thereafter I have highlighted a significant risk to other income streams in particular the recycling credits. For these reasons I believe that over time the council should look to increase its levels of working balances from no less than £2m to no less than £3m, which would at least clear the expected deficit should the council not be in a position to make the adjustments required in its budget within that timeframe, although obviously it will be seeking to do this.
31. In relation to the treasurers strategy individual deposit levels were increased to £3m to enable better rates to be accessed. One of the lessons for councils who were affected by the Icelandic banking crisis was that they should at least have the minimum level of

working balances to cover any potential loss of deposits should a banking crisis occur. Or this reason I think it appropriate to increase the level of working balances.

- 32. To this end it is forecast that by the end of 2014/15 the level of working balances will be £2.336m and in its budget for 2015/16 a further £350k will be contributed towards working balances. The council therefore will be well on its way to achieving the levels I have recommended by the end of 2015/16.

IMPLICATIONS OF REPORT

- 33. 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

- 34. These are contained within the report.

COMMENTS OF THE MONITORING OFFICER

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

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5104	19/2/2014	CEREP

This page is intentionally left blank

Medium Term Financial Strategy 2015/16 – 2017/18



CONTENTS

1	Foreword and Introduction
2	Corporate Priorities
3	Financial Outlook and Key Budget Challenges
4	How the Financial Challenge will be Met
5	New Investment and Supporting the Corporate Strategy
6	Capital Programme
7	Working Balances
8	Treasury Management

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 plus it also recognises working balances and the Treasury Strategy.

This Medium Term Financial Strategy (MTFS) continues to plan a route by which the budget gap could be bridged in order to deliver the corporate priorities. For a number of successive years local authorities have faced fundamental change and a period of significant budget reductions and challenges. This has been triggered by the austerity measures implemented by Central Government to reduce overall public sector spending. Funding cuts have been delivered as part of the government's Comprehensive Spending Review (CSR) of 2010 covering the period since 2011/12 and there is no doubt that this trend is set to continue. In addition to the overall core funding framework dramatically reducing, it has also been transformed and now encompasses two regimes, introduced this CSR period, that are vulnerable to annual and significant fluctuations that are externally driven and outwith the influence of the Council.

Despite these financial challenges the administration's financial aims are to invest in and support the corporate priorities which are:

- **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
- **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
- **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
- **A STRONG LOCAL ECONOMY.**

Concurrent to delivering investment, a financial strategy will also be implemented seeking to:

- Continue to restrain Council Tax increases.
- Deliver a balanced budget by 2017/18.
- Identify budget efficiencies to improve financial resilience and also balance the budget by seeking to bring income into the council and reduce costs whilst minimising the impact on front line service users.
- Establish working balances no lower than £3.0m over the financial planning period 2015/16 to 2017/18 to match the overall budget deficit estimated for that period.
- Review the financial risks facing the Council during 2015/16 and the appropriate level of balances taking into account the latest information available.
- Make the Council more financially self-sufficient as Government funding is likely to continue to diminish.
- By 2017/18 the Authority will undertake a fundamental review of service priorities to take account of a diminishing resource base exploring other service delivery models such as combined authorities and coproduction.

In conjunction with the operational budget the MTFs will encompass all aspects of the Council's financial health including Capital projects and the effective management of its cash balances.

Capital Programme

- 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.
- As part of their capital expenditure strategy the Council will consider the purchase and/or development of assets to generate a sustainable revenue stream to counteract against the risk of future reductions in grant funding and year to year fluctuations in locally sourced funding and to aid regeneration of the Borough.
- The Council will consider working with partners to assist them to meet their objectives where there is no impact on Council Tax.
- The Council will continue to identify land to assist in delivering its affordable housing targets.
- The Council will continue to invest in its own infrastructure to ensure levels of investment are appropriate and that asset transfer options are maximised.
- The Council will seek to maximise opportunities to attract external finance to sustain its programme of work although in the current economic climate this becomes a more challenging task.

Treasury strategy

- 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.

With each financial year bringing with it even tighter fiscal conditions, that is both the retraction of centrally controlled funding and the added local risk of core funding collection, the overriding MTFs financial aims will be increasingly difficult to address. Nevertheless this strategy sets out ways in which it is envisaged this could be achieved.

The following sections of the MTFs will include:

1. what the Council's Corporate Priorities are;
2. the financial outlook and key challenges over the planning period to 2017/18;
3. how the Council can meet the financial challenge;
4. where the Council will investment in its services to deliver its priorities;
5. delivering the Capital Programme investment over the longer term;
6. Treasury Management and Strategy;
7. maintenance of working balances.

CORPORATE PRIORITIES

This section of the strategy sets out the Council’s policy direction. The overall purpose of the financial strategy is to identify resources that are sustainable and financial resilient in order to deliver the objectives, targets and measures contained in the Corporate Strategy. It is important for the Financial Strategy to facilitate the achievement of the Council’s policy objectives.

The key priorities and long term outcomes of the Council’s Corporate Strategy are set out below:



The overall aim of the medium term financial strategy is to identify resources to meet the objectives, targets and measures contained in the Corporate Strategy. Over the last financial planning period, the council has been successful in delivering the Corporate Strategy and managing its resources. This has been recognised again by the Audit Commission in their Annual Audit and Inspection Letter.

The delivery of the Corporate Strategy is supported through a series of key projects and service level business improvement plans. In each case, the resources required to deliver the projects and plans are broadly developed through the business planning process, and resources identified during the budget planning process. The current resources allocation should be sufficient for the council to achieve its business plans and projects, which support the delivery of the Corporate Strategy’s vision, priorities and long term outcomes.

FINANCIAL OUTLOOK AND KEY BUDGET CHALLENGES
--

This section sets out the financial challenges facing the Council in delivering its corporate priorities within a balanced and affordable budget.

The budget forecast in Appendix F1 attached identifies that by 2017/18 the forecasted a budget deficit will be in the region of £2.595m.

Budget (Headroom)/Gap 2015/16 to 2017/18

Year	Budget (Headroom)/Gap £000	Cumulative £000
2015/16	(95)	(95)
2016/17	1,797	1,702
2017/18	893	2,595

It is important to note that this forecasted position has been estimated taking into account the key assumptions below:

Assumption	2015/16	2016/17	2017/18
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 (year 2 of grant)	£0.066m	-	-
Grant for Freezing Council Tax in 2015/16 (grant available for only 1 year)	£0.065m	-	-
Reduction in Grant Settlement (RSG)	£0.883m	£0.350m	£0.350m
Profiled reduction in Grant Settlement	(15.5%)	(7.3%)	(7.9%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.336m	£2.986m
Market Walk Net Financing – assumption £5.0m external borrowing as at 01/04/05	£0.760m	£0.690m	£0.660m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.832m	£0.956m	£1.076m
Supporting People Income from LCC	£0.147m	£0.138m	£0.130m
Pay Award	2.2%	1.0%	1.0%

All forecasts are built upon a number of assumptions, which are based upon best information available at the time. The table above evidences the extent and scale to which the budget assumptions can influence the budget position over the period to 2017/18. Also in terms of constructing budget estimates there is some important national context to be considered, namely:

- The Comprehensive Spending Review in 2010 has implemented the Central Government's austerity measures for the period to 2015/16 by significantly reducing local authority core funding. Since 2011/12 cuts for the Council's grant have totalled £4.191m. Revenue Support Grant in 2015/16 is £2.132m and therefore if the current scale of reduction continues it is not an unrealistic view that RSG may be eroded to zero in the future.
- The introduction of shorter term Central Government settlement announcements and new variable arrangements for calculating annually fundamental grants exacerbates the increasingly uncertain nature of the Council's core funding streams.
- The Business Rates Retention regime passes the risk of possible decline and also collection from Central Government to Local Government and therefore changes in the tax base will have a direct and immediate impact on the Council's core funding. The revised localised system was implemented in April 2013 and poses much greater uncertainty as the fundamental determinates are fixed by a number of external factors and decisions made by Central Government and the Valuation Office Agency (VOA).
- A triennial review of the Pension Fund determines the contribution the Council needs to accommodate in its budget each year to clear the fund's deficit over the next 19 years. Performance against the targets is outside of the Council's control and is subject to external factors such as the valuations derived at by the Pension Fund's actuary. The annual budget set aside to cover this payment is approaching £1.0m so its impact is noteworthy and therefore must be planned for and accommodated within the overall service provision budget.
- Chorley Council is currently in a 'Cost Share' arrangement with Lancashire County Council whereby the county pay over to district councils a cost sharing payment via the Lancashire Waste Partnership. This represents compensatory payments for loss of income from when the previous recycling credits system was revised. The arrangement is due to expire in March 2018 and therefore if no replacement agreement is available, this income stream will be withdrawn as at that date. The impact will therefore fall in 2018/19, and although this timeframe is outside of this MTF, it should be borne in mind that the authority's income may well reduce by a further £0.933m after 2017/18 in addition to cuts in core funding.

Suffice it to say Local Authority funding is unpredictable in nature and is subject to annual fluctuation on a permanent basis. This very much hinders accurate year on year financial planning and therefore some of the assumptions above are based on local decisions made to mitigate the risk of large scale movements in funding income, such as:

- New Homes Bonus – NHB receipts after 2012/13 are not included in the budget forecasts but set aside to be matched with investment expenditure. This approach allows for all future NHB monies to be available and uncommitted. This allows the Council to change its approach very quickly and achieve maximum flexibility in its future application. As only a proportion NHB receipts are built into the base budget their use can be considered and revised. Receipts are expected to reach circa. £2.6m by 2017/18 which is sufficient to match the current estimated budget gap of £2.595m forecasted by 2017/18. Therefore the Council may consider an approach whereby the budget is balanced, in whole or part, by using NHB monies.

- Additional Business Rates Retained - As the system is still in its infancy in core funding terms and also subject to negative cash flow shift it is recommended that additional Business Rates income is only built into the budget after it has been secured rather than in advance when it is based on estimated outcomes.

Key budget assumptions are also included in the Capital Programme with regard to its financing, these are set out below:

Assumptions contained in 3 year forecasts - Capital Programme Financing

Assumption	2015/16 £m	2016/17 £m	2017/18 £m	Total £m	Note
Prudential Borrowing	1.100			1.100	
Prudential Borrowing – To be repaid by NHB set aside	1.220	0.051	0.054	1.325	
Prudential Borrowing – proposed Health Centre scheme	1.759	3.518	1.759	7.036	(a)
Revenue Funding	1.881	0.083	0.083	2.047	
Developers & Other Contributions	1.374			1.374	(b)
New Homes Bonus	0.736	0.339	0.336	1.411	
Capital Receipts	0.649			0.649	
Government Grants	0.495			0.495	(c)
Total	9.214	3.991	2.232	15.437	

(a) *This is cost neutral on the budget.*

(b) *Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.*

(c) *Actual Grant allocations could vary from these estimates.*

What Has Been Achieved

Despite the budget challenges the forecasted budget gap of £2.595m and the risk of substantial change impacting on the estimates, the Council has made progress in addressing the position. Action has taken to balance the budget and provide headroom for investment in advance of the financial year. The Council is proposing a budget that contains headroom for a second consecutive year. Budget efficiency savings of £0.708m have been delivered to close the budget gap for 2015/16 adding to the £0.938m achieved last year.

Saving	Achieved 2014/15 £m	Achieved 2015/16 £m
Productivity Gains	0.331	0.017
Pay Policy	0.036	-
Review of Contracts	0.035	0.200
Review of Income Steams - Inc. Market Walk	-	0.446
Review of the Base Budget	0.094	0.045
Investment Yield	0.442	-
Total	0.938	0.708

The purchase of Market Walk has brought an additional £0.492m into the budget so far on a recurring basis. This amount includes a contribution into an equalisation account to mitigate against the financial risk of temporary void units. On an annual basis the financing of the project is proactively managed in order to achieve the most cost efficient option, to this end budget savings of £0.400m have been rolled forward in the budget for 2015/16. This acquisition continues to be a major feature of the Town Centre and supports the Council's corporate priorities whilst also presenting further opportunities to increase the financial benefits already realised. The project not only serves to strengthen the financial resilience of the Council it also brings additional income into the borough.

Transformation Strategy Savings of £0.017m is attributable to restructuring approved in Health, Environment and Neighbourhoods last year and represent the full year effect of the changes made.

The Base Budget Review continues to realise budget efficiencies by conducting an in year challenge process for non-employee costs that are outside of restructuring and productivity reviews.

A review into the Property Management function has been completed and the service has been brought back in-house plus savings have been made within the Graffiti removal contract and also the Insurance Portfolio renewal.

HOW THE FINANCIAL CHALLENGE WILL BE MET

At a summary level there are options available for the Council to consider with regard to balancing the budget by 2017/18. Uncommitted NHB receipts are expected to reach £2.586m in 2017/18 which matches the current forecasted budget gap. The council may consider looking at budgetary savings options that could be found from the following sources:-

- Additional income generation
- Further reductions in expenditure
- Increases in Council Tax
- Possible use of NHB receipts

THE STRATEGY

To achieve a reduction in net expenditure the Council's Strategy will be:

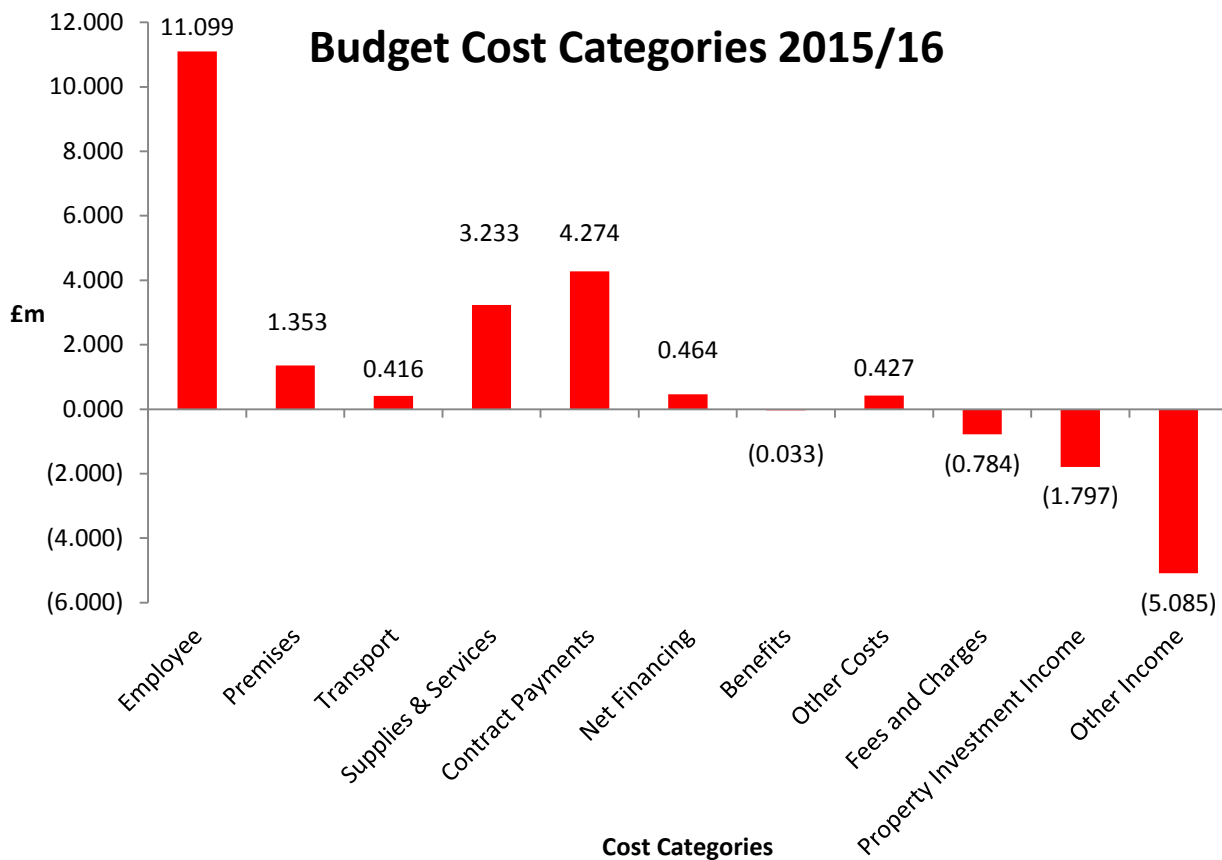
- **To continue to restrain Council Tax increases.**
- **Deliver a balanced budget over the Financial Planning Period 2017/18.**
- **Identify the savings required to balance the budget seeking to minimise the impact on front line service users.**

In this respect the following will be the strategy's focus:-

- Maximising the financial benefit of Market Walk
- Maximising Income Generation Opportunities
- Income generation – fees and charges
- Reducing expenditure costs and increasing productivity
- Review of non-employee related base budget heads
- Look for opportunities to reduce debt
- Consider the potential use of New Homes Bonus receipts to smooth the impact of the budget deficit to 2017/18
- Undertake a fundamental review and consider policy changes and implications of priority led budgeting

FINANCIAL CONTEXT

To put the strategy into a financial context the total budgeted net expenditure of £13.611m (Appendix F1) is spent in the following areas:-



N.B. Employee Costs include the Pensions Fund deficit budget in the sum of £0.832m and the Other Income category includes income streams such as Car Parking, Planning fees, Waste Recycling and Housing Benefit Administration grant.

The strategy below seeks to close the budget gap by 2017/18. In order to protect front line services the priority of this MTF5 is to seek to apply a spread between maximise income opportunities and reducing costs. To this end £2.600m will be sought from various options as follows:

INCREASING INCOME AND USE OF NHB

Use of NHB - £2.586m

The overall budget deficit is currently forecasted to be £2.595m by 2017/18. As demonstrated in the budget proposed for approval, a large proportion of total New Homes Bonus receipts are not committed upfront and therefore not incorporated into the base budget. Uncommitted NHB receipts are expected to reach circa £2.6m by 2017/18 and therefore it is a feasible option to consider utilising this income to either: (a) smooth the impact of the impact of the budget gap or, (b) cover the budget deficit in whole, or part if desired.

Review of New and Existing Income Streams - £0.540m

The purchase of Market Walk has delivered significant financial benefits to the Council and assisted in closing the budget gap in 2014/15 with the next phase focussing on development opportunities. Consideration will be given to policy changes to implement charges for services currently delivered free at the point of delivery. The Council will also consider looking at incremental inflationary increases, for example 2%, in fees and charges.

Project to Extend Market Walk - £0.250m

It is the Council's aim to achieve substantial long term growth through new income generation opportunities. This aims to reduce the authority's reliance on external income determined outwith the Council. The model for Market Walk is proven to realise substantial net income gains and therefore a project is currently underway that looks to expanding this financially beneficial model. Apart from the financial benefits feasible, ensuring Chorley has a vibrant and thriving town centre is set out as a priority in both the Council's Corporate and Economic Development Strategies under the corporate priority of a strong local economy. Considering the feasibility of extending Market Walk is not only a commercial consideration (that is, increasing the value of capital investment and revenue potential) but is also aimed at improving and reinvigorating the town centre through new retail and leisure opportunities.

Additional net income realised with the acquisition of Market Walk in the Town Centre has resulted in a sizeable contribution to the Council's budget which is a significant boost to total income received. This serves to offset some of the erosion in Central Government Revenue Support Grant and also reduces the Council's reliance on external funding. The Market Walk project continues proactively manage the cost of financing the scheme to its lowest possible option whilst also exploring the potential to expand in a similar vein to the original purchase as it is an effective option in replacing continually reducing core funding Revenue Support Grant.

Growing The Borough's Tax Bases – Residential and Business - £0.260m

The Council now directly receives a proportion of the rates income generated from the Business Rates collected within the borough in addition to the proportion that is retained from Council Tax collected. Additional income can be generated by increasing the number of business, commercial and residential properties in the tax bases within the borough by encouraging investment within the borough. This option would also provide financial benefits to other local public service organisations (such as the County Council, Police and the Fire Services) as they receive a higher combined proportion of the funds raised.

Council Tax Increases - £0.250m

The table below shows the impact of increasing Council Tax between 0.5% and 2%. Currently the Council Tax referendum principle is set at 2%, however, a reduction in this capping level in the next Comprehensive Spending Review cannot be ruled out. An increase, together with further savings options, would not only help to address the budget deficit but also be used to invest in projects that support delivery of the Council's new priorities and generate further revenues for the Council.

% Each Year	2016/17 £	2017/18 £
0.5	31,000	62,000
1	61,000	124,000
1.5	92,000	186,000
2	122,000	250,000

The table shows that below inflationary increases do have a significant, cumulative and permanent effect, something that the Council Tax Freezing Grant option lacks. The grant awarded for freezing is only received on a short term temporary basis after which time it is rolled into the total core grant allocation which in turn subject to significant reductions. Even over a short term period approximately £249k can be raised.

Importantly the proportion of the overall total funding secured via Council Tax is increasing as Central Government funding decreases and therefore its profile becomes more significant and decisions made on the level of Council Tax set have a corresponding greater impact on the budget's financial resilience. Fiscal control and stability are also strengthened as decisions are made locally and cannot be eroded by budgetary cuts distributed by Central Government.

COST REDUCTION

In addition to income generation, cost reduction can also be achieved by making budgetary efficiencies with priority assigned to the Council's core areas of spend as shown in the pie chart above. This will include a fundamental review of the overall costs incurred by the Council whilst undertaking statutory obligations and its core service provisions.

Fundamental Review of Costs - Reduction of Expenditure - £1.150m

A further budget savings will be required circa. £1.150m to close the total budget gap by 2017/18. A key action of correcting a forecasted budget deficit is to carry out a fundamental review of all activities undertaken by the Council in order to seek ways in which the cost of providing services can be reduced. Within this process, priority is given to mitigating risk within the assessment and decision making criteria in order to highlight and focus on any possible impact on front line services.

The Council will look at changes to policy and service provision. By fully assessing the priorities of the Council, budgets can be allocated according to a priority led budget process taking into account the parameters set by the financial constraints of diminishing resources.

Costs may also be reshaped by exploring the possibility of reducing resources involved in providing services, for example service delivery models incorporating the principles of joint working. The need for increased cost efficiency within the public sector has seen a number of alternative solutions coming to the fore for example, co-production, commissioning and combining, in part, with other authorities.

The total gross expenditure for the Council is £21.226m and therefore £1.150m equates to 5.4% and in employee cost terms equals to 10%.

Debt Restructuring - £0.150m

The Council is committed to a strategy that restricts the level of borrowing required to fund its capital investment and maintenance within the borough. In doing so, any borrowing incurred is proactively managed so that the financial impact on the budget is minimised. To achieve this debt is restructured in order to achieve budgetary savings within the revenue budget which funds the Council's ongoing service delivery activities. The revenue budget contains costs associated with servicing debt. Debt will have been incurred appropriately in previous years to fund Capital Projects but as time moves on changing circumstances can present new opportunities to achieve lower cost options by proactively restructuring debt repayment plans.

In Summary

The table below summarises all the options available for consideration to bridge the forecasted budget deficit over the next three years totalling £5.186m

Total Budget Resourcing Programme to 2017/18

Strategy	£m
<i>INCREASING INCOME</i>	
Use of NHB	2.586
Review of New and Existing Income Streams	0.540
Growing the Borough's Tax Bases – Residential and Business	0.260
Project to Extend Market Walk	0.250
Council Tax Increases	0.250
Sub total - income	3.886
<i>REDUCING COSTS</i>	
Fundamental Review and Re-engineering of Services to Reduce Total Costs	1.150
Debt Restructuring Cost Savings	0.150
Sub total – expenditure	1.300
Total Resources Available to Balance the Budget	5.186

NEW INVESTMENT AND SUPPORTING THE CORPOATE STRATEGY
--

The rate of progress in delivering the MTFs has presented the opportunity to fund another package of new investments in the borough. The revenue budget investment package supports the budget principles and priorities:

- **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
- **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
- **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
- **A STRONG LOCAL ECONOMY.**

It is proposed that the additional budget surplus of £0.095m is used to provide a recurring provision in the budget. This will be used to fund the annual operating costs of the proposed Youth Zone (included in the New Investments Package as a Capital project) and a dedicated Dog Fouling Team that will focus on cleansing, in the main, but also on preventative measures. There are also two other proposed new development items both of which will be self-financing and therefore cost neutral:-

Recurring base budget new investment	£000
Chorley Youth Zone – annual operating costs	50
Dedicated Dog Fouling Team	45
Sports Development in Schools	0
Additional Resources at Astley Hall and Park	0
Total	90

The 2015/16 New Development Package listed below adds to the continuing projects set out in last year's budget proposal some of are financed for more than one year. As per Appendix F1 the total NHB monies available outwith the base budget are £2.335m, this available pot is being invested as follows:-

Use of NHB 2015/16	£m
Revenue New Investment 2013/14 - 3 rd year delivery	0.235
Revenue New Investment 2014/15 - 2 nd year delivery	0.145
Revenue New Investment 2015/16	0.807
Capital New Investment 2015/16	0.458
Increase in General Balances	0.293
Set Aside for Unitary Status Local Poll	0.100
Sub Total New Investment Delivery 2015/16 Budget Provision	2.038
PCSOs	0.297
TOTAL NHB AVAILABLE 2015/16	2.335

The Investments above are listed below with the new proposed projects also set out in detail with project mandates in Appendix C and C1 to the budget report.

New Investment Areas (Revenue)	2015/16 £
Digital access and inclusion	50,000
Development and delivery of community action plans	200,000
Chorley Flower Show	50,000
North West in Bloom	45,000
Town and Country Festival	10,000
Delivery of neighbourhood priorities	50,000
Support the food bank	15,000
Supporting communities to access grant funding	20,000
16/17 Young persons' drop in centre	19,000
Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness	24,000
Free swimming	8,000
Progress key employment sites	50,000
Increase visitor numbers to Chorley	35,000
Support the expansion of local businesses	40,000
Investigate further opportunities to expand Chorley Markets	30,000
Chorley Council Employment Support Fund with Runshaw College	20,000
Additional events at Astley Hall/Park	14,000
Deliver the Chorley Public Service Reform Board work	15,000
Campaigns and events	65,000
Employee health scheme	20,000
Provide a mediation service for Anti-Social Behaviour (ASB) case resolution	7,000
Disabled and dementia online venue access guides	20,000
Sub - Total Revenue Investment	807,000
Approved Investment Areas (Revenue)	2015/16 £
Neighbourhood working - Building capacity in local communities	70,000
Support to VCFS network	15,000
Chorley Credit Union	50,000
Play Area Improvements	100,000
British Cycling	45,000
Town Centre and Steeley Lane pilot action plans	100,000
Total Capital Revenue	1,187,000

The proposed package also includes new 2015/16 Capital Programme investments as below:

New Proposed Investment Areas (Capital)	2015/16 £
Buckshaw Community Centre	600,000
Delivery of CCTV provision	250,000
Bengal Depot Site	120,000
Yarrow Valley Car Park	225,000
Deliver improvements to Market Street	1,000,000
Youth Zone	1,000,000
Land assembly	250,000
Recreational pitch strategy	170,000
Sub – Total Capital Investment	3,615,000
Approved Investment Areas (Capital)	2015/16 £
Astley Park Hall and Park Developments	218,000
Total Capital Investment	3,833,000

CAPITAL PROGRAMME

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. The capital programme has to be affordable and based upon prudence. The current local government financial position and the need to make revenue savings will impact on the Council's ability to finance further capital spending unless additional funding is secured from external sources. 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 future impact on revenue is minimised.
- As part of their capital expenditure strategy the Council will consider the purchase and/or development of assets to generate a sustainable revenue stream to counteract against the risk of future reductions in grant funding and year to year fluctuations in locally sourced funding and to invest in regeneration of the Borough.
- The Council will consider working with partners to assist them to meet their objectives where there is no impact on Council Tax.
- The Council will continue to identify land to assist in delivering its affordable housing targets.
- The Council will continue to invest in its own infrastructure reviewing the Asset Management Plan in 2015/16 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 £15.437m over the MTFS period. This total amount includes £7.036m in respect of facilitating the Chorley East Health Centre and £1.100m in respect of the Croston Flood Prevention Scheme.

The programme will be funded from a variety of sources, which is consistent with the strategic objectives outlined. See Appendices B1, B2 and B3 for further details of the Capital Programme 2014/15 to 2016/17. It should be noted that the programme also contains £7.036m borrowing for the Chorley East Health Centre. Progress is being made in relation to the health centre development. There is still further work, however, to be undertaken to finalise the structure of the agreement pending the outcome of funding bids currently being considered by NHS England. The cost of the scheme will be cost neutral in terms of the revenue budget. The only long term prudential borrowing is to fund the Croston Flood Prevention Scheme.

WORKING BALANCES

Previous financial strategies have recognised a number of changing external factors likely to have a negative shift on the Council's financial risk profile with direct core funding collection transferring locally, and diminishing Government grant, also exacerbating the challenging fiscal issues faced. In recognition of these circumstances the proposal is made that working balances are to reach £3.0m over the 3 year lifespan of the MTFS.

This is an increase from previous years' strategies and has been set to match the total forecasted budget deficit currently predicted for 2017/18. A budgeted contribution into General Balances is contained within the new investment package for 2015/16. The total investment package and use of NHB for 2015/16 recognises the potential increased risk and contains a prudent planned uplift of the general fund balance.

The rationale for this position is also based upon the following:

- (a) The Council has uncommitted working balances that would enable it to cover the loss of any deposit should this occur. This was one of the criticisms made of some councils who did not have sufficient reserves should an event (like the Icelandic Banking sector collapse) result in the loss of a significant proportion of these deposits. Currently the Treasury Strategy places a £3.0m upper limit on investments that can be placed with institutions on the selective Counterparty list.
- (b) There is likely to be further variances in the level of government grant received by the Council following the introduction of the business rate retention scheme. Some protection is in place in that a safety net exists over the council's loss of income if a reduction in its business rate reaches £0.200m.
- (d) The next Comprehensive Spending Review is likely to result in further reductions in local government funding. This approach acknowledges the uncertainty surrounding the impact of austerity measures and funding beyond the General Election in 2015. Nevertheless reductions in local government funding are very likely to continue and this represents a significant risk over the medium term. The forecasted budget gap is forecasted to rise to circa. £2.6m in 2017/18.

As established Central Government's grant distribution regime results in annual variable calculations that hinders accurate financing planning for the foreseeable future. This, coupled with the reduced Council Tax base as a consequence of Council Tax Support Scheme, and the possibility of managing in year tax base fluctuations in respect of Business Rates makes the public finance environment ever more challenging.

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. Although the budget for 2015/16 has been established based upon not using working balances to fund recurrent expenditure sometimes the budgetary savings required to can take time. Maintaining working balances means the Council does not have to make short term reactive changes that can put service performance at risk. The Council continues to manage its budget effectively with no significant overspends on recurrent budgets in the last few years. In light of the moveable platform on which core funding now sits, the emphasis on approach within the MFTS will be on financial sustainability and flexibility over the medium and longer term. The use of working balances is legitimate but should only be a short term strategy.

In terms of resource availability it will be reported to members that working balances are estimated to total £2.3m at the end of March 2015. The working balances position for 2015/16 is made up of estimated balances in hand and forward forecasts as shown below:

Forecasted General Fund Balances	£m
General Fund Balance as at 01/04/14	2.189
Forecasted year end contribution 2014/15	0.147
Sub Total – Estimated Balance as at 31/03/15	2.336
Proposed Budgeted General Fund Uplift 2015/16	0.350
Forecast balance 31/03/2014	2.686

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

- **To establish working balances no lower than £3.0m at the end of the financial planning period to 2017/18.**
- **To review the financial risks facing the Council during 2015/16 and the level of balances taking into account the latest information available.**

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 2015, via the production of annual Treasury Management Strategy.

APPENDIX F1

Analysis of Budget Variations 2015/16 - 2017/18

	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000	2017/18 ESTIMATE £'000
CASH BASE BUDGET REQUIREMENT	14,303	14,252	13,352	13,938
Cash Movements:				
Transfers between Directorates				
Other Virements (Transfer below the line)	38			
Inflation				
Pay	86	110	254	82
Pensions	67	21	17	9
Pensions Rate Adj.	33	116	117	125
Non-Pay	(32)	(119)	23	79
Contractual	221	155	193	212
Income	70	35	35	31
Increments	41	44	26	9
Volume Expenditure	176	(67)	12	(112)
Volume Income	(16)	60	59	65
Savings Identified 2011/12	(2)	0	0	0
Growth Items 2012/13 & 2013/14	(65)	0	0	0
Growth Items 2013/14 to 2015/16	0	0	(235)	0
One-Off Non-Recurrent Growth 2013/14	(994)	0	0	0
Car Parking Tariffs	100	0	0	0
Mainstreaming of 3 Posts	80	0	0	0
Mainstream Growth Items 2014/15	30	0	0	0
New Revenue Investment 2014/15	630	(485)	(145)	0
New Capital Investment 2014/15	424	(206)	(218)	0
Market Walk - Net Income/Equalisation Account	(442)	(400)	400	0
Base Budget Review Savings 2014/15	(94)	42	0	0
Transformation Strategy Savings 2014/15	(402)	(162)	0	0
Recurrent Budget Growth 2015/16	0	0	50	0
Base Budget Review Savings 2015/16	0	(45)	0	0
DIRECTORATE CASH BUDGETS	14,252	13,352	13,938	14,439
Contingency:				
- Management of the Establishment	(130)	(150)	(150)	(150)
Directorate & Corporate Budgets	14,122	13,202	13,788	14,289
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	16	7	127	45
- Minimum Revenue Provision (MRP - capital financing)	341	358	387	407
sub total	357	364	514	452
TOTAL EXPENDITURE	14,479	13,566	14,302	14,742
Financed By:				
Council Tax - Borough	(5,898)	(6,121)	(6,152)	(6,183)
Potential Grant for freezing Council Tax in 2014/15	(66)	0	0	0
Potential Grant for freezing Council Tax in 2015/16	0	(65)	0	0
Parish Precepts	565	571	571	571
Council Tax Parishes	(565)	(571)	(571)	(571)
Revenue Support Grant	(2,999)	(2,132)	(1,782)	(1,432)
Base Line Funding Level	(2,531)	(2,669)	(2,669)	(2,669)
Estimated BRR growth		(90)	(90)	(90)
Government Section 31 Grants	(753)	(770)	(770)	(770)
Business Rates Retention Equalisation Reserve	503	(92)	(92)	(92)
New Homes Bonus 2011/12 & 2012/13	(1,044)	(1,044)	(1,044)	(1,044)
Use of NHB for Growth Items 2013/14 to 2015/16	(235)	(235)	0	0
Use of New Homes Bonus for PCSO's	(297)	(297)	(297)	(297)
Use of NHB for New Investment 2014/15	(1,054)	(363)	0	0
Use of NHB for New Investment 2015/16 - General Reserve	0	(293)		
New Burdens Grant	(16)	0	0	0
Collection Fund (Surplus)/Deficit	(36)	223	321	321
Transfers to/(from) Earmarked Reserves	(53)	(62)	(24)	110
Transfer to/(from) General Balances (NHB £0.293m)	0	350	0	0
TOTAL FINANCING	(14,479)	(13,661)	(12,600)	(12,147)
Net Expenditure	0	(95)	1,702	2,595

APPENDIX F1

Analysis of Budget Variations 2015/16 - 2017/18

	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000	2017/18 ESTIMATE £'000
Analysis of Net Expenditure (Budget Gap):-				
Net Expenditure in Year	0	(95)	1,797	893
Recurrent Budget Growth 2015/16:-				
Sports Development in Schools - self financing		0		
Additional Resources at Astley Hall and Park - self financing		0		
Running costs of the Youth Zone		50		
Dedicated Team for Tackling Dog Fouling		45		
Net Expenditure	0	(0)	1,702	2,595

New Homes Bonus 2011/12	(302)	(302)	(302)	-
New Homes Bonus 2012/13	(742)	(742)	(742)	(742)
New Homes Bonus 2013/14	(739)	(739)	(739)	(739)
New Homes Bonus 2014/15	(847)	(847)	(847)	(847)
New Homes Bonus 2015/16	-	(749)	(749)	(749)
New Homes Bonus 2016/17	-	-	(650)	(650)
New Homes Bonus 2017/18	-	-	-	(600)
Total New Homes Bonus	(2,630)	(3,379)	(4,029)	(4,327)
Use of New Homes Bonus in Base Budget	1,044	1,044	1,044	1,044
New Homes Bonus Receivable	(1,586)	(2,335)	(2,985)	(3,283)
Use of NHB for Growth Items 2013/14 to 2015/16	235	235	-	-
Use of New Homes Bonus for PCSO's	297	297	297	297
Use of NHB for 2014/15 Growth Items in Year 1	1,054	-	-	-
Use of NHB for 2014/15 Growth Items in Year 2 - Revenue	-	145	-	-
Use of NHB for 2014/15 Growth Items in Year 2 - Capital	-	218	-	-
Use of NHB for 2015/16 Growth Items - Revenue	-	807	-	-
Use of NHB for 2015/16 Growth Items - Capital Contribution	-	240	400	400
Transfer to General Reserve	-	293	-	-
Set aside for proposed Unitary Status Local Poll	-	100	-	-
New Homes Bonus Available Balance	-	-	(2,288)	(2,586)

Key Assumptions	2014/15	2015/16	2016/17	2017/18
Increase in Council Tax	0%	0%	0%	0%
Growth in Council Tax Base	0%	3.8%	0.5%	0.5%
Grant for freezing Council Tax in 2014/15 and 2015/16	£66k	£131k	£0k	£0k
Reduction in Government Grant Settlement (AEF)	£878k	£883k	£350k	£350k
Profiled Reduction in Grant Settlement	-13.5%	-15.5%	-7.3%	-7.9%
New Homes Bonus receipts 2011/12 & 2012/13	£1,044k	£1,044k	£1,044k	£742k
New Homes Bonus estimated receipts from 2013/14	£1,586k	£2,336k	£2,986k	£3,586k
Net Financing of Market Walk	£1,011k	£760k	£690k	£660k
Future Service Pension Rate	11.1%	11.1%	11.1%	11.1%
Pension Fund deficit recovery	£710k	£832k	£956k	£1,076k
Supporting People Income from LCC	£156k	£147k	£138k	£130k
Pay Award	0%	2.2%	1%	1%

Description	Details	Budget Change	
		£	£
Budget Gap Reported 25 February 2014			961,490
<u>Income Generation</u>			
Market Walk	Market Walk - Net Income/Equalisation Account (including net financing)	(400,000)	
Investment Portfolio	New rental income from Market Street shops	(15,000)	
Markets	Increase in Fees & Charges income for Markets - (Rents, Parking Fees, Water & Waste Charges)	(20,000)	
Investment Portfolio	Increase in rental income from Chorley North Industrial Estate	(6,530)	(441,530)
<u>Other Income Changes</u>			
Electoral Registration	Individual Electoral Registration (IER) Grant announced for 2015/16	(30,800)	
Council Tax Summons/Committal costs	Increase in costs recovered from Council Tax Summons/Committal costs	(30,000)	
Market Rents	Rebasing of markets rental income budgets based on 2014/15 forecasts	(35,000)	
Income Generation	Additional income from Streetscene and Cemeteries	(11,340)	
Investment Portfolio	Loss of rent following sale of land at Ackhurst Road, Common Bank Ind Est.	37,000	
Housing Benefits	Reduction in Housing Benefit & Council Tax Support Admin. Subsidy Grant settlement for 2015/16	24,390	
Childrens Trust	Childrens Trust grant from LCC finished from 2015/16 onwards	20,000	
Settlement Funding adjustment	Local Government Finance Settlement adjustment February 2015	7,510	(18,240)
<u>Pension Changes</u>			
LCC Pensions Account	Rebasing for Added Years Pension costs in line with 2014/15 forecasts	(15,790)	(15,790)
<u>Transformation Strategy Budget Efficiencies</u>			
Property Services	Savings from bringing Property Services in-house (former Liberata Contract)	(150,000)	
Car Parking	Pay & Display Enforcement and Cash Collection/Banking	(20,000)	
Health, Environment & Neighbourhoods restructure	Full year saving from Health, Environment & Neighbourhoods restructure 2014/15	(17,300)	(187,300)
<u>Other Savings</u>			
Base Budget Review savings 2015/16	Base Budget Review savings agreed with Heads of Service (see breakdown in Appendix G1)	(45,010)	
External Audit	External Audit - reduction in scale of fees for 2015/16	(15,830)	
Insurances	Savings from Insurance Portfolio renewal for 2015	(7,940)	
Streetscene	Savings achieved on Graffiti contract	(5,000)	(73,780)
<u>Council Tax</u>			
Additional Council Tax income from revised Council Tax Base.	Additional Council Tax income from revised Council Tax Base.	(196,510)	
Collection Fund Surplus	Collection Fund Surplus (Council Tax) 2014/15 to be distributed in 2015/16	(52,660)	(249,170)
<u>Other Budget Changes</u>			
New Homes Bonus	Use of NHB for 2015/16 contribution to General Balances	(293,000)	
Housing Benefits	Housing Benefits - rebasing in line with 2013/14 outturn & 2014/15 forecasts	(156,120)	
Business Rates	Retained Business Rates - net growth in income and NNDR1 changes Including S31 Grants	4,950	
Waste Contract	Waste Contract - adjustment to RPIX for 2014/15	(16,460)	
General Balances	Budgeted contribution to General Balances in 2015/16	350,000	
Net Financing	Update to interest and MRP to reflect latest Capital Programme including new investment schemes	(2,220)	
Employee Costs	Impact of 2.2% Pay Award in 2015/16	20,040	
Employee Costs	Various minor staffing changes for 2015/16	11,430	
Streetscene	Increase in budget for Standby Duty payments for Streetscene employees	9,000	
Duxbury Golf Course	Changes to Duxbury Golf Course contract with Glendale	7,400	
Management of the Establishment	Increase in the savings target from vacant posts based on forecasts for 2014/15	(20,000)	
Other budget changes	Various other minor budget changes for 2015/16	14,300	(70,680)
<u>Recurrent Budget Growth 2015/16</u>			
Youth Zone	New recurrent budget introduced for 2015/16 for Chorley Youth Zone running costs	50,000	
Dog Fouling	New recurrent budget introduced for 2015/16 for team to tackle Dog Fouling	45,000	95,000
Current Budget Deficit/(Surplus)			0

This page is intentionally left blank

Base Budget Review 2015/16

Detail Name	BUDGET SAVINGS £
Service Fees (Mailroom Services)	(15,070)
Telephony	(11,530)
Computer Equipment/Software - ICT Services	(7,280)
External Contractor (Payroll)	(3,460)
Car Leasing	(2,670)
Stationery	(1,600)
Training Course Fees	(1,500)
Car Allowances	(1,400)
Bailiffs Commission	(500)
	(45,010)

This page is intentionally left blank

Special Expenses and Parish Precepts 2015-16

Parish	Tax Base 2015/16 No	Borough General Expenses 2015/16 £	Borough Special Expenses 2015/16 £	Borough Services Council Tax 2015/16 £	Parish Precept 2015/16 £	Parish Top-up 2015/16 £	Parish Yield 2015/16 £	Band D Parish Charge 2015/16 £	Band D Parish Charge 2014/15 £	Change in Parish Charge 2015/16 %	Total Charge 2014/15 £	Total Charge 2015/16 £
Adlington	1,859.00	158.39	4.81	163.20	17,500	1,816	15,684	8.44	8.80	-4.09%	172.00	171.64
Anderton	483.00	158.39	2.06	160.45	4,800	294	4,506	9.33	9.41	-0.85%	169.86	169.78
Anglezarke	18.00	158.39	-	158.39	-	-	-	-	-	0.00%	158.39	158.39
Astley Village	929.00	158.39	27.06	185.45	23,540	3,877	19,663	21.17	21.16	0.05%	206.61	206.62
Bretherton	284.00	158.39	-	158.39	9,720	414	9,306	32.77	32.46	0.96%	190.85	191.16
Brindle	454.00	158.39	4.68	163.07	6,800	273	6,527	14.38	14.66	-1.91%	177.73	177.45
Charnock Richard	667.00	158.39	3.85	162.24	27,000	345	26,655	39.96	40.38	-1.04%	202.62	202.20
Clayton Le Woods	4,362.00	158.39	37.63	196.02	76,890	11,458	65,432	15.00	15.00	0.00%	211.02	211.02
Coppull	2,130.00	158.39	7.91	166.30	83,850	10,576	73,274	34.40	35.13	-2.08%	201.43	200.70
Croston	1,019.00	158.39	9.25	167.64	22,630	1,440	21,190	20.79	20.79	0.00%	188.43	188.43
Cuerden	40.00	158.39	11.35	169.74	1,060	2	1,058	26.45	26.42	0.11%	196.16	196.19
Eccleston	1,569.00	158.39	4.83	163.22	42,960	1,636	41,324	26.34	26.34	0.00%	189.56	189.56
Euxton	3,993.00	158.39	16.97	175.36	109,509	1,709	107,800	27.00	27.88	-3.16%	203.24	202.36
Heapey	370.00	158.39	17.34	175.73	9,110	327	8,783	23.74	23.74	0.00%	199.47	199.47
Heath Charnock	787.00	158.39	21.09	179.48	7,500	335	7,165	9.10	8.88	2.48%	188.36	188.58
Heskin	336.00	158.39	2.16	160.55	11,632	544	11,088	33.00	33.00	0.00%	193.55	193.55
Hoghton	345.00	158.39	6.82	165.21	5,000	167	4,833	14.01	14.38	-2.57%	179.59	179.22
Mawdesley	736.00	158.39	1.34	159.73	26,780	794	25,986	35.31	104.58	-66.24%	264.31	195.04
Rivington	51.00	158.39	-	158.39	2,500	169	2,331	45.71	46.93	-2.60%	205.32	204.10
Ulnes Walton	249.00	158.39	-	158.39	6,020	205	5,815	23.35	23.35	0.00%	181.74	181.74
Wheelton	389.00	158.39	-	158.39	12,587	432	12,155	31.25	31.74	-1.54%	190.13	189.64
Whittle Le Woods	2,312.00	158.39	21.00	179.39	34,600	-	34,600	14.97	14.20	5.42%	193.59	194.36
Withnell	1,189.00	158.39	8.61	167.00	29,270	1,483	27,787	23.37	22.18	5.37%	189.18	190.37
Other parts of the Borough *	9,933.22	158.39	26.62	185.01							184.98	185.01
	34,504.22	158.39	19.02	177.41	571,258	38,296	532,962	15.45	16.99	-9.06%	194.40	192.86

Notes:

£38,296 represents the top-up to Parish Precept income in respect of the Council Tax Support Scheme.

* The Tax Base figure for "Other parts of the Borough" has been adjusted to allow for roundings to the Parish Tax Base figures to the nearest pound.

This page is intentionally left blank



APPENDIX I

Report of	Meeting	Date
Chief Executive	Special Council	3 March 2015

BUDGET CONSULTATION 2015/16

PURPOSE OF REPORT

1. This report provides the Council with the results of the public consultation carried out on the Executive's draft budget investment proposals for 2015/16.

RECOMMENDATION(S)

2. That Members use the results which highlight the views of residents to inform their decisions on setting the budget for 2015/16.

EXECUTIVE SUMMARY OF REPORT

3. Consultation on proposed budget investment areas for 2015/16 shows a good spread of support for each of the investment areas with working with all other public service providers in the borough to make sure residents are getting the best deal possible coming out as the top priority for Chorley residents.
4. Additional comments and suggestions were also provided by just under half of the respondents. Suggestions about improvements of the services provided by LCC have been grouped together and therefore form the highest response rate, however below that reference to improving the town centre and its offer, and to improving the cleanliness of the borough were also mentioned in a number of the comments.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

6. The 2015/16 budget consultation process started following approval of the budget position paper, which set out the budget position along with proposed investment areas, by Executive Cabinet on the 22nd January 2015.
7. The proposed investment areas were grouped into ten categories for the purposes of the consultation, and respondents were asked to look at each one and score how much of a priority they considered it should be for the council to spend in each of the areas so that we can ensure money is being spent on the things that matter to local people. The categories were as follows:
 - Involving residents and improving local areas by working with communities to develop and deliver community specific action plans and helping people to make the most of the internet;
 - Supporting businesses and improving the local economy through progressing new employment sites and working with local businesses to increase visitor numbers to Chorley;
 - Improving the town centre through delivering further enhancements to Market Street;
 - Supporting safer communities through improved CCTV provision;
 - Supporting healthy communities through developing plans for the Friday Street Health Centre;
 - Improvements to play areas in the borough including a new play area in Astley Park and improvements to Rangletts recreation ground;
 - Putting on more events for families to help attract more visitors to Chorley;
 - Working with all other public service providers in the borough to make sure residents are getting the best deal possible;
 - Supporting residents who are struggling financially, including helping people to get on the property ladder; and
 - Providing services for young and older people including developing plans for a youth zone and an extra care scheme.
8. Respondents were also asked for any additional suggestions about where the council should be investing its money but aren't.
9. The survey ran until the 15th February with respondents encouraged to complete an online survey; however paper copies were also available. The consultation was widely promoted through the Council's website, local press, social media and invitations to take part were also emailed to a number of groups including, parish council clerks, the VCF sector network, the equality forum and myaccount holders.

BUDGET CONSULTATION RESULTS

10. The 2015/16 ran from the 26th January to the 15th February and received 607 responses. This consultation response is significantly higher than recent years.
11. The first question asked responded to score each of the investment areas out of five, with one being low priority and five being high priority. Respondents were able to give as many fives or ones as they wished. The results are shown below:

	Priority	Overall score	Overall Score %	No. of response scoring 4 or 5	% of responses scoring 4 or 5
1	Working with all other public service providers in the borough to make sure residents are getting the best deal possible	2411	11.90%	440	74.07%
2	Supporting businesses and improving the local economy	2297	11.34%	381	63.93%
3	Providing services for young and older people	2146	10.59%	334	56.13%
4	Improving the town centre	2125	10.49%	335	56.40%
5	Supporting safer communities	2063	10.18%	298	50.34%
6	Putting on more events for families	1911	9.43%	251	42.91%
7	Improvements to play areas in the borough	1902	9.39%	241	40.50%
8	Supporting residents who are struggling financially	1880	9.28%	251	42.18%
9	Involving residents and improving local areas	1777	8.77%	207	34.73%
10	Supporting healthy communities	1746	8.62%	194	33.11%

12. The results show a good spread of support for each of the investment areas with working with all other public service providers in the borough to make sure residents are getting the best deal possible coming out as the top priority for Chorley residents. This is a new priority area, which was included in the consultation due to the proposals on the public service reform board and the proposal to set aside money from the NHB for a possible unitary poll.
13. Supporting businesses and improving the local economy also remains a high priority falling one place in the rankings from last year. A number of the budget growth proposal will support delivery of this priority area including 'progress key employment sites', 'increase visitor numbers' and 'support the expansion of local businesses'.
14. From the 607 responses, 283 provided additional comments and suggestions about areas that they felt the council should be, but are not currently investing in. These have been grouped together and prioritised in order of the highest frequency of comments. It should be noted that responses often included more than one comment or suggestion, covering more than one area.
15. Included in the table against each category is a brief note of the work that the council is already undertaking or has plans in place to address. The copy of all the comments received can be found in Appendix I1.

Category	Details	Note
LCC Services including road and transport improvements	Included are comments regarding the need to repair and improve the roads, followed by transport infrastructure, improving schools, keeping libraries open and reducing speed limits.	The council will continue to work with and lobby Lancashire County Council to improve issues experienced by our residents. This feedback is also consistent with the feedback received from our monthly customer satisfaction surveys.
Town centre improvements	Comments referenced the markets, range of shops and need for more entertainment facilities in the town centre.	There are a number of town centre schemes either currently being delivered such as improvements to Market Street, as well as further projects being planned such as progressing plans to extend Market Walk. These are in addition to the ones mentioned in the budget proposals such as the Youth Zone, delivery of further improvements to Market Street, investigate opportunities to extend the Market and the project to develop a business case for extra care scheme and land assembly.
Cleaner, greener Chorley	<p>Comments have been made around:</p> <ul style="list-style-type: none"> • street cleansing; • fly tipping; • dog fouling; • bin collection, reducing waste to landfill, recycling; • renewable energy; • floral displays; and • Increased allotment provision. 	The cleaner Chorley and don't mess with Chorley campaigns encourages residents to report issues and challenges people who do litter and do not clean up after their dogs. In addition, the funding provided to support neighbourhood projects means that local areas can target issues relevant to their locality for improvement. The development and delivery of communication actions plans will involve working with communities to improve their local environment, amongst other things. The Council will also continue to develop it's floral displays and is keen to build upon successes in Britain in Bloom and North West in Bloom.
Supporting the local economy/businesses	Additional comments referenced the importance of broadband provision and business rates. Supporting people into employment.	There is significant investment proposed in the budget to support the delivery of the economic development strategy and the corporate strategy key projects. This includes progressing key employment sites and supporting the expansion of local businesses.

Parks, play and open spaces	Including environmental improvements, footpaths, playing pitches and sporting facilities.	There is lots of work currently underway and planned to improve the borough's parks, play areas and open spaces. This includes the development of a destination play area in Astley Park, along with other improvements to Astley Park and Hall as part of the Astley 20:20 project. 2015/16 will see the third year of a programme of play area improvements. The budget proposals also include projects to improve car parking at Yarrow Valley and delivery of a recreational playing pitch strategy.
Car Parking	Including: <ul style="list-style-type: none"> • the repair of car parks • payment methods and enforcement; • Issues with parking permits and on street parking for residents and businesses. 	A programme of improvements to Chorley's car parks has been undertaken in 2014/15. In addition a review of town centre car parks is being undertaken as part of the corporate strategy project to progress plans to extend Market Walk.
Investment in outlying areas of the borough	Comments mainly focused on the level of investment in outlying and rural areas compared with the town centre.	While there are specific projects aimed at improving the town centre, many of the other proposed projects should benefit residents from across the whole borough. Examples include the project around digital access and inclusion, the development and delivery of community action plans, the delivery of neighbourhood priorities, supporting communities to access grant funding and support the expansion of local businesses.
Community safety	References to CCTV and street/park lighting and tackling anti-social behaviour.	The council will continue to work with the police and other partners to improve feelings of safety. Within the budget proposals there is further funding proposed to provide a mediation service for ASB case resolution as well as capital funding proposed to improve CCTV provision. Street lighting is the responsibility of LCC, however the Council has been working to improve the lighting to parks and open spaces.
Activities and events for children, young people and families	Activities in addition to park and play provision mentioned above. Youth activities Holiday clubs Delivery of more events including sporting and cultural events.	The council continues to support activities for children and young people, with the provision of programmes such as Get Up and Go. The budget includes investment to continue the free swimming programme, and support for the development of a Youth Zone, as well as budget proposals which will deliver family events. The council will continue to support and deliver events which provide an opportunity to make use of Chorley's assets and encourage visitors.

<p>Support for VCF sector organisations, community groups and charities</p>	<p>Better support and volunteering</p>	<p>The Council continues to work with the VCF sector through the VCFS Network.</p> <p>The council is continuing to work to encourage volunteering, including through the time credits programme, the civic pride campaign and core funding commissioning.</p> <p>Neighbourhood areas have been working to develop suggestions for projects for the coming year. A continued resource has been proposed in the budget to support the delivery of that work and linked to this will be the community action plans.</p>
<p>Planning / Housing</p>	<p>Protecting green space – not developing on green belt land. Adoption of estates Ensuring that new developments include adequate amenities to match the increase in population Affordable and suitable housing</p>	<p>The council is continuing to work to deliver affordable housing across the borough, including making use of its assets to bring forward sites for development.</p>
<p>Health</p>	<p>Health centre, protecting Chorley hospital services</p>	<p>The Council is working closely with health care providers including LCFT, CCG and NHS England to develop and agree plans for a Health centre on Friday Street, and more widely we are talking to our health partners to consider how we might be able to work better together to deliver health services to people across the borough</p>

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

17. The financial implications of the budget are set out in the main report and the Medium Term Financial Strategy,

COMMENTS OF THE MONITORING OFFICER

18. There are no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Rebecca Huddleston	5779	16 th February 2015	Budget Consultation Council Report 2015

This page is intentionally left blank



Report of	Meeting	Date
Chief Executive	Special Council	3 March 2015

ASSESSING THE IMPACT OF THE 2015/16 BUDGET PROPOSALS

PURPOSE OF REPORT

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

RECOMMENDATION(S)

- 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

- 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
- To meet this requirement in relation to the budget growth proposals 2015/2016, 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
--	-----	----

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

- 4. 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
- 5. 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.
- 3. An overall integrated impact assessment has been developed on the proposed budget. This includes a consideration of the various investment items that make up the overall final budget investment package. The final assessment is attached at Appendix A.

RESULTS OF THE IMPACT ASSESSMENTS

- 4. No recommendations have been made following this impact assessment. However, in line with the Council’s Equality Scheme, each of the projects, once approved and as more information about them is known should complete an Integrated Impact Assessment 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 financial implications of the budget are set out in the main reports and in the Medium Term Financial Strategy.

COMMENTS OF THE MONITORING OFFICER

- 8. There are no comments.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

- 9. This report supports 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 during their decision making.

GARY HALL

CHIEF EXECUTIVE

Report Author	Ext	Date	Doc ID
Rebecca Huddleston	5779	16/02/15	Budget Equality Impact Assessment 2015

Integrated Impact Assessment

Name of the service, policy, strategy or project being assessed	Overall 2015/16 budget proposals		
What does the service, policy, strategy or project do?	Makes proposals for the budget setting process for 2015/16		
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	16/02/2015	Date of Review	16/02/2015

Equality Impact Assessment	Yes	No	Evidence				Further action required
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 using a combination of: online survey posted on the website; email survey sent to parish councils via intheboro; provision of paper surveys where appropriate and the use of social media. 607 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		Further action required
1. 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 proposals that are targeted to young people such as the youth zone, free swimming, 16/17 year olds drop in scheme and also targeted at older people such as the project to develop a business case for an extra care scheme including land assembly.		
2. Equality of opportunity amongst with or without a physical or mental disability (Disability)	✓				The proposed project for disabled and dementia online venue access guides will positively support		

					customers with a disability.	
3. Equality of opportunity amongst customers of different gender backgrounds (Gender Reassignment)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
4. Equality of opportunity amongst customers who are pregnant or parents (Pregnancy and Maternity)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
5. Equality of opportunity amongst customer groups of different racial backgrounds (Race)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
6. Equality of opportunity amongst customers of different religions (Religion or Belief)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
7. Equality of opportunity amongst customers that live in different parts of Chorley (Rurality)	✓				A number of the proposals include elements which will positively support customers which live in rural areas of the borough. They include digital access and inclusion, development and delivery of community action plans, the delivery of neighbourhood priorities and delivery of CCTV provision.	
8. Equality of opportunity amongst male and female customers (Sex)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
9. Equality of opportunity amongst customers of different sexual orientations (Sexual Orientation)				✓	No proposals should have a differential effect on any customers because of these characteristics.	

Health Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
<p>1. Promoting healthy lifestyles for Chorley residents. For the latest Health Observatory information please see the data on this link http://www.apho.org.uk/resource/item.aspx?RID=126958</p>	✓				<p>The proposed investment in the following schemes will help to promote healthier lifestyles for Chorley residents:</p> <ul style="list-style-type: none"> • Free swimming • Yarrow valley car park • Recreational pitch strategy 	
<p>2. Enabling residents to Start Well (pre birth – 19) Possible issues to consider are;</p> <ul style="list-style-type: none"> • Promoting healthy pregnancy • Reducing infant mortality • Reducing childhood obesity • Supporting children with long term conditions • Supporting vulnerable families and children 	✓				<p>The proposed investment in the following schemes all support residents to ‘start well’:</p> <ul style="list-style-type: none"> • 16/17 young person’s drop in centre • Free swimming • Chorley council employment support fund with Runshaw College • Youth Zone 	
<p>3. Enabling residents to Live well (16 -75 years) Possible issues to consider are;</p> <ul style="list-style-type: none"> • Promoting healthy settings, healthy workforce and economic development • Promoting mental wellbeing and healthy lifestyles • Reducing avoidable deaths • Improving outcomes for people with learning disabilities 	✓				<p>The proposed investment in the following schemes al support residents to ‘live well’:</p> <ul style="list-style-type: none"> • Digital access and inclusion • Employee health scheme • Disabled and dementia online venue access guides • Provide a mediation services for ASB case resolution 	

<p>4. Enabling residents to Age Well (over 65 years). Possible issues to consider are;</p> <ul style="list-style-type: none"> • Promoting independence • Reducing social isolation • Managing long term conditions and dementia • Reducing emergency admissions and direct admissions to residential care settings • Supporting carers and families 	✓				<p>The proposed investment will support residents to Age Well:</p> <ul style="list-style-type: none"> • Develop a business case for extra care including land assembly. 	
--	---	--	--	--	--	--

Reputational Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
<p>1. Chorley Council's reputation. Possible issues to consider are;</p> <ul style="list-style-type: none"> • Proving to local 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 	✓				<p>All of the proposals within the budget growth paper should have a positive impact on the Council's reputation.</p>	
<p>2. Our ability to deliver the Corporate Strategy. Issues to consider are;</p> <ul style="list-style-type: none"> ▪ A council that consults and engages with residents ▪ An ambitious council that continually strives to improve 	✓				<p>Each of the proposed projects has a link to one or more of the corporate priorities as set out in the Corporate Strategy and will therefore support its delivery.</p>	

Sustainability Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
<p>1. The effective protection of Chorley’s environment. Possible issues to consider are;</p> <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 	✓				<p>A number of proposed schemes will have a positive impact on Chorley’s environment. These include:</p> <ul style="list-style-type: none"> • Delivery of neighbourhood priorities • The development and delivery of community action plans. • Chorley flower show • North West in Bloom 	
<p>2. Prudent usage of natural resources. Possible issues to consider are;</p> <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 				✓	<p>No proposals should have a differential effect on the prudent usage of natural resources.</p>	
<p>3. Social progress amongst all of Chorley’s communities. Possible issues to consider are;</p> <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 	✓				<p>A number of proposed schemes will have a positive impact on social progress amongst all of Chorley’s communities. These include:</p> <ul style="list-style-type: none"> • Digital access and inclusion • Provide an accommodation finding 	

Sustainability Impact Assessment	P	N	U	NI	Evidence	Further action required
					service for 'non priority' households who are homeless or threatened with homelessness <ul style="list-style-type: none"> • 16/17 year olds drop in scheme • Youth Zone • Free swimming • Employee health scheme • Mediation service for anti-social behaviour disputes • Delivery of CCTV provision 	
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 • Strengthening links with public, private and third sector Partners 	✓				A number of proposed schemes will have a positive impact on a vibrant local economy. These include: <ul style="list-style-type: none"> • Progress key employment sites • Increase visitor numbers to Chorley • Support the expansion of local businesses • Investigate further opportunities to expand Chorley Markets. • Joint employment initiatives with Runshaw College • Deliver the Chorley Public Service Reform Board work plan 	

