

COUNCIL

TUESDAY, 1ST MARCH 2016, 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 2016/17	(Pages 17 - 42)
	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.	
A	APPENDIX A1: EXPLANATION OF COUNCIL TAX RESOLUTION	(Pages 43 - 50)
B	APPENDIX A2: PAY POLICY 2016/17 POLICY STATEMENT	(Pages 51 - 60)
C	APPENDIX A3: FEES AND CHARGES INCOME BUDGETS 2016/17	(Pages 61 - 62)
D	APPENDIX B1: CAPITAL PROGRAMME 2015/16 TO 2018/19	(Pages 63 - 64)
E	APPENDIX B2: CAPITAL PROGRAMME FINANCING 2015/16 TO 2018/19	(Pages 65 - 66)
F	APPENDIX B3: DEVELOPERS CONTRIBUTIONS 2015/16 TO 2018/19	(Pages 67 - 68)
G	APPENDIX C: BUDGET INVESTMENT PACKAGE 2016/17	(Pages 69 - 80)
H	APPENDIX C1: INVESTMENT PACKAGE MANDATES	(Pages 81 - 204)
I	APPENDIX D: TREASURY STRATEGIES AND PRUDENTIAL INDICATORS 2016/17 TO 2018/19	(Pages 205 - 234)
J	APPENDIX E: REPORT OF THE STATUTORY FINANCE OFFICER	(Pages 235 - 242)

K	APPENDIX F: MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2018/19	(Pages 243 - 264)
L	APPENDIX F1: ANALYSIS OF BUDGET VARIATIONS 2015/16 TO 2018/19	(Pages 265 - 266)
M	APPENDIX G: VARIANCE ANALYSIS - MOVEMENTS FROM 2015/16 ORIGINAL ESTIMATE	(Pages 267 - 268)
N	APPENDIX H: SPECIAL EXPENSES AND PARISH PRECEPTS 2016/17	(Pages 269 - 270)
O	APPENDIX I: BUDGET CONSULTATION 2016/17	(Pages 271 - 276)
P	APPENDIX J: ASSESSING THE IMPACT OF 2016/17 BUDGET PROPOSALS	(Pages 277 - 286)
7	NOTICE OF MOTION SUBMITTED UNDER PROCEDURE RULE 10	(Pages 287 - 290)

To consider the attached notice of motion submitted by Councillor Alistair Bradley.

GARY HALL
CHIEF EXECUTIVE

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Report of	Meeting	Date
Executive Cabinet (Introduced by the Executive Member for Resources, Policy and Performance)	Special Council	1 st March 2016

GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2016/17

PURPOSE OF REPORT

1. To seek approval of the Executive's budget proposal including the freezing of Council Tax in 2016/17.

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 2016.
 3. Maintain the fees and charges (at Appendix A3) at current 2015/16 prices.
 - b) Approve the Capital Programme to 2018/19 (Appendices B1, B2, & B3).
 - c) Approve the Budget Investment Package Report (Appendices C & C1).
 - d) Approve the Treasury Management Strategy and its core principles (Appendices D, D(1) & D(2)).
 - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained within it as set out in the Statutory Report (Appendix E).
 - f) Approve the Council's Medium Term Financial Strategy (MTFS) (Appendices F & F1).
 - g) Note Significant Budget Movements from the 2015/16 Budget (at Appendix G).
 - h) Note Special Expenses and Parish Precepts (at Appendix H).
 - i) Note the Budget Consultation 2016/17 Report (at Appendix I).
 - j) Note the Assessing the Impact of Budget Proposals 2016/17 Report (at Appendix J).

EXECUTIVE SUMMARY OF REPORT

- 3. This is the fourth 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 2015/16 budget and also contained spending. Significant budget efficiencies in the sum of £1.167m have been achieved in advance to balance the budget in 2016/17 with Council Tax frozen for a fourth year. The budget savings achieved prior to the coming financial year are sufficient to address the budget deficit position in 2016/17 and also allow a further £1.408m of resources to be invested into projects that meet Corporate Priorities.
- 4. The Executive presents a budget that:-

- **Freezes Council Tax for a fourth year in 2016/17**
- **Addresses the previously forecasted budget deficit position for 2016/17 in advance of the year delivering £1.167m worth of budget efficiencies.**
- **Does not contain cuts to front line services.**
- **Delivers Revenue and Capital New Investments totalling £3.167m.**
- **Brings the total committed to New Investments since 2013/14 to £12.330m.**
- **Is consistent with the Corporate Priorities and aims to bring income into the Council.**
- **Seeks to bridge the forecasted budget gap by generating additional income, in particular through expanding the business rates tax base and invest-to-earn projects.**
- **Is consistent with the Medium Term Financial Strategy.**
- **Minimises the revenue impact of the Council’s borrowing commitment to fund the Capital Programme.**
- **Enhance the financial resilience of the Council’s budget by increasing the level of working balances from £3.0m to £4.0m by the end of 2018/19.**

- 5. 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

Council Tax Yield 2016/17

**It is proposed to freeze Council Tax in 2016/17 for a fourth year.
Council Tax will remain at the same level as it was in
2013/14, 2014/15 and 2015/16.**

6. The Administration is able to freeze Council Tax for a fourth year so it remains at the same level it was in 2013/14, 2014/15 and 2015/16. Budget savings have already been secured so a balanced budget has been achieved for 2016/17.
7. The government announced its Spending Review in 2015 (SR2015) followed by The Local Government Finance Settlement for the period 2016/17 to 2019/20 which was published in February 2016. SR2015 continued to implement significant reductions to the Revenue Support Grant (RSG). RSG is part of the core funding mechanism for the Council and during the MTFS period it will be reduced to zero. Once RSG is at zero it will be replaced with a reversed funding arrangement whereby the Council makes a payment to Central Government (in the form of an additional tariff on business rates referred to as the 'Tariff Adjustment'). The first Tariff Adjustment is due to be paid in 2019/20, the indicative figure being £0.156m. The total Local Government Finance Settlement has been allocated for 4 years with 2017/18 to 2019/20 on an indicative basis only (Appendix F1). The Council has the option to accept these allocations in advance up to 2019/20, the decision to do so must be submitted by 14th October 2016.
8. Despite an indicative 4 year settlement bringing some certainty, the Council's MTFS must still demonstrate resilience and flexibility in order to respond to declining levels of core funding and the potential annual fluctuations contained within the current full regime. The greatest fluctuation being within the Business Rates Retention Scheme. As a result the business rates collection fund will become an increasingly important element of the Council's future funding, this means the Council will have to effectively manage fluctuations in this income stream which are very much influenced by external factors.
9. There may also be significant reductions in the level of New Homes Bonus over the coming four years. The scope and magnitude of these reductions are under consultation until March 2016. Despite these cuts, illustrative NHB allocations are outlined in the Final Local Government Finance Settlement 2016/17 up to 2019/20. This now provides some assurance that NHB will be in existence over the entire MTFS period. Resultantly the Council may consider allocating uncommitted NHB identified in the MTFS towards the budget deficit during the transition to the new funding regime expected to be fully implemented by 2020/21.
10. 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.
11. The proposed New Investment Packages will deliver £1.408m and £1.759m of revenue and capital projects respectively across the priorities in the Corporate Strategy as follows:-

Corporate Priority	2016/17 £m
Involving Residents in Improving their Local Area and Equality of Access for All	0.190
Clean, Safe and Healthy Communities	2.257
A Strong Local Economy	0.591
An Ambitious Council that Does More to Meet the Needs of Residents and the Local Area	0.129
Total Revenue and Capital Investment Packages	3.167

12. These investments supplement the £9.163m invested since 2013/14 and bring the total investment in the Corporate Strategy to £12.330m.
13. The Spending Review 2015 and subsequent more detailed Local Government Finance Settlement 2016/17 provided indicative core funding figures for four years to 2019/20. It confirmed that Revenue Support Grant (RSG) would reduce to zero and then be replaced with a reversed grant payment from the Council to Central Government in the form of a 'Tariff Adjustment' within the Business Rates Retention (BRR) system. At this point total core resources will be a combination of locally collected taxation plus incentivisation grant which is also dependent on the Council's performance on delivering new homes. Also in the settlement consultation was also launched on reducing the total value of New Homes Bonus (NHB) awarded, plus, links were also made to the transition of BRR to a 100% local retention scheme. The details of BRR reform have been silent so far and therefore no impact of this has been included in the budget key assumptions contained in this report. It is clear however BRR will be of increasingly proportionate importance to the overall total funding pot by 2020/21.
14. The Medium Term Financial Strategy for years 2016/17 to 2018/19 seeks to uplift the amount held in the General Fund Balance from £3.0m to £4.0m to improve the financial resilience of the Council's budget given the fluctuating nature of the Business Rates Retention regime and its increasing proportion of overall core funding in future years. Unless growth is achieved the tax base is ever declining due to the Appeals process which is administered and adjudicated by the Valuation Office Agency (VOA).
15. Budget management performance in 2015/16 has been strong. As a result the budget gap for 2016/17 has already been closed. The main contributing factors being the membership of the Lancashire Business Rates Pooling Agreement together with restructuring budget efficiencies, including the Senior Management Review proposal, and a base budget review. Further details are set out in the Medium Term Financial Strategy (MTFS) at Appendix F.
16. The budget forecasts in the MTFS (Appendix F1) indicate that the following budget deficit can be expected to reach £3.080m by 2018/19.

MTFS budget forecast to 2018/19

Year	Budget (Headroom)/Gap £m	Cumulative £m
2016/17	0	0
2017/18	1.304	1.304
2018/19	1.776	3.080

17. It is important to note, however, that these estimates contain a number of key budget assumptions that may be subject to review and change. The key assumptions that are high in value may potentially have a significant impact on the forecasts. Of note is the estimate in respect of the Pensions Fund Deficit Recovery profile which will be re-valued as part of the Triennial Review by the Pension Fund Actuary due with effect from 2017/18.

Key Budget Assumptions

Assumption	2016/17	2017/18	2018/19
Council Tax Increases	0.0%	0.0%	0.0%
Increase in Council Tax Base	2.0%	1.0%	1.0%
Reduction in Grant Settlement (RSG)	£0.735m	£0.663m	£0.435m
Profiled reduction in Grant Settlement	(34.48%)	(31.08%)	(20.40%)
Total New Homes Bonus Receipts	£4.455m	£4.011m	£2.633m
Value of New Homes Bonus Incorporated in the Revenue Base Budget	£1.044m	£1.044m	£1.044m
Market Walk Net Financing	£0.629m	£0.881m	£0.863m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund Deficit Recovery profile	£0.956m	£1.081m	£1.206m
Supporting People Income from LCC	£0.138m	£0.130m	£0.122m
Additional Business Rates through membership of Lancashire Pooling Agreement	£0.725m	£0.725m	£0.725m
Lancashire Waste Partnership Income	£0.933m	£0.933m	0
Pay Award	1.0%	1.0%	1.0%

18. The budget papers also contain the 2016/17 Pay Policy (Appendix A2) for its annual approval and publication on the website.
19. The Capital Programme for 2016/17 to 2018/19 is £37.471m and is contained in Appendices B1 to B3. This includes estimated budget provision for the Market Walk Extension, Chorley East Health Centre and Extra Care Scheme all of which are forecast to be self-financing by generating revenue that repays the borrowing costs of the scheme.
20. Moving on from the immediate future and the budget proposals for 2016/17, the budget also presents a Medium Term Financial Strategy (Appendices F and F1) that aims to balance the budget, secure financial resilience and mitigate risk over the longer term. The budget deficit is forecasted to reach £3.080m by 2018/19 and the Council has a number of options that can

be considered to meet this deficit. These are described in further detail towards the end of this report.

21. Budget consultation has been undertaken and the results rank the 9 items below in the following priority order which is consistent with the New Investment packages in the borough since 2013/14:-

Priority	
1 st	Making communities safer through funding for PCSO's new powers and addressing long term empty properties.
2 nd	Making sure that the Council and its partners are set up to meet financial challenges
3 rd	Helping residents to live active, healthy lifestyles
4 th	Developing the local economy through job creation and support for businesses
5 th	Protecting vulnerable residents
6 th	Delivering a range of events in the borough to put Chorley on the map
7 th	Working promote Chorley as a place to visit and increase visitor numbers.
8 th	Encouraging people to get involved and volunteer in their local communities.
9 th	Implementing projects in your neighbourhood.

Total New Investment Packages Since 2013/14

Corporate Priority	Investment (£m)
Involve residents in improving their local area and equality access for all	~1.9
Clean, safe and healthy communities	~4.2
An ambitious Council that does more to meet the needs of residents and the local area	~2.3
A strong local economy	~3.8

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)

22. To ensure that the Council complies with the requirement to set the budget for 2016/17.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

23. None.

CORPORATE PRIORITIES

24. 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

- 25. The Executive published the outline budget and summary MTFs at the Executive Cabinet meeting on 21st January 2016 setting out its intention for spending and investment in the borough for the forthcoming financial year 2016/17. These papers expand upon that report and set out in more detail for Council the Executive’s budget proposals for 2016/17.

BUDGET CONSULTATION

- 26. The outline budget proposals were agreed by members in a report to Executive Cabinet on 21st January 2015. Public consultation was carried out on the draft budget investment proposals for 2016/17. For the purpose of the consultation the investment areas were grouped into 9 categories. Respondents were also asked for any additional suggestions about where the Council should be investing its money but aren’t.
- 27. The 2016/17 budget consultation ran from the 22nd January 2016 to the 14th February 2016 and received 948 responses. This consultation response was significantly higher than the previous year (607 respondents) up by 56%. The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive.
- 28. 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.
- 29. The results of the consultation ranked the nine items below in the following priority order:-

	Priority
1 st	Making communities safer through funding for PCSO’s new powers and addressing long term empty properties.
2 nd	Making sure that the Council and its partners are set up to meet financial challenges
3 rd	Helping residents to live active, healthy lifestyles
4 th	Developing the local economy through job creation and support for businesses
5 th	Protecting vulnerable residents
6 th	Delivering a range of events in the borough to put Chorley on the map
7 th	Working promote Chorley as a place to visit and increase visitor numbers.
8 th	Encouraging people to get involved and volunteer in their local communities.
9 th	Implementing projects in your neighbourhood.

- 30. The results show a good spread of support for each of the investment areas with *“Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers to create safer neighbourhoods and taking action to address long term empty properties,”* coming out as the top priority for Chorley residents. Feelings of safety, however, remain high with the resident survey completed in July 2015

demonstrating an increase in feelings of safety both during the day (92% compared to 91.1% in 2013) and at night (72% compared to 68.5% in 2013).

31. *“Making sure that the Council and its partners are set up to meet current and future financial challenges to ensure the best deal for residents”*, previously the highest priority in 2015/16, still remains a high priority as does *“Helping residents to live active, healthy lifestyles”* which includes proposals linked to playing pitches and free swimming. *“Developing the local economy through providing support and incentives to local businesses, progressing new employment sites and encouraging job creation”* remains a top priority with open comments referencing support for local businesses and town centre improvements.

BUDGET PROPOSALS

In summary the budget proposals set a plan to:

- **Freeze Council Tax in 2016/17 for a fourth year.**
- **Deliver a balanced budget in 2016/17 via £1.167m worth of budget efficiencies.**
- **Deliver of a fourth revenue and capital New Investment Package totalling £3.167m bringing the total committed since 2013/14 to £12.330m.**
- **Deliver a consistent approach with the MTFs and the Corporate Priorities in the Corporate Strategy.**
- **Bridge the budget gap by generating additional income, in particular through expanding the business rates base and invest-to-earn projects.**
- **Enhance the financial resilience of the Council’s budget by increasing the level of working balances from £3.0m to £4.0m by the end of 2018/19.**
- **Make no cuts to front line services.**
- **Minimise the revenue impact of the Council’s borrowing commitment to fund the Capital Programme.**

32. The budget in Appendix F1 in the Medium Term Financial Strategy (MTFS) contains the current budget that translates the Corporate Strategy into a cash plan over the next three years.
33. The budget proposed in this report includes the freezing of Council Tax in 2016/17 for the fourth year with the budget forecast over the medium term set out in Appendix F1 currently based on the assumption that there will be no Council Tax increases to 2018/19.

Budget Management Performance

34. A key influencing factor on the forthcoming budget is the effective management of the budget in the preceding financial year. The table below demonstrates where recurring budgetary changes have occurred over the main budget categories reducing the total Directorate Budgets from £13.841m (2015/16) to £12.651m (2016/17), more details are provided in Appendix G. 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 2015/16		13,841	
Employees	103		Impact of pay award and incremental increased
Pension Costs	140		Increase in pension fund deficit recovery and impact of pay award
National Insurance	161		Impact of changes in national insurance rates
Contracts	133		Inflationary increases
Other non-pay	71		Various changes to expenditure budgets including community centre, bin replacement and handyman services
Income (Government Grants)	69		Anticipated reduction in Housing Benefit Admin Grants
Income (Other Grants & Contributions)	14		Amendment to agreements with LCC as well as Electoral and Universal Credit Grants
Productivity Gains	(315)		Senior Management Review Savings Target, review of back office functions including Shared Assurance Services
Base Budget Review	(128)		Continual robust challenge and update of the base budget to ensure it fully reflects changing levels of requirement
Income Generation	(1)		Various changes to rental & fees & charges budgets
Sub-total Recurring Items		247	
Adjustment for Growth Items		(1,589)	Remove temporary growth items included in 2015/16 budget that were agreed to now end.
Market Walk Net Income		152	Remove one-off saving through reduced borrowing and amend to reflect forecast net income and revised borrowing figures
Total Directorate Budgets 2016/17		12,651	

35. The budget for 2016/17 will be balanced in advance of the year therefore there is no call on the working balances. The budget management decisions made, and their impact on the budget deficit, are described in the MTFs at Appendix F. The budget savings made and increased income generated are secured on a recurring basis and total £1.167m as follows:-

- Lancashire Business Rates Pooling Agreement (£0.725m) – Chorley joined the Lancashire Business Rates Pooling Agreement which gained ministerial approval in November 2015. In essence this means all member authorities are treated as one in respect of levy payments that are paid by Councils to Central Government which in turn funds the corresponding national Safety Net payments scheme. Within the Levy/Safety Net scheme funds are provided to authorities who have seen a negative shift in business rate income beyond a predetermined level set each year in the Local Government Finance Settlement. From a financial perspective funds that would have been paid in the form of a levy are retained, conversely the right to a Safety Net payment in the event of a negative shift is

forfeited. The estimated levy due to be paid in 2016/17 by Chorley, which will now be retained, is £0.725m.

- Productivity Gains (£0.315m): £0.086m is mainly attributable to a review of the Single Front Office, Shared Assurance Services. A review of the management structure has been undertaken and reported to Council in January to create a structure that enables CBC to implement the future governance models and public service reform. If approved, posts will be vacated at different points during the MTFS period and therefore the target savings are profiled as follows, £0.229m (2016/17), £0.274m (2017/18) and £0.364m (2018/19).
- Base Budget Review (£0.128m) – Continual robust challenge and update of the base budget to ensure it fully reflects changing levels of requirement.
- The 2015/16 MTFS identified a possible 10% saving on staffing costs over the three year period to help bridge the future budget gap. Savings identified will achieve a 3.5% saving on total directorate budgets and 4.4% on total staffing budgets. Further commitments to creating budget efficiencies are described later on in this report.

Budget Forecast 2016/17 to 2018/19

36. Members will be aware that core funding reductions lead to the elimination of Revenue Support Grant (RSG) resulting in an eventual negative funding allocation. More significant, however, is the fact that transition to the new funding rules will demand that the Council is increasingly reliant on locally collected income from Business Rates and Council Tax. This will expose the Council to additional financial risks relating to maintaining and expanding the Business Rates tax base and so maintaining budgeted income during fluctuating economic conditions and a declining tax base due to settled appeals.
37. The reduced uncertainty that an additional 3 year (2017/18 to 2019/20) indicative settlement and NHB allocations brings, assists the Council in its plans to mitigate against the risk of annual variations and prepare for the volatility associated with the changes to be made to the whole funding framework by the end of this planning period. It is expected that NHB will be rolled up into the general funding pot with the transition of the distribution of BRR to 100% local retention basis.
38. Despite such uncertainty, budget forecasting remains an integral component of the budget setting process to strengthen financial resilience through effective budgetary planning. The MTFS therefore has been compiled based on some assumptions with the key assumptions listed below.

KEY BUDGET ASSUMPTIONS

39. 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.

Assumption	2016/17	2017/18	2018/19
Council Tax Increases	0.0%	0.0%	0.0%
Increase in Council Tax Base	2.0%	1.0%	1.0%
Reduction in Grant Settlement (RSG)	£0.735m	£0.663m	£0.435m
Profiled reduction in Grant Settlement	(34.48%)	(31.08%)	(20.40%)
New Homes Bonus – estimated total allocation	£4.455m	£4.011m	£2.633m
New Homes Bonus Incorporated into the Revenue Base Budget	£1.044m	£1.044m	£1.044m
Market Walk Net Financing	£0.629m	£0.881m	£0.863m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund Deficit Recovery profile	£0.956m	£1.081m	£1.206m
Supporting People Income from LCC	£0.138m	£0.130m	£0.130m
Additional Business Rates through membership of Lancashire Pooling Agreement	£0.725m	£0.725m	£0.725m
Lancashire Waste Partnership Income from LCC	£0.933m	£0.933m	0
Pay Award	1.0%	1.0%	1.0%

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 external 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. Of note is the estimate in respect of the Pensions Fund Deficit Recovery profile which will be re-valued as part of the Triennial Review by the Pension Fund Actuary due with effect from 2017/18.

40. Council Tax

The Council Tax Freeze Grant has been rolled up into RSG and absorbed into the grant reduction process. Importantly, the reductions in Central Government funding announced in the Local Government Finance Settlement were made with the assumption that not only would Council's expand the Council Tax base by building more homes, but they would minimise the impact of reducing RSG and payment of the new Tariff Adjustment by increasing Council Tax in line with inflation estimated at 1.75% per annum.

The assumptions regarding CBC's ability to raise funds via its council tax base have resulted in the Central Government grant being reduced to zero in 2019/20 and replaced by the new 'Tariff Adjustment'. This will require a transfer of money from the Council to DCLG, this in essence is the equivalent to the continuation of RSG as a negative grant deduction. In the latest settlement the first Tariff Adjustment payment is scheduled to be made in 2019/20 in the sum of £0.156m. Its value and profile after this date is unknown however it appears that this negative allocation is dependent upon the DCLG's assumptions on the Councils' Council Tax Base. Therefore the further the disparity between the actual tax base and the tax base assumed by DCLG, the more difficult it will be for the Council to meet this negative allocation in the future.

41. New Homes Bonus

The Local Government Finance Settlement announced £800m of cuts to the national pot of New Homes Bonus (NHB) by 2019/20. Initial indications are that the 2016/17 allocation will remain the same however reductions in the level of NHB in 2017/18 and 2018/19 have been announced. The reductions are larger for District Councils as funding is being transferred to top-tier local authorities to fund social care services. Consultation is taking place until March 2016 under the title of 'Sharpening the Incentive' of NHB which includes proposals to reduce the number of years NHB is awarded, most likely to 4 years (currently 6 years) and also the qualifying criteria.

Illustrative NHB allocations are outlined in the final Finance Settlement up to 2019/20. This provides reassurance in the stability of NHB and resultantly it is assumed that any uncommitted NHB identified in the MTFs can be allocated to manage the transition to the new funding regime. It is possible that NHB will cease in 2020/21 and the resource combined with BRR as one funding arrangement but NHB allocations will not be known until the consultation is complete. The current forecasted allocations are however summarised below:

	2016/17 £m	2017/18 £m	2018/19 £m
Original NHB Allocation	4.445	4.753	4.611
Forecast revised NHB Allocation	4.445	4.010	2.634
Forecast Reduction in NHB	0	0.743	1.977

These forecast figures are included in the MTFs as per Appendices F and F1.

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

In addition to the removal of Central Government grant funding, the Local Government Finance Settlement announced changes to the Business Rate Retention (BRR) system. The latest reforms announced a move towards Councils retaining 100% of local business rates by 2020/21 however it is not yet known when the detailed changes to the rates system will be announced. Although a move to 100% BRR should allow the retention of more income derived from an expanding the local economy, it will also result in the Council being responsible for meeting full cost of any decline in the tax base and 100% of refunds granted by the VOA. This creates large uncertainties when forecasting future level of BRR receipts.

Accurate forecasting of BRR is further exacerbated by a planned national re-valuation of all Rateable Values due to take place in 2017/18 and also the re-setting of the Baseline Funding Level (the financial foundation on which benefit is calculated) as part of the funding announcements for 2020/21. Although the business rates are collected from businesses within the borough (circa £36m), many of factors that determine its total return are set externally. For example, the net movement in the business rate annual rate poundage is determined by Central Government; collection rates are impacted upon by the national economic environment, and reductions in Rateable Value due to appeals are adjudicated and determined by the VOA. For this reason the budget contains some assumptions on the income level to be achieved in 2016/17 onwards that may still be subject to change. As a result of this uncertainty the approach adopted is that any additional funds that are achieved from BRR are not built into the base budget immediately.

A feature of the business rates 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 surplus for 2015/16 is £0.049m 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 prudent break-even position on the collection fund has been incorporated into the budget forecasts in years 2017/18 and 2018/19.

43. Lancashire County Council

Lancashire County Council MTFs has identified its own budget shortfall to be £262.0m by 2020/21. Resultantly it is expected that existing income received from LCC will be retracted in future years. 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. This represents a £900k fall in income and is reflected in the 2018/19 deficit. In addition there is uncertainty surrounding £300k worth of income the Council receives to support services such as resident support at Cotswold House and public realm works.

OTHER KEY BUDGET CONTENT

44. Enhanced Medium Term Financial Resilience through Increased Allocations to Working Balances

The budget proposals incorporate a balanced budget and new investment packages of over £3.167m 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 (Appendix F) explains that the Council will seek to increase the overall level of General Fund Balance to £4.0m over the 3 year lifespan of the strategy in planning for fluctuations in future core funding. This will be achieved by committing £500k NHB allocations in 2016/17 and 2017/18 and £259k in 2018/19.

45. Council Tax Support Scheme

The Council's Local Council Tax Support Scheme, which replaced Council Tax Benefit in 2013, was reviewed during November 2015. The scheme remains unchanged in 2016/17, but will be reviewed to bring it into line with changes to Housing Benefits legislation with effect from April 2017. To mitigate loss of Council Tax income to Parish and Town Councils, £38k has again been included in the budget, but this is reviewed annually.

46. Pay Policy 2016/17

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 2016. The updated policy is attached at Appendix A2. The pay policy has also been updated to reflect the 2.2% two year national pay award effective from 1st January 2015. The recognised trade unions and national employer organisations are currently negotiating on the 2016/17 pay claim, a 1% increase is assumed in the budget each year for 2016/17 through to 2018/19.

AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES

The budget contains a fourth package of New Investment projects within the Borough totalling £3.167m bring the total invested since 2013/14 to £12.330m

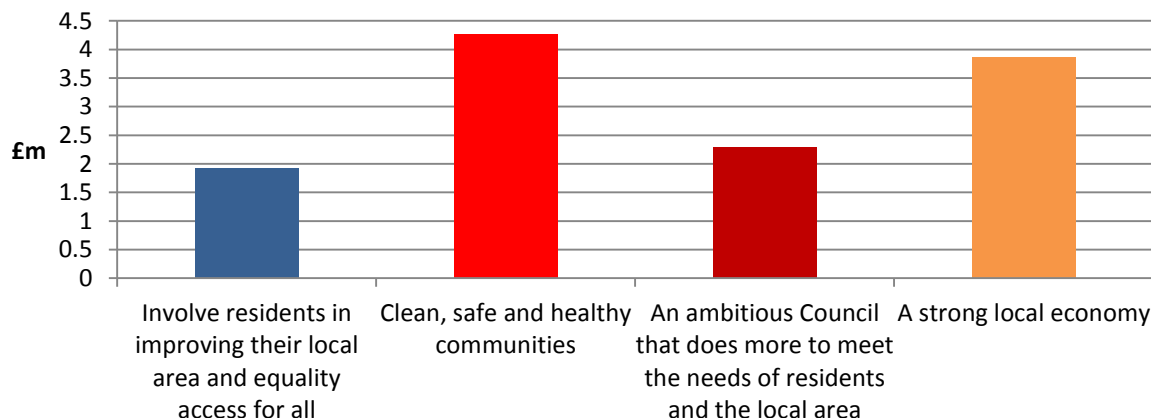
47. The Corporate Strategy was refreshed in November 2015 to ensure that it remained relevant given the current context and challenges for public services. The vision was amended to reflect a shift in emphasis towards working differently with our communities as a Leader of public services in Chorley with the existing priorities and long term outcomes were retained. The investment 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 proposals build on the work done over previous years and to address big issues such as the sustainability of public services.
48. Investment in priority areas in 2015/16 delivered a number of schemes for both residents and businesses by delivering tangible improvements across the borough, for example:
- Residents have been supported to access services online through digital access and inclusion sessions and further sessions will be delivered in 2016/17. The project has also developed rural access hubs with 9 access points currently available across the borough.
 - Local community groups have been supported and made more sustainable through access to the Chorley 4 Community database to identify and access sources of grant funding. Currently there are 100 registered users from voluntary, community and faith sector groups in Chorley.
 - Community facilities have been improved with the extension to Clayton Brook Village Hall which is near completion, Buttermere Community Centre in the final stages of delivery and construction of the Buckshaw Community Centre is underway.
 - Increased employment opportunities have been created through the delivery of the Chorley Works unemployment project, inward investment scheme & Runshaw joint employment support initiative with 85 Apprentices assisted by the fund.
 - New events attracted thousands of visitors to the borough including the televised Chorley Grand Prix cycling event and Chorley Flower Show attracting over 10,000 people. Established events continued to grow in popularity 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 around 7,000 people, an increase of 50% compared to 2014/15) and the Christmas light switch on (5,000 visitors). These events attracted thousands of people and supported the local economy. A developing partnership with Marketing Lancashire will see this activity taken forward in 2016/17.
 - Visible improvements have been delivered in the town centre and across the borough with improvements to local neighbourhood areas through preferred projects such as improvements to footpaths in Croston and Brinscall; Byron Crescent Play Area and MUGA in Charnock Richard. In addition, works have been carried out on seven war memorials including memorials in Clayton-le-Woods, Whittle-le-Woods and Croston.
 - Initiatives such as meals on wheels and support to food provision schemes have continued to meet the needs of the most vulnerable members of our communities, preventing social isolation and more complex issues. Individuals have also been given the skills to help themselves through cookery workshops at Living Waters food bank, accessed by 50 individuals to date.

49. 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 safe communities, financial resilience, supporting businesses, improving the local economy and supporting healthier communities were identified as the top scoring priorities (see Appendix I). The 2016/17 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. There are £3.167m new investments for approval in 2016/17 bringing the total investment programme since 2013/14 to £12.330m as summarised below:

Priority	New in 13/14 £m	New in 14/15 £m	Year 2 13/14 £m	New in 15/16 £m	Year 3 13/14 £m	Year 2 14/15 £m	New in 16/17 £m	Total £m
Involve residents in improving their local area and equality access for all – TOTAL £1.923m								
Revenue investment	0.250	0.138	0.085	0.440	0.085		0.190	1.188
Capital investment	0.135			0.600				0.735
Clean, safe and healthy communities – TOTAL £4.254m								
Revenue investment	0.284	0.120	0.100	0.051	0.100	0.045	0.498	1.198
Capital investment	0.060	0.424		0.595		0.218	1.759	3.056
An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £2.285m								
Revenue investment	0.160	0.055	0.050	0.141	0.050		0.129	0.585
Capital investment	0.280			1.420				1.700
A strong local economy – TOTAL £3.868m								
Revenue investment	0.655	0.347		0.175		0.100	0.591	1.868
Capital investment	1.000			1.000				2.000
TOTAL INVESTMENT - £12.330m	2.824	1.084	0.235	4.422	0.235	0.363	3.167	12.330

50. The revenue investments are listed below with the new proposed projects also set out in detail with project mandates in Appendices C and C1 to the budget report.

Total New Investment Packages Since 2013/14



Corporate Priorities

New Revenue Investment Areas	Funding Request (£)
INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL – Total £190,000	
Support for Chorley's VCFS organisations	15,000
Provide support to food provision schemes	15,000
Community development & volunteering (SPICE)* (£20k 16/17, £40k 17/18 & 18/19)	100,000
Public noticeboards	10,000
Delivery of neighbourhood preferred projects	50,000
CLEAN, SAFE AND HEALTHY COMMUNITIES – Total £497,500	
Police Community Support Officers	297,000
Free swimming	7,500
Replacement of CBC's Control Orders with Public Space Protection Orders	20,000
Empty homes - Enforcement action and communications * (£26k 16/17, £36k 17/18 and 18/19)	98,000
Provide a mediation service for Anti-Social Behaviour case resolution	10,000
North West in Bloom	50,000
16/17 Young person's drop-in centre	15,000
A STRONG LOCAL ECONOMY – Total £591,500	
Chorley Business Investment for Growth (BIG) grant	60,000
Business start-up grants and loans	30,000
Borough wide retail grants improvement programme	80,000
Choose Chorley grants	75,000
Inward investment (Euxton Lane – Digital Health)	25,000
Extend the external funding officer post	24,000
Deliver the skills framework	30,000
Chorley works	39,000
Vulnerable families employment project	3,500
Furthering key employment sites	125,000
Develop Chorley's town and rural tourism economy	35,000
Chorley flower show	40,000
Chorley grand prix (British Cycling)	25,000
AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA – Total £129,000	
Integrate partner services through the Chorley public service reform partnership	15,000
Employee health scheme	20,000
Events programme delivery	80,000
Additional events at Astley	14,000
Total new revenue investment	1,408,000

New Investment Package and the use of NHB

51. As per Appendix F, total NHB monies are to be invested as follows:-

	16/17 £m	17/18 £m	18/19 £m
Existing NHB 11/12 - 15/16 including forecast reductions	(3.379)	(2.335)	(0.652)
NHB 16/17 Allocation including forecast reduction	(1.076)	(1.076)	(0.937)
Forecast Allocations 17/18 – 18/19		(0.600)	(1.044)
Forecast 16/17 New Homes Bonus Allocation Available	(4.455)	(4.011)	(2.633)
NHB in Base Budget	1.044	1.044	1.044
Capital Financing	0.400	0.400	0.400
16/17 New Homes Bonus Allocation Available for Investment Packages and Other Purposes	(3.011)	(2.567)	(1.189)
New Proposed Revenue Investment	1,408		
Transition Fund	500	500	
Increase in Reserves to Bring Working Balances to £4m	500	500	259
Investment Fund	603		
Forecast (Uncommitted and Surplus) NHB	0	(1.567)	(0.930)

52. The four year settlement contains estimates for the future of NHB for that period which very much strengthens the certainty of NHB existing over the MTFS period. Therefore in addition to the 2016/17 New Investment Package the budget proposals also include other proposed budget items that are to be funded from New Homes Bonus in 2016/17. These are:

- **The creation of a £1.0m Transition Fund** - to support the implementation period of LCC's service reductions which aim to address their own budget deficit position. £0.5m is to be set aside from the 2016/17 and 2017/18 New Homes Bonus allocations respectively.
- **To increase General Balances to £4.0m** - £0.500m is set aside in 2016/17 and 2017/18 and £0.259m in 2018/19 to increase general balances to £4m to enable the Council to manage the risk associated with the impact of SR2015 and the future funding allocations and changes announced over the next four years.
- **The creation of a £603k Investment Fund** - to finance invest-to-earn projects that create a revenue contribution to supplement local taxation income streams.

53. The proposed package also includes new 2016/17 to 2018/19 Capital Programme investments as below:

New Capital Investment Areas	Funding Request £m
CLEAN, SAFE AND HEALTHY COMMUNITIES – Total £1.759m	
Westway sports scheme	0.785
Play open space strategy	0.974
Total New Capital Investment	1.759

54. The new schemes identified above will be added to the following capital projects that are already approved and continuing into 2016/17:

Project	Project summary/update	Agreed Budget 2015/16 £m	Carried Forward into 2016/17 £m
Astley Hall	This budget will enable 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.	0.324	0.324
Buckshaw Community Centre	To deliver a new community centre on Buckshaw village	0.600	0.450
Yarrow Valley Car Park	To upgrade the main car park at Yarrow Valley to provide up to 135 car parking spaces including drainage.	0.225	0.215
Deliver improvements to Market Street	The original aim was to extend the shared surface scheme from the southern end of Market Street up to the St Thomas Road junction. However the scope of the project has been extended, therefore this budget will now support delivery of the corporate strategy project to improve the look and feel of the town centre.	1.000	1.000
Youth Zone in Chorley	We will continue to work with partners to progress delivery of the Chorley Youth Zone.	1.000	0.650
TOTAL		3.149	2.639

New Investment Capital Financing

55. The total Capital Programme is set out in Appendices B1 and B2 of which the New Investment project form a part. The majority of the new capital projects will be funded by external S106 contributions however other financing has been identified and is summarised below:

Financing for <u>New</u> Capital Investment	2016/17 Amount £m
External Contributions – S106	1.541
Capital Receipts	0.118
Grants*	0.100
Total Capital Financing	1.759

* A bid to Sport England was submitted in January relating to enhancements at Tatton Recreation Ground. The outcome will be known in April 2016.

CAPITAL PROGRAMME

56. The Capital Programme is set out in detail in Appendices B1 and B2 covering existing and new proposed capital schemes to support the Corporate Strategy together with the planned financing arrangements.
57. The estimates used to produce the new three year capital programme rely on the most up to date forecasted out-turn for 2015/16. As of 31st December 2015 estimated spend on capital projects in 2015/16 was £5.415m, this figure was reported to Executive Cabinet on 18th February 2016. Since this time the expenditure at Cotswold House has been re-profiled to 2016/17 therefore reducing the 2015/16 forecast to £5.208m. The breakdown by scheme of 2015/16 forecasted expenditure and the proposed Capital Programme 2016/17 to 2018/19 is contained in Appendix B1.
58. The Market Walk Extension project budget of £12.9m budget was approved in 2015/16, of this £784k has been committed in 2015/16 with the remaining £12.078m to be committed in 2016/17. The profiling of the capital expenditure is dependent upon finalising letting agreements with potential leases. Once details of new lettings are agreed the main build contract will be drawn up into a fixed price contract based on the detailed costings and timings of the extension project.
59. During the 2015/16 budget setting process £1.0m was approved for further works to regenerate the public realm surrounding Market Street. The scope of the public realm works in Chorley town centre has been extended and this £1.0m will be allocated to these works. The value and timing of the works is not yet finalised. It is assumed in the capital programme that £1.0m will be spent in 2016/17 however this is funded from reserves that can be rolled forward if necessary.
60. Other carried forward 2015/16 investment projects include works to Yarrow Valley Car Park and the construction of Buckshaw Community Centre. Both of these projects are expected to be completed in 2016/17.
61. The preliminary design of the new Chorley Youth Zone is underway and the Chorley Youth Zone Charitable Trust is in the process of being formed. The Council will contribute a total of £800k to the trust to fund the acquisition of land and the construction of the centre that is forecasted in the Capital Programme to be complete by 2017/18.
62. The Council's assets improvement and leisure centre improvement budgets have been profiled to reflect the expected enhancements that will be undertaken in future years as identified by the condition surveys carried out in 2015/16.
63. Investment in Astley Hall and the surrounding park will continue in 2016/17 including £320k of carried forward funding to complete a £100k match funded grant bid to the Heritage Lottery Fund and works for events car parking. For 2016/17 additional funding of £350k has been agreed for works relating to footpath lighting, events infrastructure, tennis courts and Hallgate car park.
64. The Cotswold House extension project is forecast to begin and be completed in 2016/17. The budget includes £200k contribution from the Council and £658k from HCA grant. Works include an extension, the enhancement of 15 rooms and installation of a lift.
65. The construction of the new self-financing Extra Care Facility in Chorley is forecast to commence midway through 2016/17 subject to a successful £2.8m grant application to HCA and planning approval.

66. With regard to Chorley East Health Centre the self-financing proposal remains that a budgeted scheme is included in the 2015/16 to 2018/19 programme. This will assist the Lancashire Care NHS Foundation Trust with the development of a health centre on Friday Street. The estimated cost is £7.036m.
67. The proposals contained in this report would create a capital programme as follows:-
- 2016/17 – £ 21.541m
 - 2017/18 – £ 11.643m
 - 2018/19 – £ 4.287m
 - **Total – £ 37.471m**
68. The Capital Financing is set out below for the period 2016/17 to 2018/19.

Assumptions contained in the 3 year forecasts - Capital Programme Financing

Assumption	2016/17 £m	2017/18 £m	2018/19 £m	Total £m	Note
Prudential Borrowing	0.551	0.325	0	0.876	(a)
Prudential Borrowing – to be repaid by self-financing schemes which are cost neutral on the revenue budget	10.165	8.033	3.518	21.716	(b)
Revenue Funding	1.376	0.050	0	1.426	(c)
Developers & Other Contributions	6.079	0.390	0	6.469	(d)
New Homes Bonus	0.715	0.400	0.400	1.515	(e)
Capital Receipts	0.734	0	0	0.734	
Grants	1.921	2.445	0.370	4.736	(f)
Total	21.541	11.643	4.288	37.471	

- (a) These figures include the borrowing to fund the contribution to Chorley Youth Zone
- (b) This is cost neutral on the revenue budget.
- (c) Revenue funding in 16/17 includes £1m reserve identified in 15/16 to fund works to Market St, this will now be used to fund Chorley Town Centre Public Realm works.
- (d) Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.
- (e) Funding of £315k for works to Astley Hall & Park are carried forward from 15/16 into 16/17
- (f) Actual Grant allocations could vary from these estimates. These figures include HCA and DFG grants.

69. The Council will receive further section 106 contributions. A schedule of the section 106 funding allocated in 2014/15 to 2015/16 and balance to be committed in 2016/17 onwards is attached in Appendix B3.

FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE

70. Contained in the Medium Term Financial Strategy (Appendix F) is a summary of the forecasted budgetary position facing the Council up to and including 2018/19. The MTFS projects that the budget deficit position may reach £3.080m by 2018/19. This estimate is based on the continuation of current service levels being delivered.

Working Balances

It is proposed that New Homes Bonus allocations are used to increase the working balance to £4.0m by the end of this MTFS period in 2018/19.

71. The 2015/16 MTFS identified a need for working balances to reach £3.0m by 2017/18, the current forecast for 2015/16 is £2.741m. It is proposed that New Homes Bonus allocations are used to increase the working balance to £4.0m by the end of this MTFS period in 2018/19. The rationale for this position is that the Council should have working balances that would enable it to cover the loss of any invested cash deposit it holds should this occur. This was one of the criticisms made of some Councils who did not have such sufficient reserves at the time of the banking crisis. Currently the Treasury Strategy places a £3.0m upper limit on investments with banks (other than the part-nationalised RBS Group which is £4.0m), building societies, money market funds, and local authorities.
72. In addition, 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. The increased reliance on business rates to fund the Council's expenditure creates uncertainty over the MTFS period. Variances against the forecast business rates base can be created by numerous occurrences including appeals, delays in receiving valuations and a slowdown in the local economy. Increasing balances enables the Council to better manage any unforeseen variances.
73. Working balances will also be increased to fund the unavoidable expenditure of any restructure the Council undertakes relating to its fundamental review of costs. The working balances position is made up of estimated balances in hand and forward forecasts as shown below:

Forecasted General Fund Balances	£m
General Fund Balance as at 01/04/15	2.288
Budgeted contribution 2015/16	0.350
Forecast additional contribution 2015/16	0.102
Sub Total – Estimated Balance as at 31/03/16	2.741
Use of New Homes Bonus to Increase Working Balances 2016/17	0.500
Use of New Homes Bonus to Increase Working Balances 2017/18	0.500
Use of New Homes Bonus to Increase Working Balances 2018/19	0.259
Forecast balance 31/03/2018	4.000

Total Budget Resourcing Programme to 2018/19

74. The table below sets out that the Council will seek to identify over £3.0m in resource options that can be considered to bridge the budget gap by 2018/19. To achieve the required reduction in net expenditure the Council's Strategy will:

- Deliver a balanced budget by 2018/19.
- Maintain Council Tax charges in 2016/17 at the current level and consider rises in Council Tax in 2017/18 onwards.
- Prioritise the expansion of business rates income by attracting new businesses to the borough and developing new employment sites.
- Identify future uncommitted New Homes Bonus allocations and commit the balances to fund the transition to the new core funding regime expected by 2020/21.
- 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 £4.0m over the financial planning period 2016/17 to 2018/19.

75. The MTF5 at Appendix F sets out how balancing the budget may be achieved, the table below summarises all the options available for consideration totalling £3.185m to bridge the forecasted budget deficit of £3.080m the next three years.

Total Budget Resourcing Programme to 2018/19

STRATEGY OVER THE MEDIUM TERM	2017/18 £m	2018/19 £m
<i>INCREASING INCOME</i>		
Use of New Homes Bonus	1.567	0.931
Growing the Borough's Business Rates	-	1.250
Growing the Borough's Council Tax Base	0.124	0.254
Sub total - income	1.691	2.435
<i>REDUCING COSTS</i>		
Fundamental Review and Re-engineering of Services to Reduce Total Costs	-	0.750
Sub total - expenditure	0	0.750
Total Resources Available to Balance the Budget	1.691	3.185
Forecast Deficit	1.304	3.080
Headroom After Implementation of Strategy	0.387	0.105

76. Savings of £3.185m achieved by the beginning of 2018/19 would provide headroom of £0.105m against the £3.080m forecast deficit.

CONCLUSION

77. This paper outlines for the Council the Executive's budget proposals for 2016/17 which are:

- **Council Tax for 2016/17 will be frozen for a fourth year and maintained at the same level as in 2013/14, 2014/15 and 2015/16.**
- **Budget efficiency savings of £1.167m have been secured in the budget in advance of 2016/17 to address the budget deficit forecasted in the previous MTFs. The budget efficiency savings include membership of the Lancashire BRR Pooling Agreement.**
- **In light of future years' budget pressures and the exposure to fluctuations in business rate income, the Council will increase its financial resilience by increasing the level of working balances. It is proposed that the General Fund Balance should be uplifted to £4.0m over the 3 year lifespan of the strategy to 2018/19.**
- **The successful implementation of the MTFs has allowed the Council to include in the budget £1.408m of revenue investment packages and £1.759m of capital investment. In 2016/17 the total investment is £3.167m bringing the total investment since 2013/14 to £12.330m.**
- **Investments are consistent with the Budget Consultation result (Appendix I) 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 MTFs sets out proposals consistent with the funding implications of the government's Spending Review 2015 and the published Final Local Government Finance Settlement.**
- **Use of more certain NHB future funding to secure additional resources to be converted into recurring income generating invest-to-earn projects.**
- **Use of more certain NHB future funding support the transitional period during which LCC withdraw and/or reduce their service provision within the borough.**
- **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:**
 - 1. the proposed Pay Policy as set out in Appendix A2.**
 - 2. the proposed Treasury Strategy as set out in Appendix D.**

- 78. The MTFS contains the updated budget forecasts to 2018/19 which identifies that further budget savings will be required to bridge the funding gap in future years. The forecasted budget deficit in 2018/19 is estimated to be £3.080m and the MTFS sets out options that can be considered totalling £3.185m. Therefore the MTFS provides a plan to deliver a balanced budget over the longer term in Appendix F.
- 79. 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 scheduled reform in BRR and reductions in New Homes Bonus. 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.
- 80. 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 2016/17
Appendix A2	Pay Policy 2016/17
Appendix A3	Fees and Charges Income 2016/17
Appendix B1	Capital Programme 2016/17 to 2018/19
Appendix B2	Capital Programme 2016/17 to 2018/19 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 2016/17 to 2018/19
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2016/17 to 2018/19
Appendix G	Significant Budget Movements 2015/16 to 2016/17
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2016/17
Appendix J	Assessing the Impact of 2016/17 Budget Proposals

IMPLICATIONS OF REPORT

- 81. 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

82. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2016/17 to 2018/19 and the Statutory Officer's Report attached in Appendix E.

COMMENTS OF THE MONITORING OFFICER

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

COMMENTS OF THE HEAD OF HR AND OD

84. 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 21st January 2016 – 2016/17 Draft Budget and Summary Budget
Position Over the Medium Term

Report Author	Ext	Date	Doc ID
Susan Guinness/James Thomson	5101/5025	22/02/16	Rev & Capital Budget Report

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APPENDIX A1

FORMAL COUNCIL TAX RESOLUTION***Draft resolution on setting of the 2016/17 Council Tax for the Borough to be passed in approving the Executive Cabinet's recommendations for the Council's Budget.***

1. It be noted that on 13 January 2016 the Chief Executive as Statutory Finance Officer calculated the Council Tax Base 2016/17
 - (a) for the whole Council area as 35,181.72 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates (as in the attached Table 2).
2. Calculate that the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is £6,241,590
3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:
 - (a) £62,102,070 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £55,327,320 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £6,774,750 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £192.56 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £1,202,316 being the aggregate amount of all special items (Special Expenses and Parish precepts) referred to in Section 34(1) of the Act (as in the attached Table 1).
 - (f) £158.39 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
4. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the

APPENDIX A1

amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS

CHORLEY BOROUGH COUNCIL

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

LANCASHIRE COUNTY COUNCIL

A	B	C	D	E	F	G	H
783.24	913.78	1,044.32	1,174.86	1,435.94	1,697.02	1,958.10	2,349.72

POLICE & CRIME COMMISSIONER FOR LANCASHIRE

A	B	C	D	E	F	G	H
108.15	126.17	144.20	162.22	198.27	234.32	270.37	324.44

LANCASHIRE COMBINED FIRE AUTHORITY

A	B	C	D	E	F	G	H
43.67	50.94	58.22	65.50	80.06	94.61	109.17	131.00

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
1,040.65	1,214.08	1,387.53	1,560.97	1,907.86	2,254.74	2,601.63	3,121.94

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

7. As there is no increase in the Council's basic amount of Council Tax for 2016/17 and is therefore below the allowable increase of 2.0%, it is considered not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

APPENDIX A1

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

(a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2016/17 we estimate that a £1.00 Council Tax at Band D would raise £35,181.72 in the Chorley area.

(b) This shows the “base” figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Adlington would raise £1,881.28.

RESOLUTION 2

This shows the Council’s net spending for 2016/17 excluding the cost of Parish precepts.

RESOLUTION 3

(a) This is the grand total of money which the Council estimates it will spend on all services in 2016/17. It also includes £571,456 which Parish Councils need to run their services.

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

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

(d) The difference between 2(a) and 2(b) is £6,774,750 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 1(a) above) and the resulting figure of £192.56 is the average Band D Council Tax for all Borough and Parish services.

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

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

RESOLUTION 4

Lancashire County Council, Lancashire Fire Authority and the Police & Crime Commissioner for Lancashire are separate bodies who have worked out their own estimates of spending and income for 2016/17 and have set taxes in a similar way to Chorley Borough Council. This resolution notes their final decision.

RESOLUTION 5

This pulls together the Council Taxes for Chorley Borough Council, Lancashire County Council, the Police & Crime Commissioner for Lancashire and Lancashire Fire Authority. For example, the aggregate amount for Band D is £1,560.97 made up as follows:

	£
Chorley Borough Council	158.39
Lancashire County Council	1,174.86
Lancashire Police Authority	162.22
Lancashire Fire Authority	65.50

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

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

The aggregate charge for Band A, for example, the charge is $£1,560.97 \times 6 \div 9 = £1,040.65$; for Band B it is $£1,560.97 \times 7 \div 9 = £1,214.08$.

RESOLUTION 6

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

Table 1

Chorley Borough Council - Council Tax 2016/17

		Band A		Band B		Band C		Band D		Band E		Band F		Band G		Band H	
Lancashire County Council		783.24		913.78		1,044.32		1,174.86		1,435.94		1,697.02		1,958.10		2,349.72	
Chorley Borough Council (Excluding Special Expenses)		105.59		123.19		140.79		158.39		193.59		228.79		263.99		316.78	
Police & Crime Commissioner for Lancashire		108.15		126.17		144.20		162.22		198.27		234.32		270.37		324.44	
Lancashire Fire Authority		43.67		50.94		58.22		65.50		80.06		94.61		109.17		131.00	
Sub Total		1,040.65		1,214.08		1,387.53		1,560.97		1,907.86		2,254.74		2,601.63		3,121.94	
Parish and town councils	Total Parish precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept	Special Expenses	Parish Precept
Adlington	£18,500.00	3.21	5.91	3.74	6.90	4.28	7.88	4.81	8.87	5.88	10.84	6.95	12.81	8.02	14.78	9.62	17.74
Anderston	£4,800.00	1.37	6.31	1.60	7.37	1.83	8.42	2.06	9.47	2.52	11.57	2.98	13.68	3.43	15.78	4.12	18.94
Anglezarke	£0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Astley Village	£23,653.00	18.04	14.11	21.05	16.46	24.05	18.81	27.06	21.16	33.07	25.86	39.09	30.56	45.10	35.27	54.12	42.32
Bretherton	£10,530.00	-	23.79	-	27.76	-	31.72	-	35.69	-	43.62	-	51.55	-	59.48	-	71.38
Brindle	£6,800.00	3.12	9.61	3.64	11.21	4.16	12.81	4.68	14.41	5.72	17.61	6.76	20.81	7.80	24.02	9.36	28.82
Charnock Richard	£28,000.00	2.57	27.52	2.99	32.11	3.42	36.69	3.85	41.28	4.71	50.45	5.56	59.63	6.42	68.80	7.70	82.56
Clayton le Woods	£71,920.00	25.09	8.97	29.27	10.46	33.45	11.96	37.63	13.45	45.99	16.44	54.35	19.43	62.72	22.42	75.26	26.90
Coppull	£88,145.00	5.27	23.55	6.15	27.47	7.03	31.40	7.91	35.32	9.67	43.17	11.43	51.02	13.18	58.87	15.82	70.64
Croston	£23,100.00	6.17	13.86	7.19	16.17	8.22	18.48	9.25	20.79	11.31	25.41	13.36	30.03	15.42	34.65	18.50	41.58
Cuerden	£1,100.00	7.57	17.32	8.83	20.21	10.09	23.09	11.35	25.98	13.87	31.75	16.39	37.53	18.92	43.30	22.70	51.96
Eccleston	£43,800.00	3.22	17.55	3.76	20.48	4.29	23.40	4.83	26.33	5.90	32.18	6.98	38.03	8.05	43.88	9.66	52.66
Euxton	£102,032.00	11.31	16.25	13.20	18.95	15.08	21.66	16.97	24.37	20.74	29.79	24.51	35.20	28.28	40.62	33.94	48.74
Heapey	£9,190.00	11.56	15.83	13.49	18.46	15.41	21.10	17.34	23.74	21.19	29.02	25.05	34.29	28.90	39.57	34.68	47.48
Heath Charnock	£8,000.00	14.06	6.39	16.40	7.45	18.75	8.52	21.09	9.58	25.78	11.71	30.46	13.84	35.15	15.97	42.18	19.16
Heskin	£11,780.00	1.44	22.00	1.68	25.67	1.92	29.33	2.16	33.00	2.64	40.33	3.12	47.67	3.60	55.00	4.32	66.00
Hoghton	£6,000.00	4.55	11.21	5.30	13.08	6.06	14.95	6.82	16.82	8.34	20.56	9.85	24.30	11.37	28.03	13.64	33.64
Mawdesley	£28,721.00	0.89	24.77	1.04	28.90	1.19	33.03	1.34	37.16	1.64	45.42	1.94	53.68	2.23	61.93	2.68	74.32
Rivington	£2,500.00	-	29.77	-	34.74	-	39.70	-	44.66	-	54.58	-	64.51	-	74.43	-	89.32
Ulnes Walton	£5,987.00	-	15.58	-	18.18	-	20.77	-	23.37	-	28.56	-	33.76	-	38.95	-	46.74
Wheelton	£12,020.00	-	19.62	-	22.89	-	26.16	-	29.43	-	35.97	-	42.51	-	49.05	-	58.86
Whittle le Woods	£35,608.00	14.00	10.02	16.33	11.69	18.67	13.36	21.00	15.03	25.67	18.37	30.33	21.71	35.00	25.05	42.00	30.06
Withnell	£29,270.00	5.74	15.53	6.70	18.12	7.65	20.71	8.61	23.30	10.52	28.48	12.44	33.66	14.35	38.83	17.22	46.60
All other parts of the Council's area		17.73	-	20.68	-	23.64	-	26.59	-	32.50	-	38.41	-	44.32	-	53.18	-

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PARISH COUNCIL PRECEPTS							
Parish Council	2015/16			2016/17			C Tax Increase
	Tax Base	Precepts £	Council Tax Band D (£)	Tax Base	Precepts £	Council Tax Band D (£)	
Adlington	1,859.00	17,500	8.44	1,881.28	18,500	8.87	0.43
Anderton	483.00	4,800	9.33	476.02	4,800	9.47	0.14
Anglezarke	18.00	-	0.00	18.32	-	0.00	0.00
Astley Village	929.00	23,540	21.16	934.57	23,653	21.16	0.00
Bretherton	284.00	9,720	32.77	283.42	10,530	35.69	2.92
Brindle	454.00	6,800	14.38	452.97	6,800	14.41	0.03
Charnock Richard	667.00	27,000	39.96	669.92	28,000	41.28	1.32
Clayton le Woods	4,362.00	76,890	15.00	4,494.69	71,920	13.45	-1.55
Coppull	2,130.00	83,850	34.40	2,196.15	88,145	35.32	0.92
Croston	1,019.00	22,630	20.79	1,041.71	23,100	20.79	0.00
Cuerden	40.00	1,060	26.45	42.26	1,100	25.98	-0.47
Eccleston	1,569.00	42,960	26.34	1,601.20	43,800	26.33	-0.01
Euxton	3,993.00	109,509	27.00	4,116.64	102,032	24.37	-2.63
Heapey	370.00	9,110	23.74	373.41	9,190	23.74	0.00
Heath Charnock	787.00	7,500	9.10	800.02	8,000	9.58	0.48
Heskin	336.00	11,632	33.00	340.48	11,780	33.00	0.00
Hoghton	345.00	5,000	14.01	346.82	6,000	16.82	2.81
Mawdesley	736.00	26,780	35.31	751.62	28,721	37.16	1.85
Rivington	51.00	2,500	45.71	52.20	2,500	44.66	-1.05
Ulnes Walton	249.00	6,020	23.35	247.43	5,987	23.37	0.02
Wheelton	389.00	12,587	31.25	393.74	12,020	29.43	-1.82
Whittle Woods	2,312.00	34,600	14.97	2,368.52	35,608	15.03	0.06
Withnell	1,189.00	29,270	23.37	1,192.48	29,270	23.30	-0.07
All other parts of the Council's area	9,933.22	-	-	10,105.85	-	-	
TOTAL / AVERAGE	34,504.22	571,258	15.45	35,181.72	571,456	15.15	-0.30

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APPENDIX A2

PAY POLICY 2016/17 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. The recognised trade unions and national employer organisations are currently negotiating on the 2016/17 pay claim.

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
- Director Customer and Advice Services
- Director Public Protection, Streetscene and Community
- Project Director

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

The Senior Management structure within Chorley Council is currently subject to ongoing change and consultation and will only be finalised after this policy has been put into the system. The changes to the management structure will impact upon the Council's Pay policy statement relating to the remuneration of Senior Management. Therefore an updated pay policy statement will be produced for 2016/17 once the changes have been agreed and fully implemented.

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 following services:



- Policy and Communications
- Shared Financial Services
- Human Resources and Organisational Development
- Governance and Legal
- Corporate Support
- Assurance
- Property Services
- Economic Development/Business Advice
- Planning Policy

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 Customer and Advice Services and Director Public Protection, Streetscene and Community

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 £82,620, 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
£82,620	£22,212	1:3.7

(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 L (£52,020 to £53,768). 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 (£4,032) 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
£57,800	£22,212	1:2.6

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 £8.25 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 £6.70 per hour.

Therefore, excluding apprentices (see below), the lowest paid employees at Chorley Council are paid in accordance with 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 points used by Chorley Council is the national point 11 (£15,207 per annum, £8.04 per hour), and point 12 (£15,523 per annum, £8.21 per hour)

Both hourly rates appertaining to Scale 1 are therefore below the National Living Wage, which now falls within the scale 2 of the national pay structure (see table below). Work is currently being undertaken to determine whether through job redesign the Council can continue to implement the National Living Wage for all employees (excluding apprentices).

Salary range for Scale 2

Point	Annual salary	Hourly rate
13	£15,941	£8.43
14	£16,231	£8.58

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 the Council agreed that apprentices should receive the current National Minimum Wage relating to their age. With effect from 1st October 2015 is detailed below:-

Under 18	£3.87 per hour
18 - 20	£5.30 per hour
21 and above	£6.70 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 £2.83 per hour.

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 INCOME BUDGETS 2016/17

DESCRIPTION	2016/17 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	(35,000)	(175)	(350)	(525)	(700)	(875)	(1,050)	(1,400)	(1,750)
Lancastrian Room - Casual Room Hire	(17,500)	(88)	(175)	(263)	(350)	(438)	(525)	(700)	(875)
Investment Portfolio - Rent Garages	(25,000)	(125)	(250)	(375)	(500)	(625)	(750)	(1,000)	(1,250)
Tolls-General Markets	(320,700)	(1,604)	(3,207)	(4,811)	(6,414)	(8,018)	(9,621)	(12,828)	(16,035)
Tolls-Flat Iron Markets	(69,000)	(345)	(690)	(1,035)	(1,380)	(1,725)	(2,070)	(2,760)	(3,450)
Customer & Advice Services									
Local Land Charges	(110,000)	(550)	(1,100)	(1,650)	(2,200)	(2,750)	(3,300)	(4,400)	(5,500)
Street Names & Numbering	(16,000)	(80)	(160)	(240)	(320)	(400)	(480)	(640)	(800)
Public Protection, Streetscene & Community									
Car Park Management - Off-Street Parking Fees	(600,000)	(3,000)	(6,000)	(9,000)	(12,000)	(15,000)	(18,000)	(24,000)	(30,000)
Other Licences	(2,060)	(10)	(21)	(31)	(41)	(52)	(62)	(82)	(103)
Public Protection - Licence Fees	(22,000)	(110)	(220)	(330)	(440)	(550)	(660)	(880)	(1,100)
Refuse Collection - Civic Amenity Collection	(21,110)	(106)	(211)	(317)	(422)	(528)	(633)	(844)	(1,056)
Waste and Recycling Services - Wheeled Bins	(25,000)	(125)	(250)	(375)	(500)	(625)	(750)	(1,000)	(1,250)
Neighbourhood Quality Te/Pest Control Contracts	(10,000)	(50)	(100)	(150)	(200)	(250)	(300)	(400)	(500)
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	(2,630)	(13)	(26)	(39)	(53)	(66)	(79)	(105)	(132)
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	(30,000)	(150)	(300)	(450)	(600)	(750)	(900)	(1,200)	(1,500)
Chorley Cem-Interment Fees	(30,000)	(150)	(300)	(450)	(600)	(750)	(900)	(1,200)	(1,500)
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	(3,250)	(16)	(33)	(49)	(65)	(81)	(98)	(130)	(163)
Chorley Cem-Interment Fees - Ashes	(2,000)	(10)	(20)	(30)	(40)	(50)	(60)	(80)	(100)
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	(1,421,110)	(7,106)	(14,211)	(21,317)	(28,422)	(35,528)	(42,633)	(56,844)	(71,056)

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APPENDIX B1

Capital Programme 2015/16 to 2018/19

	2015/16 Current Forecast	2016/17	2017/18	2018/19	2016/17 to 2018/19
	£'000	£'000	£'000	£'000	£'000
<i>Regeneration Programme</i>					
Market Street Redevelopment	67				0
Market Walk Extension	785	12,078	0	0	12,078
Public Realm Works	0	1,000	0	0	1,000
Asset Improvement Programme	161	105	200	200	505
Electoral Registration	4	0	0	0	0
Chorley East Health Centre	100	0	3,518	3,518	7,036
Total Chief Executives	1,116	13,183	3,718	3,718	20,619
Disabled Facilities Grant	417	414	370	370	1,153
Cotswold House Improvements	25	858	0	0	858
Climate Change Pot	3	0	0	0	0
IT Projects	8	0	0	0	0
Extra Care Facility (including Land Assembly)	250	2,520	6,591	0	9,110
Total Customer and Advice Services	704	3,792	6,960	370	11,122
Astley Hall & Park Development	357	665	0	0	665
Big Wood Reservoir	0	86	0	0	86
Buckshaw Community Centre	150	476	0	0	476
Buckshaw Village Rail Station (s106)	30	696	0	0	696
Carr Brook Trim Trail (s106)	83	0	0	0	0
Clayton Brook Village Hall Extension	230	0	0	0	0
Croston Flood Prevention Scheme	1,100	0	0	0	0
Delivery of CCTV provision	263	72	0	0	72
Eaves Green Play Development (s106)	105	0	0	0	0
Leisure Centres Improvements	121	200	85	85	370
Play Area and Playing Pitch s106	80	711	390	0	1,101
Play Areas - 2013/14 Investment (Years 2 and 3)	0	150	50	0	200
Puffin Crossing Collingwood Letchworth (s106)	48	0	0	0	0
Rangleys Recreation Ground (s106)	385	70	0	0	70
Recreational Strategy	170	0	0	0	0
Recycling Lives - Depot split	0	0	0	0	0
Recycling receptacles (bin replacement)	105	115	115	115	345
Westway	0	785	0	0	785
Yarrow Valley Car Park	10	215	0	0	215
Youth Zone	150	325	325	0	650
Total Public Protection, Streetscene and Community	3,388	4,565	965	200	5,730
Total Capital Programme	5,208	21,540	11,643	4,287	37,471

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Capital Programme Financing 2015/16 to 2018/19

APPENDIX B2

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 to 2018/19 £'000
<u>External Funding</u>					
External Contributions	933	6,079	390		6,469
Grants	370	1,921	2,445	370	4,736
Total External Funding	1,303	8,000	2,835	370	11,205
<u>Chorley Council Resources</u>					
Revenue Contributions to Capital	956	1,376	50		1,426
New Homes Bonus	322	715	400	400	1,515
Capital Receipts	405	734	0		734
Self- Financing Prudential Borrowing					
Market Walk Extension	785	8,439			8,439
Chorley East Health Centre	100		3,518	3,518	7,036
Extra Care Facility		1,726	4,515		6,241
Planned Prudential Borrowing					
Croston Flood Prevention Scheme	1,100				0
Prudential Borrowing to be repaid by NHB Set-Aside	150	325	325		650
Unplanned Prudential Borrowing					
	87	226			226
Total Chorley Council Resources	3,905	13,541	8,808	3,918	26,266
Capital Financing Total	5,208	21,541	11,643	4,287	37,471

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Developers' Contributions 2015/16 to 2018/19

APPENDIX B3

Budgeted use of developers' contributions

	BAL B/F	2015/16		BAL C/F	2016/17		BAL C/F	2017/18		BAL C/F	2018/19		BAL C/F	
	31/03/15 £000	RECEIPTS £000	FORECAST USE £000	31/03/16 £000	FORECAST RECEIPTS £000	BUDGETED USE £000	31/03/17 £000	FORECAST RECEIPTS £000	BUDGETED USE £000	31/03/18 £000	FORECAST RECEIPTS £000	BUDGETED USE £000	31/03/18 £000	
Various Purposes	(2,335)	(1,229)	556	(3,009)	(2,568)	4,116	(1,462)	0	0	(1,462)	0	0	(1,462)	(1)/(2)
Affordable Housing	(126)	(7)	0	(133)			(133)	0	0	(133)	0	0	(133)	(2)
Transport	(744)	(27)	48	(723)		696	(27)	0	0	(27)	0	0	(27)	(2)
Environmental Improvements	(86)		0	(86)		75	(11)	0	0	(11)	0	0	(11)	(2)
Play & Open Space	(1,916)	(64)	269	(1,711)	(783)	1,193	(1,301)	0	390	(911)	0	0	(911)	(2)/(3)
	(5,207)	(1,327)	872	(5,662)	(3,351)	6,079	(2,934)	0	390	(2,544)	0	0	(2,544)	

(1) Forecast Receipts in 2016/17 include additional developer contributions from the Buckshaw Site

(2) Further contributions may be receivable between 2016/17 and 2018/19.

(3) Forecast Receipts in 2016/17 include additional developer contributions yet to be identified to fund Westway and King George sites

Use of Contributions Receivable from Developers 2014/15 to 2016/17

	2014/15	2015/16	2016/17
	USE	FORECAST	BUDGETED
	£000	USE £000	USE £000
Rangletts Recreation Ground	635	376	70
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		30	696
Big Wood Reservoir	12	0	75
Eaves Green Play Development	179	105	
Play and Recreation Fund projects	24		
Adlington Play Facilities (Grove Farm)	164		
Play, Recreation and Public Open Space projects	188	80	338
Buckshaw Community Centre		150	476
Carr Brook Trim Trail		83	
Westway			785
Extension Market Walk			3,640
	1,635	872	6,079

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Report of	Meeting	Date
Chief Executive	Special Council	1 st March 2016

BUDGET INVESTMENT PACKAGE 2016/17

PURPOSE OF REPORT

- To present for approval a package of budget growth items as part of the budget approval process. The report contains 29 budget growth investments in respect of the Revenue Budget and 2 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:
 - 29 growth schemes in the Revenue Budget that support:
 - the summary budget agreed at Executive Cabinet in January 2016
 - the Council's corporate priorities, and
 - the findings of the budget consultation
 - 2 growth schemes to be included in the Capital Programme.
- The investment proposals have been grouped into four categories based on the Council's corporate priorities:

Corporate Priority	Revenue £m	Capital £m	Total £m
Involving residents in improving their local area and equality of access for all	0.190		0.190
Clean, safe and healthy communities	0.498	1.759	2.257
A strong local economy	0.592		0.591
An ambitious council that does more to meet the needs of residents and the local area	0.129		0.129
Total Investment Packages 2016/17	1.408	1.759	3.167

Confidential report Please bold as appropriate	Yes	No
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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 2016/17 includes sufficient headroom to allow £1.408m of the 2016/17 New Homes Bonus to be allocated to investment in corporate priorities. This has been achieved as a result of an effective, pre-budget efficiency programme and utilisation of an increased 2016/17 New Homes Bonus allocation.

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 2016/17. 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. The results show a good spread of support for each of the investment areas with *“Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers to create safer neighbourhoods and taking action to address long term empty properties,”* coming out as the top priority for Chorley residents. Feelings of safety, however, remain high with the resident survey completed in July 2015 demonstrating an increase in feelings of safety both during the day (92% compared to 91.1% in 2013) and at night (72% compared to 68.5% in 2013).

REVENUE BUDGET GROWTH SCHEMES

9. The table below identifies the growth schemes for 2016/17:

New Revenue Investment Areas	Funding Request (£)
INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL – Total £190,000	
Support for Chorley's VCFS organisations	15,000
Provide support to food provision schemes	15,000
Community development & volunteering (SPICE)* (£20k 16/17, £40k 17/18 & 18/19)	100,000
Public noticeboards	10,000
Delivery of neighbourhood preferred projects	50,000
CLEAN, SAFE AND HEALTHY COMMUNITIES – Total £497,500	
Police Community Support Officers	297,000
Free swimming	7,500
Replacement of CBC's Control Orders with Public Space Protection Orders	20,000
Empty homes - Enforcement action and communications * (£26k 16/17 and £36k 17/18 & 18/19)	98,000
Provide a mediation service for Anti-Social Behaviour case resolution	10,000
North West in Bloom	50,000
16/17 Young person's drop-in centre	15,000
A STRONG LOCAL ECONOMY - £591,500	
Chorley Business Investment for Growth (BIG) grant	60,000
Business start-up grants and loans	30,000
Borough wide retail grants improvement programme	80,000
Choose Chorley grants	75,000
Inward investment (Euxton Lane – Digital Health)	25,000
Extend the external funding officer post	24,000
Deliver the skills framework	30,000
Chorley works	39,000
Vulnerable families employment project	3,500
Furthering key employment sites	125,000
Develop Chorley's town and rural tourism economy	35,000
Chorley flower show	40,000
Chorley grand prix (British Cycling)	25,000
AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA – Total £129,000	
Integrate partner services through the Chorley public service reform partnership	15,000
Employee health scheme	20,000
Events programme delivery	80,000
Additional events at Astley	14,000
Total new revenue investment	1,408,000

*Total budget is for 3 year investment for 16/17-18/19

10. The above new schemes will be added to the projects approved in 2015/16. Adding the existing investment projects to the proposed projects above brings the total revenue investment proposed for 2016/17 to £1.674m.

Existing and Carry Forward Revenue Investment

11. The table below sets out revenue investment proposals which have previously been approved for delivery in 2016/17, funded from the 2015/16 NHB.

Approved investment area (Revenue)	Investment position update	2016/17 Amount £
Digital access and inclusion	This project aims to ensure that everyone in the borough can get online, do more online and benefit from being online. Work continues to increase digital access points throughout the borough, deliver digital skills training and general promotion of digital awareness.	25,000
Chorley Council employment support fund with Runshaw College	Working with Runshaw College, this project continues to support local businesses in developing apprentice opportunities and supports young people in overcoming financial barriers of accessing and sustaining these opportunities.	10,000
Provide an accommodation finding service for 'non-priority' households who are homeless or threatened with homelessness	The project provides an accommodation finding service for 'non-priority' households threatened with homelessness, which is mainly 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.	18,000
Supporting communities to access grant funding*	This three year project has procured a grant finder tool which is being used both by internal services and external partners to support local community groups and organisations to access grant funding. Since the launch of the Chorley 4 Community database, there have been a total of 790 visits to the portal, with a total of 99 unique users registered. Grantfinder which is the internal facing system has a total of 15 registered users, and there have been a total of 102 searches performed, with 193 funds viewed.	6,500
Disabled and dementia online venue access guides*	This three year project aims to maximise choice and independence for disabled people and those with dementia who are visiting venues within the borough. Surveys and community consultation of over 200 venues across the borough has taken place to check them against disability and dementia requirements. The online guides are expected to be launched in Spring 2016.	6,500
Delivery of Community Action Plans	Community action plans have been developed for Astley Village, Chorley East, Clayton Brook and Rural. The delivery of these plans will continue into 2016/17.	200,000
Total Existing Revenue Investment		266,000

*These projects will both receive £6,500 in 17/18 as per the approved 15/16 budget investment packages

CAPITAL PROGRAMME BUDGET INVESTMENT SCHEMES

12. Two further capital programme investments are proposed:

Investment Areas (Capital)	2016/17 Amount £m
Westway Play Pitches	0.785
Play & Open Space Strategy	0.974
Total Capital Investment	1.759

13. The majority of the projects will be funded by external S106 contributions however other financing has been identified and is summarised below:

Financing	2016/17 Amount £m
External Contributions – S106	1.541
Capital Receipts	0.118
Grants*	0.100
Total Capital Financing	1.759

*A bid to Sport England was submitted in January relating to enhancements at Tatton Recreation Ground. The outcome will be known in April 2016.

14. The new schemes identified above will be added to the following approved capital projects that are continuing into 2016/17:

Project	Project summary/update	Agreed Budget £m	C/F Future Years £m
Astley Hall	This budget will enable 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.	0.324	0.324
Buckshaw Community Centre	To deliver a new community centre on Buckshaw village	0.600	0.450
Yarrow Valley Car Park	To upgrade the main car park at Yarrow Valley to provide up to 135 car parking spaces including drainage.	0.225	0.215
Deliver improvements to Market Street	The original aim was to extend the shared surface scheme from the southern end of Market Street up to the St Thomas Road junction. However the scope of the project has been extended, therefore this budget will now support delivery of the corporate strategy project to improve the look and feel of the town centre.	1.000	1.000
Youth Zone in Chorley	We will continue to work with partners to progress delivery of the Chorley Youth Zone.	1.000	0.650
	TOTAL	3.149	2.639

15. Adding these existing capital investments to the proposed capital investments brings the total capital investment to £4.398m.

PROJECT SYNOPSES

16. The table below provides a summary of each of the proposed revenue and capital schemes. Further information can be found from the project mandates in Appendix C1.

Corporate Priority: INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL	
Investment Project	Overview – Revenue investment £0.190m
<p>Support for Chorley’s VCFS organisations</p> <p>£15k</p>	<p>This will involve the commissioning of a service to provide infrastructure support to the sector. This support may include:</p> <ul style="list-style-type: none"> • Arranging events and meetings and to disseminate information appropriately • Further development of partnership working with other infrastructure groups both in Chorley and across Lancashire. • Organisation, coordination and further development of Chorley’s Equality Forum and Inter Faith Forum. • To ensure that the current projects are delivered through providing support to the Volunteering and Health & Well Being Co-ordinators
<p>Provide support to food provision schemes</p> <p>£15k</p>	<p>This project will make 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.</p>
<p>Community development & volunteering (SPICE)</p> <p>£100k (£20k 16/17, £40k 17/18 & 18/19)</p>	<p>This budget will facilitate transitional resources to ensure that this programme of work can be effectively taken forward within the community beyond the end of the current contract in August 2016.</p> <p>It will also enable us to retain access to the national SPICE network and provide an additional resource to develop and extend the Chorley Time Credits Network. This maybe through setting up community project teams to do things like clean ups or small local improvement projects with a view to moving towards co-production or services in the future.</p>
<p>Public noticeboards</p> <p>£10k</p>	<p>This project is to mount community noticeboards to enable community groups to promote fundraising events. This maybe through:</p> <ul style="list-style-type: none"> • Additional town centre noticeboards, including digital noticeboards and marketing boards. • An information point within the town centre. • Working with Parishes to put up noticeboards in outlying areas of the borough.
<p>Delivery of neighbourhood preferred projects</p> <p>£50k</p>	<p>This project will deliver 24 neighbourhood area preferred projects. Each of the projects will be proposed through the neighbourhood group meetings and agreed by Executive Cabinet.</p>

Corporate Priority: CLEAN, SAFE AND HEALTHY COMMUNITIES	
Investment Project	Overview – Revenue investment £0.498m; Capital investment £1.959 m
Police community support officers £297k	This budget will continue to fund Chorley's Police Community Support Officers (PCSOs), helping to reduce crime and anti-social behaviour across the Borough.
Free swimming £7.5k	This budget will deliver free swimming sessions for those aged 16 year and under during the summer school holiday period.
Replacement of CBC's Control Orders with Public Space Protection Orders £20k	Chorley Council will be required to replace its control orders with Public Space Protection Orders (PSPOs) by Oct 2017. This project is required to meet the Council's new legal requirements. The majority of the costs will be for new signage and the remainder for consultation and advertising.
Empty homes - Enforcement action and communications £98k	<p>This project seeks to continue the successful work that has been undertaken to reduce the number of empty residential properties in the Borough. The budget will continue to fund a full-time Empty Property Officer for 16/17 – 18/19. The work of the officer will continue to be to encourage the occupation of empty properties and support the Council's Empty Residential Property Policy agreed by Council in November 2015.</p> <p>The total cost of the post is £110k however £12k will be carried forward into 16/17 to part fund this post.</p>
Mediation service for anti-social behaviour disputes £10k	<p>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 see the continuation of a scheme to refer parties into mediation where appropriate.</p> <p>An annual review is due to take place in January 2016 with the current service providers.</p>
North West in Bloom £50k	This project will build on previous successes in the North West in Bloom competition, working with the 'Chorley in Bloom' charity group, schools, local communities, friends groups and others to prepare Chorley for 2016 competition.
16/17 Young person's drop-in centre £15k	This project provides a service for 16/17 year olds at risk of becoming homeless with the aim of preventing homelessness and keeping young people at home through support and mediation services.
Capital Project: Westway Sports scheme £785k	This S106 funded capital project will develop the site at Westway including improvements to the drainage at the Westway play pitches as well as enhancing the car park and changing facilities.
Capital Project: Play, Open Space strategy £1,174k	The planned delivery of the Play, Open Space and Playing Pitch Strategy was reported to November Cabinet. Numerous S106 projects were identified in this report and estimated costs have been generated. These projects are predominantly externally funded through S106 agreements however some projects will require additional financing on top of the S106 allocation available. In addition, £200k investment towards Tatton, Harpers Lane, King George V and Coronation Recreation grounds was agreed in 13/14 and has been carried forward to fund these projects in future years.

Corporate Priority: A STRONG LOCAL ECONOMY	
Investment Project	Overview – Revenue investment £0.591m
Chorley Business Investment for Growth (BIG) Grant £60k	Grants are available to existing businesses to assist with investment in the construction of new buildings, refurbishment of existing premises as well as the purchase of plant machinery and other business capital investment plans which will lead to the creation of new jobs. Grants are for a maximum of £10k.
Business start-up grants and loans £30k	The project will continue to assist in the creation of new start-up businesses and help those without significant capital available to them to create sustainable businesses and ultimately generate more jobs. The budget is split by providing Chorley based small businesses with start-up grants (£20k budget) and start up loans (£10k budget).
Borough wide retail grants improvement programme £80k	This project aims to encourage the take-up of vacant retail properties in Chorley, by offering grant support towards interior and exterior improvements. Existing Chorley businesses can also apply for funding to improve the visual appearance of their shop exterior.
Choose Chorley grants £75k	Available exclusively to existing businesses permanently relocating from outside, this grant provides an incentive for businesses to relocate in the borough.
Inward investment £25k	This budget will contribute to moving forwards the proposals for a digital health park on Euxton Lane
Extend the external funding officer post £24k	The post has been funded from July '15 – July '16. However a request is made to extend the post to March 2017 to allow continued applications for European funding.
Deliver the skills framework £30k	This project will commence the delivery of a three year action plan to respond to the supply and demand issues, opportunities and challenges identified in the recently commissioned Chorley skills framework.
Chorley works £39k	This project focuses on tackling unemployment by incentivising employers and supporting local people into sustainable jobs.
Vulnerable families employment project £3.5k	This project targets our most difficult to reach families and offers incentives and extra support to encourage them to engage with the existing Chorley Works programme.
Furthering key employment sites £125k	The new budget will fund the continued strategic planning relating to furthering employment sites identified in Chorley Local Plan 2012-2026.
Develop Chorley's town and rural tourism economy £35k	The aim of this project is to build on the work that has already been done around bringing more short stay visitors into Chorley, through the marketing and promotion of Chorley's assets and attractions and through the delivery of an annual programme of events.
Chorley flower show £40k	Building on the staging of the inaugural Chorley flower show in 2015, this project will see the development and staging of the second Chorley flower show in Astley Park on the 30 th and 31 st July 2016.
Chorley grand prix (British cycling) £25k	This project will support the development and delivery of a cycling and sporting programme of activities and events in Chorley, in partnership with British cycling.

Corporate Priority: AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA	
Investment Project	Overview – Revenue Investment £0.129m
Integrated partner services through the Chorley public service reform partnership £15k	To support the year 2 delivery of the PSRP strategy, and encourage match funding from other partners. The delivery of this work provides an opportunity to transform the way public services are delivered locally and to explore public service integration, particularly around health and wellbeing.
Employee health scheme £20k	To provide staff with health care support in the form of paid health care expenses.
Events programme delivery £80k	This project will build on the successes of our events programmes in the past few years, which have become well established and an important way of engaging with the community, attracting visitors into the borough and supporting the local economy. The budget will help us to build on last year’s programme and to provide events for different interest and audiences each month.
Additional events in Astley Hall and park £14k	This project aims to deliver a comprehensive events programme in Astley Hall and park including the ‘Little Boo’ Halloween event and Astley illuminated.

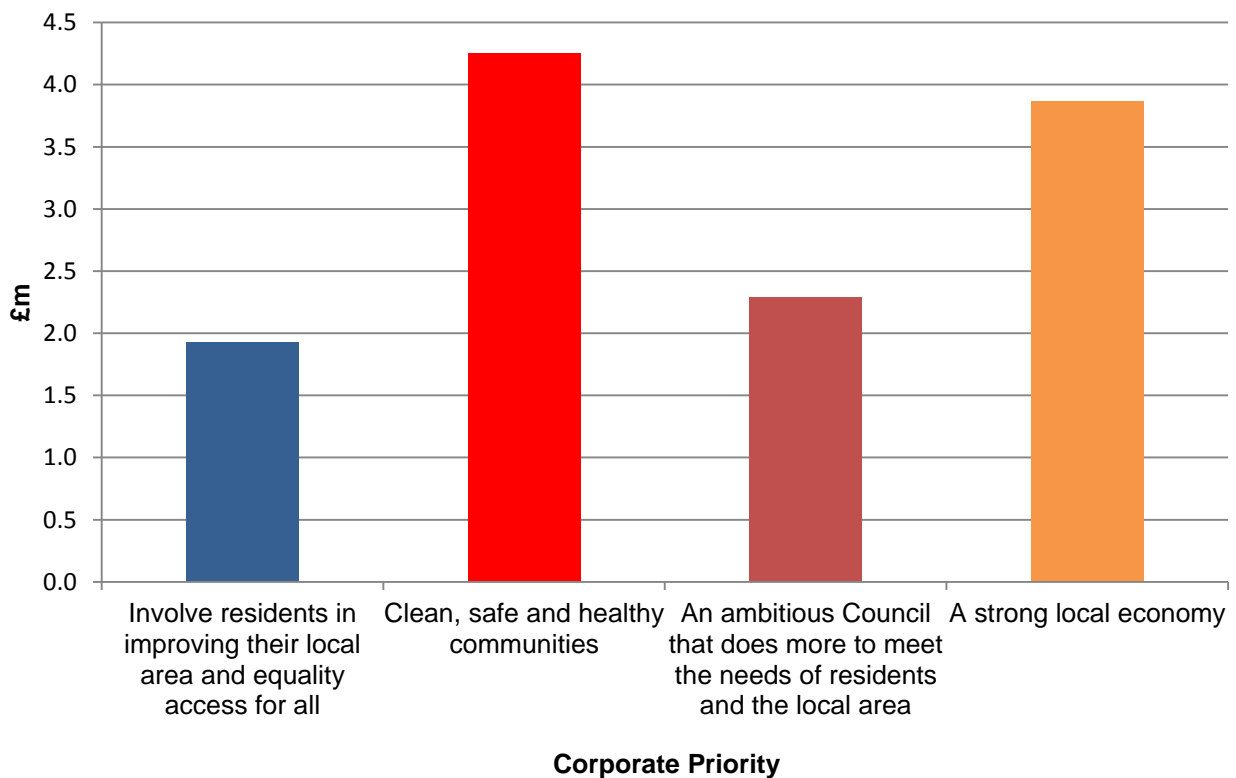
INVESTMENT SUMMARY

17. A summary of all the New Investment Packages delivered in the last four budget rounds are set out above for information. The total new investment packages total £12.330m.

Priority	New in 13/14	New in 14/15	Year 2 13/14	New in 15/16	Year 3 13/14	Year 2 14/15	New in 16/17	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Involve residents in improving their local area and equality access for all – TOTAL £1.923m								
Revenue investment	0.250	0.138	0.085	0.440	0.085		0.190	1.188
Capital investment	0.135			0.600				0.735
Clean, safe and healthy communities – TOTAL £4.454m								
Revenue investment	0.284	0.120	0.100	0.051	0.100	0.045	0.498	1.198
Capital investment	0.060	0.424		0.595		0.218	1.759	3.056
An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £2.285m								
Revenue investment	0.160	0.055	0.050	0.141	0.050		0.129	0.585
Capital investment	0.280			1.420				1.700
A strong local economy – TOTAL £3.869m								
Revenue investment	0.655	0.347		0.175		0.100	0.591	1.868
Capital investment	1.000			1.000				2.000
TOTAL INVESTMENT PROGRAMME - £12.330m	2.824	1.084	0.235	4.422	0.235	0.363	3.167	12.330

- 18. The amounts invested in the Corporate Priorities are consistent with the opinions expressed in the Budget Consultation with the top scoring public priorities being identified as safer communities, Council and partner financial resilience, resident’s health and local economy development through job creation and support for businesses
- 19. The graph below illustrates the total investment made in each Corporate Priority since 2013/14.

2016/17 Investment Packages



IMPLICATIONS OF REPORT

- 20. 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

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

COMMENTS OF THE MONITORING OFFICER

22. 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
James Thomson Rebecca Huddleston	5101/5025	22 nd Feb 2016	APP C Budget Investment report 2016-17

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APPENDIX C1 – Project Mandates

Mandate no.	INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL
01	Support for Chorley's VCFS organisations
02	Provide support to food provision schemes
03	Community development & volunteering (SPICE)
04	Delivery of neighbourhood preferred projects
CLEAN, SAFE AND HEALTHY COMMUNITIES	
05	Free swimming
06	Replacement of CBC's Control Orders with Public Space Protection Orders
07	Empty homes - Enforcement action and communications * (£36k per annum)
08	Provide a mediation service for Anti-Social Behaviour case resolution
09	North West in Bloom
10	16/17 Young person's drop-in centre
A STRONG LOCAL ECONOMY	
11	Chorley Business Investment for Growth (BIG) grant
12	Business start-up grants and loans
13	Borough wide retail grants improvement programme
14	Choose Chorley grants
15	Inward investment (Euxton Lane – Digital Health)
16	Extend the external funding officer post
17	Deliver the skills framework
18	Chorley works
19	Vulnerable families employment project
20	Furthering key employment sites
21	Develop Chorley's town and rural tourism economy
22	Chorley flower show
23	Chorley grand prix (British Cycling)
AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA	
24	Integrate partner services through the Chorley public service reform partnership
25	Employee health scheme
26	Events programme delivery
27	Additional events at Astley
CAPITAL	
28	Explore and Deliver an Integrated Sports Offer for the Westway area
29	Play Open Space and Playing Pitch Strategy

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

01. Support for Chorley's VCFS organisations

Date: 26/11/2015

Author: Jason Mills

Responsible Service: Policy & Communications

1. Project Overview

The Voluntary, Community and Faith 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 project will look to continue the development and support of the third sector organisations in Chorley through strengthening the capacity for coordination and infrastructure development. This will include the coordination and improvement of the voluntary networks across the VCF sector, development of the equality forum and arranging events and disseminating information, developing partnerships and working to ensure that Chorley's VCFS is recognised and represented and that it continues to develop its membership.

2. Project Background

In 2010/11 the Chorley Partnership commissioned an organisation to undertake a project to organise more formal networks and communication channels for VCF sector representation in Chorley, extending the work previously done by the SMIC (Stronger More Involved Communities) thematic group and reducing the on-going support needed from Chorley Council to keep the group running.

The VCFS Network development project was implemented with Chorley Partnership funding of £9,000 to develop a sustainable and representative forum for the VCF Sector, giving them a more coordinated and influential voice, coordinating advice support and being an advocate for the sector.

This year infrastructure partnerships and representation on strategic boards have been maintained, while proactively promoting partnership working in and outside of the sector.

Having a centralised point of coordination encourages and promotes the sharing of knowledge, good practise and resources across the geographical areas of the third sector while promoting and increasing the awareness of local strategic priorities and inequalities which need tackling within the borough.

3. Corporate Priorities

The project would contribute to the following corporate objectives:

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

4. Objectives

The objective of this project will be to further strengthen the VCF sector in Chorley around the following priorities:

- To provide an umbrella structure and focus for Voluntary, Community and Faith Sector partnership work across Chorley.

Project Mandate

- To arrange events and meetings and to disseminate information appropriately.
- To expand membership to ensure that all sectors are fully represented.
- To enable a more proactive approach to be taken ensuring that appropriate members /groups are encouraged and enabled to take part in local initiatives
- To ensure that the whole sector is enabled to participate fully and is recognised as a significant partner by statutory bodies and other organisations for all activities in the Chorley borough
- To lead the planning and organisation of the Chorley Equality Forum, ensuring effective representation of equality groups and a mechanism for consulting on equality issues or agenda's
- To explore improvement of current partnerships including opening up dialogue and partnership including cross-boundary work with the South Ribble Voluntary, Community and Faith Sector Network.
- To connect and align with Lancashire wide volunteering activity.
- To proactively access additional funding/contracts to advance and support the development of the sector
- To ensure that the sector can access and support Chorley Time Credits and other related community development activity.
- To continue to support the work being undertaken on Working Together with Families project ensuring that "families" includes all members both younger and older.
- To increase the ability of the sector to influence the Health and Well Being agenda by being proactive and opening up opportunities to work with both Public Health and the Clinical Commissioning Group.
- To support the work being undertaken on economic regeneration ensuring that the resources and needs of the VCF sector are taken into account and supported.
- To improve our ability to communicate and promote information to the sector using a variety of channels including word of mouth, information technology, outreach, media outlets.

Outcomes

Key outcomes will be assessed through the following measures:

- A definable increase in the number of groups engaged through any central function
- Representation of the sector at local external partnership meetings
- A sustainable and effective mechanism for communication with groups
- A sustainable and effective mechanism for sharing knowledge and resources
- Improved marketing and awareness of available resource within the sector
- Improved links between voluntary, community and faith sector groups
- Organisation and coordination of three Equality Forum events per year
- Improved networking through the facilitation of an annual forum or similar face to face opportunities

Project Mandate

- To ensure that the coordination of the sector is being delivered through sustainable mechanisms with any additional resource to support further development or added value.

5. Benefits

This provision will bring together all sectors of Chorley to strengthen and develop the borough as a whole.

Collaboration between organisations and service providers is essential to ensure that there isn't a postcode lottery of service provision. In an area where one charity has services but others don't, resource pooling and sharing expertise is one way to address the problem.

Other benefits of the network include;

- Mechanism to share good practice across all organisations
- Opportunities to achieve efficiencies
- Smaller organisations remain and stay independent while working in partnership
- Collaboration and working together ensures the survival of smaller specialisms
- Partnerships can attract investment and have more influence on policy

6. Scope

The project will include:

- Commissioning a central point for the coordination and support of the local voluntary, community and faith sector in Chorley.
- Development of a supporting annual business plan so that resources are targeted in line with key priorities
- Management and delivery of the plan to its successful completion.

This project will be delivered in partnership with other key local initiatives, specifically the Chorley Time Credits Programme.

7. Key Project Milestones

TBC

Project Mandate

8. Constraints

A budget of £15k has been identified for this project, to provide resource towards delivering the objectives and outcomes of the project and should be completed by March 2017. It is expected that this resource should be used to ensure the future self-sustainability of any provision.

9. Impact on other Directorates/Projects

This work of this project links in with the Chorley Time Credits programme, The Vulnerable Families Employment Project, Delivery of Community Action Plans and should also support neighbourhood working initiatives.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

02. Provide support to food provision schemes

Date: 23/11/2015

Author: Jason Mills

Project Manager: Hayley Hughes

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 such as food preparation skills.

Further support is also provided through the Council's welfare reform and employability officers by supporting 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 in 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. Corporate Priorities

This project supports the following corporate priority;

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

4. Objectives

- 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.
- To maximise the opportunities available for vulnerable residents to attend the food skills provision in order to support a reduced dependency on the need for food parcels, by creating opportunities to increase knowledge and skills for individuals to be able to prepare healthy, nutritious meals for themselves and their families, and to manage food on a limited budget.

Project Mandate

5. Benefits

The benefits of giving support to food provision schemes will be that:

- Local providers of food parcels and nutritious meals to very vulnerable residents are able to meet local demand
- Those visiting the schemes are advised of the most appropriate support and assistance available to meet their requirements, with a view to becoming self-sufficient.
- Residents will gain a basic understanding of providing for themselves nutritional meals, using basic provisions, with knowledge of recipes and cooking skills, with opportunities to gain qualifications
- Opportunities to identify people vulnerable to Social Isolation will be in place and needs addressed through relevant signposting to services

6. Scope

The scope of this project is to provide financial support to one of more organisations in Chorley 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.
- Developing suitable schemes which support a reduced dependency on the need for food parcels, by increasing knowledge and skills for individuals to be able to manage food on a limited budget and prepare healthy, nutritious meals for themselves and their families.

The project will be led by Policy and Communications.

7. Key Project Milestones

Key milestones for the project:

- Identification of local organisations to provide the support required covering food provision and food skills
- Confirmation of support in place to link people with pathways to services
- Monitoring of levels of food provision and food skills sessions

8. Constraints

A budget of £15,000 has been identified to support schemes in the borough. £10,000 is to support foodbank provision/services with £5,000 to support the food skills provision.

Project Mandate

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.

9. 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

03. Community Development & Volunteering (Spice)

Date: 24/11/2015

Author: Jason Mills

Responsible Service: Health Environment and Neighborhoods

1. Project Overview

Chorley Time Credits was first implemented as part of the 2012 corporate strategy project to develop volunteering in the borough in partnership with SPICE.

The council committed £70,000 per year for a 3 year period to engage SPICE to set up time credits in Chorley as a sustainable approach to volunteering. Chorley Time Credits is now successfully established and the current funding arrangement (which includes provision for a local facilitator) will come to an end in August 2016.

SPICE developed Time Credits as a tool for building stronger communities and co-produced services where people are active and equal participants. Time Credits act as a means to encourage more people to get more involved in their local community by giving their time. Through this, Spice's projects work towards improved outcomes for individuals, organisations and communities.

This additional investment at a reduced level of £40,000 will facilitate transitional resource to ensure that the programme can be effectively taken forward within the community beyond August 2016, with the support of the community development team.

It will also retain access to the national SPICE network and provide for additional resource to develop and extend the Chorley Time Credits Network to add value in other areas. This may include setting up community project teams as a resource to support specific council initiatives such as environmental improvements, consultation exercises or engagement groups with a view to future coproduction activity.

In addition the project will also look to continue the inclusion of Time Credits in corporate future planning encouraging lead project officers to work closely with our partners at Spice in order to investigate fully the opportunities which may support their project management.

2. Project Background

About Time Credits

People earn Time Credits by giving their time to local services and groups. One Time Credit is earned for each hour of time given and acts as a thank you for the contribution of time to their community or service. People can then 'spend' Time Credits to access events, training and leisure activities provided by public, community and private organisations, or to thank others in turn.

In August 2013 the Council agreed to invest £210,000 over a three year programme to develop and embed the use of time credits in communities and council service delivery. The programme has delivered a significant number of positive outcomes which are well documented in several evaluation papers published to date. In addition the programme has received recognition from Public Health England and the Local Government Association.

Specific areas of innovative development in Chorley throughout the last 3 years have included:

- Setting up social prescribing of Time Credits with a local GP surgery
- Developing a neighbourhood cohesion approach with Time Credits that now runs through all Chorley Council community work

Project Mandate

- Integration of Time Spend opportunities into local parking arrangements and key council run events
- The inclusion of Time Credits in corporate future planning
- Training of all key council teams in using Time Credits to increase civic engagement

3. Corporate Priorities

This project will contribute to the following objectives:

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

4. Objectives

The project will look to;

- To facilitate transitional resource to ensure that the programme can be effectively taken forward within the community beyond August 2016
- To continue to drive the inclusion of Time Credits in future corporate business planning
- Develop front office knowledge through training and support in order to provide query resolutions at the point of request.

The outcomes from this project will support and be measured by the following corporate and local performance measurements;

CS 1.01 - % people satisfied with their neighbourhood as a place to live

CS 1.02 - % of people who regularly participate in volunteering

HEN 03 - No. volunteer hours earned (Time credit notes)

HEN 04 - No. community groups engaged in time banking

HEN 05 - No. new volunteers recruited

5. Benefits

Time Credits is funded by the Council as a positive and proactive means of encouraging and growing volunteering effort which aims to benefit communities by:

- Recognising and encouraging volunteer effort;
- Providing community groups and volunteers with opportunities to network with each other; and
- Enabling otherwise reluctant volunteers to take up new interests; have new experiences and learn new skills.

The overall programme supports the strengthening of links between existing volunteer groups in Chorley as well as encouraging and providing opportunities for new groups to get established. This increased capacity in neighbourhoods will ensure that communities are vibrant and self-supporting, and that individuals experience positive benefits to health and wellbeing through improved social and civic connection.

Project Mandate

The time credits programme has had a variety of beneficial outcomes for Chorley residents, particularly when compared to the national scheme:

- The amount of time people regularly give through Time Credits programmes in Chorley is notably higher than the national average. Nationally, around two thirds of volunteers (66%) give their time at least once a month. 72% of Chorley Time Credits volunteers give their time at least once a week, compared to 62% across Spice as a whole.
- Time Credits lead to sustainable improvements in quality of life. 57% of Chorley members reported that Time Credits have helped to improve their quality of life within the first year.
- Time Credits have opened up many opportunities for people to get involved in new activities. 38% of respondents from Chorley reported that they now regularly do things they didn't do before. 95 members also reported that they have been incentivised through Time Credits to start a new community group.
- Time Credits help people to adopt healthier lifestyles and to improve physical and mental well-being. In Chorley, a total of 48% of respondents reported feeling healthier as a result.
- Time Credits generate early benefits in organisations. 75% of organisations from report already seeing clear benefits as a result of Time Credits. These benefits include broadening the range of service options that organisations can offer and delivering higher quality services without additional cost.

6. Scope

The project will focus primarily on;

- Facilitating a transition to ensure that the programme can be effectively taken forward within the community beyond August 2016 with the support of the community development team.
- Retaining access to the national SPICE network and provide for additional resource to develop and extend the Chorley Time Credits Network to add value in other areas.

7. Key Project Milestones

Key Milestones	Delivered by
Ensure Volunteer Web Platform is fully functional	June 2016
Develop transitional arrangements with Spice and Internal	July 2016
Migrate administrative oversight of TCs to appropriate team	July 2016
Recruit TC facilitator to coordinate community organisation work and time out/spend opportunity	August 2016
Review transition	Dec 2016
New arrangements embedded	March 2017

Project Mandate

8. Constraints

The main constraints on the delivery of this project are budget and resources.

A total budget of £20,000 for 2016/17 is requested and then £40,000 for 2017/18 and £40,000 for 2018/19 to support the extended relationship with Spice in community development and volunteering.

9. Impact on other Directorates/Projects

The project will have an impact on the following directorates;

- Community Development Team
- Communications

And those investment projects where the Project Lead Officer has expressed an interest in utilising time credits to support a project.

PROJECT DOCUMENTATION

PROJECT MANDATE

04. Delivery of Neighbourhood Preferred Projects

Date: 01/12/2015

Author: Jason Mills

Responsible Directorate: Health Environment and Neighborhoods

1. Project Overview

This project will deliver 24 neighbourhood area preferred projects. Each of the projects has been determined by the neighbourhood area representatives for the benefit of the communities within their respective neighbourhood areas.

Each of the eight neighbourhood areas will choose three preferred projects for completion in 2016/2017.

2. Project Background

Following a review in 2012, approval had been granted to redraw the boundaries of the neighbourhood areas, increasing their number from seven to eight. It was also agreed to increase the level of representation at the twice yearly round of neighbourhood area meetings, to include County Council and Parish Council representation. In addition, officers from other agencies were included and individually tailored to each of the neighbourhood meetings.

Each neighbourhood area is allowed to identify three priorities for delivery in a financial year, which are costed and subject to Executive Cabinet approval as part of the annual budget setting process. A set of rules for the conduct of the meetings was agreed and this included the selection of a Chair and also that decisions would be made by consensus as opposed to a more formal voting system.

The Chair of each neighbourhood area meetings has a number of responsibilities that include, the chairing of the twice yearly neighbourhood area meetings (currently January and June each year) and liaison with lead officers on behalf of the group to scope predetermined neighbourhood priorities. The Chairs can also convene additional meetings of the group to reach consensus on the actions necessary to deliver priorities and to liaise with lead officers, acting as a single point of contact for officers and group members alike.

The review also provided guidance on the areas of work that the neighbourhood priorities would cover, including additional works and schemes to improve areas of open public space over and above business as usual. Work and projects that supported the formation of new community groups or sustain existing ones, leading and supporting community events that met the principles and definition of neighbourhood working and activities and work that promoted community cohesion, such as initiatives that integrate demographic groups into the life of the community, were actively encouraged.

Priority nominations were scored against a current set of criteria as follows:

- practical rather than aspirational priorities given our limited resources
- projects/areas of work that lie outside business as usual service delivery
- priorities that could maximise the use of partner contributions
- priorities where Chorley Council have some responsibility or significant influence

3. Corporate Priorities

This project supports the following corporate priorities;

- Involving 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

4. Objectives

Through neighbourhood working the project aims to deliver 24 neighbourhood preferred projects by April 2017.

The outcomes from the delivered preferred projects will be specific to each of the preferred project chosen, and therefore benefits / outcomes should be detailed within each individual theme of each plan, however in general the project will support and be measured by the following corporate and local performance measurements;

- CS 1.01 - % people satisfied with their neighbourhood as a place to live
- CS 1.03 - % of people who feel they cannot influence decision making in their local area
- CS 4.02 - % residents satisfied with the way the council runs things
- CS 4.03 - % residents who feel that Chorley Council provide value for money
- CS 4.04 - % of customers dissatisfied with the service they have received from the council

5. Benefits

The Council has identified an investment budget of £50K for neighbourhood preferred projects. Each of the neighbourhood area groups is invited to propose 3 preferred work areas for delivery within the financial year.

The key benefits are:

- Shared actions and projects to enhance a neighbourhood area
- Greater partnership working at a community level
- Increased consultation with community engagement at a neighbourhood level

6. Scope

This project takes responsibility for the delivery of 24 neighbourhood preferred projects as outlined and agreed at each of the eight neighbourhood meetings which will take place in January / February 2016.

Each neighbourhood area meeting has a nominated chairperson for the meetings and each priority has a lead service assigned to it. For a number of priorities the lead service will be required to liaise closely with the chairperson of the neighbourhood area in order to properly scope each of the preferred projects.

7. Key Project Milestones

- Neighbourhood meetings to decide on preferred projects take place in January / February 2016
- The 24 neighbourhood preferred projects are agreed and are submitted to Executive Cabinet in March 2016 for approval.

- Each required service to fully scope the priority details in consultation with neighbourhood group representatives.
- Cost the agreed work
- Engage partners and agencies as appropriate
- Prepare project plans and timescales
- Deliver the priority
- Update the neighbourhood group at the July 2014 and January 2015 round of neighbourhood area meetings

8. Constraints

The total investment budget for the 24 Neighbourhood Preferred Projects is currently £50,000 with the possibility of an increase with 2015 underspend slippage. Budget spend is subject to future Executive Cabinet approval in March 2016

9. Impact on other Directorates/Projects

The impact on individual services will not yet be known as it will be dependent on the relationship of the preferred projects chosen.

There may be impacts and co-ordination required with the following 2016 planned organisational projects:

- Community Action Plan
- Community, Development & Volunteering (Spice)

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

05. Free Swimming

Date: 03/12/2015

Author: Kate Cronin

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

This budget will deliver free swimming sessions for those aged 16 years and under during the school summer holiday period.

2. Project Background

Free swimming aims to encourage young people to participate in health and wellbeing activities by providing free swim sessions over the summer holiday period, making swimming accessible to all aged 16 or under. The Free Swimming Programme has been running for a total of three years.

Free swimming was offered over the summer holidays in July and August 2015 for those aged 16 or under. The scheme was delivered in partnership with Active Nation, at All Seasons Leisure Centre and Brinscall Pool.

The 2015 scheme ran for six weeks. Over this period, total attendances were 3,604 across the two sites which is a 4% increase on last year's figures.

By offering free sessions over the summer period, footfall at the centres increased, along with awareness of what the centres offer. The sessions also provided a diversionary activity for young people.

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.
- To provide a diversionary activity for young people in the Borough during the school holidays.

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 which helps to reduce health inequalities and provides a diversionary activity for young people during the school holidays.

Project Mandate

6. Scope

This project will provide free swimming opportunities to children aged 16 or younger at All Seasons Leisure Centre and Brinscall Swimming Pool throughout the school Summer holidays.

7. Key Project Milestones

Task	Duration	Start	Finish
Work with Active Nation to define scope of offer	2 months	April 16	May 16
Develop Communications strategy	1 month	June 16	June 16
Scheme goes live	7 weeks	July 16	Sept 16
Review scheme	1 month	Oct 16	Nov 16

8. Constraints

- The project has a budget of £7,500
- Swimming to be provided during summer holidays.

9. Volunteering – Time Credits

Volunteering empowers the individual and provides a strong sense of local pride and community leadership. The Chorley Time Credit scheme developed with our partners Spice has inspired the Council and local organisations to work in new ways that focus on collaboration with communities, building a shared future for everyone.

Active Nation support Time credits and allow the use of the credits for off peak swimming.

10. 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

*06. Replacement of CBC's Control Orders with Public Space
Protection Orders*

Date: 25/11/2015

Author: Jason Mills

Responsible Directorate: Health Environment and Neighborhoods

1. Project Overview

In response to new legislation contained in the Anti-social Behaviour, Crime and Policing Act 2014, (Part 4 Chapter 2 – Public Space Protection Orders) this project will replace all current Chorley Council Control Orders; such as Public Place Orders, Gating Orders and Dog Control Orders with the new Public Space Protection Orders.

2. Project Background

The Anti-social Behaviour, Crime and Policing Act 2014 came in to force on 20th October 2014. It requires local authorities to replace current control orders with Public Space Protection Orders by October 2017.

A public space protection order is made by a Local Authority if satisfied on reasonable grounds that two conditions are met. Firstly, that (i) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality; and (ii) it is likely that activities will be carried on in a public place within that area and that they will have such an effect.

The second condition is that the effect, or likely effect, of the activities is, or is likely to be of a persistent or continuing nature, such as to make the activities unreasonable, and therefore justifies the restrictions imposed by the notice.

A public spaces protection order is an order that identifies the public place and prohibits specified things being done in the restricted area and/or requires specified things to be done by persons carrying on specified activities in that area. The order may not have effect for more than 3 years and the Local Authority must consult with the chief officer of the police and the local policing body before issuing the order.

Failure to comply with a public spaces protection order is an offence.

3. Corporate Priorities

This project will contribute to the following Corporate Priorities:

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

4. Objectives

- To meet the requirements of section 59 of the Anti-social Behaviour, Crime and Policing Act 2014 (Publication of Public Spaces Protection Orders) Regulations 2014.
- Amending all current Council Control Orders with new Public Space Protection Orders.

Project Mandate

5. Benefits

This tool will replace the Designated Public Place Order, Gating Orders, and Dog Control Orders and so should make things more streamlined and therefore more effective, especially if it can now be used more widely than previous legislation permitted.

Previously a Local Authority could not issue an order such as this without having it signed off by the Secretary of State. Now it can be done at a local level,

Local Authorities and Police can work together to achieve improved quality of life in public spaces, not just to issue an order but to ensure compliance with it.

6. Scope

- To replace the current designated Public Place Orders, Gating Orders, and Dog Control Orders with new Public Space Protection Orders.
- Utilisation of the new Public Space Protection Order legislation for any new or on-stream issues where previously a Public Place Order would have been merited.

7. Key Project Milestones

Key Milestones	Delivered by
Audit of current Control Orders	Quarter One 2016/17
Assessment of Need	Quarter Two 2016/17
Creating Orders	Quarter Three 2016/17
Replace / Re-Working of Signage	Quarter Four 2016/17
Creation of new Orders	Quarter Four 2016/17

8. Constraints

The main constraints on the delivery of this project are budget and resources.

A total budget of £20,000 is requested to support the delivery of this project, which is primarily for the replacement signage costs.

9. Impact on other Directorates/Projects

The project will have an impact on the following services;

- Planning & Development Control
- Streetscene
- Communications

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

07. Empty Homes - Enforcement Action and Communications

Date: 24/11/2015

Author: Jason Mills

Responsible Directorate: Health Environment and Neighborhoods

Project Mandate

1. Project Overview

This project seeks to continue the successful work that Chorley has undertaken across previous years to reduce the number of empty residential properties in the Borough.

The budget connected to this project will fund a full-time Empty Property Officer for 3 years 2016/17 to 2018/19. The work of the officer will continue to encourage the occupation of empty properties by supporting the Council's Empty Residential Property Policy agreed by Council in November 2015.

A full-time Empty Property Officer is currently in post and under contract until May 2016

2. Project Background

Derelict and long term empty properties such as empty homes, disused shops and offices, or dilapidated buildings can be detrimental to our neighbourhoods. They may cause a blight and portray a rundown, tired area which negates any confidence in regeneration activities or fostering community cohesion.

Empty residential properties are increasingly an issue of concern both in terms of local impact on neighbourhoods and the wider issue of housing supply. Bringing back empty residential properties into use can be part of a solution for the regeneration of a neighbourhood.

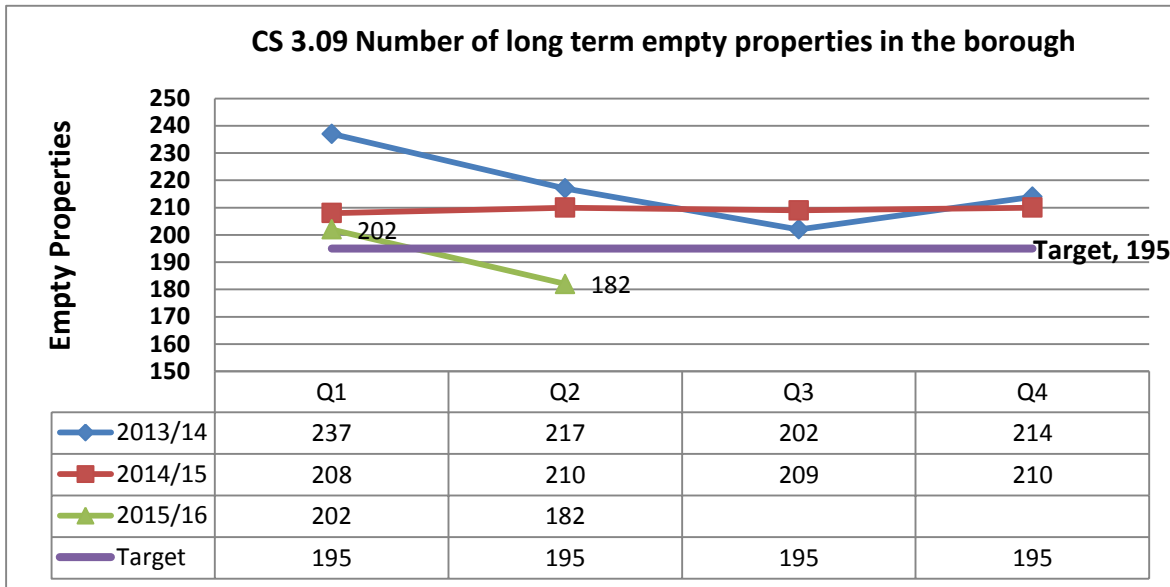
For a number of years the Council has monitored the level of long term (over 2 years) empty residential properties and there is currently a corporate performance target of 195 properties. In the past 12 months the Council has directed resources to address the empty residential properties that may or may not be classed as long term empty but cause particular nuisance or concern to local residents. This concern may arise due to the appearance of the property, the state of the buildings and grounds or the perceived blight that the presence of the property.

Using an informal approach, over twenty five empty residential properties of concern have been either placed on the open market, been reoccupied or works have been undertaken to reduce the detrimental impact they had on the surrounding area.

There are a number of formal measures that are available to the Council that can be used to further encourage property owners to bring them back into residential use. These are detailed in the new Council's Empty Residential Property Policy agreed by Council in November 2015

The graph below shows the number/trend of long-term empty properties in Chorley;

Project Mandate



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 limit the number of empty residential properties and use appropriate use of powers to bring them back into occupation.
- To raise awareness of the empty residential property issue and highlight the concerns that they can present for neighbourhoods
- Develop a corporate approach by linking the services whose work is pertinent to the issue.
- Ensure that a coordinated approach to the issue and use our various communications channels to make empty residential property owners aware of the new Empty Residential Property Policy. This will include relevant information on the Council website as well as frontline officers being provided with information on the issue to identify and report potential problem empty residential properties.
- The Regulatory Service Team will maintain a database of empty residential properties that are the subject of complaint or are identified as a cause of concern. Properties that are empty and unfurnished for more than two years are identified separately by the Council Tax Team.
- The accuracy of council tax empty homes data is systematically reviewed to ensure accuracy and the Regulatory Services team will liaise closely with the Council Tax Team to share and cross reference the data they hold.
- Develop a web based procedure to give the public the opportunity to notify us of empty residential properties.

Project Mandate

The outcomes from the work to reduce empty residential properties will support and be measured by the following current corporate and local performance measurements;

CS 1.01 - % people satisfied with their neighbourhood as a place to live

CS 3.01 - Satisfaction with street cleanliness

CS 3.09 - Number of long term empty properties in the borough

CS 4.04 - % of customers dissatisfied with the service they have received from the council

A further two local performance measurements have been created (below) in order to monitor and track the performance of those empty properties which have been defined as “Complaint Driven”

HEN 15a – Total Number of empty properties defined as “Complaint Driven” properties

HEN 15b – Total Number of interventions put in place for “Complaint Driven” properties

5. Benefits

Bringing back empty residential properties into use can be part of a solution for the regeneration of a neighbourhood;

For the property owners:

- It unlocks potential capital if the property is sold; it will produce rental income if the property is let and there is the potential for an increase in property value
- Leaving a property empty increases the risk of vandalism and crime, making the property more costly to insure empty, if it can be insured at all. This leaves the owner vulnerable to losing their asset completely if it were destroyed by fire.

For local residents:

- It reduces the opportunities for vandalism, fly tipping and antisocial behaviour in all its forms
- Unsightly properties can have a negative effect on a neighbourhood; reduce house prices and lower people’s pride in the area
- Increased housing supply to meet housing needs
- Improvements in the appearance of the area if derelict and neglected properties are re-occupied, encouraging further occupation

For the local economy:

- Bringing an empty residential property back into use contributes to the regeneration of an area, increasing spending in the local economy and helping to protect the value of surrounding properties
- Unsightly properties can often deter investment in an area, which can lead to decline

For the wider community:

- Returning properties back into use reduces demands on services such as the Police, Fire and the Council to deal with the associated problems. As a consequence resources can be used more effectively elsewhere and those once empty homes provide additional housing for the local community

Project Mandate

- Bringing back empty properties into use may reduce the need for new development on green field sites.
- Re-establishment of communities
- Reduction in crime rate due by removing opportunities for nuisance and increased level of anti-social activities
- By returning empty properties into use, residents will benefit from cleaner, more attractive neighbourhoods and stronger, safer communities while encouraging private investment and regeneration into the area
- Restoration of council tax and rental income.

6. Scope

There are a number of formal measures that are available to the Council that can be used to further encourage property owners to bring them back into residential use, the Council’s Empty Residential Property Policy describes the approach as two fold;

- **Complaint Driven** – irrespective of the length of time premises remain unoccupied we will visit the property and validate the complaint with a risk assessment of the property and make contact with the owner to determine the reasons for lack of occupation and proposals of bringing the property back into use.
- **Empty and Unfurnished over 24 months** – we will visit and risk assess all properties that have remained unoccupied for over 2 years. We will make contact with the owners to ascertain their intentions for property. Dependant on the response of the owner we will determine the most appropriate course of action to bring the property back into use.

Council Tax Premium - The Council has discretion to apply a premium to empty residential properties up to 50% of the Council Tax due on the property. Currently the Council applies a premium of 25%. The Empty Residential Property Policy identifies this issue and provides scope for the Council to use its discretion to use the higher 50% premium.

In November 2015 Executive Cabinet gave approval to consult on increasing the empty home premium to 50%.

7. Key Project Milestones

Key Milestones	Delivered by
Secure recruitment of officer to succeed current funding which concludes in May 2016	by May 2016
Undertake Integrated impact assessment on Empty Residential Property Policy	May 2016
Review processes and interventions to align with Empty Residential Property Policy	June 2016
Develop a communications package for property owners highlighting the issue of empty properties	June 2016
Monitor and report on agreed performance	Quarterly

Project Mandate

8. Constraints

The main constraints on the delivery of this project are budget and resources.

This project has requested £98,000 (36k per annum). The budget will continue to fund a full time Empty Property Officer for 16/17 -18/19.

The total cost of the project is £110k however £12k will be carried forward into 16/17 to part fund this post.

9. Impact on other Directorates/Projects

There are a number of services whose work relates to this issue and therefore a co-ordinated, corporate approach is vital to ensure that communication and the distribution of complex information between services on this key issue is accurate.

Services and teams which have an association to this project are:

- Regulatory Services Team
- Neighbourhoods Team
- Communications Team
- Housing Options Team
- Registered Social Landlords
- Council Tax
- Legal Services
- Property Team
- Building Control

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

08. Provide a Mediation Service for Anti- Social Behaviour Case Resolution

Date: 08/12/15

Author: Kate Cronin

Responsible Directorate: Public Protection, Streetscene and Community

1. Project Overview

Investigations into cases of anti-social behaviour (ASB) 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.

Using an external mediation service, where appropriate, will release capacity within the Neighbourhoods Team to take on extra case- loads where Officer time and effort is used to resolve neighbourhood ASB cases that may more appropriately be referred for mediation.

The project will allow the expansion and continuation of the service. The service is currently provided by Manchester City Council Mediation Services.

Parties who meet pre-determined criteria will continue to be referred into a mediation setting by agreement.

As at Quarter two (2015) the service has had:

- Six cases referred to date
- Two cases fully complete with a successful resolution
- Two cases referred, contact was made but one of the parties was unwilling and therefore the case was closed
- Two ongoing mediation processes

An annual review with providers is due to take place in January 2016.

3. Corporate Priorities

This project meets the following corporate priorities:

- Clean safe and healthy communities – providing this service means an additional tool is available to resolve ASB neighbour issues which might otherwise go unresolved or escalate.
- An ambitious Council that does more to meet the needs of residents and the local area. This service demonstrates the Councils ambition to better meet the needs of its residents.

4. Objectives

The project will:

- Expand the capacity of the service
- Utilise the mediation service if appropriate and where parties meet the referral criteria

Project Mandate

- Measures will be established to record the use and impact of the service throughout the year

5. Benefits

Benefits of the project 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 to continue, for a further year, to provide a service into which specific cases of anti-social behaviour can be referred.

Referrals need to meet specific access criteria.

It is only intended to provide the service for ASB cases and not for other areas where mediation might provide a solution, such as general noise or nuisance complaints or neighbour disputes which do not meet as ASB threshold at this stage.

7. Key Project Milestones

The Key Project Milestones are:

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

8. Constraints

The main constraints on the project are considered to be:

- The number of cases which meet the criteria for referral will be a constraint on the delivery of the service.
- The volume of mediation sessions could act as a constraint on the success of the mediation of each case
- The project is requesting a budget of £10,000 to deliver this service, it is expected that this budget will support the referral of approximately 15 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

09. North West in Bloom 2016

Date: 23/11/2015

Author: Jason Mills

Responsible Directorate: Streetscene and Leisure Contracts

Project Mandate

1. Project Overview

This project will build on the previous year's successes in the "North West in Bloom" competition, working with the "Chorley In Bloom" Charity group, schools, communities, friends groups and others to prepare for the Judges visits expected in July/August 2016, continuing until the awards ceremony at the end of October 2016.

2. Project Background

Chorley Council has had a history in horticulture for a number of years since being involved in the regional Royal Horticultural Society 'In Bloom' awards in 2002. In October 2013, Chorley was awarded a Gold Medal Award in the best Small City Category and for the first time was nominated to represent the North West finalists in the national In Bloom finals.

In 2014; Chorley won the Silver Award for the Best Small City category at the Britain In-Bloom Awards and the Gold Award for the same category at both the 2014 & 2015 North-West In-Bloom Awards.

In 2015 a long term project objective was to develop and establish an 'In Bloom' group as a charitable entity to lead on the towns future submissions. It was envisaged that this body would take up to two to three years to be established and be in a strong position before it was able to take the lead in this project.

During 2015 Streetscene Management helped bring together the first 'In Bloom' group and worked alongside the group's members during the 2015 project whilst they looked to establish the group further. It's envisaged that the 2016 project will continue this development.

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

- Continue to develop and support the "Chorley In Bloom" Charity group as the lead organisation in the towns future competition submissions.
- Ensure that the feedback received from the 2015 judging panel is fed back in to this year's planning process.
- To continue to support local Community Groups, Businesses and Schools in all areas of the 'In Bloom' competition.
- To build on the previous year's success in the 'North West In Bloom' competition, supporting support local Community Groups, Businesses and Schools in all areas of the 'In Bloom' competition
- To win 2016 North-West In-Bloom out-right.

Project Mandate

- To be nominated for Britain In-Bloom 2017.

5. Benefits

- Community development
- The establishment of the Chorley In Bloom” Charity group
- Raising the profile of Chorley within the media

6. Scope

The project includes investment in new additional features / planting that will directly support and enhance the Council’s entry in 2016 North-West In-Bloom. To support the on-going In-Bloom works a range of additional features and improvements have been identified for investment as follows:

Areas of planned work for 2016;

- First world War garden in Astley Park
- Additional hanging baskets and flowers in the town centre
- Additional planters and flowers in the town centre
- Improvements to Hartwood roundabout as the entrance to Chorley from the motorway including a metal sculpture.

7. Key Project Milestones

Key Milestones for 2016;

- Continue to work closely with the In Bloom group to identify projects for them to lead on involving businesses and our communities. (all year)
- To review the 2015 Judges feedback with all partners and agree improvements to be implemented for the 2016 Judging (March to June)
- To work closely with business, community groups and other partners to improve Chorley In Bloom (all year)
- To review the Judges’ comments for 2016 and consider changes for 2017 (October 2016 to March 2017)

8. Constraints

A budget of £50,000 has been allocated to this project. This can be distributed as follows;

First World War Garden £5K
Hanging Baskets (Town Centre) £5K
Planters x 20 (Town Centre) £20K
Plants £5K
New sculptures £15K

Project Mandate

9. Impact on other Directorates/Projects

This project will have an impact on both the Town Centre teams and the Economic Development teams.

Consideration and an awareness of other projects operating within the town centre during 2016 should also be taken in to consideration when planning this year's project, as 2016 may also see the commencement of the Market Walk Extension building project on the flat iron and the other inter-related town centre development projects/plans which are due to take place during 2016.

- Deliver the Market Walk Extension
- Investigate further opportunities to expand Chorley markets
- Deliver the Steely Lane / gateway Project
- Town Centre Masterplan

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

10. 16/17 Young Persons Drop-in Centre

Date: 10/12/15

Author: Kate Cronin

Responsible Directorate: Customer and Advice Services

Project Mandate

1. Project Overview

The aim of the project is to provide a drop in service for 16 and 17 year olds at risk of becoming homeless. The service will aim to prevent homelessness within this age group through support and mediation services.

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.

The drop-in service is for 16/17 year olds only and operates two days a week on Mondays 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.

3. Corporate Priorities

The project supports two of the Councils four priorities:

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

The prevention of homelessness is a key priority of Chorley Council and the Housing Options Team and other functions of the Strategic Housing Service are heavily focussed towards this goal.

It is anticipated that the continuation of a preventative drop- in service for 16/17 year olds will contribute to this key priority.

Project Mandate

5. Scope

A budget of £15,000 has been requested to enable a drop in service for 16/17 year olds to prevent homelessness.

6. Constraints

LCC currently provide an officer from Children's Social Care 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

11. Chorley Business Investment for Growth (BIG) grant

Date: 10/12/2015

Author: Kate Cronin

Responsible Service: Business Advice Employment and Skills

Project Mandate

1. Project Overview

The project forms part of a support service for existing businesses, trading for over six months. This service was established to assist businesses to survive and grow and is provided by a dedicated Business Advisor.

The project is to provide a reward scheme to support the expansion of existing businesses, trading over 6 months, who are creating/safeguarding jobs. This fund is called the Chorley Business Investment for Growth fund (BIG) and has been running since April 2013.

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.

Chorley Council requires grant recipients to deliver both economic and community outputs in return for receiving this funding, the latter through a Community Repayment Scheme.

2. Project Background

Businesses in Chorley have access to a dedicated Business Advisor 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.

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 (Boost 2 is anticipated early Jan 2016) which is the sub-regional Growth Hub led by the Lancashire LEP (Lancashire Enterprise Partnership). Seven 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.

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 integrated into delivery.

Project Mandate

In the period April 2013 – November 2015, 14 Chorley BIG grants have been approved, to a total of £114,302. 38,576 of floor space will be improved or developed and 83 jobs are forecasted to be created. The private sector investment totals £1,277,594.

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.

5. Benefits

The Proposed project will have the following benefits:

- Assisting local businesses to survive and grow
- Creating jobs, which can be accessed by local people
- Giving back to the community – through the Community Repayment Scheme

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.
- The work compliments 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.

6. 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:

Project Mandate

- 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 Access 2 Finance to ensure referrals are made into the Chorley service, and vice versa.

The BIG grant scheme uses public money and therefore constitutes state aid as defined in European Commission Regulations. It is given to SME’s under the EU de minimus rules, which means that an SME can receive up to 200,000 Euros of state aid over a rolling three year period.

7. Key Project Milestones

Key milestones include:

Key Action	Milestone Date
Continue to progress BIG grant applications	Ongoing 16/17

8. Constraints

£60,000 is requested to continue the Support the Expansion of Local Businesses (BIG grants) scheme into the financial year 2016/17.

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.

9. Impact on other Directorates/Projects

The Project will work with a number of services in its delivery:

- The role of the Business Advisor will complement the work of the Council’s start-up Business Advisor
- The Communications Team will be involved in any PR around the successful completion of grant funded projects
- The Finance Team will be involved in application panels

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

12. Business Start Ups (Grants and Loans)

Date: 11/12/2015

Author: Kate Cronin

Responsible Directorate: Business Advice Employment and Skills

1. Project Overview

This project aims to continue to assist in the creation of new start-up businesses and help those without significant capital available to them to create sustainable businesses and ultimately generate more jobs in Chorley.

The project provides grant funding and gives access to loans via the Credit Union to those wishing to start new businesses.

2. Project Background

The Starting in Business Grant was introduced in September 2012.

Between April 2014-November 2015, 106 £250 grants have been awarded and 65 new businesses have accessed the £500 start-up loan. Approximately 119 jobs have been created through the scheme, working out at approximately 1.1 jobs per grant.

The scheme has supported a range of new businesses to get up and running with some examples of new business start-ups including Nail Technicians, trades, craft businesses and music tuition.

3. Corporate Priorities

This project fits with the Council's priority of 'a strong local economy', by supporting new, sustainable start-up businesses.

4. Objectives

The project aims to:

- Support new businesses
- Create new jobs

5. Benefits

The main benefits of the project will include:

- The creation of new businesses
- The addition of new jobs in Chorley

Both of these benefits will support the local economy.

6. Scope

- The offer should be available to all new start businesses on completion of a viable business plan and it is not proposed to means test for need.
- The assessment process will involve a review of the Client's Business Plan by the Business Advisor, and completion of any actions resulting therefrom.
- The granting of the loan would be by way of applying the normal canons of lending.

Project Mandate

- The grant/loan provision is to be available over a 12 month period from April 2016.
- The administration of the loans will be via Unify Credit Union.

7. Key Project Milestones

As the project is now in its second year, all mechanisms and processes are in place, should the project be successful in securing funding for the coming financial year.

8. Constraints

The project is requesting £50,000 to deliver the Business Start Up (Grants and Loans) scheme for 2016/17.

The main constraints to note for this project are budget and limited resources.

9. Impact on other Directorates/Projects

The project will have a link to other Business Advice Employment and Skills projects.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

13. Borough Wide Retail Grants Improvement Programme

Date: 10/12/2015

Author: Kate Cronin

Responsible Service: Business Advice Employment and Skills

Project Mandate

1. Project Overview

The project aims to encourage the take-up of vacant retail properties in Chorley, by offering grant support towards interior and exterior improvements. Existing Chorley businesses can also apply for funding to improve the visual appearance of their shop exterior.

The take up of match funded grants allocated to retailers in Chorley has been extremely high, with over £100k additional funding allocated in 2015/16. This project will continue to meet the demand for these grants in 2016/17.

2. Project Background

The Vacant Property Grant (Shop Floor/ Business Rate Subsidy) and Shop Front Grant Programme has been in place since June 2012. The programme initially focused on the shopping areas of the town; there have been a number of expansions to the eligible geographical areas as follows:

June 2012- Inclusion of all of the designated town centre boundary area (shop floor/front)

April 2013- Inclusion of designated local service centre areas (shop floor only)

June 2015 – Inclusion of all areas (shop floor/shop front)

The demand for the programme continues to be high. With the opening up of the programme to the wider Chorley area in June 2015, there are now increased opportunities for more Chorley businesses to access the programme, and for its benefits to be seen across the Borough.

3. Corporate Priorities

The project fits with the following corporate priorities:

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

4. Objectives

The programme aims to:

- Increase the take up of vacant retail properties
- Improve the visual appearance of shops, for the benefit of local businesses, residents and visitors
- Support new businesses and existing businesses to improve the appearance of shop fronts
- Bring in private sector investment

5. Scope

The scope of this project will include any local businesses within the designated boundary area. The project is requesting £80,000 to deliver this work over 2016/17.

The Shop Floor Refurbishment Grant can be used to improve the function and appearance of the shop floor. Works may include changes to layout, redecoration, new fixtures and fittings. The grant may also pay towards building regulations application

Project Mandate

fees where relevant. Machinery and equipment will be excluded. The funds can support small and medium enterprises (SMEs) acting as independent retailers, who are moving into vacant premises located either within the designated Chorley Town Centre boundary or within other local retail centres.

The Shop Front Improvement Grant is for comprehensive capital works (rather than routine maintenance) to improve the visual appearance of a retail property. Works may include new windows (as part of an overall scheme), exterior treatments, lettering, fascias, signage, and lighting on the principle ground floor trading elevation of the property. Physical improvements to a shop entrance to improve disability access are also eligible for grant support. The grant may also pay towards the planning and building regulations application fees where relevant. The funds can support small and medium enterprises (SMEs) acting as independent retailers, who are EITHER moving into vacant premises located within the designated Chorley Town Centre boundary or within other local retail centres OR retailers who are already based in these areas.

An SME is a company which employs fewer than 250 persons (full time equivalent), and has a turnover of less than 50 million Euros and/or has an annual balance sheet of less than 43 million Euros. No more than 25% of the company's capital or voting rights may be held by a parent company which is not itself an SME.

In order to comply with EU state aid regulations Chorley Council is unable to provide financial support to companies in the transport sector, or those involved in the production of agricultural equipment.

6. Key Project Milestones

As the project is now in its fourth year, all mechanisms and processes are in place, should the project be successful in securing funding for the coming financial year.

7. Constraints

The main constraints on the delivery of this project are resources at peak periods.

8. Impact on other Directorates/Projects

The project has links to the following:

- Finance
- Communications Team
- Business Start Up Project

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

14. Choose Chorley Grants

Date: 10/12/2015

Author: Kate Cronin

Responsible Service: Business Advice Employment and Skills

Project Mandate

1. Project Overview

The Choose Chorley grant provides an incentive for businesses to consider re-locating to the Borough.

2. Project Background

The grant scheme began in March 2014 when the first relocation grant was awarded and has since attracted a total of 6 businesses to Chorley, with 91 jobs forecasted to be created.

The Choose Chorley grant scheme aims to attract inward investors, create new and sustainable local employment opportunities and strengthen local supply chains.

Grants are available up to the value of £25,000 (minimum £1,250 grant per job) although a higher amount will be available in exceptional circumstances.

The assessment criteria for the grant includes:

- Number of jobs relocated to the borough
 - total jobs
 - jobs held by a Chorley borough resident
 - jobs held by a non-Chorley borough resident
- Number of new jobs created (as an increase in the total jobs within the business)
- Number of new jobs created and accessed by a Chorley borough resident
- Private sector investment
- Evidence of increase in local supply chain activity

Inward investors are required to sign up to the Council's Employment Charter and be prepared to take part in joint publicity to promote the Scheme and the wider Chorley economy. Whilst not a condition of grant, potential applicants are encouraged to make use of senior players, such as the Leader of the Council, local MP, Chief Executive of the Council and other stakeholders that could assist in any site visits or discussions over investment projects.

The grant also provides a soft landing scheme which gives support to the relocating business and offers them one hour of free access to services such as solicitors or accountants.

The scheme forms part of the overarching inward investment programme and one of the incentives promoted as part of the inward investment campaign.

3. Corporate Priorities

The grant scheme contributes to the following corporate priority;

- A strong local economy

4. Objectives

The project aims to encourage businesses to relocate to the area in the forthcoming financial year. Three businesses would be able to be supported at the maximum level of £25,000 and more at a lower level.

Project Mandate

For 2016/17, the broad objectives for the project are to:

- Attract new businesses to relocate to Chorley
- Create new jobs (as well as the relocation of the businesses existing workforce)
- Attract larger businesses to the area and embed them within the local economy
- Develop supply chains within the Borough, encouraging newly relocated companies to purchase products and services from existing local companies.

5. Scope

The grant is aimed at existing businesses permanently relocating from outside of the Borough into Chorley which intend to bring ideally 20 or more sustainable jobs within 18 months of them establishing a base.

The project aims to encourage businesses to relocate to the area in the forthcoming financial year. Three businesses would be able to be supported at the maximum level of £25,000 and more at a lower level.

The grant can be used for the construction of new buildings, the refurbishment or adaptation of existing business premises, site engineering works, the purchase of plant and machinery, signage, hard/soft landscaping, security improvements, relocation costs, lease costs and business rates.

The timescale for claiming the grant is 6 months. The grant will be paid on evidence of defrayed expenditure, works completed and evidence of jobs created. Where there is a lead-in time for job creation, 40% of the grant will be paid on completion of the works and 60% on evidence of jobs created. The grant will be paid within 30 days.

Projects supported will comply with EU state aid regulations. The grant will be given to Small to Medium sized Enterprises (SMEs*) under the EU de minimus rules, whereby the SME can receive up to 200,000 euros of state aid over a rolling three year period. Support to companies in the transport sector, or those involved in the production of agricultural equipment, will be ineligible.

*An SME is a company which employs fewer than 250 persons (full time equivalent), and has a turnover of less than 50 million euros and/or has an annual balance sheet of less than 43 million euros. No more than 25% of the company's capital or voting rights may be held by a parent company which is not itself an SME.

The following will be out of scope:

- Retail businesses will be exempt
- The grant will not be available retrospectively

6. Key Project Milestones

The project will continue to deliver the Choose Chorley grant scheme over 2016/17.

7. Benefits

The main benefits of the grant scheme will be:

- The creation of new jobs which will be available to local people
- The further development of the local economy, through an increase in local supply chain activity

Project Mandate

- Increase in local spending power, through bringing in an additional workforce from outside the Borough, and the potential for workers to consider residing in Chorley.

8. Constraints

The project is requesting £75k to fund the continuation of the existing programme.

The main constraints on this project will be staff time, resources and financial.

9. Impact on other Directorates/Projects

The project will link in to the following:

- Communications Team
- Finance Team
- Other Economic Development projects

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

15. Inward Investment (Digital Health – Euxton Lane)

Date: 21/12/2015

Author: Kate Cronin

Responsible service: Business Support, Employment and Skills

Project Mandate

Project Overview

This project provides for the delivery of inward investment over 2016/17 and is requesting a total of £25k to move forward the Digital Health Park, Euxton Lane Chorley.

Project Background

A key priority within the refreshed 2014 Economic Development Strategy is to promote and increase inward investment in Chorley to support economic growth in the borough and provide a mix of well paid, high and low skilled jobs.

Following a thorough procurement process, Breeze Strategy was appointed in November 2012 to recommend a series of activities to articulate a compelling Chorley offer to attract inward investors to key development sites and premises. This work was then built upon by developing an Inward Investment Campaign.

The Chorley Local Plan will provide a future supply of employment land in Chorley up to 2026.

Chorley Council has a responsibility and has a role as facilitator to ensure that there is a continuous supply of land for employment uses. Whilst it is impossible to predict with any degree of accuracy the number of jobs which might be attracted through inward investment, based on industry-standard guidelines, over the next 15 years there is potential to create between 3,000 and 19,000 jobs.

The inward investment action plan and campaign has delivered:

- Choose Chorley – The New City Gateway brand
- Choose Chorley Grant
- A soft-landing scheme
- Choose Chorley Web Site
- Linked Choose Chorley Social Media facility
- Lighting of Rivington Pike, posters along main transport corridors in Manchester
- A Choose Chorley Video
- Signage – Bespoke ‘Choose Chorley for Business’ signage at key entry points to Chorley.
- A Chorley-In-Manchester Day- to showcase the town’s assets and sharing of the story, propositions and activity programme.

Digital Health was identified as one of the fastest growing sectors in Lancashire by the LEP in their Strategic Plan, and also in our economic development strategy. Therefore we began conversations with the North West Cost Academic Health Science Network (<http://www.nwcahsn.nhs.uk/index.php>) whose aim is to improve patient outcomes by working with academic and industry – creating wealth from health.

An outline planning application for a digital health park on Euxton Lane was approved in July 2015. The hub will provide offices and other facilities suitable for companies look at how new technology can be used in healthcare.

Also included in the draft application are plans for a care home and specialist care facility, a convenience store, family pub, light industrial units and up to 125 new homes.

Project Mandate

In addition, in the recent local government finance settlement it is clear that revenue support funding will reduce and ultimately be withdrawn leaving council much more dependent on council tax and business rate income. It is therefore important that we work to develop the Council's business rate base over the coming years to ensure that we are in the best possible position as the councils funding changes. This project will support us in doing that.

Corporate Priorities

The development and delivery of an inward investment plan will support the Corporate Strategy's priority them 'A strong local economy', by helping to create a strong business sector and by providing access to employment.

Objectives

The main objectives of the project over 2016/17 are to:

- Increase the number of businesses locating in Chorley
- Increase occupancy rates
- Increase the number of jobs available in the Borough
- Further develop the digital and health sectors in Chorley
- Increase Chorley's regional/national profile
- Work with partners to progress the plans for a digital health park on Euxton Lane.

Scope

The scope of the project over 2016/17 will be to take the inward investment function to the next stage. This will include updating our inward investment plans as well as progressing the digital health park at Euxton.

Benefits

The main benefits of the project will be:

- Increased number of businesses locating in Chorley
- Higher occupancy rates
- Increased number of jobs available in the Borough
- Higher regional/ national profile
- Euxton Lane to create a total of 700 jobs.

Key Project Milestones

Key milestones for this project will be focused on getting a detailed specification, layout plan and artists impressions and development and submission of a full planning application for the Digital Health Park.

Constraints

The project is requesting a total of £25k to support the design and build (including detailed specification, layout plans and artists impressions) for the Digital Health Park, Chorley.

Project Mandate

Impact on other Directorates/Projects

The project is likely to have an impact on the following:

- The project will complement the activity to bring forward employment land within the Strategic Development function
- The support of the Communications Team will be required in connection with producing promotional material etc.

PROJECT DOCUMENTATION

PROJECT MANDATE

16. Extend the External Funding Officer post

Date: 10/12/2015

Author: Kate Cronin

Responsible Service: Business Advice Employment and Skills

1. Project Overview

External funding is available from a wide range of organisational bodies as well as the EU and UK governments to support locally delivered projects. This role is to link the external funding with suitable projects mainly developed around economic growth, business support and employability.

2. Project Background

The External Funding Officer will actively seek out resources to support projects being delivered by Chorley Council. This requires funding bids to be made to external bodies as well as project management.

The Lancashire Local Enterprise Partnership is responsible for the allocation of £230m of European Funding across Lancashire 2014-20. The External Funding Officer will be engaged to develop ESIF projects and submit detailed funding bids.

The latest round of Growth Deal has recently been announced by the UK government to support economic development focused projects. It is anticipated that Chorley Council will be bidding for employment focused development sites. This will be co-ordinated by the External Funding Officer.

Other funding opportunities also exist from a wide range of organisations such as the National Lottery, foundations, charities and other government departments. Funding bids will also be made by this role in line with the Council's Resource Procurement Strategy.

3. Corporate Priorities

This project will support the following corporate priority:

A strong local economy

4. Objectives

The objectives of this post are to:

- Develop Chorley Council projects
- Maximise external funding bids
- Project manage secured funding
- Make Chorley businesses aware of external funding (especially rural)
-

5. Scope

A total budget of £24,000 is being requested to extend the external funding officer post. The scope of this role is to identify, secure and manage the delivery of externally funded projects.

6. Key Project Milestones

- Make further ESIF bid- Expected July 2016
- Consider Growth Deal application- July 2016

- Update Resource Procurement Strategy- August 2016
- Assist business to apply to LEADER/EAFRD grant December 2016
- Consider further ESIF bids- March 2017

7. Benefits

The External Funding Officer will maximise the amount of external funding brought into Chorley. This will lead to increased business investment, productivity, growth and jobs. As well as the development and implementation of new projects that would not have previously been funded.

8. Impact on other Directorates/Projects

The main impact of this role will be to complement and build upon the work carried out by the Employment, Skills and Business Support Team. It will expand the range and reach of the Section and help more businesses to grow and people to access employment.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

17. Deliver the Skills Framework

Date: 11/12/2015

Author: Jason Mills

Responsible Directorate: Business Advice Employment and Skills

Project Mandate

1. Project Overview

This project will commence the delivery of a three year action plan to respond to the supply and demand issues, opportunities and challenges identified in the recently commissioned Chorley Skills Framework.

2. Project Background

The refreshed 2014 Economic Development Strategy has 'Education, training and skills development' as one of its priorities.

The June session of our Choose Chorley for Business Focus Group considered employability and skills to identify and resolve some 'burning' issues from a demand and supply perspective. A key action from the session was to commission a skills gap analysis for Chorley. To this end, Chorley Council commissioned Ekosgen to produce a Chorley Skills Framework.

The Chorley Skills Framework will help to drive the skills agenda forward supporting local businesses to access the workforce they need to support change and growth, and ensure residents are equipped with the skills required by employers. The commission considered the base employment and skills position from both a supply and demand perspective, opportunities and challenges going forward and presented a Chorley specific, yet co-ordinated approach within a three year action plan.

Ekosgen was considered well placed to undertake the study having prepared the Lancashire Skills and Employment Evidence Base, a Skills Action Plan for the Lancashire Visitor Economy and a Preston / South Ribble City Deal Skills Strategy. Integral to the work was consultation with representatives of major Chorley companies, sourced from the Choose Chorley for Business Focus Group, and key sector representatives to gain an understanding from the business and employer perspective. A wider partnership engagement event was also held to encompass the key facts in relation to employment and skills from stakeholders.

3. Corporate Priorities

This project supports the Corporate Strategy priorities of:

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

4. Objectives

This project will commence delivery of the three year Skills Framework Action Plan. Key deliverables have been identified within the plan along with the lead partner, supporting partners and fit with emerging provision via the Lancashire Skills and Employment Strategic Framework. Key activities will be delivered to support the following strategic objectives:

Project Mandate

- Strategic objective 1: Continue to build and develop effective working relationships between employers, training providers and other service providers to ensure a responsive skills system that recognises business requirements
- Strategic objective 2: Ensure that Chorley residents of all ages have the skills and qualifications to access and progress in employment
- Strategic objective 3: Ensure local expenditure is used to support training, skills development and employment opportunities for local residents

5. Benefits

The project will:

- help to drive forward the skills agenda
- support local businesses to access the workforce they need to support change and growth
- ensure residents are equipped with the skills required by employers.

Outcome examples include:

- Skills Board established
- Further Education and Higher Education curriculums shaped in response to growth/high replacement demand needs
- Enhanced Careers Information, Advice & Guidance provision, including employer engagement, in high schools
- Increased apprenticeships in high growth areas
- Increased employment rate
- Improved educational attainment rates

The outcomes from the development will also support and be measured by the following corporate performance measurements;

CS 1.05 - % of the population with NVQ level 3 and above

CS 2.03 - Overall employment rate

CS 2.06 - % of working age people on out of work benefits

CS 2.07 - The % of 16-18 year olds who are not in education, employment or training (NEET)

6. Scope

The scope of the project is the stated activity within the Skills Framework Action Plan. The project will complement the delivery of activity being delivered through the Lancashire Skills Hub.

7. Key Project Milestones

- First meeting of Skills Board
- Stated activity within the Skills Framework Action Plan

Project Mandate

8. Constraints

A budget of £30,000 is being requested to deliver this project over 2016/17.

9. Impact on other Directorates/Projects

This project will complement the work of the Lancashire Skills Hub.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

18. Chorley Works

Date: 09/12/2015

Author: Kate Cronin

Responsible service: Business Advice Employment and Skills

Project Mandate

1. Project Overview

The Chorley Works – Tackling Unemployment Programme is about supporting local people into sustainable jobs, with particular targeting of those most affected by the Welfare Reforms.

The programme aims to provide Chorley Jobseekers Allowance (JSA) and Universal Credit (UC) claimants with up to date, meaningful work experience with reputable local public and private sector organisations. The programme has been in place since May 2014.

2. Project Background

Whilst unemployment in Chorley remains lower than the regional and national averages (in October 2015 0.8% of the working age population (16-64 yrs)¹ in Chorley were on out-of-work benefits) there is a continuing need to mitigate the emerging negative impact of changes resulting from the Welfare Reform Act in order strengthen and build resilience in the local economy.

Since May 2014, Chorley Council has provided unemployed Chorley residents aged 25 years and over with the opportunity to participate in the Chorley Works Placement Programme.

In the 12 month pilot period, up until May 2015, Chorley Council worked in partnership with Lancashire County Councils Employment Support Team to deliver the programme and managed to attain the set target of 50 placements over the year. From May 2015, the Chorley Works Placement Programme has been brought entirely in house; the programme has continued to be successful. The table below outlines the programme outputs between May 2015 and August 2015.

Indicator	Outputs Achieved
Total referrals into Chorley Works	43
Total placements Starts	16
Total placements completed	9
Total contracts offered post placement	8
Total incomplete placements	2
Total participants still on placement	5
Total participants currently undergoing training	12
Total placement ready participants awaiting and placement match	15

3. Corporate Priorities

This project fits in with the Council's Corporate Priority to achieve 'a strong local economy'.

¹ Source: ONS Jobseekers Allowance with rates and proportions

Project Mandate

4. Objectives

The project has the following objectives for 2016/17.

Chorley Works will support those residents who are closest to the 'world of work' in terms of routes into employment and who meet all of the following criteria:

- Unemployed and in receipt of Job Seekers Allowance (JSA) OR Universal credit (UC)
- Age 25+ years
- Not on the Work Programme

5. Scope

The project is requesting £39,000 for 2016/17. The budget will fund an Employability Officer post as well as a £6,000 flexi training fund.

The scope of this project for 2016/17 is to continue delivering a programme to overcome barriers to employment amongst key target groups with actions including:

- Developing an attractive package for jobs seekers and employers.
- Embedding the scheme, including promotion, marketing and liaison with partners.
- Monitoring progress and reporting.

6. Key Project Milestones

The project will continue with its work in increasing participants confidence and skills and thus, moving participants closer to the world of work.

7. Constraints

The main constraint on this project is resources.

8. Impact on other Directorates/Projects

The Chorley Works project has links with many other services and projects including;

- Housing Teams
- Policy Team
- Communities Team
- The Foodbank

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

19. Vulnerable Families Employment Project

Date: 08/12/2015

Author: Kate Cronin

Responsible Directorate: Employment, Skills and Business Support

1. Project Overview

The project aims to facilitate access to training and employment for members of 'Troubled Families', therefore improving the lifestyle and overall wellbeing of the families themselves. This project targets our most difficult to reach families and offers incentives and extra support to encourage them to engage with the existing Chorley Works programme.

2. Project Background

National research undertaken by central government in 2011 estimated that £9 billion is spent annually on troubled families – an average of £75,000 per family each year. Of this, an estimated £8 billion is spent reacting to these families, with just £1 billion being spent on helping families to solve and prevent problems in the longer term.

Access to training and employment is a central factor in improving the lifestyle and overall wellbeing of many families, with worklessness being one aspect of the national criteria which families must fulfil to receive troubled families scheme support.

In December 2011, the Department of Communities and Local Government approached Lancashire and invited them to participate in the national 'Troubled Families Initiative', a three year, payment- by- results programme worth up to £8.7 million and targeting up to 2630 families across the county. The results-based payments were attached to three criteria – educational attendance, youth offending and unemployment.

Lancashire County Council has plans to roll out phase 2 of the Troubled Families initiative. When this goes ahead, Chorley Council has the option to acquire the Troubled Families data, analyse targeted participants and progress the work itself. Yet due to some delays with the Phase 2 initiative this has yet to happen.

In the absence of this data, Chorley Council is using other sources to identify families who are high users of public services and fulfil at least one of the criteria for Troubled Families.

Families have been identified through working with the Housing and Neighbourhoods Teams, as well as through the Integrated Action Team, which is part of the Chorley Public Service Reform Programme. Currently, the scheme is working with four families two of which are new sign ups, however two families have been signed up for the programme for some time and seem to be engaging well.

3. Corporate Priorities

This project supports the following corporate priorities:

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

Project Mandate

4. Objectives

The objectives of this project for 2016/17 include:

- To support members of troubled families to access training and employment
- To improve outcomes for troubled families
- To give families stability and positively change their dynamic through improved access to training and employment
- For individuals to access permanent employment

5. Scope

The scheme is available to families who are high users of public services and who fulfil at least one of the national criteria. A budget of £3,500 is requested to deliver this project over 2016/17.

Through previous work undertaken with troubled families it became clear that the two main difficulties in supporting families into paid employment were getting families to initially engage with the support on offer and then sustaining this engagement. To alleviate this, a combination of monetary incentives, in the form of grocery vouchers for a local supermarket and extra support were identified as the best way to sustain engagement with the employment programme. The incentives used in 2015/16 were as follows, these incentives are also planned to be delivered over 2016/17:

Payment 1 = £50 food voucher: Engagement and sign up to WTWF support with lead professional Team around a Family action plan to achieve 'steps to' referral to Chorley Works. This could include engagement in motivational / self-esteem group work, volunteering, etc.

Payment 2 = £50 food voucher: Achievement of milestones achieved e.g. 80- 100% attendance on motivational course and achievement of completion certificate. Referral to Chorley Works and Chorley Council Employability Officer.

Payment 3 = £100 food voucher: Engagement and sign up of individual to Chorley Works and positive outcome.

£50 per individual is allocated as a small training fund per individual (e.g. for maths or English skills or IT)

Finance = 14 x £250 (unit cost per individual) = £3,500.

6. Benefits

The main benefits of this project will be:

- Members of troubled families gaining access to training and employment
- Improved outcomes for whole families

7. Key Project Milestones 2016/17

Milestone	Date
Potential data sharing from LCC	TBC
Support to families	On-going
Administering incentive payments	On-going
Referrals to Chorley Works	On-going
PR of positive outcomes	On-going

8. Constraints

The target groups are the most 'difficult to reach' members of the community; engaging them and retaining them on the programme will be challenging. Incentives at certain points of the programme are offered to try and retain engagement.

9. Impact on other Directorates/Projects

The vulnerable families' employment project has been working with, and will continue to work with:

- IT– Support may be required from the IT service to ensure that staff work to a robust and secured information sharing protocol.
- Neighbourhoods – support in acquiring and analysing the Troubled Families data (optional).

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

20. Furthering Key Employment Sites

Date: 09/12/2015

Author: Kate Cronin

Responsible Service: Strategic Development

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.

The Chorley Local Plan (adopted July 2015) allocates a number of sites for employment and this budget supports a project to identify potential barriers to the delivery of employment development. This will include identifying and implementing the necessary actions to bring the sites forward for employment development. Once the project is completed, it is expected that sites will deliver employment land supply and associated jobs.

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 Chorley Local Plan provides a future supply of employment land in Chorley up to 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.

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 a number of these employment sites by 2022.

In 2015/16 the focus has been on bringing forward the Botany Site. Recent changes to the Local Government finance regime means that by 2020, local government funding will come from retained business rate income. Therefore maintaining and growing the business rate base will be fundamental to the Council's financial stability moving forward.

3. Corporate Priorities

The project supports the Council's corporate priority in developing 'A strong local economy', and in particular supports the vision for a strong and expanding business sector through delivery of employment land and jobs.

Project Mandate

4. Objectives

This project seeks to review the sites identified for employment in the local plan and address any potential barriers to bringing them forward for employment delivery. It will:

- Assess the list of sites
- Identify and establish landownership and/ or any developer interest;
- Establish a priority list of sites for action
- Develop a site specific approach for any necessary interventions to facilitate bringing the site forward

This may include support with;

- Land assembly/acquisitions
- Marketing and promotional activities,
- Inward investment enquiries
- Preparation of masterplans &/or development briefs
- Pre-application advice/planning applications
- Public engagement/consultation

5. Scope

The sites for consideration within the scope of this project are referenced in the employment allocations in the Chorley Local Plan (incl. at Appendix 1).

The scope of the project for 2016/17 will be to refine through further assessment, the sites to establish in which order they should be prioritised.

The prioritised list may be subject to change as opportunities arise i.e. the project must be able to respond to market opportunities

The following is considered out of scope of this project:

- Employment through inward investment
- The project does not cover infrastructure development

6. Key Project Milestones

1. Carry out an assessment of each site
2. Identify any constraints to employment delivery and consider appropriate interventions
3. Prepare a business case for further development with a work package of actions to address constraints
4. Implement identified actions

Following assessment of each site, individual work packages will outline timescales and milestones.

7. Benefits

The key benefits of the project will include:

- Unlocking sites to create opportunities for future employment delivery, and therefore generation of jobs
- The prevention/reduction in the loss of employment land allocations to housing uses

8. Constraints

A budget of £125,000 is being requested to deliver this project.

Successfully managing relations with existing Land Owners, Developers and the LEP will be key.

9. Impact on other Directorates/Projects

There are a number of points where the project will interface with internal support services and the wider business environment:

- Land Assembly/Acquisitions – links with Property Services, Legal Services, and any service areas that may inherit responsibilities for any liabilities after acquisition e.g. Streetscene
- Marketing and Promotional Activities, Inward Investment Enquiries – links with Business, Investment & Skills
- Preparation of masterplans &/or development briefs – prepared in house by Policy & Urban Design Team, or procured via external consultants
- Pre-application Advice/Planning Applications – Development Control Team
- Public Engagement/Consultation – Policy & Urban Design Teams, Policy & Communications
- Decision Making and Consultation - Elected Members (Leader, Deputy Leader, Executive Cabinet)

Project Mandate

Appendix 1

Table 1: Employment Allocations – Chorley Local Plan

	Location	
EP1.1	Great Knowley	#
EP1.2	Botany Bay	#
EP1.3	Land to North East of M61 Junction (Gale Moss)	
EP1.4	North of Euxton Lane	
EP1.6	Cowling Farm	#
EP1.7	Land at Ackhurst Business Park	
EP1.8	Lyons Lane Mill, Townley Street	
EP1.9	Woodlands Centre, Southport Road	
EP1.10	Stump Lane	
EP1.11	The Revolution	
EP1.12	Group 1	
EP1.13	Southern Commercial	
EP1.14	Fairport, Market Place, Adlington	#
EP1.15	Land east of Wigan Road, Clayton-le-Woods	
EP1.17	Rear of New Street, Mawdesley	

Notes:

- Sites EP1.1 and EP1.2 are allocations for sub-regionally significant development, and are also subject to policy EP2.
- # denotes allocations which include housing development i.e. these are mixed use sites, and the site area in the table refers to the employment element.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

21. Develop Chorley's Town and Rural Tourism Economy

Date: 09/12/2015

Author: Kate Cronin

Responsible Directorate: Chief Executives Office

Project Mandate

1. Project Overview

The aim of this project is to build on the work that has already been done around bringing more short stay visitors into Chorley, through the marketing and promotion of Chorley's assets and attractions and through the delivery of an annual programme of events.

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

2. Project Background

The Lancashire visitor economy attracts 75 million visitor days a year. In 2014, Lancashire attracted just over 63 million visitors who contributes £3.68 billion to the local economy and helped to support 56,074 jobs. By 2016, the aim is to attract 85 million visitors.¹

Whilst 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 remains an 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 both the town centre and rural areas could have a positive impact on the local economy.

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

In 2014/15 the Council developed and implemented a campaign plan for promoting the Council's assets with a particular focus on Astley Hall and the Lancastrian. The campaign plan also included some action points around tourism.

A number of actions were achieved through the promoting the council's assets campaign. These include:

- Capturing information about visitors and using this data to tailor current and future marketing
- Creating more and bigger and better events to attract more visitors into the area
- Utilising social media, such as the Astley Hall, Coach House and Park Facebook page, to improve the presence and awareness of Chorley's attractions and events
- Maximising the opportunities of existing well-known visitor information websites such as Trip Advisor
- Promoting asset improvements and developments such as Astley Park's Destination Play Area or the range of events that The Lancastrian can be used for to raise awareness of the improved offer

¹ Marketing Lancashire, Tourism Statistics (Updated August 2015)

Project Mandate

- Restabilising the council's relationship with Marketing Lancashire and improving the presence of Chorley within Lancashire's tourist information channels such as visitlancashire.com

This has been strengthened by our work in 2015/16, which has included:

- Building closer relationships with Chorley tourist attractions
- Undertaking research to find out where people look when finding information about what's on
- Building on our events programme
- Planning the layout and content of a new tourism website for Chorley
- Creating new publicity material for our attractions including a new wedding brochure for Astley.

Although delivering events is not included in the scope of this work, it is important to recognise Chorley's growing reputation for delivering high quality events and the increasing number of visitors events attract into the area.

Since 2012, Chorley Council has dramatically increased the number of events it organises and facilitates with six key events; Chorley Grand Prix, What's Your Story, Chorley?, Picnic in the Park, Chorley Flower Show, Chorley Live and Christmas.

3. Corporate Priorities

This project will support the following Council priorities:

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

4. Objectives

The key objectives for the project are to:

- To take forward and progress the work around 'Check Out Chorley' and to promote the Website
- Developing relationships with local businesses, working with them to promote their assets and Chorley
- Review of the What's Happening magazine and other publicity supporting tourism, with a view to improving the content and take up
- Increase the number of visitors to Chorley's attractions and make Chorley a place people consider for a day(s) out

5. Scope

The scope of this project is to continue with the work done over the past year, with a focus on increasing day and short visits into the Borough through many means but mainly through both the 'Check out Chorley' campaign and new tourism website.

The breadth of this campaign will not solely focus on the council's assets it will incorporate the promotion of tourist attractions across the borough including:

Project Mandate

- Botany Bay
- The wider Rivington area (including the improvements being supported by Rivington Heritage Trust)
- Chorley Little Theatre
- Chorley town centre and Chorley Markets
- Heskin Hall
- Hoghton Tower
- Go Ape, Rivington
- Rock and River outdoor centre
- Cedar Farm Galleries
- Leeds/Liverpool Canal

A more definitive list will be created once discussions have taken place with all visitor attractions in the borough. It will also include the promotion of areas that aren't specified in a single location but includes the rural villages that can be enjoyed for activities such as cycling and walking.

The promotion will look at how we can not only help publicise the attractions to a local audience but also how we can work with the attractions to sell Chorley as a place to visit to people located further afield.

The target audience for this particular project are local residents and also people from the wider Lancashire/ North West area.

The planning and delivery of events is not within the scope of this project.

6. Key Project Milestones

The key milestones of this project are to:

- Promote the new website and embed the 'check out Chorley' strapline throughout the tourism work
- Create a new look What's Happening magazine based on trial features in the spring with a view to new content for the summer 2016 edition
- Develop new areas of the website to include accommodation and places to stay
- Review work with Marketing Lancashire and Chorley's tourist attractions
- Produce a marketing plan for year two of the tourism work
-

7. Volunteering – Time Credits

We will review the number of earn and spend opportunities with local attractions. This will be done by putting the attractions in touch with the SPICE time credits programme and including these in our promotional material.

8. Constraints

A budget of £35,000 has been requested for the delivery of this project.

9. Impact on other Directorates/Projects

This project links to the work in Business advice, employment and skills team.

Project Mandate

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

22. Chorley Flower Show 2016

Date: 23/11/2015

Author: Jason Mills

Responsible Directorate: Streetscene & Leisure Contracts

Project Mandate

1. Project Overview

Building on the staging of the inaugural Chorley Flower Show in 2015, this project will see the development and staging of the second Chorley Flower Show in Astley Park on 30th & 31st July 2016

The project will aim to deliver a show that continues to develop while containing all the elements of a traditional flower show such as professional exhibitor displays, trade stands, talks and demonstrations etc. while continuing to ensure the viability of the event and to establish it as an annual visitor attraction for the borough.

2. Project Background

Chorley Council has had a history in horticulture for a number of years since being involved in the regional Royal Horticultural Society 'In Bloom' awards in 2002. At the end of 2012 and working closer with schools, communities, friends groups and others, the Council decided to make improvements to the floral presentations around Chorley, The enthusiasm generated by the council in supporting these groups continued with the North West in Bloom Judges. In October 2013, Chorley was awarded a Gold Medal Award in the best Small City Category and for the first time was nominated to represent the North West finalists in the national In Bloom finals.

In 2014; Chorley won the Silver Award for the Best Small City category at the Britain In-Bloom Awards and the Gold Award for the same category at both the 2014 & 2015 North-West In-Bloom Awards.

Following this successful horticultural track record, the council decided to build on these achievements by hosting its inaugural Flower Show in Astley Park during August 2015.

The objectives of the 2015 event were 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.

The show took place on 1st & 2nd August 2015 and was deemed a fantastic success with visitor numbers totalling at 10,000 for the weekend, far above the 6,000 to 8,000 originally targeted. It attracted 16 professional award winning exhibitors gaining widespread media focus, with regional news items as well as the live broadcasts from Radio Lancashire who based themselves at the event and Granada Reports. Feedback from visitors and traders was that it is already on a par with some of the established major flower shows such as Southport Flower Show.

There were a number of lessons learnt from the hosting the inaugural event which are detailed in the end of project documentation and will be developed towards the hosting of the 2nd Chorley Flower Show 2016 such as site organisation and layout as well as the increase in the engagement with professional horticultural experts, growers to amateur societies.

Project Mandate

3. Corporate Priorities

This project supports three of the four council corporate priorities;

- involving residents in their local area and equality of access for all
- an ambitious council that does more to meet the needs of residents and the local area; a strong local economy.

4. Objectives

The intention is to develop and deliver the 2nd Chorley Flower Show that can strengthen itself as an annual event, rivalling other well-known flower shows and drawing in people from across the region and beyond, increasing visitor numbers and increasing trade in the town and surrounding areas.

- Increase the number of exhibitors and traders with the aim to encourage more local horticultural businesses to take part
- To increase the number of visitors towards 15,000 and at the same time maintain a high level of satisfaction with the event
- Take the next step towards making the event sustainable by attracting more sponsorship and income
- To grow the event incrementally and balance the show across a wider footprint in the park

5. Benefits

The Flower Show will provide economic benefits to the district, attracting around 10,000+ visitors across the North West and beyond to this attractive event, stimulating the growth of tourism and supporting other businesses within the surrounding area.

It will raise the profile of Chorley and its surrounding area, providing an opportunity to help develop community associations, engage with the public while fostering a sense of community pride

Measured via:

- Number of community organisations involved – *Community Development*
- Number of Professional Exhibitors and traders – *Event Attractiveness*
- Event Admissions - *Event Attractiveness*
- Financial Control – *Financial management*
- Consultation Survey with Exhibitors – *Quality of Event/Organisation*
- Social Media Survey - *Quality of Event/Organisation*

6. Scope

The event will take place in Astley Park, Chorley on 30th & 31st July 2016.

The Show consists of three key exhibit areas –

- An area for professional exhibitors
- An area for gardening enthusiasts
- An area for show gardens

Project Mandate

The work contained in this project will be around the whole organisation of the event from start to finish and also include:

- Planning a new show layout to allow the show to grow
- Contacting and signing up all the exhibitors and traders
- Establishing show gardens as part of the event
- Organising all the activities and entertainment
- Developing the Friday night offer to include a gala dinner and improving the food and drink offer over the show
- Devising a new admissions scheme
- Attracting more sponsorship
- Reviewing all the health and safety requirements
- Planning and producing all the marketing materials
- Start to build links with our business network and how it can be used as a platform for attracting new investment

7. Key Project Milestones

The event is scheduled for 30th & 31st July 2016. 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 2015
Invite exhibitors and traders to come forward	October 2015
Finalise list of traders and exhibitors	April 2016
Draft outline plan of schedule for the event	March 2016
Produce marketing plan	February 2016
Create a working party with member input	January 2016
Ticket sales launched	April 2016
All logistics in place	April 2016
Preparation of flower show area	July 2016
Administration until the event is delivered	Ongoing
Debrief and collection of feedback	August 2016

8. Constraints

The event budget has been set at £40,000 Chorley Council's contribution to the show. This is the net budget after income such as event ticket sales, sponsorship and trade income.

The event also has to be delivered within existing staffing resources at the council so the event planning has to ensure it is deliverable.

Project Mandate

9. Volunteering – Time Credits

We will be utilising the time credits programme in two main ways. Where appropriate we will work with community groups in the run up to the event to see where we can create earning opportunities. We will also make a number of tickets available for the flower show weekend through time credits.

10. Impact on other Directorates/Projects

Delivery of the flower show will require support from;

- Communications: Event marketing campaigns, customer engagement & promotion of the event
- Economic Development: Engagement with local businesses.
- Town Centre Management: Equipment and event support
- Shared financial services – organising the cash sales and budgeting
- Shared Assurance Services and Human Resources and Organisational Development – making sure all the relevant health and safety procedures are in place
- Customer services – acting as a point of sale for tickets

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

23. Chorley Grand Prix (British Cycling)

Date: 08/12/2015

Author: Kate Cronin

Responsible Directorate: Public Protection Streetscene and Community

Project Mandate

1. Project Overview

This project will support the development and delivery of another successful Chorley Grand Prix event in the Easter of 2017.

2. Project Background

Chorley Council have been working with The British Cycling Partnership for two years. Over this time, a number of successful events have been held, encouraging local people to get involved with sporting activity and also bringing visitors to Chorley.

In April 2015, the Chorley Grand Prix Cycling event was held and was a big success. Thousands of families and cycle fans converged on Chorley. The event included different family activities available from games, arts, crafts to cycling challenges going on at the cycle village to enjoy between the laps.

Over the last two years there have been a number of cycling activities organised in Chorley including:

Ride Socials

Ride Social in Chorley	
Rides taken place	9
Participants	97
Buddies	238
Groups	2

British Cycling Breeze Events (Bike rides for women)

Breeze	
Rides taken place	4
Participants	11
Champions active	2

Sky Ride Local

Sky Ride Local in Chorley	
Rides taken place	20
Rides still to take place	0
Registrations	292
Participants	265
Active Ride Leaders	88
Routes	11

As well as increased physical activity, some positive outcomes from the cycling events programme have been establishing new routes in 2015 and bringing people into the Borough.

Project Mandate

3. Corporate Priorities

This project supports the following corporate priorities:

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

4. Objectives

The project has the following objectives:

- To encourage and increase visitors to the area as well as providing activities for local population and a better place to live.
- Promotion of cycling as a healthy lifestyle choice
- Deliver sporting events in Chorley that will promote local assets
- Encourage community engagement
- Promote health and wellbeing priorities

5. Benefits

The benefits of this project are wide ranging, both for local residents and the local area. Sporting events help raise the profile of Chorley, bringing in more visitors and in turn, support economic development and inward investment. The project supports health and wellbeing priorities, and strengthens the offer for people locally.

6. Scope

The project will deliver a Chorley Grand Prix event in Easter 2017.

7. Key Project Milestones

More detailed milestones will be outlined as we get closer to the event but broad project milestones will involve:

- Preparation and planning of the event
- Promotion of the event
- Delivering the event over Easter 2017

8. Constraints

£25k has been requested to fund the Chorley Grand Prix event.

9. Impact on other Directorates/Projects

Support may be needed from the following service areas to deliver the Chorley Grand Prix event:

Project Mandate

- Policy and Communications
- Health, Environment and Neighbourhoods
- Planning
- Business advice, employment and skills
- Streetscene Team

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

24. Integrate Partner Services through the Chorley Public Service Reform Partnership

Date: 08/12/2015

Author: Kate Cronin

Responsible Directorate: Chief Executive

Project Mandate

1. Project Overview

This project is focused on delivering the second year of the Chorley Public Service Reform Partnership Strategy and is requesting £15,000 for 2016/17 to continue with this work.

The partnership has a clear focus on how organisations can collectively deliver high quality public services efficiently and effectively, ensuring a better service for communities and better outcomes and value for residents.

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.

The focus for year two of the project will be on developing integrated provider partnerships through formalising ways of working together, under a single leadership that integrates provision and ensures value for money.

2. Project Background

The Chorley Public Service Reform Strategy was formally approved in June 2015 following a review of partnership working and resulting recommendations.

The Strategy established that the purpose of the Chorley Public Service Reform Partnership is to work together to integrate and reconfigure public services in Chorley to provide the best outcomes for residents. It sets out a five year vision which is:

“By 2020, we will have high quality integrated public services which provide value for money and the best outcomes for the residents of Chorley”.

Overall, the three year programme covers:

- Year One - One public service for Chorley
- Year Two - Integrated provider partnerships
- Year Three - Integrated commissioning

To date, the Public Service Reform Partnership has:

- Established new governance arrangements and embedded a new structure for partnership working to ensure effective oversight, decision making and operational delivery
- Developed and approved a business case with supporting action plan
- Commenced delivery of the action plan, including establishing an approach to partnership oversight; undertaking activity to understand the perfect locality including collective sharing of data and intelligence and service co-location.

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 3 year overarching priorities are:

- System Leadership - to support the development of the Executive as leaders for future public services within Chorley, beyond existing organisational boundaries.
- Culture and workforce - with the aim of developing a consistent culture across partner organisations to support future service integration.

In year two specifically, objectives will be formed around the strategic focus of Integrated Provider Partnerships. The main aim of this focus is for providers of public services to establish ways of working together under a single leadership that integrates provision, ensures value for money and reduces costs across the system. A number of key principles support this work:

- Making every contact count regardless of team or organisation
- Focus on early intervention and prevention to reduce demand
- Reduce demand across the system by creating coordinated services that don't shift demand elsewhere.

5. Benefits

The overarching vision for the public service reform programme is set out in the vision for the strategy as outlined above. Specific benefits include:

- Sustainable high quality services
- Reduced costs across the system
- Improved processes
- Better understanding of residents through shared intelligence

6. Scope

The Chorley Public Service Reform work programme will cover a wide range of issues which will impact on multiple organisations.

The Partnership has overarching themes for delivery which will span the three year programme, these themes are:

- Integrated Locality Working - to develop a single understanding of localities across the borough including high risk populations, mapping relevant assets and developing proposals for future integration.
- Data and Intelligence - including a review of multi-agency groups, existing data sources and developing an approach to collective data sharing.
- Partnership Oversight - to ensure alignment and connectivity with the wider transformational landscape

The Partnership is mindful of a number of transformation work programmes in development that may impact on the delivery of activities. The footprint covered by many

Project Mandate

of these programmes is much wider than Chorley, and the work programme will be active in connecting with these programmes, and also activity across partnerships, to reduce any risk of duplication, and to complement the wider work being developed.

This programme will link closely with the proposal to develop and Integrated Community Wellbeing Service.

7. Key Project Milestones

Milestones for year two of the project will be around:

- Establishing an approach to collectively sharing partnership intelligence
- Developing a programme of locality based interventions to build community capacity and resilience
- Enhancing multi agency approaches through strengthening existing structures and mechanisms.
- Supporting the implementation of the Lancashire Wellbeing Service in Chorley
- Preparing the foundations for an Integrated Community Wellbeing Service
- Management of the Board, Executive and Implementation Group meetings

8. Constraints

The programme is subject to the following constraints:

- Delivery of the work plan is dependent on the continued commitment of partner organisations.
- Resourcing and funding constraints
- Further constraints exist around partnership working;

A risk register has been developed to be regularly reviewed and managed through the Implementation Group and Executive.

9. Volunteering- Time Credits

Volunteering empowers the individual and provides a strong sense of local pride and community leadership. The Chorley Time Credit scheme developed with our partners Spice has inspired the Council and local organisations to work in new ways that focus on collaboration with communities, building a shared future for everyone.

The public service reform programme will look to utilise the Time Credits Network to provide a resource to support local delivery and a mechanism for achieving sustainable change in communities.

10. Impact on other Directorates/Projects

This programme provides opportunities to support improved connectivity between services, focusing on early intervention and prevention. The activities planned will involve risk profiling, to help identify vulnerable residents, and supporting them in gaining better health outcomes and managing complex needs. We will build community capacity to support pressures in high end services including admissions avoidance to hospital, A&E

Project Mandate

attendance, and in Primary Care, building foundations for future services to be reshaped and become sustainable.

It will therefore also be important to keep up the momentum on this work in conjunction with work to develop the Council business model and introduction of the combined authority.

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

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

25. Employee Health Scheme

Date: 27/11/2015

Author: Kate Cronin

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 it was first introduced in June 2012, a total of almost £69,000 has been claimed by staff.

Date	Income	Claims	Ratio
1 st June to 31 st Dec 2012	£8932.79	£9341.80	104.58%
1 st Jan to 31 st Dec 2013	£21648.29	£19221.29	88.79%
1 st Jan to 31 st Dec 2014	£23904.31	£19803.17	82.84%
1 st Jan to 31 st Oct 2015	£19507.61	£20614.72	105.68%

The scheme has been really popular, providing savings to staff and supporting their health and wellbeing.

In 2015, the contract for the scheme was awarded to UK Healthcare.

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

Project Mandate

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 £20,000 has been identified to support delivery of the project within the New Investment Package for 2016/17.

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
- Targeted health and wellbeing days

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

26. Events Programme Delivery

Date: 11/12/2015

Author: Kate Cronin

Responsible Directorate: Chief Executives Office

Project Mandate

1. Project Overview

This work aims to build on the success of the 2014 and 2015 events programmes.

The programmes have been well-received by residents since they started to become established three years ago, and are important way of engaging with the community.

The work would help to sustain our annual programme of events which aims to provide something for different interests and audiences each month, bringing new people into the town and Borough and supporting the local economy.

We are aiming to continue to develop the main events to attract people into Chorley from further afield.

2. Project Background

Over the last few years we have developed a calendar of events that is now attracting people from across not only the Chorley borough but the whole of the North West.

The broad costs of the events mean that we need additional funding through the budget to make sure they can be delivered. The main events delivered by the council include:

Event	Approx. visitor numbers
Chorley Live	7,000
What's Your Story, Chorley?	1,000
Picnic in the Park	8,000
Animals in the Park	1,000
Theatres in the Park (x3)	650 (in total)
Bonfire	4,000
Christmas	8,000 (switch on only)

Two of the main council events – Chorley Flower Show and Chorley Grand Prix are funded through separate budgets.

The 2016 events programme is just being finalised (Appendix A) and aims to be bigger and better than ever.

Since 2012, Chorley Council has dramatically increased the number of events it organises and facilitates. The number has increased from two per year to six main events: These are:

- Chorley Grand Prix
- What's Your Story, Chorley?
- Picnic in the Park
- Chorley Flower Show
- Chorley Live
- Christmas

Project Mandate

3. Corporate Priorities

This work supports the following council priorities:

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

4. Objectives

The objectives of this work are to:

- Deliver free or low cost professional events to attract more visitors into Chorley and support the local economy
- Improve the council's reputation in the wider community as an organiser of high quality events
- Reduce the cost to the Council of delivery of events, through sponsorship and minimal charging (aim to gain £20-£25k funding through sponsorship deals over 2016/17)

5. Scope

The scope of the work includes:

- Delivery of the 2016 events programme (Draft at Appendix A)
- 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
- There are a few other potential events floating around i.e. a gaming festival and food festival
- Look at how we can reduce the cost of events to the council through sponsorship

6. Key Project Milestones

- Finalise and gain approval of the 2016 events programme, including an approach to charging for some events
- Develop corporate sponsorship options
- Delivery of events, as per the plans agreed
- Review the 2016 events programme and put a plan in place for the 2017 programme

7. Constraints

A total budget of £80,000 is requested to support the delivery of events in 2016/17.

With an increasing number of events taking place each year, the main constraints on their delivery are budget and the resources needed to meet timescales.

Project Mandate

8. Impact on other Directorates/Projects

The delivery of events will involve working closely with a range of service areas including Economic Development, Streetscene and Leisure Contracts.

In addition, the integration of Time Credits into events will involve working closely with HEN.

Appendix A - 2016 Events

Organised by Chorley Council
 Organised in partnership with Chorley Council
 Organised by an external group

Date	Event	Location	Organiser
26 March	Chorley Grand Prix	Town Centre and across Chorley Borough	British Cycling and Chorley Council
TBC	Duck Race	Botany Bay	Chorley Carnival Committee
23 April	What's Your Story, Chorley?	Town Centre	Chorley Council and Creative Network
23 April	Day of Dance	Town Centre	Amounderness Ladies Dance Group
23 April	St George's Day Parade	Town Centre	Chorley District Scouts
TBC	Lancashire Vehicle Club Rally	Astley Park	Lancashire Vehicle Club
31 May	Theatre in the Park – Love's Labour's Lost	Astley Park	Chorley Council
June (TBC)	Gaming event taster	Town Centre	Chorley Council and Creative Network
19 June	Theatre in the Park (performance TBC)	Astley Park	Chorley Council
25 June	Walking Day	Town Centre	No details
26 June	Picnic in the Park	Astley Park	Chorley Council
July TBC	Adlington Carnival	Jubilee Playing Fields	Adlington Carnival Committee
1-3 July	Chorley Pals Commemoration	Astley Park	Chorley Remembers and Chorley Council
30 and 31 July	Chorley Flower Show	Astley Park	Chorley Council
3 August	Playday	Coronation Recreation Ground	Chorley Council
August TBC	Hillcrest Dog Show	Astley Park	Hillcrest Vets
21 August	Theatre in the Park – The Tempest	Astley Park	Chorley Council
31 August TBC	Playtime in the Park	Astley Park	Chorley Council and HomeStart
8-11 September	Heritage Open Days	Astley Hall	Chorley Council/Friends of Astley Hall
7 October - 8 October	Chorley Live	Town Centre	Chorley Council and Creative Network

Project Mandate

31 October	Little Boo	Astley Hall	Chorley Council
November TBC	Winter Sparkle	Astley Hall, Coach House and Park	Derian House
November (Date TBC)	Bonfire and Fireworks	Duxbury Park	Red Bank Scouts
4 November TBC	Bonfire and Fireworks	Astley Park	Chorley Council
12 November TBC	Christmas Lights Switch On	Town Centre	Chorley Council
19 November – 20 November	Astley Illuminated	Astley Hall	Chorley Council
26 November – 31 December	Christmas Saturdays, entertainment and big attraction	Town Centre	Chorley Council
27 November	Lancashire Day	Astley Hall	Chorley Council
5 December – 20 December	Father Christmas at Astley Hall every Saturday and Sunday	Astley Hall	Chorley Council

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

27. Additional Events at Astley Hall and Park

Date: 10/12/15

Author: Kate Cronin

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

This project aims to deliver a comprehensive events programme at Astley Hall.

2. Project Background

There have been a number of events held at Astley Hall and Park over 2015 including:

- Astley Alive (Heritage Open days)
- Gruffalo Experience
- Little Boo
- Astley Illuminated
- Santa

The events provided educational interaction, engagement and enlightenment regarding the Hall and grounds and general public entertainment.

Astley Hall has had a total of 58,000 visitors over the last year. Visits include those to the hall itself, Weddings, conferences, farm house gallery, educational visits and tours.

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

The objectives of this project are to:

- Increase visitor numbers to Chorley
- Increase both new and repeat visitors to Astley Hall
- Increase trade in the Town Centre and within the Borough
- Provide more events for local visitors
- To generate income and provide business growth

5. Scope

In line with the Astley 2020 vision, the project will provide for an additional £14,000 to fund a comprehensive events programme at Astley Hall. The project will include the planning, organising and delivery of the below events.

At present, the following events programme is planned for 2016:

Event	Provisional Date	Cost (approx.)
Heritage Open Days – Astley Alive	At least one date between 8 th -11 th September 2016	£2,000
Lancashire Day	27 th November 2016	£1,000
Little Boo	Monday 31 st October 2016	£2,000

Project Mandate

Astley Illuminated	End of November 2016	£3,000
Santa Event	Weekend dates from the 3 rd December- 18 th December 2016	£3,000
Battle Of The Somme Event	Various dates April 2016 onwards	£3,000

6. Key Project Milestones

The key project milestones include delivery of all of the events as described above.

7. Benefits

Some of the benefits that will be realised upon the delivery of this events programme include:

- Increased audience engagement
- Educational benefits as well as entertainment
- Health and wellbeing benefits
- Increased visitor numbers to the Borough, through providing entertaining, informative events
- Creating a more sustainable site through increased attendance

8. Constraints

A budget of £14,000 has been requested to deliver additional events at Astley during 2016/17.

One constraint on the delivery of some of the events above will be the ability to gain match funding (Somme event and Astley Illuminated).

9. Impact on other Directorates/Projects

This project supports Town Centre and Economic Regeneration Teams by supporting a vibrant town centre and local economy.

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

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

28 - Explore and Deliver an Integrated Sports Offer for the Westway Area

Date: 25/01/2016

Author: Kate Cronin

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

Project Mandate

1. Project Overview

This project will explore options to enhance sport and recreational facilities in the Westway area. This will include the assessment of existing provision and potential for further development to support all members of the community and will also look at ways in which to integrate existing provision.

2. Project Background

At present, the current facilities around Westway are not integrated with surrounding facilities and existing provision has been identified as being in need of enhancement.

Potential works identified to date to improve provision include work to link the playing fields with nearby existing facilities as well as improving drainage at the Westway play pitches and enhancing car park and changing facilities.

3. Corporate Priorities

This project is aligned with the following corporate priority:

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

4. Objectives

The project ultimately aims to:

- Improve existing sports provision in the area
- Support local people to take part in physical activity

5. Scope

The full scope of the project has yet to be identified but will include the exploration of an integrated sports offer for the Westway area.

6. Key Project Milestones

Key milestones are yet to be identified; further work is needed to identify the scope of the project.

7. Benefits

Playing pitches, play areas and open spaces are increasingly recognised as a vital component of successful, healthy and thriving towns, cities and villages.

Research shows that parks and open spaces are some of the most widely used facilities provided by local authorities and it is well documented that there are strong links between health, well-being and open space. Natural open space and green space also demonstrate economic, social and environmental benefits within society.

It is expected that an integrated sports offer will provide the following benefits for Chorley residents:

- Enhanced sporting facilities
- Accessible sports facilities, therefore encouraging residents to engage in physical activity
- Increased sporting offer
- Health and wellbeing benefits

Project Mandate

8. Constraints

Funding and costs are still being revised and will be funded under S106 agreement. The current budget is estimated at £785k but is subject to revised funding allocations and revised costings.

9. Impact on other Directorates/Projects

The project will work closely with the following teams:

- Streetscene and Leisure
- Planning and Development

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

29 - Play, Open Space and Playing Pitch Strategy

Date: 22/02/2016

Author: Kate Cronin

Responsible Directorate: Public Protection, Streetscene and Community

Project Mandate

1. Project Overview

The Play, Open Space and Playing Pitch Strategy sets out how Chorley Council plans to protect, manage, enhance and secure its open spaces over the next five years and beyond. It focuses on sites that need to be improved or sustained to mitigate against negative trends and recommends how any identified deficiencies in provision of open space should be addressed through a five year action plan.

This project will continue to deliver the strategy's aims over 2016/17- 2017/18. This will involve delivering some key activities as contained within the strategy including:

Site	Action
Harpers Lane Rec. ground, Chorley	The play equipment on this site is in need of an upgrade. Subject to consultation the site will be upgraded in 2016/17. A sum of S106 is expected for this site that will supplement the existing capital investment.
Gough Lane, Ball Court, Clayton Brook	The ball court does not currently have any lighting meaning it is not used in winter. Lighting is due to be installed in 2016 and possible re-leveling of the surface.
Coronation Recreation Ground	Work at Coronation Recreation Ground will include: <ul style="list-style-type: none"> • Development of a new playground • Development of a new sand carpet MUGA within the existing double tennis court facility • create a café facility / community hub in the shelter and improve toilets • Restore the fencing and playing surface of the single tennis court • To maintain and restore the stone retaining walls
Tatton Recreation Ground	Work at Tatton Recreation Ground will include: <ul style="list-style-type: none"> • The replacement of the skate park with new improved facilities • The installation of an all-weather football pitch • Improvements and additions to the existing play area • Improvements to paths throughout the recreation ground • Enhancements to the bowling pavilion and bowling green where feasible A funding bid has been submitted to Sport England for £100,000, if successful this funding will support the work.
Wymott Park Playground, Ulnes Walton	Phase 1 of the project will involve: <ul style="list-style-type: none"> • Renewing the play area equipment and upgrade / maintaining the play area safety

Project Mandate

	<p>surface of the toddler section of the Wymott Park play area. Access to the play area also requires groundworks to renew the footpaths leading to and from.</p> <ul style="list-style-type: none"> • Carrying out initial public consultation to gain the views of local residents on the usage of the site as well as the type and style of equipment would be most popular. • Writing a project brief and specification to tender out to various play companies, the designs will be evaluated and the successful company will be appointed to design and build the play area.
<p>Grafton Street, Adlington</p>	<p>This toddler play area is isolated and small, it is proposed, subject to public consultation to move the play area to Jubilee Recreation Ground. A new toddler play area will be designed and installed adjacent to the existing play area to complement the facilities on site. This will be tendered to various play companies through a design and build contract.</p>
<p>Osborne Drive Play Area</p>	<p>The project includes carrying out public consultation to find out the age of children living in the catchment of the play area and to also find out what equipment is most popular, style of equipment, should it be fenced or not fenced?</p> <p>This information will then be used to write a project brief and specification to tender out to various play companies, the designs will be evaluated and the winning company will be appointed to design and build the play area.</p>
<p>King George V Play and Pitches</p>	<p>This project will be to enhance and update the playground. The site however floods so it is proposed to investigate and resolve this issue along with a football pitch drainage scheme before the play area is upgraded.</p>
<p>Buttermere Play Area</p>	<p>Phase 1 of the project will include:</p> <ul style="list-style-type: none"> • Public consultation to find what equipment is most popular. • This information will then be used to write a project brief and specification to tender out to various play companies. • The designs will be evaluated and the winning company will be appointed to design and build the play area

2. Project Background

The vision of the play, open space and playing pitch strategy is:

To secure the future provision, improvement and maintenance of play areas, open space and playing pitches in Chorley, supporting safe, healthy and sustainable communities and serving the needs and aspirations of the residents of Chorley.

Ensure that everyone has the opportunity to access good sport, physical activity and recreation facilities promoting their usage and improving the health and wellbeing of all.

Playing pitches, play areas and open spaces are increasingly recognised as a vital component of successful, healthy and thriving towns, cities and villages. Research shows that parks and open spaces are some of the most widely used facilities provided by local authorities and it is well documented that there are strong links between health, well-being and open space. Natural open space and green space also demonstrate economic, social, environmental benefits within society.

Urban and semi-rural environments in Chorley offer a diverse range of open space opportunities, along with the close proximity to beautiful countryside, the Leeds Liverpool Canal and 317 miles of public rights of way. Popular open space visitor attractions include Astley Park, Go Ape treetop adventure at Rivington and Hoghton Tower. The area is also blessed with large swathes of open space including Yarrow Valley Country Park, Cuerden Valley Country Park, and the countryside to the east which forms the West Pennine Moors. These sites along with recreation grounds, sports pitches, play areas and amenity open space provide opportunities to get outside and exercise.

These open spaces also provide visual and aesthetic quality, contact with wild-space and a safe refuge for wildlife and natural habitats. The need to protect and increase the amount of open space globally has been heightened through climate change as we increasingly have to deal with hotter summers and wetter winters.

The health profile of Chorley is mixed compared with the England average. Priorities in Chorley include improving access to and the quality of local health services in emerging new health and wellbeing structures, reducing health inequalities across settings and enabling families to make healthy lifestyle choices (The Chorley Health Profile, 2014)

The following key points summarise the benefits of open space:

- Strategic functions: defining and separating urban areas, better linking town and country and providing for recreational need over a wide area
- Promoting health and well-being – providing opportunities for people of all ages for informal recreation, or to walk, cycle or ride within parks and open spaces or along paths, bridleways and canal banks. Allotments may provide physical exercise or other health benefits

Project Mandate

- Urban quality – helping to support regeneration and improving quality of life for communities by providing visually attractive green spaces close to where people live, making areas more attractive to new employers who in turn create new employment opportunities.
- Trees and greenspaces filter air pollution, stabilise ground surfaces, intercept rainfall, flood mitigation, create visual and sound barriers, provide temporary cover for derelict sites, contribute to sheltering, shading and water protection, and decreased local air temperatures, lowering the impact of climate change.
- Havens and habitats for flora and fauna – sites may have potential to be corridors or stepping stones from one habitat to another and may contribute towards achieving objectives set out in local biodiversity action plans
- As a visual amenity, even without public access, people can enjoy having space near to them to provide an outlook, variety in the urban scene or as a positive element in the landscape. Urban greenspaces are major contributors to the quality of the environment and human health and well-being in towns and suburban areas.
- As a community resource – as a place for congregating and for holding community events, religious festivals, fetes and fairs, increases quality of life and heightens social interaction.
- Physical activity in the natural environment not only aids an increased life-span, greater well-being, fewer symptoms of depression, lower rates of smoking and substance misuse but also an increased ability to function better at work and home.
- Health Walk and Green Gym participants cited they stated being 'in the countryside' and 'contact with nature' as key motivating factors to be active.

3. Corporate Priorities

This project will contribute to the following corporate priority:

- Clean, safe and healthy communities

4. Objectives

A five year action plan has been produced that reflects site based and also broader objectives that will be delivered as part of the strategy. The allocation of actions is based upon the priorities identified with high priority actions which started in 2014-15 (year one) and other actions being phased across the five year period up to 2019.

The Overarching objectives for the delivery of the strategy include:

- To guide neighbourhood working and action plans for the next five years.

Project Mandate

- To publish a combined action plan identifying a programme of works and priority sites for investment up to 2019.
- To create 6 new junior football pitches by 2019 and deliver improvements to pitch sites that are rated as poor or average.
- By 2019 no play areas will have a low play quality and no playing pitch will be rated as poor.
- To increase user satisfaction in our parks and open spaces over the next 5 years, as measured by the open space survey.
- To retain 4 Green Flag sites within our parks and open spaces over the next 5 years.
- To create or refurbish at least 4/5 children’s play areas per year for the next 5 years
- To increase the amount of allotment sites across the Borough focusing on the areas with identified deficiencies by 1.6 hectares before the end of 2019.

5. Scope

The project will deliver some of the key actions within the strategy over 2016/17.

Chorley has a population of 109,100 (2012 estimate) who have access to 316 sites classed as open space, covering over 860 hectares and circa 100 playing pitch sites covering approximately 100 hectares. Chorley is identified as a growth area in Lancashire with an estimated 6,000 dwellings to be built by 2026 with a population expected to rise to between 114,200 -118,000. The council needs to ensure that there is sufficient provision of open space and sports facilities to cater for this increase. New open spaces will be created as part of this development to serve the growing community.

The strategy and action plan is a ‘living’ document. As sites and circumstances change over time the document will be updated accordingly. It is also important to note that actions are not ‘fixed in stone’ and may be brought forward or rescheduled based upon changes in circumstances such as external funding and development opportunities.

6. Key Project Milestones

Site	Key milestones
Harpers Lane Rec. ground, Chorley	<ul style="list-style-type: none"> • Subject to receipt of S106 to complement the existing capital investment available.
Gough Lane Ball Court, Clayton Brook	<ul style="list-style-type: none"> • Obtain quotes -Dec 2015. • Obtain planning permission for lighting - June 2016 • Installation of new lighting - August 2016
Coronation Recreation Ground	<ul style="list-style-type: none"> • Draw up scheme masterplan and carry out further consultation - March 2016

Project Mandate

	<ul style="list-style-type: none"> • Obtain quotations/ tender for various aspects of the project – April-June 2016 • Deliver various projects throughout the site - October 2016 • Opening celebration- December 2016
Tatton Recreation Ground	<ul style="list-style-type: none"> • Submit Inspired facilities funding bid by 11th Jan 16- January 2016 • Draw up scheme, further consultation - April 2016 • Tender -May/June 2016 • Various works on site- June to October 2016 • Opening celebration- December 16
Wymott Park Playground, Ulnes Walton	<ul style="list-style-type: none"> • Public consultation - January 16 • Draw up spec/tender brief - March 16 • Evaluate tenders - May 16 • Award contract - June 16 • Replace Equipment and maintain safety surface - June/July 16 • Upgrade Complete- July / August 16 •
Grafton Street Play Area, Adlington	<ul style="list-style-type: none"> • Councillor discussions - March 16 • Public consultation April - May 2016 • Draw up spec / tender brief - June 2016 • Evaluate / award contract -July 16 • Build play area – Sept 16
Osborne Drive Play Area	<ul style="list-style-type: none"> • Public consultation - May 16 • Draw up spec/tender brief -June 16 • Evaluate tenders - End July 16 • Award contract – August 16 • Build play area - November 16
King George V Play and Pitches	<ul style="list-style-type: none"> • Site investigation and feasibility study March – May 16. • Schedule subject to findings
Buttermere Green Play Area	<ul style="list-style-type: none"> • Councillor discussions -March 16 • Public consultation April - May 2016 • Draw up spec / tender brief- June 2016 • Evaluate / award contract -July 16 • Build play area – Sept 16

7. Constraints

Much of the project is subject to public consultation to guide the future changes to the sites. Indicative costings and financing is tabled below. These costs will be refined further when feasibility studies and further project planning is undertaken. In addition budgets will change depending on new sources of S106 funding identified.

THE TOTAL VALUE OF THESE PROJECTS IS ESTIMATED TO BE £1.167m HOWEVER AS £200k OF THE FUNDING WAS AGREED IN 13/14 INVESTMENT PACKAGES (PLAY AREA IMPROVEMENTS) THE NEW INVESTMENT IS REPORTED AS £967k

Project	Estimated Project Cost	Funding				
		S106	Growth Agreed 2013/14	Growth Agreed 2015/16	Other	Note
Harpers Lane Rec. ground, Chorley	50,000		(50,000)			(1)
Gough Lane Ball Court, Clayton Brook	15,200	(15,200)				
Coronation Recreation Ground	265,700	(57,700)	(50,000)	(150,000)	(8,000)	(2)
Tatton Recreation Ground	262,200	(12,200)	(50,000)	(100,000)	(100,000)	(3)
Wymott Park Playground, Ulnes Walton	17,100	(17,100)				
Grafton Street Play Area, Adlington	34,400	(29,400)			(5,000)	(4)
Osborne Drive Play Area	49,200	(49,200)				
King George V Play and Pitches	440,000	(390,000)	(50,000)			
Buttermere Green Play Area	33,500	(23,500)			(10,000)	(5)
Total	1,167,300	(594,300)	(200,000)	(250,000)	(123,000)	

Project Mandate

(1) Potential S106 circa £60k has been identified from new developments for the Harpers Lane Rec. This will not be added to the budget until the funding is agreed.

(2) £150k growth was approved as part of the Play and Open Space Strategy Report sent to Executive Cabinet in November. A £8k bid for funding from Tesco has been approved; this may increase to £12k depending on the outcome of the award.

(3) £100k growth was approved as part of the Play and Open Space Strategy Report sent to Executive Cabinet in November. A £100k bid has been made to Sport England with an outcome expected in April 2016.

(4) £5k funding relates to a contribution from Fields in Trust which was approved Feb 2016

(5) Funding includes a £10k contribution from Lancashire County Council that has been received and is waiting to be spent

Project Mandate

8. Impact on other Directorates/Projects

This project will work closely with the following teams:

- Finance
- Procurement
- Property Services
- Streetscene
- LCC lighting
- Communications

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Report of	Meeting	Date
Statutory Finance Officer	Special Council	1 March 2016

TREASURY STRATEGIES AND PRUDENTIAL INDICATORS 2016/17 TO 2018/19

PURPOSE OF REPORT

1. To present for approval the Treasury Management Policy Statement, Treasury Management Practices (TMPs), Treasury Strategy, and Prudential Indicators for the years 2016/17 to 2018/19. 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 Treasury Management Policy Statement, presented in Appendix D (1).
3. That Council approved the Treasury Management Practices, presented in Appendix D (2).
4. That Council approve:
 - The Prudential Indicators for 2016/17 to 2018/19, as set out in this report.
 - The Treasury Management Strategy for 2016/17 and Treasury Indicators.
 - The Annual Investment Strategy 2016/17.
 - The Annual Statement of MRP Policy 2016/17.

EXECUTIVE SUMMARY OF REPORT

5. The report proposes adoption of a revised Treasury Management Policy Statement (Appendix D (1)), and revised Treasury Management Practices (TMPs) (Appendix D (2)), which have been updated to reflect the latest guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA).
6. The report presents Prudential Indicators relating to capital expenditure and financing, and the level of external borrowing.
7. The proposed MRP Policy for 2016/17 is unchanged from that for 2015/16. It permits an “MRP Holiday” in respect of capital projects that take more than one financial year before completion. During 2015/16, Governance Committee approved an accounting policy of capitalising borrowing costs in specific circumstances, as explained in the report.
8. No changes are proposed to the Investment Strategy for 2016/17. A review of counterparties was presented to Governance Committee during 2015/16 and it is proposed that the same revised limits should continue in 2016/17. The following limits remain in force:
 - The maximum that can be invested with the part-nationalised banks remains at £4m per group (RBS group only), and with other institutions (banks or buildings societies) £3m. Investments totals can be any combination of call account deposits, term deposits, or certificates of deposit.

- Up to £3m can be deposited in CNAV Money Market Funds, which afford instant access; and £2m in VNAV Enhanced Money Market Funds, which offer high liquidity.
- Funds can be deposited for up to one year in UK banks and building societies, taking account of creditworthiness of the institution. Investments are likely to be for shorter periods.
- 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.
- Investments with local authorities can be up to £2m per authority for one year, or £2m for a maximum of 2 years. Investments of over 1 year would be regarded as ‘non-specified’, but the security of such deposits is high. It is unlikely, however, that cash balances would be such that the option would be used.

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)

9. With security of investments being the paramount objective, no further changes in the current narrow range of UK-registered counterparty institutions is proposed.
10. Approval of the revised Treasury Management Policy Statement and Treasury Management Practices (TMPs) is necessary to take account of the latest CIPFA guidance.
11. 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

12. None

CORPORATE PRIORITIES

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

BACKGROUND

14. The Local Government Act 2003, gave local 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'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.
15. 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.
16. Finally local 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.
17. 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.

TREASURY MANAGEMENT POLICY STATEMENT & TREASURY MANAGEMENT PRACTICES (TMPs)

18. The Council's Treasury Management Policy Statement was adopted in 2010. This has been reviewed for compliance with current guidance, and the proposed updated policy is presented in Appendix D (1). This report has been prepared to reflect adoption of the policy, which is broadly equivalent to the 2010 policy, but which includes additional text to explain the Council's Borrowing Policy and Investment Policy.
19. CIPFA's 2011 Treasury Management Code of Practice recommends that an organisation's Treasury Management Practices (TMPs) include those of the following that are relevant to its treasury management powers and the scope of its treasury management activities:

TMP1	Risk management
TMP2	Performance measurement
TMP3	Decision-making and analysis
TMP4	Approved instruments, methods and techniques
TMP5	Organisation, clarity and segregation of responsibilities, and dealing Arrangements
TMP6	Reporting requirements and management information arrangements
TMP7	Budgeting, accounting and audit arrangements
TMP8	Cash and cash flow management
TMP9	Money laundering
TMP10	Training and qualifications
TMP11	Use of external service providers
TMP12	Corporate governance

20. The TMPs have now been reviewed to ensure they comply with the latest guidance and are presented in Appendix D (2) for formal adoption by the Council. The TMPs presented at Appendix D (2) will continue to be kept under review and updated as necessary by any changes in CIPFA or DCLG guidance, statutory requirements, or Council policy.

PRUDENTIAL INDICATORS 2016/17 to 2018/19

21. 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. With regard to budget setting and budget monitoring purposes this charge should be considered with any income generated from the capital investment which may well exceed the cost of borrowing and therefore the asset is self-financing as described in paragraph 24 below.
22. To manage this 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

23. The following statement (Table 1) summarises the latest estimates of capital expenditure and the methods of financing the programme.
24. The programme includes major new schemes, in particular Market Walk Extension and the Fleet Street Extra Care Facility, which require use of Prudential Borrowing to finance much of the expenditure. However, the schemes are essentially self-financing, the financing costs (MRP and interest) being exceeded by the income generated when the assets become operational.
25. The Chorley East Health Centre was already included in the capital programme, but the main construction phase has now has been rescheduled to 2017/18 to 2018/19.

Prudential Indicator 1 - Capital Expenditure

Table 1 - Capital Expenditure	2015/16 Revised £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Capital expenditure incurred directly by the Council	5,208	21,541	11,643	4,287
<i>Less Capital resources:</i>				
Capital receipts	405	734	0	0
Grants & contributions	1,303	8,000	2,835	370
Revenue and reserves	1,278	2,091	450	400
Unfinanced amount (affects the CFR: see Prudential Indicator 2 below)	2,222	10,716	8,358	3,517
<i>Of which:</i>				
General capital expenditure	237	551	325	0
Croston Flood Prevention	1,100	0	0	0
Market Walk Extension *	785	8,439	0	0
Fleet Street Extra Care Facility *	0	1,726	4,515	0
Chorley East Health Centre *	100	0	3,518	3,517

* Self-financing Prudential Borrowing

Prudential Indicator 2 – Capital Financing Requirement (CFR)

26. 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).
27. 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 from the Public Works Loan Board (PWLB) or elsewhere.
28. The CFR is important therefore because it creates a charge to the Council's General Fund, which therefore may impact on Council Tax if it is not self-financed by the income generated by the scheme. The following table shows how the CFR is changing over the next few years.

Prudential Indicator 2 - Capital Financing Requirement (CFR)

Table 2 - CFR	2015/16 Revised £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Estimated CFR at year-end	34,885	45,072	52,824	55,637
Reasons for the annual change in the CFR				
Unfinanced capital expenditure (see Table 1)		10,716	8,358	3,517
Annual revenue charge (MRP)		(529)	(606)	(704)
<i>Of which:</i>				
General capital expenditure	9,836	10,041	10,016	9,654
Croston Flood Prevention	1,100	1,078	1,056	1,034
Market Walk Shopping Centre *	23,064	22,917	22,763	22,602
Market Walk Extension *	785	9,210	9,130	9,047
Fleet Street Extra Care Facility *	0	1,726	6,241	6,192
Chorley East Health Centre *	100	100	3,618	7,108

* Self-financing Prudential Borrowing

23. As indicated above, several of the major projects which have been or will be financed with Prudential Borrowing are essentially self-financing. In particular, Market Walk and the forthcoming Extension will generate considerable income for the Council in excess of the financing costs arising from financing by borrowing.
24. There will be an "MRP Holiday" in respect of new major assets which will take more than one financial year to construct, in particular Chorley Youth Zone, Market Walk Extension, Fleet Street Extra Care Facility, and Chorley East Health Centre. This means that MRP would be charged from the year after the asset becomes operational, in order to match financing costs with the use of the asset.
25. In a similar way, during 2015/16 Governance Committee approved that from 1 April 2015 the Council should adopt the accounting policy of capitalising borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, where the costs are incurred in more than one financial year before an asset becomes operational and where budgeted Prudential Borrowing required to finance the asset is £4m or more. This means that the relevant interest costs would be added to the capital cost of the assets rather

than charging interest to the revenue budget before the assets are in use. It helps to match the revenue cost of the assets to the years they are in operational use.

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

- 25. This indicator shows the proportion of the receipts from government grants and local taxation (Council Tax and Business rates) that is required to meet the costs associated with capital financing (interest and principal - MRP, net of interest received).
- 26. The ratio shows a reduction in 2016/17 compared to 2015/16, which reflects the temporary increase in New Homes Bonus funding in that year, plus the beneficial effect of membership of the Lancashire Business Rates Retention Polling Agreement, which allows the Council to retain most of the rates income which otherwise would be payable to the government as a levy. However, there is then an increase from 2017/17 onwards, which reflects the reduction in the revenue stream in respect of government funding, Revenue Support Grant in particular. Financing costs increase as a result of additional prudential borrowing. The income to the Council generated by assets such as Market Walk and its Extension or Fleet Street Extra Care Scheme cannot be reflected in this calculation, thereby making the revenue costs of the capital programme appear greater than it they really are and therefore the indicators below do not reflect the reality in the budget and the impact on Council Tax.

Table 3 - Ratio of financing costs	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %
Ratio (excluding Income Generation)	9.19	7.01	9.60	11.38

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

Table 4 - Impact of capital investment decisions	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
Increase/(decrease) in Band D charge (excluding Income Generation)	0.93	23.11	43.15	52.04

- 27. 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. In particular, the figures do not take account of the fact that several of the capital projects included in the capital programme for 2015/16 to 2018/19 are not only self-financing, but are intended to generate an income to help finance the Council’s services. Rather than increasing council tax, as implied by the prudential indicator, the assets should help to protect service delivery without requiring council tax increases.

TREASURY MANAGEMENT STRATEGY 2016/17 to 2018/19**Background**

27. 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

28. 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). However, the Treasury Management Policy Statement should be updated to reflect the latest CIPFA guidance, and therefore a revised statement proposed for adoption is presented in Appendix D (1).

Reporting

29. 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

30. 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 most Prudential Borrowing incurred for capital financing (Table 1) will be external (PWLB or other sources) rather than internal cash balances.

31.

Table 5 - Borrowing and Investments	2015/16 Revised £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Borrowing at period start	19,042	20,022	39,185	45,239
Borrowing repaid in year	(6,242)	(1,553)	(2,304)	(2,436)
Borrowing in year	7,222	20,716	8,358	3,518
Borrowing at period end	20,022	39,185	45,239	46,321
Surplus cash for investment at year end	(5,000)	(10,000)	(7,000)	(7,000)
Net borrowing/(investments)	15,022	29,185	38,239	39,321

External borrowing is assumed to be taken in the year that capital expenditure financed by Prudential Borrowing is incurred. In practice, the timing of borrowing will be influenced by the availability of internal cash balances, and current and forecast interest rates. If at any point there was a strong likelihood of borrowing interest rates increasing to a greater extent than estimated at present, then the profile of borrowing would be reconsidered. Longer-term savings could be achieved by borrowing at an early date if rates were expected to rise subsequently.

Prudential Indicator 7

32. The Prudential Code requires authorities to make comparison between net borrowing and the CFR. At its greatest net borrowing should not exceed the current year's 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

33. 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. This table assumes that additional external borrowing will be taken from 2015/16 onwards to finance new capital expenditure, to replace the use of internal cash balances, and to replace loans repaid in the period.

Table 6 - Operational Boundary	31/3/16 Estimate £'000	31/3/17 Estimate £'000	31/3/18 Estimate £'000	31/3/19 Estimate £'000
Borrowings	20,022	39,185	45,239	46,321
Other long-term liabilities	15	15	15	15
Operational boundary	20,037	39,200	45,254	46,336

Prudential Indicator 9 The Authorised Limit

34. 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	31/3/16 Estimate £'000	31/3/17 Estimate £'000	31/3/18 Estimate £'000	31/3/19 Estimate £'000
Borrowings	23,022	42,185	48,239	49,321
Other long-term liabilities	15	15	15	15
Authorised Limit	23,037	42,200	48,254	49,336

Economic outlook and expected movement in interest rates

35. The report of the Council's consultants, Capital Asset Services, is attached at Appendix D (3).
36. Capita indicate that investment returns are likely to remain relatively low during 2016/17. Bank Rate is now expected to increase in the March quarter of 2017, about a year later than previously estimated.
37. Appendix D (3) also presents estimated PWLB borrowing rates through to 2018/19. The rates are lower than estimated a year ago, 50-year loans being around 1% lower than in the equivalent table last year.

Borrowing strategy

37. Prudential Indicators presented in this report reflect are prepared on the assumption that Prudential Borrowing to finance new capital expenditure between 2015/16 and 2018/19 will require external borrowing rather than use of internal cash balances. Additional loans will be taken to replace internal borrowing in respect of existing capital assets, in order to generate cash balances required for operational purposes. In addition, loans repayable from 2015/16 onwards will be replaced. The timing of any additional borrowing and estimated changes in interest rates would be discussed with the Council's treasury advisors, Capital Asset Services.

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. The peak during 2015/16 to date has been under £12m, but at the time of preparing this report some borrowing has been repaid, and no new PWLB loans have been taken out. Potentially balances could peak at around £25m for short periods, especially if PWLB loans are taken to replace the use of internal cash balances for capital financing. This amount will therefore form the limit.

Table 8 - Variable rate upper limit	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Upper limit on variable rate exposure	17	25	22	22

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.

	2015/16	2016/17	2017/18	2018/19
Table 9 - Fixed rate upper limit	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 2017, and the upper limit assumes that there would be further PWLB borrowing during 2015/16 and 2016/17 to replace the use of internal cash balances. The indicator is based on the assumption that new loans are for periods of 25 and 50 years, which has increased the percentage of borrowing which is repayable after 10 years and above. Taking loans for such long periods when interest rates are relatively low and likely to increase in future years helps to protect against refinancing risk, because rates could increase considerably by the time shorter-term loans need to be repaid.

Table 10 - Maturity structure of borrowing	As at 31/3/17	
	Lower Limit	Upper Limit
Under 12 months	6%	7%
12 months to 2 years	5%	6%
2 to 5 years	13%	14%
5 to 10 years	19%	18%
10 years and above	54%	58%

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, which is the Council's usual practice. Such investments are classified as being 'non-specified'. However, in principle a maximum of £4m could be invested with UK local authorities, subject to a maximum of £2m per authority. This option was introduced into the investment strategy during 2015/16 to reflect the high degree of security of local authority investments. Capita advises that local authorities are suitable for investments up to five years, but the Council has adopted a maximum duration of up to two years. It is unlikely that cash balances would be such that this option would be used. In addition, the rate of interest offered by other local authorities is often not very competitive, so high security would be achieved at the expense of a low rate of return.

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 15% 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 0.40%. Actual investment returns have exceeded this target during 2015/16 to date, but it is likely that the margin above the target will reduce. Cash balances are often available to invest for only short periods, which tends to mean that low interest call accounts and MMFs are used rather than higher rate term deposits.

INVESTMENT STRATEGY 2016/17

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 Council’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 Council’s Strategy 2016/17

Objectives

49. The Council’s investment priorities are:
 - **The security of capital and**
 - **The liquidity of its investments.**

50. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
51. 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

52. 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.**
53. 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. Deposits with other UK local authorities for more than one year but less than two would be ‘non-specified’
54. The Council’s practice has been only to make specified investments, though the option of placing deposits with UK local authorities for one to two years (which would be non-specified) was adopted during 2015/16. This option is unlikely to be used. The Council normally uses only the simplest instruments such as money market deposits or deposits in call accounts and Money Market Funds. The investment strategy permits use of certificates of deposit (CDs) as an alternative to term investment. These offer the potential for greater liquidity than term deposits, though the rate of return is usually lower than for term deposits.

Counterparty Selection Criteria

55. 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 the following:-
- **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**
56. These factors are combined in a scoring system, and results in counterparties being colour coded:
- **Yellow – suggested maximum duration 5 years ****
 - **Purple – suggested maximum duration 2 years**
 - **Blue (used for part-nationalised UK Banks) – 1 year**
 - **Orange – 1 year**
 - **Red – 6 months**
 - **Green – 3 months**
 - **No colour – not to be used**

** The UK Government and Local Authorities are included in this category. However, the strategy restricts investments to shorter period than the maximum duration suggested by Capita.

The Council only lends to UK-incorporated 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.

The duration of deposits takes account of the Capita colour coding as explained above.

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. During 2015/16 Governance Committee considered revisions to the investment counterparties 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 (3).

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. 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.

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 Investment Counterparties 2016/17 table on the following page.

Member and Staff Training

58. We will be scheduling appropriate awareness training for councillors in 2016/17. Treasury management staff in the Shared Financial Services' Financial Accountancy team will attend workshops and seminars provided by Capita Asset Services or CIPFA where appropriate.

Financial Institutions and Investment Criteria (2016/17 Treasury Strategy)

Investment Counterparties 2016/17

Category	Institutions	CAS Colour Code	Maximum Period	Limit per Institution
Banks & Building Societies: Call Accounts /Term Deposits / Certificates of Deposit (CDs)				
Government related/guaranteed entities	DMADF (DMO) UK Local Authority	Yellow Yellow	6 months 1 year 2 years	Unlimited £3m per LA £2m per LA; £4m in total
UK part-nationalised institutions	Royal Bank of Scotland group	Blue	1 year	£4m per group
UK-incorporated Institutions	UK banks and building societies of high credit quality	Orange Red Green	1 year 6 months 3 months	£3m per group (or institution if independent)
Money Market Funds				
Money Market Funds (CNAV)	MMFs of high credit quality - AAA rated		Instant access	£3m per fund
Enhanced Money Market Funds (VNAV)	EMMFs of high credit quality - AAA rated		T+2 or T+3	£2m per fund; £4m in total

ANNUAL STATEMENT OF MRP POLICY 2016/17

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, 2016/17.

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.

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.

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
CIPFA Standards of Professional Practice: Treasury Management			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	12 February 2016	Treasury Strategy 2016-17 Onwards.doc

Treasury Management Policy Statement

1. Chorley Council defines its treasury management activities as:

The management of the Council'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 Council regards the successful 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 management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. This Council acknowledges that effective treasury management will provide support towards the achievement 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.
4. **Borrowing policy:** The Council will set an affordable borrowing limit in its annual Treasury Strategy, in compliance with the Local Government Act 2003, and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit. It will also set limits on its exposure to changes in interest rates, and limits on the maturity structure of its borrowing in the annual Treasury Strategy report.

The Council's strategy for both short-term and long-term borrowing is to use only the following approved sources:

- Public Works Loan Board (PWLB)
 - Any UK bank, building society, or local authority approved as an investment counterparty
5. **Investment policy:** the Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of the Council's services is an important, but secondary, objective.

The Council will have regard to the Guidance on Local Government Investments issued by the Department for Communities and Local Government, and the CIPFA Treasury Management in the Public Services Code of Practice. It will approve an investment strategy each year as part of its treasury management strategy. The investment strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments, and limits on the amount of cash that may be invested with any one organisation.

APPENDIX D (2)

Treasury Management Practices**TMP1 Risk management**General statement

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**.

[1] credit and counterparty risk management

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in **TMP4 Approved instruments, methods and techniques**. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

[2] liquidity risk management

This Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

This Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

[3] interest rate risk management

This Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with **TMP6 Reporting requirements and management information arrangements**.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

[4] exchange rate risk management

This Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

[5] refinancing risk management

This Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

[6] legal and regulatory risk management

This Council will ensure that all of its treasury management activities comply with its statutory powers, and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under **TMP1 [1] credit and counterparty risk management**, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

[7] fraud, error and corruption, and contingency management

This Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption, or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

[8] market risk management

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2 Performance measurement

This Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements.

TMP3 Decision-making and analysis

This Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 Approved instruments, methods and techniques

This Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed and within the limits and parameters defined in **TMP1 Risk management**.

Where this Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

This Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function. If and when this Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with **TMP6 Reporting requirements and management information arrangements**, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The responsible officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP6 Reporting requirements and management information arrangements

This Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum The Council (i.e. full Council) will receive the following:-

- **an annual report on the strategy and plan to be pursued in the coming year;**
- **a mid-year review; and**
- **an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.**

The Governance Committee will receive regular monitoring reports on treasury management activities and risks.

The Council will report the treasury management indicators as detailed in the sector specific guidance notes.

TMP7 Budgeting, accounting and audit arrangements

The responsible officer will prepare, and this Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques**. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.

This Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP8 Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this Council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1 [1] liquidity risk management**.

TMP9 Money laundering

This Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

TMP10 Training and qualifications

This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

The responsible officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of external service providers

This Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed.

TMP12 Corporate governance

This Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This Council has adopted and has implemented the key principles of the Code. This is considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Definitions

Code CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2011 Edition

Responsible officer Chief Finance Officer / s151 Officer. Shared Financial Services' Financial Accountancy team performs the day to day treasury management activities in accordance with these TMPs.

APPENDIX D (3)**The following is the advice of the Council's treasury management consultants
Capita Asset Services****Introduction: 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. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

Investment Counterparties

Capita's view is that all councils should avoid a concentration of investments in too few counterparties or countries but that a suitable spreading approach in itself is likely to be sufficient given the safeguards already built into its creditworthiness service.

The creditworthiness service provided by Capita Asset Services 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. The creditworthiness service alerts clients to changes to ratings of all three agencies.

Sole reliance should not be placed on the use of this service. In addition clients should also use market data and market information, information on any external support for banks to help support their decision making processes.

Additional comments are offered in respect of the following investment counterparty options:

Property funds

A number of Capita clients are actively considering, or have already commenced investing in property funds. Where not already undertaken, this may require an addition to their list of non-specified investments in their Annual Investment Strategies (AIS). Clients may also wish to specify an appropriate monetary limit based upon an assessment of their reserves and balances going forward.

The use of these instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. Authorities should seek guidance on the status of any fund they may consider using. Appropriate due diligence should also be undertaken before investment of this type is undertaken.

Building societies

Only four building societies, at the time of writing, have the necessary ratings to render them suitable for consideration by clients who follow our suggested credit assessment methodology. This is a limited number, as the great majority of building societies do not have credit ratings, while a few do have ratings but they are not high enough ratings to qualify to get into one of our suggested colour bands. If clients wish to use building societies as part of their own strategy, then they could consider using asset size in order to choose which societies to place deposits with.

Challenger banks

The vast majority of local authorities do not include challenger banks in their counterparty lists. At present, they do not have credit ratings and so would fall outside of most investment strategy criteria. However, we expect that some of these entities may get ratings in coming years, so we will continue to keep this area under review.

Money Market Funds (MMFs)

Over the next few years, the EU will be working on developing proposals which may require these funds to move from constant net asset value (CNAV) to variable net asset value (VNAV). These reforms are still at an early stage and are unlikely to be ready for implementation in 2016/17. Whenever these changes occur, we will advise clients on the implications and how best these can be approached.

Economic Background

UK. UK GDP growth rates of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2.2%. Quarter 1 2015 was weak at +0.4% (+2.9% y/y), although there was a slight increase in quarter 2 to +0.5% before weakening again to +0.4% (+2.1% y/y) in quarter 3 and then picking up to +0.5% (2.2%) in quarter 4.

The Bank of England's February Inflation Report included a forecast for growth to remain around 2.2% – 2.4% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%.

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):

- *Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.*
- *Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.*
- *Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.*

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% y/y. The November 2015 Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up in inflation from around zero. According to the February 2016 Inflation Report, CPI inflation is now expected to get back to around 1% by the end of 2016 but not get near to 2% until the latter part of 2017.

However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments have led to the Bank of England lowering the pace of increases in inflation in its February 2016 Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted. For now, the Bank of England is forecasting further falls in unemployment to circa 4.8%.

Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy, (a silver lining!). Another silver lining is that the UK may not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that rates ought to rise sooner and quicker, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would aggressively raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively over the last year from Q4 2015 to Q1 2017. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008. There has also been an increase in momentum towards holding a referendum on membership of the EU in 2016, perhaps as early as June, rather than in 2017; this could impact on MPC considerations to hold off from a first increase until the uncertainty caused by it has passed.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

USA. GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded remarkably strongly in Q2 to 3.9% (annualised) before falling back to +2.0% in Q3 and then retreating to +0.7% in Q4.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong (and December was outstanding); this, therefore, opened up the way for the Fed. to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. The initial reading for Q4 is 0.3% also. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its

QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. A left wing / communist anti-austerity coalition has won a majority of seats in Portugal. The general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.2% after a short burst of strong growth of 1.1% during Q1, but then came back to +0.3% in Q3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already fired the first two of its 'arrows' of reform but has dithered about firing the third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016 in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services. There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality to bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging countries. There are also considerable concerns about the vulnerability of some emerging countries, and their corporates, which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis, (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries), there is now a strong flow back to those western economies with strong growth and a path of rising interest rates and bond yields.

The currencies of emerging countries have therefore been depressed by both this change in investors' strategy, and the consequent massive reverse cash flow, and also by the expectations of a series of central interest rate increases in the US which has caused the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a

time when their earnings from commodities are depressed by a simultaneous downturn in demand for their exports and a deterioration in the value of their currencies. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES' FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 12 February 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 1 of 2017.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in 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.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. 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.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in February 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2018.

- Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- 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 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:

- Uncertainty around the risk of a UK exit from the EU. The pace and timing of increases in the Fed. funds rate 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.
- 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.

	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Mar-16	0.50	1.70	2.30	3.20	3.00
Jun-16	0.50	1.90	2.40	3.20	3.00
Sep-16	0.50	2.00	2.50	3.30	3.10
Dec-16	0.50	2.10	2.60	3.30	3.10
Mar-17	0.75	2.20	2.70	3.50	3.30
Jun-17	0.75	2.30	2.80	3.50	3.30
Sep-17	1.00	2.40	2.90	3.60	3.40
Dec-17	1.00	2.60	3.00	3.60	3.40
Mar-18	1.25	2.70	3.10	3.70	3.50
Jun-18	1.25	2.80	3.30	3.70	3.60
Sep-18	1.50	2.90	3.40	3.70	3.60
Dec-18	1.50	3.00	3.50	3.80	3.70
Mar-19	1.75	3.10	3.60	3.80	3.70

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Investment returns expectations

Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2017. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

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

- 2016/17 0.60%
- 2017/18 1.25%
- 2018/19 1.75%
- 2019/20 2.00%
- 2020/21 2.25%
- 2021/22 2.50%
- 2022/23 2.75%
- 2023/24 2.75%
- Later years 3.00%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk.

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APPENDIX E

Report of	Meeting	Date
Statutory Finance Officer	Council	1 March 2016

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 2016/17.

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 2016/17 budget once again all key budgets have been re worked to align with expected outturn for 2015/16 and therefore reflect the ongoing cost of delivering the current levels of service. The budget contains no expenditure savings targets other than the senior management review savings which have been adjusted to show the part year saving and which will be agreed by the start of the new financial year. 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 2016/17 and as in 2015/16 further funds are being set aside to boost the Council's working balances in line with

the Medium Term Financial Strategy (MTFS) that recommends working balances are increased in line with the risks in the funding system.

7. 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. The key change in year is that the Council has joined the Lancashire Business Rate Retention Pool. This in effect allows the Council to keep significantly more of the growth it generates rather than pay it over to the Government. This is in exchange for the removal of the safety net. As a consequence of this additional ability to generate income, some business rate growth is now built into the MTFS as a potential income source to balance the Council's budget over the medium term.

8. 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
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CORPORATE PRIORITIES

9. 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 MTFS 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

10. 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

11. In terms of the budget proposals, once again in 2016/17 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 2016/17 budget these are shown in the medium term financial strategy but are summarized for convenience below

KEY ASSUMPTIONS

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

Assumption	2016/17	2017/18	2018/19
Council Tax Increases	0.0%	0.0%	0.0%
Increase in Council Tax Base	2.0%	1.0%	1.0%
Reduction in Grant Settlement (RSG)	£0.735m	£0.663m	£0.435m
Profiled reduction in Grant Settlement	(34.48%)	(31.08%)	(20.40%)
Total New Homes Bonus Receipts	£4.455m	£4.011m	£2.633m
Value of New Homes Bonus Incorporated in the Revenue Base Budget	£1.044m	£1.044m	£1.044m
Market Walk Net Financing	£0.629m	£0.881m	£0.863m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund Deficit Recovery profile	£0.956m	£1.081m	£1.206m
Supporting People Income from LCC	£0.138m	£0.130m	£0.122m
Additional Business Rates through membership of Lancashire Pooling Arrangement	£0.725m	£0.725m	£0.725m
Lancashire Waste Partnership Income	£0.933m	£0.933m	0
Pay Award	1.0%	1.0%	1.0%

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

COUNCIL TAX INCREASES

14. 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 MTFs 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 being 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

15. The Administration is proposing to freeze council tax in 2016/17, but there is no council tax freeze grant now available.

REDUCTION IN GRANT SETTLEMENT

16. This year in the Grant Settlement the Government signalled its intention to completely remove Revenue Support Grant by the year 2019/20, at the same time replacing it with a remodelling business rate retention scheme. The risks with this for the Council is that we have the certainty of the Revenue Support Grant reductions but the uncertainty of the new business rate system, the details of which will not be available for some time. To mitigate this the forward forecasts of business rate income are challenging but realistic and I have set out changes in the levels of working balances the Council should hold to mitigate against some of this risk.

NEW HOMES BONUS

17. The Government in its finance settlement for 2016/17 included its intention to change the way New Homes Bonus (NHB) is distributed with the intention of redistributing £800m to Council's providing adult social care services. The key change proposal is that NHB earned would be for a period of 4 and not 6 years as it is now. This would have a significant effect on the resources available to the Council and is a double blow given the reductions in Revenue Support Grant. I have modelled a significant reduction in NHB in order to be prudent. However, it is now clear that the NHB system will be part of the local government resource base until at least 2020/21 and in this respect it allows the funding to be used as transitional funding as set out in the previous strategy. It therefore allows for the use of the resource to fund core services to a greater extent than previously if this is required.

NET FINANCE OF MARKET WALK

18. The assumption built into the 2016/17 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 respond to what happens in the financial markets and as borrowing rates fluctuate be able to react. If rates are forecast to change it will be appropriate to take on some additional borrowing. For this reason I have left some headroom for in year borrowing.

BUSINESS RATE RETENTION (BRR)

19. The budget report explains the volatile nature of this particular core income stream and why accurate forecasting of future receipts is problematic. The income levels contained within the budget are based upon a set of assumptions that may impact on the total amount collected in future years, in particular the outcomes within the appeals process. In respect of making a provision for this issue, I have reviewed each past appeal claim on this ratings list to arrive at an estimated value of possible

future successful appeals awarded by the Valuation Office Agency (VOA). As more appeals are settled more experienced is gained as to the likely outcome. It remains the position however that each appeal claim is unique and it is only when those appeals are settled I will know if my analysis has been correct. At present any growth in business rates 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. With regard to the additional income resulting from being a member of the new Lancashire BRR Pooling Agreement, budgeted income from 2017/18 is estimated based on the current level of receipts.

PENSION FUND CONTRIBUTIONS

20. Contributions to the pension fund are budgeted for and are calculated on actual contribution rates determined by the pension fund actuary. A review of these contributions will take place for 2017/18 and as such the assumptions regarding the contributions will change during the MTFS period.

SUPPORTING PEOPLE INCOME

21. 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. However, the figures could change as we have some certainty for 2016/17 but the direction of travel is clear in that I anticipate there may be a significant reduction in supporting people grants from 2017/18. At this stage I am not able to say how much or what this impact will be. I will however be working on a risk strategy in order to come up with a plan of action in anticipation of its complete removal. This will be available during the next financial year for review to consider.

PAY AWARD

22. The estimates for 2016/17 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 STRATEGY

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

Total Summary Budget Resource Options to 2018/19

STRATEGY	2017/18 £m	2018/19 £m
<i>INCREASING INCOME</i>		
Use of New Homes Bonus	1.567	0.931
Growing the Borough's Business Rates		1.250
Growing the Borough's Council Tax Base	0.124	0.254
Sub total - Income	1.691	2.435
<i>REDUCING COSTS</i>		
Fundamental Review and Re-engineering of Services to Reduce Total Costs		0.750
Sub-total Expenditure	0	0.750
Total Resources Available to Balance the Budget	1.691	3.185
Forecast Deficit (Appendix F1)	1.304	3.080
Headroom After Implementation of Strategy	0.387	0.105

24. The strategy shows that broadly speaking the administration will attempt to bridge the gap by generating additional revenue of £2.4m by a continuation of NHB, business rate and Council Tax growth. Based upon the analysis of risk I have undertaken that this is not unrealistic but it will require the Council to focus in particular upon business rate growth. Other income streams like the NHB are continuing to be generated and the Council Tax agreed is controllable through political decisions on increasing the charge. In respect of expenditure savings, a sum of £750k or 5% of the spend on employee costs and contracts is forecast. Again this is not unreasonable and may involve more partnership working as set out in the Governance review and the business models the Council agreed to pursue.

OTHER RISKS

25. 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 £1.0m 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

26. The budget for 2016/17 has been established on the basis of not utilising any working balances to fund expenditure. The previous MTFS indicated that working balances should be no less than £3.0m. 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.
27. 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.
28. 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 banking crisis occur
29. The MTFS sets out that based upon current assumptions the Council's budget deficit could reach £3.0m by 2018/19. 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 £3.0m to no less than £4.0m, 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.
30. In relation to the Treasury Strategy individual deposit levels were increased to £3m to enable better rates to be accessed but £4m on particular deposits is set out in the treasury strategy. 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. For this reason I think it appropriate to increase the level of working balances.
31. By the end of 2015/16 the level of working balances will be £2.74m and in its budget for 2016/17 a further £500k will be contributed towards working balances. The forward forecasts from 2017/18 signal an intention to continue contributing to working balances, but this of course will be dependent on the Council's resource position and its success in achieving its fiscal targets.

IMPACT OF COUNTY COUNCIL'S REDUCTION IN SERVICES

32. The Administration has determined that it is appropriate to consider how this Council may respond to the service reductions being implemented. Some of the important service reductions are seen as a priority for our residents are demonstrated in the budget consultation responses. The immediate impact will be the reduction in bus subsidies, effective from April 2016 and thereafter it will be the results of the asset review (library and children centres) by September 2016 and then supporting people reductions, probably from 2017/18 onwards. As all the decisions and the details are not yet available, a sum of £1m is being set aside over the two years so that the Council can work through with partners and communities how we may collectively try to mitigate the impact and protect services where possible. It is important to stress that the funds are transitional funds and the Council must work hard to ensure any ongoing liabilities are minimal, given its overall financial position.

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	23/02/16	CEREP2016

Medium Term Financial Strategy 2016/17 to 2018/19



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 whilst also recognising 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 Strategy. For a number of successive years local authorities have faced fundamental changes to funding and a period of significant budget reductions and challenges. The Government's Spending Review 2015 was announced in 2015/16 closely followed by the Local Government Finance Settlement covering four years from 2016/17 to 2019/20. The settlement published significant reductions to the Revenue Support Grant (RSG) during the MTFS period to the point that it is completely withdrawn for 2019/20. In 2019/20 the direction of the grant reverses and the Council becomes required to make a grant payment to Central Government in the form of a 'Tariff Adjustment.' It is not known how the 'Tariff Adjustment' will be applied thereafter and therefore the scale of risk cannot be accurately quantified at this stage. The publication also launched the consultation process titled 'Sharpening the Incentive of NHB' in respect of proposals to reduce the value of funds to be awarded via the NHB core grant distribution scheme.

In summary, the structure of core grant income continues to be transformed and by the end of the MTFS period is comprised of only locally generated sources, that is, Council Tax and Business Rates Retention (BRR) reduced by the offsetting 'Tariff Adjustment' payment. There will also be the potential qualification for NHB dependent on the delivery of new homes in the borough. BRR income being particularly vulnerable to annual and significant fluctuations which increases the Council's exposure to financial risk with the regime's parameters being externally driven and outwith the influence of the Council. Therefore the Council's MTFS must demonstrate resilience and flexibility in order to respond to core income structural changes and variables such as tax base decline resulting from the appeals process and the possible negative impact from re-valuation rounds and downward national economic performance.

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

- Deliver a balanced budget by 2018/19.
- Maintain Council Tax charges in 2016/17 at the current level and consider rises in Council Tax in 2017/18 onwards.
- Prioritise the expansion of business rates income by attracting new businesses to the borough and developing new employment sites.
- Identify future uncommitted resources and commit the balances to support the transition period to further funding regime changes expected by 2020/21.

- 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 £4.0m over the financial planning period 2016/17 to 2018/19.
- Review the financial risks facing the Council during 2016/17 and the appropriate level of balances taking into account the latest information available.
- Make the Council more financially self-sufficient with specific emphasis on continuing to grow the Council's business rates base and creating investments that generate income.
- During 2015/16, the Council has agreed an approach to future governance models for public services, and a Transformation Strategy. The implementation of the Transformation Strategy will support the organisation in fundamentally changing service delivery models to make them more sustainable in the coming years.

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 managed 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 streams. This will mitigate the impact of future reductions in central government grant funding as well as year to year fluctuations in locally sourced funding and in addition, will aid regeneration of the Borough.
- 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

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 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 borrow purely to invest or lend on to 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 in the retraction of centrally controlled funding and 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 2018/19.
3. How the Council has balanced the 2016/17 budget and how the Council can meet the future financial challenges.
4. Where the Council will invest in its services to deliver its priorities.
5. Delivering the Capital Programme.
6. Treasury Management and Strategy.
7. Planning the level 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 Grant Thornton in their Annual Audit Letter.

The delivery of the Corporate Strategy is supported through a series of key projects and the organisational plan. In each case, the resources required to deliver the projects and plans are

broadly development 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 2018/19 the unadjusted budget deficit will be in the region of £3.080m.

Budget (Headroom)/Gap 2016/17 to 2018/19

Year	Budget (Headroom)/Gap £m	Cumulative Budget (Headroom)/Gap £m
2016/17	0	0
2017/18	1.304	1.304
2018/19	1.776	3.080

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

Assumption	2016/17	2017/18	2018/19
Council Tax Increases	0.0%	0.0%	0.0%
Increase in Council Tax Base	2.0%	1.0%	1.0%
Reduction in Grant Settlement (RSG)	£0.735m	£0.663m	£0.435m
Profiled reduction in Grant Settlement	(34.48%)	(31.08%)	(20.40%)
Total New Homes Bonus Receipts	£4.455m	£4.011m	£2.633m
Value of New Homes Bonus Incorporated in the Revenue Base Budget	£1.044m	£1.044m	£1.044m
Market Walk Net Financing	£0.629m	£0.881m	£0.863m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund Deficit Recovery profile	£0.956m	£1.081m	£1.206m

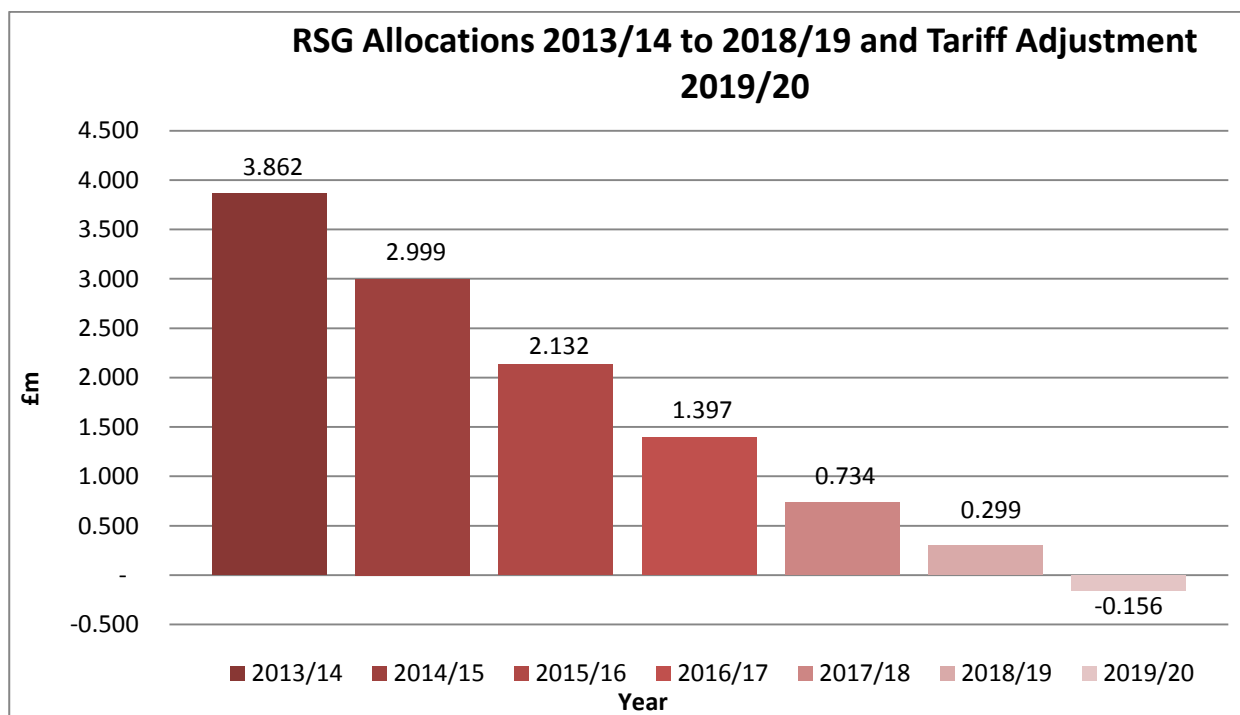
Assumption	2016/17	2017/18	2018/19
Supporting People Income from LCC	£0.138m	£0.130m	£0.122m
Additional Business Rates through membership of Lancashire Pooling Arrangement	£0.725m	£0.725m	£0.725m
Lancashire Waste Partnership Income	£0.933m	£0.933m	0
Pay Award	1.0%	1.0%	1.0%

All forecasts are built upon a number of assumptions, which are based upon the best information available at this time. The table above evidences the extent and scale to which the budget assumptions can influence the budget position over the period to 2018/19. Of note is the estimate in respect of the Pensions Fund Deficit Recovery profile which will be re-valued as part of the Triennial Review by the Pension Fund Actuary due with effect from 2017/18.

Also in terms of constructing budget estimates there is important national context to be considered, namely:

Revenue Support Grant (RSG)

The publication of the Final Local Government Finance Settlement provided more detail resulting from the new Central Government’s Spending Review 2015 which spans the next four years. It has resulted in large scale reductions in Central Government grant to District Councils placing unprecedented levels of continual pressure on the budget.



The total grant reduction from 2013/14 to 2016/17 has been £4.018m. The grant reductions announced in the final settlement are £735k (2016/17), £663k (2017/18) and £435k (2018/19) totalling £1.833m. This leaves £300k RSG remaining in 2018/19 with the final settlement reporting that the grant will be reduced to zero in 2019/20 and replaced with a grant payment to Central Government whereby the Council will transfer £156k to DCLG.

The RSG allocation has been set for a further 3 years to 2019/20 on an indicative basis. If the Council wishes to it can accept these allocations the decision to do this must be submitted by 14th October 2016.

Business Rates Retention

In addition to the removal of Central Government grant funding, the Local Government Finance Settlement announced changes to the Business Rates Retention system. The latest reforms announced a move towards Councils retaining 100% of local business rates by 2020/21. It is not yet known when the detailed changes to the rates system will be announced. Although a move to 100% BRR will allow Chorley Council to retain more of the benefits of expanding the local economy, it will also result in Councils being responsible for 100% of refunds to businesses that creates large uncertainties when forecasting future BRR.

Accurate forecasting of BRR will be further exacerbated as a national re-valuation of all Rateable Values is due to happen in 2017/18 and the Baseline Funding Level (the financial foundation on which benefit is calculated) will be reviewed and re-set as part of the Local Government Finance Settlement by 2020/21. Therefore, the budget contains some assumptions on the income level to be achieved in 2016/17 onwards that may still be subject to change.

These changes coupled with reductions in Central Government core funding make it essential that Chorley Borough Council expands the income generated from business rates. The New Investment Package outlined in this report (Appendix C) includes a commitment to bring new businesses to Chorley, facilitate the expansion of existing businesses and develop new employment sites. It is important that these strategies deliver growth to the business rates base to meet the future forecast budget deficit.

New Homes Bonus

The Local Government Finance Settlement announced £800m of cuts to the national pot of New Homes Bonus (NHB) by 2019/20. Initial indications are that the 2016/17 allocation will remain the same, however, illustrative reductions in the level of NHB in 2017/18 and 2018/19 have been announced and are larger for District Councils as funding will be transferred to top-tier local authorities to fund social care services. Consultation is taking place until March 2016 with regard to 'Sharpening the Incentive' of NHB which includes proposals to reduce the number of years NHB is awarded (currently 6 years) and restrict the qualifying criteria.

Illustrative NHB allocations are outlined in the final finance settlement up to 2019/20. This review of NHB influences its status in the total core funding regime from a year on year settlement to inclusion in a four year funding plan. Therefore more reliance can be applied to its overall role in the total funding pot and its longevity as a funding stream. Resultantly it is assumed that any uncommitted NHB identified in the MTFs can be allocated to manage the transition to the new funding regime by 2020/21. It is possible that NHB will cease in 2020/21 and will be combined as one funding arrangement along with retained business rates to be set out in the details of the new funding system.

The table below gives a forecast of potential New Homes Bonus allocations and outlines what will be committed against the allocations in 2016/17 to 2018/19.

	16/17	17/18	18/19
Existing NHB 2011/12 to 2015/16 including forecast reductions	(3.379)	(2.335)	(0.652)
NHB 2016/17 Allocation including forecast reductions	(1.076)	(1.076)	(0.937)
Forecast Allocations 17/18 – 18/19 (cumulative)		(0.600)	(1.044)
Forecast 16/17 New Homes Bonus Allocation Available	(4.455)	(4.011)	(2.633)
NHB in Base Budget	1.044	1.044	1.044
Capital Financing	0.400	0.400	0.400
2016/17 New Homes Bonus Allocation Available for Investment Packages and Other Purposes	(3.011)	(2.567)	(1.189)
Proposed 2016/17 New Investment Packages	1,408		
Fund to Support Transitional Period of Upper Tier Service Reduction	500	500	
Increase in Reserves to Bring Working Balances to £4.0m	500	500	259
Investment Fund	603		
Forecast (Uncommitted)/(Surplus) New Homes Bonus	0	(1.567)	(0.930)

The total committed expenditure against NHB is outlined in 'New Investments and Supporting Corporate Priorities' and 'Working Balances' section of this report.

Pension Fund

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 a fixed term. Performance against the target 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 approximately £1.0m so its impact is noteworthy and therefore must be planned for and accommodated within the overall service provision budget. In addition next triennial review will take place in 2017 meaning the figures included in the MTFS may change in 2017/18 & 2018/19 depending upon the performance of the pension fund.

Lancashire County Council

Lancashire County Council MTFS identifies a budget shortfall of £262m by 2020/21. Resultantly it is expected that existing income received from LCC will be retracted in future years. Chorley Council is currently in a 'Cost Share' arrangement with Lancashire County Council whereby the County pay over to District Councils 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. This represents a £900k fall in income and is reflected in the 2018/19 deficit in Appendix F1. In addition there is uncertainty surrounding £300k income the Council receives to support services such as resident support at Cotswold House and public realm works.

Key Budget Assumptions – Capital Financing

Taking all the budget pressures set out above into account it can be concluded that 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.

In particular, due to the risks in forecasting business rates outlined above, additional retained business rates are only built into the budget after they have been secured rather than in advance when it is based on estimated outcomes. Future potential growth in the business rates base is identified later on in this report.

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	2016/17 £m	2017/18 £m	2018/19 £m	Total £m	Note
Prudential Borrowing	0.551	0.325	0	0.876	(a)
Prudential Borrowing – to be repaid by income generated	10.165	8.033	3.518	21.716	(b)
Revenue Funding	1.376	0.050	0	1.426	(c)
Developers & Other Contributions	6.079	0.390	0	6.469	(d)
New Homes Bonus	0.715	0.400	0.400	1.515	(e)
Capital Receipts	0.734	0	0	0.734	
Grants	1.921	2.445	0.370	4.736	(f)
Total	21.541	11.643	4.288	37.471	

(a) These figures include the borrowing to fund the contribution to Chorley Youth Zone

(b) This is cost neutral on the revenue budget.

(c) Revenue funding in 2016/17 includes £1.0m reserve identified in 2015/16 to fund works to Market St, this will now be used to fund Chorley Town Centre Public Realm works.

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

(e) Funding of £315k for works to Astley Hall & Park are carried forward from 2015/16 into 2016/17

(f) Actual Grant allocations could vary from these estimates. These figures include HCA and DFG grants.

What Has Been Achieved

The current MTFs set out ways in which the budget pressures and deficit could be addressed over the longer term by achieving cost reductions and increasing income. The successful implementation of the strategy has secured a balanced budget position in advance of the next financial year.

The table below summarises the budget efficiency savings that have been achieved:

Saving/Increased Income	Achieved 2014/15 £m	Achieved 2015/16 £m	Achieved 2016/17 £m
Productivity Gains	0.331	0.017	0.085
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	0.128
Review of Management Structure (Target Saving) – Part Year Productivity Gains	-	-	0.229
Investment Yield	0.442	-	-
Lancashire Business Rates Retention Pooling	-	-	0.725
Total Saving/Increased Income	0.938	0.708	1.167

Budget efficiency savings and increased income of £1.167m have been delivered to balance the budget in 2016/17 adding to the £0.938m and £0.708m delivered in 2014/15 and 2015/16 respectively. The 2016/17 savings are attributable to the following key projects:-

- Base Budget Review (£0.128m) – Continual robust challenge and update of the base budget to ensure it fully reflects changing levels of requirement
- Productivity Gains and Efficiency Savings
 - Review of the Single Front Office and Shared Assurance Services. (£0.085m)
 - A review of the Management Structure (£0.229m) – A review of the management structure was undertaken and reported to Council in January to create a structure that enables implementation of the future governance models and public service reform. If approved, posts will be vacated at different points during the MTFS period and therefore savings are profiled as follows: £0.229m (2016/17); £0.274m (2017/18) and £0.364m (2018/19).
- The 2015/16 MTFS identified a possible 10% saving on staffing costs to help bridge the future budget gap. Savings identified will achieve a 3.5% saving on total directorate budgets and 4.4% on total staffing budgets. Further commitments to creating budget efficiencies are described later on in this report.
- Lancashire Business Rates Pooling Agreement (£0.725m) – Chorley is a member of the Lancashire Business Rates Pooling Agreement which gained ministerial approval in November 2015. In essence this means that all member authorities are treated as one in respect of levy payments normally paid by Councils to Central Government. The Levy is calculated by applying a 50% levy rate to additional BRR income achieved through growth in the tax base. The levy payments to Government are, in turn, recirculated and used to fund the Safety Net payment scheme which provides financial assistance to authorities who have seen a negative shift in business rate income to a level that exceeds a predetermined amount. Therefore the financial benefit from being in a pool is the retention of the aforementioned levy that would have been forfeited. The levy payment that would have been paid by Chorley Council in 2016/17 is £0.725m, this will now be retained and contribute towards balancing the budget deficit.

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 2018/19.

THE STRATEGY

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

- **To deliver a balanced budget over the Financial Planning Period to 2018/19**
- **To identify the savings required to balance the budget seeking to minimise the impact on front line service users**
- **To prioritise investments that grow the Council's business rates tax base**

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

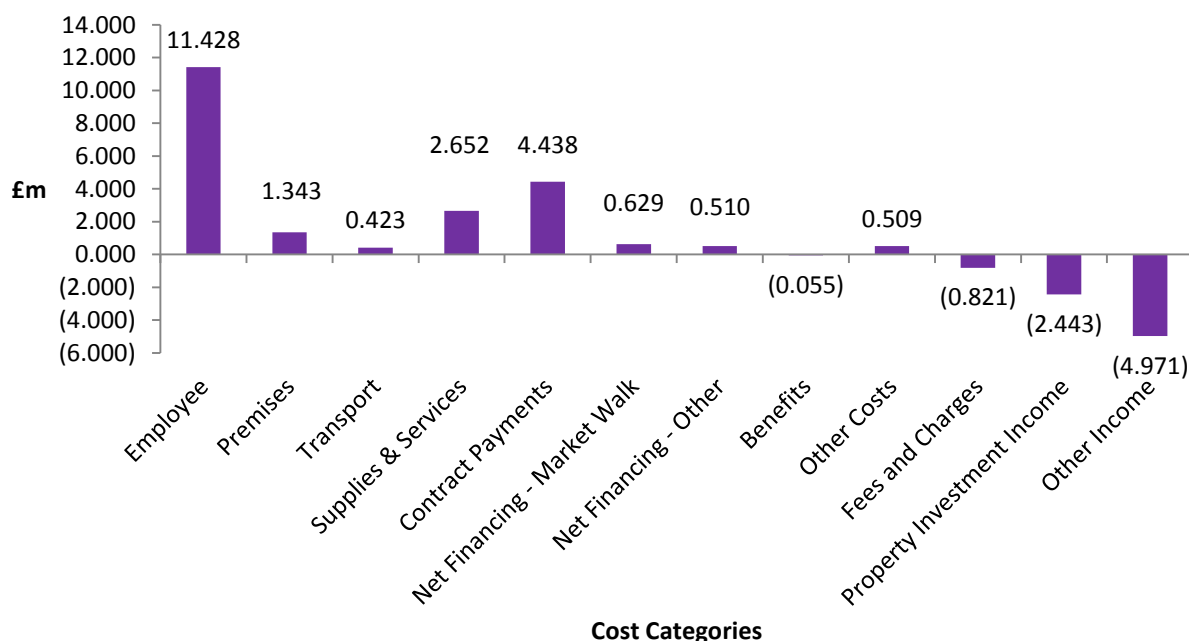
- The use of uncommitted New Homes Bonus to fund the Council's transition to the new core funding regime including the potential 100% BRR arrangements.
- Management of the Business Rates tax base to maximise the income opportunities of this potential new BRR regime.
- Re-engineering of services to fundamentally review service provision to reduce net expenditure and improve efficiency

FINANCIAL CONTEXT

The strategy below seeks to close the budget gap by 2018/19. In order to protect front line services the priority of this MTFS is to seek to apply an appropriate balance between maximising income opportunities and reducing costs. To this end £3.185m will be sought from various options by 2018/19.

To put the strategy into a financial context the total budgeted net expenditure of £13.641m (Appendix F1) is spent in the following areas:-

Budget Cost Categories 2016/17



N.B. Employee Costs include the Pensions Fund deficit budget in the sum of £0.956m (which is subject to re-valuation by the Actuary as part of the Triennial Review w.e.f. 2017/18) and the Other Income category includes income streams such as Car Parking, Planning fees, Waste Recycling and Housing Benefit Administration grant.

OPPORTUNITIES TO INCREASE INCOME

Growing the Borough’s Business Rates Tax Base - £1.250m

The future reliance on Chorley’s business rates to continue funding its services cannot be understated.

As a result of the Lancashire Pooling arrangement the Council now receives 90% of new rates income generated from growing the tax base and bringing new businesses into the Borough. Significant additional income can therefore be generated by increasing the number of business and commercial properties in the borough.

Forecasting future increases in the business rates base is complicated by difficulties in identifying fixed rateable values. The obstructions that prevent the Council from adding new developments to the business rates base include:

- The rateable value of new commercial properties are provided by the Valuation Office Agency (VOA), however, the Council often experiences delays in receiving these rateable values.
- New developments often result in incumbent businesses lodging appeals to the VOA against their current rateable values. The VOA has a backlog of appeals and so the budget implications of new developments and the resultant appeals may not be understood until future financial years.

As a result of these difficulties there is no assumed growth in business rates base in 2017/18 and 2018/19. Despite the difficulties of quantifying rateable values, an analysis of future business developments has been undertaken and has identified potential business rates growth that is outlined in the table below:

Financial Year	Forecast Growth Achieved £m	Forecast Rates Retained £m
2016/17	0.263	0.237
2017/18	1.049	0.944
2018/19	0.557	0.501
2019/20	0.465	0.419
TOTAL	2.334	2.101

The forecast rates are calculated from rateable values generated by comparing proposed future developments to similar developments in both Chorley or outside of the Borough. The figure of £2.1m represents the maximum receivable income that the Council could expect to receive from the development of new employment sites up to 2019/20. It must be noted that there are uncertainties in the timing and value of this income.

- Delays in the construction or occupation of large employment sites such as the Digital Health Park or Botany Bay could have a significant impact on both the magnitude and the timing of business rate receipts.
- In addition, subsequent appeals from new and incumbent businesses can also impact considerably on the figures above as well as delays in receiving rateable values.
- Chorley Council's membership of the Lancashire BRR Pool agreement may be superseded by changes to Central Government legislation. The Pooling Agreement remains valid unless one of its members wishes to dissolve the agreement or the government revises the pooling prospectus to a less beneficial scheme. As such the 90% retention of rates is potentially at risk during the MTFS period if the changes to the retention system are brought in before 2020/21.

Given the uncertainty inherent in these estimations a prudent figure of **£1.250m** is assumed in the strategy as a contribution towards the budget deficit. This represents **60%** of the potential income identified in the table above.

Council Tax Increases - £0.254m

An option that is also available to the Council is to increase Council Tax. 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 corporate priorities and generate further revenues for the Council.

Importantly, the reductions in Central Government funding announced in the Local Government Finance Settlement were made with the assumption that not only would Councils expand the Council Tax Base by building more homes but in addition, Councils would reduce the impact of grant reductions by increasing Council Tax in line with inflation estimated at 1.75% per annum.

The table below gives an indication of the assumed Council Tax base in the Local Government Finance Settlement and the base assumed in the MTFs:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
CBC Council Tax Base – Assumed in Local Government Finance Settlement	6.121	6.365	6.651	6.956
CBC Council Tax Base – MTFs	6.121	6.242	6.304	6.367
Variance	0	0.123	0.347	0.589

The table highlights that by 2018/19 the level of Council Tax available to the Council will be £6.367m whereas the assumed level in the Finance Settlement is £6.956m. The assumptions regarding the Council's ability to raise funds via its council tax base will result in the Central Government grant being reduced to zero in 2019/20 and replaced by a 'Tariff Adjustment'. This will require a transfer of money to DCLG from the authority. The value of this negative allocation is dependent upon the DCLG's assumptions on Chorley Council's Council Tax Base. The further the disparity between the actual tax base and the assumed tax base, the more difficult it will be for the Council meet this negative allocation in the future.

Increase in Council Tax %	2017/18 £m	2018/19 Cumulative £m
0.5	0.031	0.062
1.0	0.062	0.126
1.5	0.093	0.189
2.0	0.124	0.254

The table above indicates that increases in council tax do have a significant, cumulative and permanent effect on the budget deficit even over a short term period. Approximately £254,000 can be raised by 2018/19 if council tax is increased by 2% in 2017/18 and 2018/19.

COST REDUCTION

In addition to income generation, cost reduction can also be achieved by making budgetary efficiencies.

Fundamental Review of Costs - Reduction of Expenditure - £0.750m

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 2015/16 MTFS identified a possible 10% saving on staffing costs to help bridge the future budget gap. A review of the management structure is being undertaken in 2015/16 and the proposals achieve a 4.4% saving on staffing costs. The Council will continue to pursue a strategy of creating budget efficiencies and an estimated saving of £0.750m is included in the MTFS to meet the budget deficit in 2018/19. This figure represents 5% of the Council's total staffing and contract budgets.

IN SUMMARY

The table below summarises the options available for consideration to bridge the forecasted budget deficit over the MTFS period.

Total Budget Resourcing Programme to 2018/19

STRATEGY	17/18 £m	18/19 £m
INCREASING INCOME		
Use of New Homes Bonus	1.567	0.931
Growing the Borough's Business Rates		1.250
Growing the Borough's Council Tax Base	0.124	0.254
Sub total - Income	1.691	2.435
REDUCING COSTS		
Fundamental Review and Re-engineering of Services to Reduce Total Costs		0.750
Sub-total Expenditure	0	0.750
Total Resources Available to Balance the Budget	1.691	3.185
Forecast Deficit (Appendix F1)	1.304	3.080
Headroom After Implementation of Strategy	0.387	0.105

Savings of £3.185m achieved by the beginning of 2018/19 would provide headroom of £0.105m against the £3.080m forecast deficit.

NEW INVESTMENT AND SUPPORTING THE CORPORATE PRIORITIES

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 Council's Corporate 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**

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 Revenue Investment Areas	Funding Request (£)
INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL – Total £190,000	
Support for Chorley's VCFS organisations	15,000
Provide support to food provision schemes	15,000
Community development & volunteering (SPICE)* (£20k 16/17, £40k 17/18 & 18/19)	100,000
Public noticeboards	10,000
Delivery of neighbourhood preferred projects	50,000
CLEAN, SAFE AND HEALTHY COMMUNITIES – Total £497,500	
Police Community Support Officers	297,000
Free swimming	7,500
Replacement of CBC's Control Orders with Public Space Protection Orders	20,000
Empty homes - Enforcement action and communications * (£26k 16/17, £36k 17/18 and 18/19)	98,000
Provide a mediation service for Anti-Social Behaviour case resolution	10,000
North West in Bloom	50,000
16/17 Young person's drop-in centre	15,000

New Revenue Investment Areas	Funding Request (£)
A STRONG LOCAL ECONOMY – Total £591,500	
Chorley Business Investment for Growth (BIG) grant	60,000
Business start-up grants and loans	30,000
Borough wide retail grants improvement programme	80,000
Choose Chorley grants	75,000
Inward investment (Euxton Lane – Digital Health)	25,000
Extend the external funding officer post	24,000
Deliver the skills framework	30,000
Chorley works	39,000
Vulnerable families employment project	3,500
Furthering key employment sites	125,000
Develop Chorley's town and rural tourism economy	35,000
Chorley flower show	40,000
Chorley grand prix (British Cycling)	25,000
AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA – Total £129,000	
Integrate partner services through the Chorley public service reform partnership	15,000
Employee health scheme	20,000
Events programme delivery	80,000
Additional events at Astley	14,000
Total New Revenue Investment	1,408,000

In addition to the 2016/17 New Investment Package the budget proposals also include other proposed budget items that are to be funded from New Homes Bonus in 2016/17. These are:

- The creation of a £1.0m transition fund to support the implementation period of LCC's service reductions to address their own budget deficit position. £0.500m is to be set aside from the 2016/17 and the 2017/18 New Homes Bonus allocation respectively.
- £0.500m is set aside in 2016/17 and 2017/18 and £0.259m in 2018/19 to increase general balances to £4.0m to enable Chorley Council to manage the risk associated with the future funding allocations and changes announced over the next four years.

- The creation of a £603k investment fund to finance invest-to-earn projects that create a revenue contribution to supplement local taxation income streams.

The proposed package also includes new 2016/17 to 2018/19 capital programme investments as below:

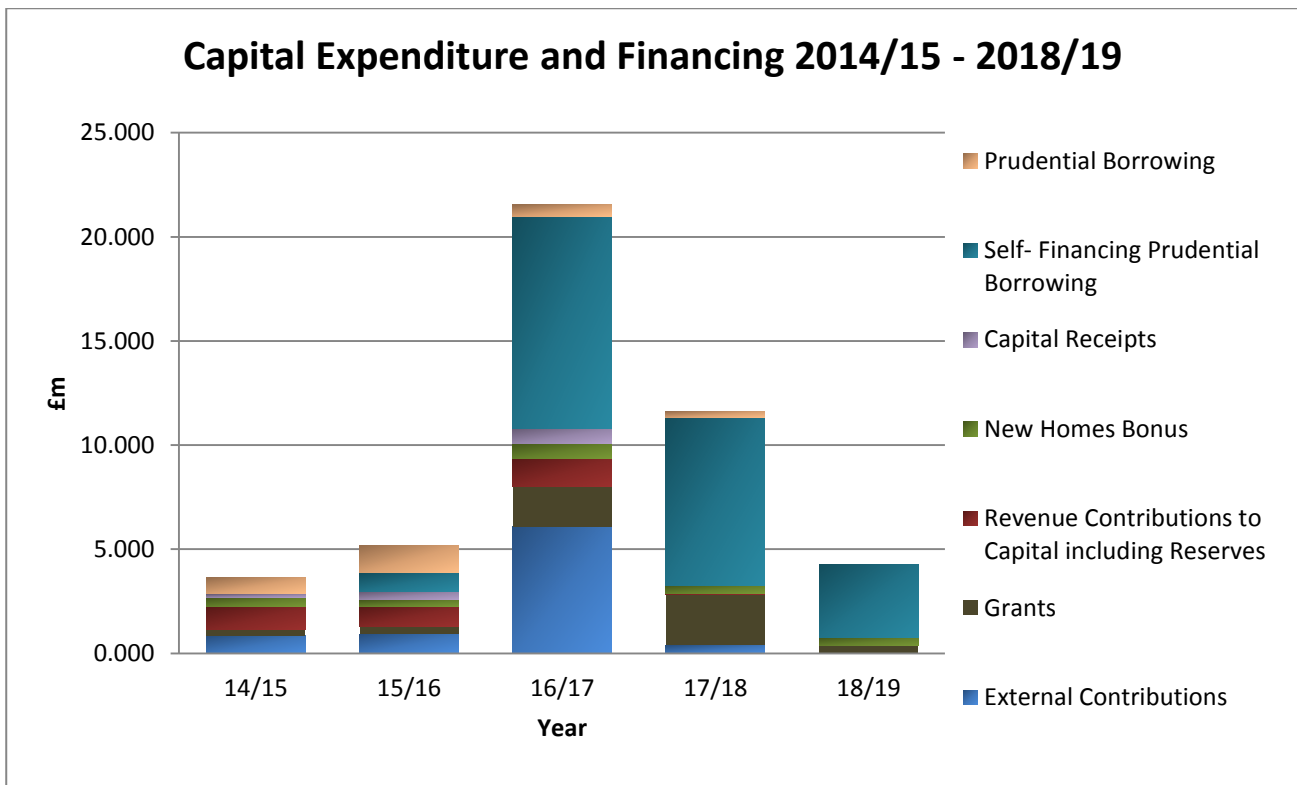
New Capital Investment Areas	Funding Request £
CLEAN, SAFE AND HEALTHY COMMUNITIES	1,759,400
Westway sports scheme	785,000
Play open space strategy	974,400
Total New Capital Investment	1,759,400

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 Priorities. 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 priorities.
- Borrowing will be managed 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 £37.471m over the MTFS period. The programme will be funded from a variety of sources, which is consistent with the Council's corporate priorities. These are summarised below:-



This capital programme includes large investments that generate income that will meet the borrowing that is used to fund them, these include:

- £7.036m in respect of facilitating the Chorley East Health Centre
- £9.100m to build an Extra Care Facility
- £12.078m to construct Market Walk Extension

Contributions received from housing developers will be assigned to projects throughout the MTFS period. These will fund some large projects including £3.690m of the Market Walk Extension and £1.4m towards the Play and Open Space projects.

Appendices B1, B2 and B3 provide further details of the capital programme 2016/17 to 2018/19.

WORKING BALANCES

The Council is required to maintain adequate financial reserves to meet the needs of the authority. This report has identified a number of external factors that will have a negative shift on the Council’s financial risk profile. Working balances must be maintained to respond to these risks as well as providing the necessary resources to fund any required restructuring of Council services.

The 2015/16 MTFS identified a need for working balances to reach £3.0m by 2017/18, the current forecast for 2015/16 is £2.741m. It is proposed that New Homes Bonus allocations are used to increase the working balance to £4.0m by the end of this MTFS period in 2018/19.

The rationale for this position is that the Council should have working balances that would enable it to cover the loss of any deposit it holds should this occur. This was one of the criticisms made of some Councils who did not have sufficient reserves should an banking crisis result in the loss of a significant proportion of such deposits. Currently the Treasury Strategy places a £3.0m upper limit on investments with banks (other than the part-nationalised RBS Group), building societies, money market funds, and local authorities.

In addition, 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. The increased reliance on business rates to fund the Council's expenditure creates uncertainty over the MFTS period. Variances against the forecast business rates base can be created by numerous occurrences including appeals, delays in receiving valuations and a slowdown in the economy. Increasing working balances enable the Council to better manage these unforeseen variances.

Working balances will also be increased to fund the unavoidable expenditure of any restructure the Council undertakes relating to its fundamental review of costs.

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.

The working balances position is made up of estimated balances in hand and forward forecasts as shown below:

Forecasted General Fund Balances	£m
General Fund Balance as at 01/04/15	2.288
Budgeted contribution 2015/16	0.350
Forecast additional contribution 2015/16	0.102
Sub Total – Estimated Balance as at 31/03/16	2.741
Use of New Homes Bonus to Increase Working Balances 2016/17	0.500
Use of New Homes Bonus to Increase Working Balances 2017/18	0.500
Use of New Homes Bonus to Increase Working Balances 2018/19	0.259
Forecast balance 31/03/2018	4.000

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

- **To establish working balances no lower than £4.0m at the end of the financial planning period to 2018/19.**
- **To review the financial risks facing the Council during 2016/17 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, look to optimise returns on investment, and to 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 to 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 2016, via the production of the annual Treasury Management Strategy.

Analysis of Budget Variations 2015/16 - 2018/19

	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000	2017/18 ESTIMATE £'000	2018/19 ESTIMATE £'000
CASH BASE BUDGET REQUIREMENT	14,252	13,841	12,651	12,786
Cash Movements:				
Other Virements (Transfer below the line)	(652)			
Inflation				
Pay	110	231	99	100
Pensions	21	23	11	9
Pensions Rate Adj.	116	117	124	125
Non-Pay	(119)	(14)	56	56
Contractual	155	152	201	198
Income	35	61	21	15
Increments	44	33	13	4
Volume Expenditure	(67)	(52)	(118)	125
Volume Income	60	(102)	35	53
Loss of Income - LCC waste/recycling agreement	0	18	18	933
Growth Items 2013/14 to 2015/16	0	(235)	0	0
New Revenue Investment 2014/15	(485)	(145)	0	0
New Capital Investment 2014/15	(206)	(218)	0	0
Market Walk - Net Income/Equalisation Account	(500)	500	0	0
Market Walk Account 16/17 Permanent Budget Adjustment	0	(370)	0	0
Net Income from Market Walk Extension/Extra Care Scheme	0	0	(300)	0
Base Budget Review Savings 2014/15 & 2015/16	(3)	0	0	0
Transformation Strategy Savings 2014/15	(162)	0	0	0
Recurrent Budget Growth 2015/16	95	0	0	0
New Revenue Investment 2015/16	807	(807)	0	0
New Capital Investment 2015/16	240	(240)	0	0
New Capital Investment (Future Years)	0	400	0	0
Reserve Balance for Unitary Work - Referendum	100	(100)	0	0
Base Budget Review Savings 2016/17	0	(128)		
Transformation Strategy Savings 2016/17	0	(86)	20	0
Senior Management Structure Review (Target Saving)	0	(229)	(45)	(90)
DIRECTORATE CASH BUDGETS	13,841	12,651	12,786	14,314
Contingency:				
- Management of the Establishment	(150)	(150)	(150)	(150)
Directorate & Corporate Budgets	13,691	12,501	12,636	14,164
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	107	127	127	127
- Minimum Revenue Provision (MRP - capital financing)	358	384	384	395
- MRP £23m & Borrowing £13m for Market Walk	652	536	520	506
- Additional interest on £11m Borrowing not initially taken	0	364	361	358
- Temporary Savings on Borrowing	0	(271)	0	0
sub total	1,117	1,139	1,393	1,386
TOTAL EXPENDITURE	14,808	13,641	14,028	15,550
Financed By:				
Council Tax - Borough	(6,121)	(6,242)	(6,304)	(6,367)
Grant for freezing Council Tax in 2015/16	(65)	0	0	0
Parish Precepts	533	533	533	533
Council Tax Parishes	(533)	(533)	(533)	(533)
Revenue Support Grant	(2,132)	(1,397)	(734)	(299)
Retained Business Rates	(2,759)	(2,977)	(2,977)	(2,977)
Business Rates Pooling	0	(726)	(726)	(726)
Government Section 31 Grants	(770)	(583)	(583)	(583)
Business Rates Retention Reserve	(92)	(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)	0	0	0
Use of New Homes Bonus for PCSO's	(297)	0	0	0
Use of NHB for New Investment 2014/15 to 2015/16	(363)	0	0	0
Use of NHB for New Investment - Revenue	(807)	0	0	0
Use of NHB for New Investment - Capital	(240)	0	0	0
Use of NHB for Capital Investment (Future Years)	0	(400)	(400)	(400)
NHB for proposed Unitary Status Local Poll	(100)	0	0	0
Use of NHB for 2015/16 General Reserve	(293)	0	0	0
Collection Fund (Surplus)/Deficit - Council Tax 16/17	(135)	(83)	0	0
Collection Fund (Surplus)/Deficit - Council Tax 17/18 onwards	0	0	0	0
Collection Fund (Surplus)/Deficit - Business Rates 16/17	358	(49)	0	0
Collection Fund (Surplus)/Deficit - Business Rates 17/18 onwards	0	0	0	0
Transfers to/(from) Earmarked Reserves	(62)	(49)	136	18
Transfer to/(from) General Balances	350	0	0	0
TOTAL FINANCING	(14,808)	(13,641)	(12,724)	(12,470)
Net Expenditure	0	0	1,304	3,080

Analysis of Budget Variations 2015/16 - 2018/19

Key Assumptions	2015/16	2016/17	2017/18	2018/19
Increase in Council Tax	0%	0%	0%	0%
Growth in Council Tax Base	3.8%	2.0%	1.0%	1.0%
Grant for freezing Council Tax in 2014/15 and 2015/16	£131k	£0k	£0k	£0k
Reduction in Government Grant Settlement (AEF)	£883k	£735k	£663k	£435k
Profiled Reduction in Grant Settlement	-15.50%	-34.48%	-31.08%	-20.40%
New Homes Bonus receipts built into revenue base budget	£1,044k	£1,044k	£1,044k	£1,044k
New Homes Bonus estimated receipts not in revenue base budget	£2,335k	£3,411k	£2,967k	£1,589k
Net Financing of Market Walk	£652k	£629k	£881k	£863k
Future Service Pension Rate	11.1%	11.1%	11.1%	11.1%
Additional Business Rates - Lancashire Pooling Arrangement	0	£725k	£725k	£725k
Lancashire Waste Partnership Income	£933k	£933k	£933k	0
Pension Fund deficit recovery	£832k	£956k	£1,081k	£1,206k
Supporting People Income from LCC	£147k	£138k	£130k	£122k
Pay Award	2.2%	1%	1%	1%

New Homes Bonus	2015/16	2016/17	2017/18	2018/19
New Homes Bonus 2011/12	(302)	(302)	-	-
New Homes Bonus 2012/13	(742)	(742)	-	-
New Homes Bonus 2013/14	(739)	(739)	(739)	-
New Homes Bonus 2014/15	(847)	(847)	(847)	-
New Homes Bonus 2015/16	(749)	(749)	(749)	(652)
New Homes Bonus 2016/17	-	(1,076)	(1,076)	(937)
New Homes Bonus 2017/18	-	-	(600)	(522)
New Homes Bonus 2018/19	-	-	-	(522)
Total New Homes Bonus	(3,379)	(4,455)	(4,011)	(2,633)
Use of New Homes Bonus in Base Budget	1,044	1,044	1,044	1,044
New Homes Bonus Receivable	(2,335)	(3,411)	(2,967)	(1,589)
Use of NHB for Growth Items 2013/14 to 2015/16	235	-	-	-
Use of New Homes Bonus for PCSO's	297	-	-	-
Use of NHB for 2014/15 Growth Items in Year 2	363	-	-	-
New Homes Bonus Available Balance	(1,440)	(3,411)	(2,967)	(1,589)
Use of NHB for 2015/16 Investment - Revenue	1,200	-	-	-
Use of NHB for 2015/16 Investment - Capital	240	400	400	400
Use of NHB for 2016/17 Investment - Proposed Revenue Projects	-	1,408	-	-
Use of NHB for 2016/17 Investment - Proposed LCC Transition Fund	-	500	500	-
Use of NHB for 2016/17 Investment - Proposed Increase Reserves	-	500	500	259
Use of NHB for 2016/17 Investment - Future Investment Fund	-	603	-	-
New Homes Bonus Available Balance	-	-	(1,567)	(930)

Variance Analysis - Movements from 2015/16 Original Estimates

APPENDIX G

Description	Details	2016/17 Budget Changes £	2016/17 Budget Changes £
	DIRECTORATE CASH BUDGETS		13,841,370
STAFFING	Increase in staffing costs of 1% pay award, increments, and impact on N.I. & Pension.		
	- Employees - Pay Awards	69,980	
	- Employees - Pay Increments	33,120	
	- Impact of changes to National Insurance rates wef 1 April 2016	161,320	
	- Pensions	23,060	
	- Impact of Pension changes 2016/17	117,270	
			404,750
CONTRACTS			
Waste contract	Inflationary adjustments to contract price plus property growth and vehicle replacement cost.	82,410	
Insurance Services	Inflationary increase on Council's insurance premiums plus increase in Insurance Premium Tax (IPT)	19,690	
Active Nation Leisure Contract	Annual inflationary increase in costs for the Council's leisure centres contract.	10,900	
ICT Contracts	Annual inflationary increases in contract costs for various computer equipment/software contracts.	15,660	
Misc	Various minor changes	4,240	
			132,900
OTHER NON PAY			
Non Domestic Rates	Increase in business rates for Council offices & premises.	43,180	
Buttermere Community Centre	Running costs for new Community Centre	30,000	
Housing Services	Handyperson costs funded by Integrated Home Improvement Service agreement with LCC	30,000	
Utilities	Forecast increase in Surface Water Charges	21,430	
Bin Replacement Scheme	New budget provision for replacement street waste bins.	10,000	
External Funding	Funding for External Funding Officer post held in reserve - end of Fixed Term post.	9,200	
Bucksaw Community Centre	Running costs for new Community Centre. Opens approx Oct/Nov 16	7,500	
LCC Pensions Account	Anticipated increase in Added Years Pension costs as a result of redundancy/early retirement/voluntary severance.	4,710	
Single Fraud Investigation Service	Reduction in staffing costs following transfer of staff to DWP under Single Fraud Investigation Service	(40,760)	
Housing Benefits	Anticipated reduction in net costs of housing benefit payments.	(21,980)	
Home Improvement Grants	Reduction in expenditure budget matched by reduction in available use of reserve.	(15,870)	
Environmental Liability Insurance	Insurance cover no longer required.	(18,070)	
Misc	Various minor changes	11,150	
			70,490
INCOME GENERATION			
Council Tax	Increase in Council Tax Summons/Committal costs income	(40,000)	
Investment Portfolio	Rental income from new retail units 98-102 Market St & Cunliffe Medical Practice	(39,550)	
Buttermere Community Centre	Income for Buttermere Community Centre	(10,000)	
Cemeteries	Increasing the income based on the previous two years levels.	(9,000)	
Markets	Markets Income (includes additional income from Monday opening)	(9,830)	
Health, Environment & Neighbourhoods	Rebasing of budgets for Licence Fees/Pest Control income	(6,000)	
Lancastrian Suite	Room hire income increased as part of Civic Services Review.	(5,000)	
Waste and Recycling Services	Increase in recharge to SRBC for Buckshaw Waste Collection	(3,690)	
NNDR	NNDR Collection Allowance for 2016/17	(2,920)	
Bengal Street Depot	Assumes no rental or service charge income from Recycling Lives	65,290	
Car Parking Income	Reduction in off-street car parking income	35,000	
Licensing Services	Reduction in income for Hackney/Private Carriage Licences following review of taxi licence fees	23,590	
Misc	Various minor changes	740	
			(1,370)
INCOME (GOVERNMENT GRANTS)			
Housing Benefit Administration	Reduction in Housing Benefit Admin Subsidy Grant as a result of the Single Fraud Investigation Service	45,300	
Housing Benefit Administration	Estimated reduction in Housing Benefit Admin Subsidy Grant receivable in 2016/17	23,550	
			68,850
INCOME (OTHER GRANTS & CONTRIBUTIONS)			
Housing Services	Additional income from Integrated Home Improvement Service agreement with LCC	(40,280)	
Housing Benefit Administration	Estimated Universal Credit/FERIS Grants for 2016/17	(25,000)	
LCC - Children's Partnership Board	Children's Partnership Board - LCC funding allocation 2016/17 only	(15,000)	
Electoral Registration	Assumes no further Individual Electoral Registration (IER) Funding from Cabinet Office after 2015/16.	30,800	
LCC Public Realm Agreement	Streetscene - LCC Public Realm Agreement	25,300	
S106 Contributions	Buckshaw Group One S106 contribution finishes from 2016/17 onwards	20,820	
LCC waste/recycling agreement	Amendment to waste/recycling Cost Share agreement with LCC for 2016/17	17,670	
			14,310
ADJUSTMENT FOR GROWTH ITEMS			
New Revenue Investment 2015/16	One year growth items dropping out of budgets in 2016/17	(1,146,820)	
New Revenue Investment 2014/15	Second year growth items dropping out of budgets in 2016/17	(363,000)	
Growth Items 2013/14 to 2015/16	3 year growth items dropping out of budgets in 2016/17	(235,000)	
Police Community Support Officers	Budget for Police Community Support Officers removed from base and included as one-year investment budget	(297,000)	
Employment support fund with Runshaw College	Budget funded by 2015/16 New Homes Bonus held in earmarked reserve.	10,000	
Accommodation finding service	Budget funded by 2015/16 New Homes Bonus held in earmarked reserve.	18,000	
Digital access and inclusion	Budget funded by 2015/16 New Homes Bonus held in earmarked reserve.	25,000	
New Capital Investment 2016/17	New Capital Investment 2016/17 to 2020/21 funded by New Homes Bonus (£400k x 5 years)	400,000	
			(1,588,820)
MARKET WALK NET INCOME			
	Market Walk Account - permanent budget adjustment to reflect ongoing net income	152,070	
			152,070
Transformation Strategy Savings 2016/17			
Single Front Office Review	Savings from review of Single Front Office structure for 2016/17	(57,000)	
Shared Assurance Services	Review of Shared Assurance Services for 2016/17	(17,200)	
ICT Services	Base Budget Review savings agreed for 2016/17 on ICT contracts.	(11,340)	
			(85,540)
Base Budget Review savings agreed for 2016/17			(128,480)
Senior Management Structure Review (Productivity Saving Target)	Savings target from review of Senior Management Structure for 2016/17 to 2018/19		(229,100)
	DIRECTORATE CASH BUDGETS		12,651,430

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Special Expenses & Parish Precepts 2016-17

Parish	Tax Base 2016/17 No	Borough General Expenses 2016/17 £	Borough Special Expenses 2016/17 £	Borough Services Council Tax 2016/17 £	Parish Precept 2016/17 £	Parish Top-up 2016/17 £	Parish Yield 2016/17 £	Band D Parish Charge 2016/17 £	Band D Parish Charge 2015/16 £	Change in Parish Charge 2016/17 %	Total Charge 2015/16 £	Total Charge 2016/17 £
Adlington	1,881.28	158.39	4.81	163.20	18,500	1,816	16,684	8.87	8.44	5.09%	171.64	172.07
Anderton	476.02	158.39	2.06	160.45	4,800	294	4,506	9.47	9.33	1.50%	169.78	169.92
Anglezarke	18.32	158.39	-	158.39	-	-	-	-	-	0.00%	158.39	158.39
Astley Village	934.57	158.39	27.06	185.45	23,653	3,877	19,776	21.16	21.16	0.00%	206.61	206.61
Bretherton	283.42	158.39	-	158.39	10,530	414	10,116	35.69	32.77	8.91%	191.16	194.08
Brindle	452.97	158.39	4.68	163.07	6,800	273	6,527	14.41	14.38	0.21%	177.45	177.48
Charnock Richard	669.92	158.39	3.85	162.24	28,000	345	27,655	41.28	39.96	3.30%	202.20	203.52
Clayton Le Woods	4,494.69	158.39	37.63	196.02	71,920	11,458	60,462	13.45	15.00	-10.33%	211.02	209.47
Coppull	2,196.15	158.39	7.91	166.30	88,145	10,576	77,569	35.32	34.40	2.67%	200.70	201.62
Croston	1,041.71	158.39	9.25	167.64	23,100	1,440	21,660	20.79	20.79	0.00%	188.43	188.43
Cuerden	42.26	158.39	11.35	169.74	1,100	2	1,098	25.98	26.45	-1.78%	196.19	195.72
Eccleston	1,601.20	158.39	4.83	163.22	43,800	1,636	42,164	26.33	26.34	-0.04%	189.56	189.56
Euxton	4,116.64	158.39	16.97	175.36	102,032	1,709	100,323	24.37	27.00	-9.74%	202.36	199.72
Heapey	373.41	158.39	17.34	175.73	9,190	327	8,863	23.74	23.74	0.00%	199.47	199.47
Heath Charnock	800.02	158.39	21.09	179.48	8,000	335	7,665	9.58	9.10	5.27%	188.58	189.06
Heskin	340.48	158.39	2.16	160.55	11,780	544	11,236	33.00	33.00	0.00%	193.55	193.55
Hoghton	346.82	158.39	6.82	165.21	6,000	167	5,833	16.82	14.01	20.06%	179.22	182.05
Mawdesley	751.62	158.39	1.34	159.73	28,721	794	27,927	37.16	35.31	5.24%	195.04	196.89
Rivington	52.20	158.39	-	158.39	2,500	169	2,331	44.66	45.71	-2.30%	204.10	203.05
Ulnes Walton	247.43	158.39	-	158.39	5,987	205	5,782	23.37	23.35	0.09%	181.74	181.76
Wheelton	393.74	158.39	-	158.39	12,020	432	11,588	29.43	31.25	-5.82%	189.64	187.82
Whittle Le Woods	2,368.52	158.39	21.00	179.39	35,608	-	35,608	15.03	14.97	0.40%	194.36	194.42
Withnell	1,192.48	158.39	8.61	167.00	29,270	1,483	27,787	23.30	23.37	-0.30%	190.37	190.30
Other parts of the Borough	10,105.85	158.39	26.59	184.98	-	-	-	-	-	-	184.98	184.98
	35,181.72	158.39	19.02	177.41	571,456	38,296	533,160	15.15	15.45	-1.94%	192.86	192.66

Note:

£38,296 represents the top-up to Parish Precept income in respect of the Council Tax Support Scheme.

There is no change in the value of the Top-up payment from 2015/16.

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APPENDIX I

Report of	Meeting	Date
Chief Executive	Special Council	1 March 2016

BUDGET CONSULTATION 2016/17

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 2016/17.

COMMENDATION(S)

2. That Members use the results which highlight the views of residents to inform their decisions on setting the budget for 2016/17.

EXECUTIVE SUMMARY OF REPORT

3. Consultation on proposed budget investment areas for 2016/17 shows a good spread of support for each of the investment areas with "Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers to create safer neighbourhoods and taking action to address long term empty properties" coming out as the top priority for Chorley residents.
4. Additional comments and suggestions were provided by 243 respondents and grouped together to identify key trends. Suggestions regarding the town centre formed the highest response rate, however below that references to both parks and housing were also mentioned in a number of the comments.
5. The consultation this year also included additional questions on the Council's response to Lancashire County Council budget proposals and also the level of Council Tax, with the opportunity to provide additional comments.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

6. 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

7. The 2016/17 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 21st January 2016.
8. The proposed investment areas were grouped into nine 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:-
 - Implementing projects in your neighbourhood
 - Encouraging people to get involved and volunteer in their local communities
 - Developing the local economy through providing support and incentives to local businesses, progressing new employment sites and encouraging job creation
 - Working with organisations across the borough involved in the tourism industry to promote Chorley as a place to visit and increase visitor numbers
 - Helping residents to live active, healthy lifestyles by improving parks, playing pitches and open spaces and continuing to offer free swimming for young people in the summer holidays.
 - Delivering a range of events in the borough such as the Chorley Flower Show and Chorley Grand Prix to put Chorley on the map and attract more people into the borough for days out.
 - Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers to create safer neighbourhoods and taking action to address long term empty properties.
 - Protecting vulnerable residents through supporting food provision schemes, helping young people at risk of homelessness and providing a mediation service to support anti-social behaviour.
 - Making sure that the Council and its partners are set up to meet current and future financial challenges to ensure the best deal for residents.
9. This year, two further questions were also asked of respondents;
 - What services do respondents perceive as priority services for Chorley to support and protect given the proposals from Lancashire County Council to reduce many of its services?
 - What level of council tax increase would respondents be willing to accept given the future reductions in government grant funding?
10. Respondents were also asked for any additional suggestions not mentioned elsewhere in the consultation about where the Council should be investing its money if not already identified.
11. The survey ran until the 14th 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 individuals and groups including, parish council clerks, the VCF sector network, the equality forum and myaccount holders.

BUDGET CONSULTATION RESULTS

12. The 2016/17 budget consultation ran from the 22nd January to the 14th February and received 948 responses. This consultation response was significantly higher than the previous year (607 respondents) up by 56%. This is mainly due to a structured social media campaign as well as an effective email marketing with 15,000 emails delivered to residents signing up to receive communications via the MyChorley account feature on the Council's website.
13. The first question asked respondents to score each of the investment areas out of five, 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	Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers and addressing long term empty properties.	3,961	13.12%	741	79.59%
2	Making sure that the Council and its partners are set up to meet current and future financial challenges	3,801	12.59%	687	73.72%
3	Helping residents to live active, healthy lifestyles	3,776	12.51%	689	74.16%
4	Developing the local economy through job creation and support for businesses	3,715	12.31%	654	70.48%
5	Protecting vulnerable residents	3,605	11.94%	622	67.24%
6	Delivering a range of events in the borough to put Chorley on the map	3,142	10.41%	458	49.35%
7	Working promote Chorley as a place to visit and increase visitor numbers.	2,823	9.35%	341	36.98%
8	Encouraging people to get involved and volunteer in their local communities.	2,808	9.30%	324	35.84%
9	Implementing projects in your neighbourhood.	2,557	8.47%	265	31.36%

14. The results show a good spread of support for each of the investment areas with "Making communities safer by continuing to fund Police Community Support Officers (PCSOs) in Chorley, implementing new powers to create safer neighbourhoods and taking action to address long term empty properties," coming out as the top priority for Chorley residents. However, feelings of safety remain high with the resident survey completed in July 2015 demonstrating an increase in feelings of safety both during the day (92% compared to 91.1% in 2013) and at night (72% compared to 68.5% in 2013).

15. “Making sure that the Council and its partners are set up to meet current and future financial challenges to ensure the best deal for residents”, previously the highest priority in 2015/16 still remains a high priority as does “Helping residents to live active, healthy lifestyles” which includes proposals linked to playing pitches and free swimming. “Developing the local economy through providing support and incentives to local businesses, progressing new employment sites and encouraging job creation” remains a top priority with open comments referencing support for local businesses and town centre improvements.
16. Respondents were invited to provide additional comments within the survey and also via social media with 243 respondents giving their views on areas that they felt the Council should be, but are not currently investing in. The responses were grouped together by service area 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. Where this occurred, the main area of comment was selected.
17. Included in the table in Appendix I1 against each category of comment is a brief note of the work that the Council is already undertaking or has plans to address.

RESPONDING TO LCC BUDGET PROPOSALS

18. Following the proposals from Lancashire County Council to reduce many of its services, respondents were provided with a choice of six service areas that the Council could potentially support and asked to identify their top 3 priorities.
19. 918 people responded and identified Highways, Supporting Vulnerable People & Public Transport as the main priority areas with total scores shown below:

Service Area	Total Score
Highways	765
Support Vulnerable People	543
Public Transport	499
Selling off Land and Assests	365
Libraries	351
Bus Station	146

20. In addition, 145 open comment responses were received on what Chorley should be doing to respond to the County Council cuts. The comments have been grouped together within the table at Appendix I1 but focussed primarily on highways including repairs and infrastructure; support for libraries as community centres and protecting local bus routes.

COUNCIL TAX

21. Respondents were asked to indicate what level of increase they would be willing to accept if, in return, we continue to maintain and invest in services. Three choices were provided and relate to the approximate values in pence per week for an average band D property. The results are detailed below:

Choice	Percentage
No Increase	19.63%
0.5% (2p)	31.80%
2.0% (7p)	48.57%

IMPLICATIONS OF REPORT

22. 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

23. The financial implications of this report are contained in the main budget setting report in the pack as well as appendix C and C1.

COMMENTS OF THE MONITORING OFFICER

24. There are no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Jason Mills	5775	16 th February 2016	Budget Consultation Council Report 2016

Category	Details	Note
Town centre retail offer, improvements & developments	Comments referenced the markets, the type and range of shops on offer and where future investment should be made including parking/park and ride facilities.	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 Developing the Market Walk Extension. These are in addition to the ones mentioned in the budget proposals such as Developing Chorley's town and rural economy and investigating further opportunities to expand Chorley markets.
Parks, play and open spaces	Included are comments relating to; maintenance of footpaths and football fields in our parks as well as some positive comments around the developments taking place in Astley Park during 2015	The Council will continue to work through the developments and upgrade projects planned within the Play, Open Space and Playing Pitch Strategy; as well as continuing to utilise the quality of our parks for special events; including Chorley Flower Show as well as a programme of additional events hosted at Astley Park.
Road repairs, pot holes and resurfacing	A number of comments referred to the current road infrastructure, driving conditions, the number of pot holes as well as describing road repairs as poor quality	The Council will continue to work with and lobby Lancashire County Council to improve these issues experienced by our residents.
Economic Development and independent business encouragement	Comments suggest reducing business rates as an incentive to attract new businesses until they become established and a desire to see more independent businesses offering something different to established brands.	A number of support grants are available for businesses including start-up grants, investment for growth grants and grants towards improvement programmes. The Council is focused on bringing a number of key employment sites forward.
Rented property inspections, increase in affordable housing, fair rent social housing as well as infrastructure to support increased housing	Comments suggest an increase in property inspections to ensure upkeep, reduce anti-social behaviour and untidy properties while reducing the remedial works required. Continue to increase affordable housing and fair rent social housing & infrastructure to support increased housing.	A project has been undertaken to look at existing issues relating to home ownership and delivering low cost or shared ownership schemes in Chorley.
Supporting young people to obtain work experience and jobs	Continue to invest in facilities for young people and support young people to obtain work experience and in-work qualifications	The Council continue to work with Runshaw College and other local training providers to offer support with accessing training and qualifications reflected by low levels of young people Not in Education Employment or Training.



APPENDIX J

Report of	Meeting	Date
Chief Executive	Special Council	1 March 2016

ASSESSING THE IMPACT OF 2016/17 BUDGET PROPOSALS

PURPOSE OF REPORT

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

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

3. 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
4. To meet this requirement in relation to the budget growth proposals 2016/2017, 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

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. 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
- 7. 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.
- 8. 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

- 9. 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

- 10. 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

- 11. The financial implications of this report are contained in the main budget setting report within this document pack.

COMMENTS OF THE MONITORING OFFICER

- 12. There are no comments.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

- 13. 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
Jason Mills	5775	15/02/16	Budget Equality Impact Assessment 2016

Integrated Impact Assessment

Name of the service, policy, strategy or project being assessed	Overall 2016/17 budget proposals		
What does the service, policy, strategy or project do?	Makes proposals for the budget setting process for 2016/17		
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	Jason Mills		
Date of Assessment	12/02/2016	Date of Review	14/02/2017

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?	✓		<p>High level budget consultation has been conducted using a combination of: online survey posted on the website; email survey sent to individuals, parish councils via intheboro; provision of paper surveys where appropriate and the use of social media.</p> <p>948 residents responded to the consultation which asked residents about whether they supported the Council's budget principles and what areas/services require investment. This is 56% increase on last year's respondent total. The survey also included equality monitoring questions.</p>	

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 16/17 Young Person's Drop in Centre and free swimming provision.	

2. Equality of opportunity amongst with or without a physical or mental disability (Disability)				✓	No proposals should have a differential effect on any customers because of these characteristics.	
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 increase connectivity in rural areas, digital access and inclusion, development and delivery of community action plans, the delivery of neighbourhood priorities, develop Chorley's town and rural tourism economy and delivery of Improved 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 • Progress the Delivery of Friday Street Health Centre • Play Open Space and Playing Pitch Strategy • Employee Health Scheme 	
<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 • Deliver the Skills Framework • 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 	

Health Impact Assessment	P	N	U	NI	Evidence	Further action required
<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"> Deliver the Extra Care Scheme Increase Connectivity in Rural Areas Provide Support to Food Provision Schemes. 	

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 • Deliver Improvements to the Astley Walled Garden • 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 • Empty Homes - Enforcement Action and 	

Sustainability Impact Assessment	P	N	U	NI	Evidence	Further action required
					Communications <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 	
<p>4. A vibrant local economy in Chorley. Possible issues to consider are;</p> <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 	✓				<p>A number of proposed schemes will have a positive impact on a vibrant local economy. These include:</p> <ul style="list-style-type: none"> • Develop Chorley's Town and Rural Tourism Economy • Improve the look and feel of the town centre • Deliver the Skills Framework • Deliver the Market Walk extension • Furthering Key Employment Sites • Borough Wide Retail Grants Improvement Programme • Support for Chorley's VCFS organisations 	

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Notice of Motion**School Surface Water and Highways Drainage Charges**

Chorley Council notes:

1. That United Utilities is the body responsible for charging for drainage and surface water in Chorley and across the North West region from Cheshire to Cumbria.
2. United Utilities charging system for E15 Surface Water and Highways Drainage uses an area based calculation for School Water and Sewage charges.
3. The E15 water and sewage charges made to schools cover all water and sewerage from schools but excludes repairs or maintenance costs.¹
4. Sefton Metropolitan Council produced a breakdown of charges comparing Regions and Local Education Authorities (LEAs) using Department of Education (DfE) information. The same data source² also contains figures for Lancashire and Chorley. The combined results are in the tables attached.
5. The North West is one of 10 Regions in England but pays over 29% of Schools Water and Sewage charges.
6. The South East region is the most similar to the North West both in terms of number of schools and number of pupils. The North West pays 2.4 times as much as the South East.
7. The LEAs most similar to Lancashire in numbers of schools are Kent, Hampshire and Essex. Lancashire pays between 1.7 and 2.8 times as much per school as the others.
8. The most similar LEAs to Lancashire in numbers of pupils are Kent, Birmingham and Hampshire. The Lancashire E15 Schools Water and Sewage charges per pupil is £34.63. This is twice the figure for Kent and 2.9 times the cost per pupil in Hampshire.

Chorley Council Believes

1. That data from Pupil Premium spending shows that increasing the spend per pupil has clear and measurable effects on children's development and future life chances
2. By removing money from the schools in Chorley to the extent of approximately £5,000 p.a. compared to comparable LEAs is proving a disadvantage to all children in the Borough and damaging to their futures.

Chorley Council resolves that

The Chief Executive writes to the Chair of United Utilities, The Water Regulator (OFWAT), The Secretary of State for Education, and the two Members of Parliament covering the Borough to express our complete dismay at the disadvantages being placed on the children in Chorley because public funds aimed at their education are being diverted to United Utilities' balance sheet.

Proposed by:

Seconded by:

¹ Consistent Financial Reporting Framework: 2014 to 2015, Department for Education

² http://www.education.gov.uk/schools/performance/download_data.html

Extract from Sefton Council produced document about water and sewerage charges for schools in the North West

What the CFR data says at a national/regional level
All regions water/sewerage charges 2012/2013

Region	E15 Water and sewerage	Rank	Percent of total
North West Total	£27,190,192.68	1	29.04%
South East Total	£11,170,358.42	2	11.93%
West Midlands Total	£10,204,799.98	3	10.90%
Yorkshire and the Humber Total	£8,062,738.94	4	8.61%
North East Total	£7,570,400.28	5	8.09%
South West Total	£6,929,752.54	6	7.40%
East Midlands Total	£6,509,263.08	7	6.95%
East of England Total	£6,300,259.03	8	6.73%
Outer London Total	£5,646,973.03	9	6.03%
Inner London Total	£4,035,013.03	10	4.31%
Grand Total	£93,619,751.01		

The North West and South East are 'similar' in terms of pupil numbers and numbers of schools

Region	North West	South East
Number of Pupils (FTE)	836,431	859,221
Number of schools per region	2,816	2,830
E15 Water and sewerage	£27,190,193	£11,170,358
Water and Sewerage charge per pupil	£32.51	£13.00
Rank per pupil (1 highest, 10 lowest)	1	7
Average water and sewerage charge per school	£9,656	£3,947
Rank per school (1 highest, 10 lowest)	1	8
Percent of total charges paid per region	29.04%	11.93%

What the data is saying in our region: Lancashire and Chorley

Most similar in terms of school numbers

LA name	Region	Number of Schools	E15 Water and sewerage	Average School Charge
Lancashire	North West	571	£4,910,883.36	£8,600.50
Kent	South East	460	£2,295,733.44	£4,990.72
Hampshire	South East	484	£1,621,341.19	£3,349.88
Essex	East of England	444	£1,347,357.13	£3,034.59

Most similar in terms of pupil numbers

LA name	Region	Number of Pupils (FTE)	E15 Water and sewerage	Water and Sewerage charge per pupil
Lancashire	North West	141,801	£4,910,883.36	£34.63
Kent	South East	136,544	£2,295,733.44	£16.81
Birmingham	West Midlands	133,279	£2,206,657.00	£16.56
Hampshire	South East	134,812	£1,621,341.19	£12.03

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