

13 February 2013

Dear Councillor

EXECUTIVE CABINET - THURSDAY, 21ST FEBRUARY 2013

Agenda No Item

8. **General Fund Revenue and Capital Budget and Council Tax 2013/14 (Pages 75 - 88)**

To receive and consider the report of the Executive (enclosed).

a) Appendix A (Pages 89 - 98)

Appendix A1 – Formal Council Tax Resolution (to follow)
Appendix A2 – Pay Policy 2013/14 (enclosed)
Appendix A3 – Proposed Fees and Charges 2013/14 (enclosed)

b) Appendix B (Pages 99 - 108)

Appendix B1 – Capital Programme 2012/13 (enclosed)
Appendix B2 – Capital Programme 2013/14 to 2015/16 (enclosed)
Appendix B3 – Capital Programme – Proposed Changes 2012/13 to 2015/16 (enclosed)
Appendix B4 – S106 and Similar Developers' Contributions (enclosed)

c) Appendix C (Pages 109 - 174)

Appendix C – Budget Investment Package (enclosed)
Appendix C1 – Investment Project Mandates (enclosed)

d) Appendix D (Pages 175 - 190)

Appendix D – Treasury Strategies and Prudential Indicators 2013/14 to 2015/16 (enclosed)

e) Appendix E (Pages 191 - 198)

Appendix E – Statutory Finance Officer Report (enclosed)

f) Appendix F (Pages 199 - 220)

Appendix F – Medium Term Financial Strategy 2013/14 to 2015/16 (enclosed)
Appendix F1 – Analysis of Budget Variations 2013/14 to 2015/16 (enclosed)

- g) Appendix G (Pages 221 - 224)
Appendix G – Significant Budget Movements 2012/13 to 2013/14 (enclosed)
- h) Appendix H
Appendix H – Special Expenses 2013/14 (to follow)
- i) Appendix I (Pages 225 - 228)
Appendix I – Budget Consultation 2013/14 (enclosed)
- j) Appendix J (Pages 229 - 238)
Appendix J – Equality Impact Assessment 2013/14 Budget Proposals (enclosed)

Yours sincerely



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Chief Executive

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

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

01257 515823

کیجئے:

Meeting	Date
Special Council	28 February 2013

GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2013/14

PURPOSE OF REPORT

1. To seek approval of the Executive's budget proposal including the Council Tax yield to be received in 2013/14.

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 – **to follow**).
 2. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April subject to the changes proposed in the Medium Term Financial Strategy attached to this report (at Appendix F).
 3. Maintain fees and charges at current 2012/13 levels (at Appendix A3).
 - b) Approve the Capital Programme to 2015/16 (Appendices B1, B2, B3 and B4).
 - c) Approve the Budget Investment Package Report (Appendix C and C1).
 - d) Approve the Treasury Management Strategy and its core principles set out in Appendix D.
 - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E.
 - f) Approve the Council's Medium Term Financial Strategy (MTFS) (at Appendix F and F1).
 - g) Note Significant Budget Movements from the 2012/13 budget (at Appendix G).
 - h) Note Special Expenses and Parish Precepts (at Appendix H – **to follow**).
 - i) Note the Budget Consultation 2013/14 report (at Appendix I).
 - j) Note the Assessing the Impact of Budget Proposals 2013/14 report (at Appendix J).

EXECUTIVE SUMMARY OF REPORT

3. This is the first budget set by the new Administration which aims to allocate resources to enable delivery of its new Corporate Strategy and the priorities stated within it. In this inaugural year The Executive have not only successfully delivered the 2012/13 budget but also contained spending and achieved significant efficiencies in the sum of £0.565m to secure an underspend against the original budget set. The Executive presents a budget that:-

- Freezes Council Tax in 2013/14.
- Finances a programme of new investment totalling £2.824m.
- Set aside funds to reduce the cost of borrowing and the impact this has on Council Tax.

4. The budgetary resources have been allocated consistent with, the following key 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.**

5. Council Tax Yield 2013/14

It is proposed to freeze Council Tax in 2013/14 at 2012/13 levels.

6. This is the first year of the new Administration and the decision has been taken to freeze Council Tax at the same level as 2012/13 and take advantage of grant that is available for a two year period. This has been facilitated by the fact that the budget efficiency programme is well ahead of schedule and budget savings have been secured thus presenting a budget surplus in 2013/14. This is in preparation to redress the significant budget deficit position and growing risk of funding volatility risk facing the Council from 2014/15.
7. For not increasing Council Tax in 2013/14 the Council will receive a freezing grant of £65k in 2013/14 and 2014/15 at which point all Council Tax freezing grants will cease thus increasing the budget deficit by £0.225m. It is evident from the budget forecasts contained in the Medium Term Financial Strategy (MTFS) that the Council will be presented with a challenging financial outlook in the medium term. The Executive is mindful that a sustainable approach needs to be taken in order to deliver a Medium Term Financial Strategy 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.

8. The Executive has already successfully achieved budgetary savings totalling £0.745m that have already been approved for 2013/14. This report contains a further saving of £0.060m for approval resulting in total savings for 2012/13 of £0.805m.
9. Approval is now sought for additional savings that have been identified in the sum of £0.060m, a summary of which is set out below:

It is recommended by the Executive that £0.450m is set aside to restructure debt and achieve a saving in the revenue budget of £0.060m. This recommendation is made as the level of general balances in the General Fund Reserve can be maintained at a level consistent with the MTFs, that is, no lower than £2.0m without any further contributions being made from the forecasted underspend in 2012/13.

10. The headlines budget summary for 2013/14 is as follow:-

	£m
Budget Surplus 2012/13	(0.495)
Surplus New Homes Bonus	(0.739)
Underspend from 2012/13	(0.115)
Total Headroom in 2013/14 Budget	(1.349)

11. The new budget investment package is focussed on the new corporate strategy and priorities and also consistent with the findings of the budget consultation process with the local community (see Appendix I). The programme is listed 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. A number of new budget growth items requiring recurring investment have been factored into the MTFs for approval as highlighted below and contained in Appendix F1.

The key new revenue budget investment proposals are:

Priority	£m
Involve residents in improving their local area and equality access for all	
Revenue investment	0.250
Capital investment	0.135
Clean, safe and healthy communities	
Revenue investment	0.284
Capital investment	0.060
An ambitious Council that does more to meet the needs of residents and the local area	
Revenue investment	0.160
Capital investment	0.280
A strong local economy	
Revenue investment	0.655
Capital investment	1.000
TOTAL INVESTMENT PACKAGE 2013/14	2.824

INVESTMENT AREA	Amount £
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Neighbourhood working:	
• Proactive clean up team*	50,000
• Neighbourhood working pot	100,000
• Community development and volunteering **	70,000
Support to the VCFS Network – Increasing volunteering in the borough**	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000
Tree Policy *	30,000
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Regeneration Projects *	40,000
Car park pay and display income reduction	75,000
Inward investment delivery	350,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
TOTAL NEW INVESTMENT	1,348,500

*This is a recurring investment in the sum of £0.120m in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy (included in Appendix F1).

** These items are recurring for 3 years and therefore have first call on future NHB receipts (included in Appendix F1).

12. Five further Capital Programme/Budget investments are proposed:

INVESTMENT AREA	Amount £m
Regeneration Projects	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
TOTAL NEW INVESTMENT	1.475

13. The Capital Programme is set out in detail in Appendices B1 to B4 covering the proposed capital schemes to support the new Corporate Strategy together with the planned financing arrangements and details of available s106 Developers Contributions.

14. The Capital Programme also includes the five Budget Investments in the above table totalling £1.475m. The five new budget investment projects are also included, together with £6.650m budgeted for Chorley East Health Centre, in the total Capital Expenditure planned to be incurred over the next three years totalling £14.396m:

MTFS Year	2012/13 £m	2013/14 £m	2014/15 £m
Total Capital Expenditure	11.951	1.216	1.229

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

	£m
Prudential Borrowing	3.577
Prudential Borrowing – Health Centre	6.650
Unrestricted Capital Receipts	0.360
Revenue Budget	0.038
External Contributions	2.157
Government Grants	1.615
Total Capital Financing	14.397

16. The new investment package of £1.475m has been delivered with no additional overall on-going cost to the Council Tax payer. This has been achieved by the consistent application of the MTFS which contains provision for voluntary set aside to restructure the Council's debt. This will reduce the cost of servicing debt thus reducing costs in the Council's revenue budget. This approach has been successful and sufficient enough to fund the facility to invest £1.0m in regenerating projects whilst also achieving savings to the Council's overall budget. In addition, savings achieved in respect of debt restructuring assist in reducing spending but they are contained within an area that has no impact on front line services.

17. The Localism Act now requires that the Pay Policy is approved formally by the Council and published on the website in April 2013/14. The Pay Policy for 2013/14 (attached at Appendix A2) is under review and will be subject to change prior to the commencement of 2013/14 consistent with the reference within the MTFS (attached at Appendix F).

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

To ensure that the Council complies with the requirement to set the budget for 2013/14.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

18. None.

CORPORATE PRIORITIES

19. This report relates to the following Strategic Objectives:

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

BACKGROUND

20. The Executive published the outline budget and MTFs at the Executive Cabinet meeting on 17th January 2013 setting out its intention for spending and investment in the borough for the forthcoming financial year 2013/14. These papers build upon that report and set out in more detail for Council the Executive’s budget proposals for 2013/14.

BUDGET CONSULTATION

21. The outline budget proposals were agreed by members in the report to Executive Cabinet on 17th January 2013. Public consultation was based on priorities outlined in the report, residents were asked to provide their opinions on:

- The specific key investment areas aligned with the Council’s corporate strategy priorities
- The future level of Council Tax given the impact of a reduction in Council funds

22. The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive. Consultation comprises of an on line survey, an e-mail survey sent to approximately 2,500 residents, an e-mail survey sent to Parish Councils, press releases, face to face consultation, paper surveys and the use of social media.

23. The results of the consultation ranked the 8 items below in the following priority order:-

Rank	
1st	Supporting businesses
2nd	Improving the Town Centre
3rd	Neighbourhood working
4th	Schemes to support young people
5th	Sporting activities young and old
6th	Events in the borough
7th	Improvements to play areas
8th	Improvement of street furniture

BUDGET PROPOSALS

24. The starting point for any budget is a roll forward from one year to the next of the Council’s continuation budget which is the cost of the current levels of existing services. This position has been updated to reflect inflation, change in volumetrics and the policy changes made by the Council in the current year.

25. Set out in the Council’s Medium Term Financial Strategy is an analysis of these changes year on year over the next financial planning period 2013/14 to 2015/16 in Appendix F1.

26. Members will be aware that the outlook for public sector finances is uncertain, and more significantly, increasingly exposed to the risk of fluctuations in core funding on an annual basis. This has been brought about by the transfer of core funding from quadrennial set formulae grant to a number of funding arrangements that are based on annually variable factors and in regard to New Homes Bonus. The next MTFs will be the first that incorporates the new funding regimes being Business Rates Retention and Council Tax Support Scheme.
27. Business Rates Support - 2013/14 is year one of implementation for the new funding regime whereby local authorities are allowed to retain a proportion of additional income generated from growing the tax base for businesses in their area. This new system is one of two large scale changes to the way in which authorities are funded bringing with it significant uncertainty and year on year annual fluctuations to core funding levels in addition to the Formula Grant reductions. Although this new scheme means that some of the financial benefit of net tax base growth is realised by the authority it also results in the risk of collection also transferring to local authorities. Included within the budget assumptions incorporated into the budget and as set out in this report, is the forecasted financial benefit that could be realised by Chorley in 2013/14. The Government has allocated the Council with a Start Up Funding Assessment of £6.431m, current estimates preceding the financial year indicate that total funding could amount to £6.602m due to the forecasted net growth in the Business Rates tax base. Should this level of receipt be achieved it will result in Chorley Council receiving an additional £0.171m in 2013/14 (£6.431m less £6.602m).
28. Council Tax Support Scheme - The second large scale change to core funding is the introduction of the Council Tax Support Scheme to replace Council Tax Benefit. In October 2010 the Government published its white paper on welfare reform in which it announced its intention to replace Council Tax Benefit with a localised Council Tax Support scheme. With regard to the budget setting process the new scheme impacts in two significant areas, these being:-
- Conversion of benefits paid into Council Tax discounts serves to reduce the Council Tax base within the borough. This directly reduces the amount of Council Tax that can be raised as total Council Tax received is calculated by multiplying the Council Tax rate by the Council Tax base. Despite keeping Council Tax at the same rates as the previous year a reduction in the base will invariably reduce the amount of income that can be generated.
 - Central Government will now, instead of refunding Council Tax benefit paid, provide the authority with a grant. For 2013/14 this will be £0.753m. This grant distribution methodology, however, changes again in 2014/15 when this grant is rolled up into the Formula Grant and no longer separately identifiable.
29. Despite this uncertainty budget forecasting remains an integral component of budget setting, therefore, the Medium Term Financial Strategy has proceeded based on the following key assumptions:-

Key Budget Assumptions

Assumption	2013/14	2014/15	2015/16
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax	£0.225m	£0.225m	-
Reduction in Grant Settlement (AEF)	£0.435m	£0.824m	-

New Homes Bonus in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£0.739m	£1.500m	£2.300m
Business Rates Retention 2013/14	£0.171m	£0.171m	£0.171m
Pension Contribution Increase	0.5%	-	-
Pay Award	1.0%	1.0%	1.0%

30. The table shows the key assumptions made in forecasting forward the Council's financial position. Please note these do not determine what might actually happen in future years, particularly with regard to Council Tax levels as these are determined annually based upon the latest up to date information. Some key messages are:

- The Executive's proposed budget assumes that Council Tax will not be increased.
- Council Tax Freeze Grant is for a limited period and will cease after 2014/15. The budget deficit will therefore be increase by £0.225m in 2015/16.
- No additional reductions have been applied to core funding received from Central Government via formula grant after 2014/15 which is based on the recent provisional settlement. The next Comprehensive Spending Review (CSR) is due to take place in 2014 and is expected to contain further budgetary cuts for local authorities from 2015/16 onwards.
- No NHB due to be received post 2012/13 has been built into the base budget as recurring funding as the grant is awarded for a period of 6 years only and therefore temporary in nature. This enable the Council to improve budget resilience and flexibility to respond to future annual uncertainty inherent in the new public finance funding regimes described above. Future years will be dependent upon the level of housing development, however, assuming the base budget is in balance this will be surplus and available to fund investments that can be ceased or scaled down simultaneously as income stops. This approach is consistent with a key financial objective of the Councils MTFS that is, sustainability over the medium to long term.
- The expected receipt of additional income brought about by the new Business Rates Retention funding arrangements has been included in the budget in 2013/14 as the system is now a permanent element of core funding. The amount to be received, however, is based on forward looking estimates with regard to tax base changes and collection variables during the forthcoming year and therefore may be subject in year fluctuations.
- The triennial review of pensions is due to be undertaken in 2014 which reveal if the action taken to attempt to reduce the cost of pensions for the employer has been successful or not. Therefore no increase in employer's pension contribution rates has been included in the budget assumption underpinning the budget forecast.
- Contained within the four year budget summary in Appendix F1 is the fact that the new reduced Council Tax Base (set as a result of the implications of the new Council Tax Support Scheme) has resulted in a reduced amount of income generated in respect of the parishes when compared to that raised in 2012/13. The total amount of parish expenditure, however, has been maintained at the same level as 2012/13. This means that the £38k shortfall is included within the Council's overall budget within the current MTFS. It will therefore be assumed, in preparing the budget, that parish income will be

protected at its 2012/13 level of £567k. To clarify, however, although this commitment is given within this budget it will be reviewed annual as part of the budget setting process.

31. 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 2013/14. The current policy (attached at Appendix A2) will be subject to amendment consistent with the reference made within the MTFs (attached at Appendix F).
32. After the budget has been updated as described above it is amended to take account of new adjustments such as new budget investment and budgetary savings achieved, these adjustments are made to the budget in line with the new corporate priorities. The amendments consist of new budget investment schemes identified to ensure service provision is maintained or improved to deliver the Corporate Strategy and budget savings achieved and proposed to balance the budget. A further explanation is set out below with a breakdown of the above figures is listed within the MTFs at Appendix F1.

AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES

33. Both the Revenue and Capital budget contain significant new proposed investments. The new budget investment package is focussed on the new corporate strategy priorities and also consistent with the findings of the budget consultation process with the local community (see Appendix I). The 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. A number of new budget growth items requiring recurring investment have been factored into the MTFs for approval as highlighted below and contained in Appendix F1. The new budget investment package on delivering priorities is:

Priority	£m
Involve residents in improving their local area and equality access for all	
Revenue investment	0.250
Capital investment	0.135
Clean, safe and healthy communities	
Revenue investment	0.284
Capital investment	0.060
An ambitious Council that does more to meet the needs of residents and the local area	
Revenue investment	0.160
Capital investment	0.280
A strong local economy	
Revenue investment	0.655
Capital investment	1.000
TOTAL INVESTMENT PACKAGE 2013/14	2.824

INVESTMENT AREA	Amount £
Neighbourhood working: <ul style="list-style-type: none"> • Proactive clean up team * • Neighbourhood working pot • Community development and volunteering ** 	50,000 100,000 70,000
Support to VCFS Network – Increasing volunteering in the borough **	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000

Tree Policy *	30,000
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Regeneration projects *	40,000
Car park pay and display income reduction	75,000
Inward investment delivery	350,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
TOTAL NEW INVESTMENT	1,348,500

*This is a recurring investment in the sum of £0.120m in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes, as listed below, have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy (included in Appendix F1).

** These items are recurring for 3 years and therefore have first call on future NHB receipts (included in Appendix F1).

34. Five further Capital Programme/Budget investments are proposed:

INVESTMENT AREA	Amount £m
Regeneration of Key Town Centre Sites	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
TOTAL NEW INVESTMENT	1.475

35. The Capital Programme is set out in detail in Appendices B1 to B4 covering the proposed capital schemes to support the new Corporate Strategy together with the planned financing arrangements and details of available s106 Developers Contributions.

CAPITAL PROGRAMME

36. The proposed three-year capital programme for the period 2013/14 to 2015/16 is contained in Appendices B1 to B4. Details of the Capital Programme for 2012/13 are also included in order to indicate the rephasing of expenditure to 2013/14 to 2015/16.
37. Appendix B1 - Capital Programme 2012/13. This table sets out the changes made to the programme in the current year and summarises the amendments reported to Executive Cabinet meetings in January and February 2013.

38. Appendix B2 - Capital Programme 2013/14 to 2015/16. This table includes the five new capital projects in the sum of £1.475m that provides investment in Regeneration Projects, development of Astley Hall, the extension at Clayton Brook Village Hall and works to develop Yarrow Valley Country park reservoir.
39. No other new schemes will be added to the programme from 2013/14 to 2015/16 at this stage, other than those that are contractual or that can be financed from external resources such as grants and contributions or rental income. This is to ensure that the revenue consequences of the capital programme are affordable. Consequently the proposed spending for the period is as follows:

2012/13	2013/14	2014/15
£11,951,340	£1,215,860	£1,229,190

40. The pressure on capital resources will continue to be an issue for the Council over the medium-term. The depressed state of the property market means potential asset sales have been postponed until the market improves, therefore only one new capital receipts has been taken into account in the financing of the 2013/14 to 2015/16 programme. This leaves prudential borrowing as the only source of financing for the other budgets included in the programme.
41. As a consequence the anticipated borrowing (excluding Chorley East Health Centre) for the period 2013/14 to 2015/16 is as follows:

2013/14	2014/15	2015/16
£2,214,780	£597,250	£764,690

42. Despite borrowing to fund the £1.0m investment in regeneration projects the cost of borrowing impacting on the revenue budget is being reduced. This has been brought about by financing some investment via the transfer of funding from other schemes and also the successful application of the strategy to restructure debt. The positive budget performance achieved in 2012/13, where spending has been contained, has presented the opportunity to set monies aside to more than cover the on-going costs of borrowing. This results in a budget efficiency savings and the delivery of an enhanced and improved Capital Programme with the on-going cost being contained with the current budget.
43. With regard to Chorley East Health Centre the proposal remains that a budgeted scheme is included in the 2013/14 programme. This will assist the Lancashire Care NHS Foundation Trust with the development of the Chorley East Health Centre on Friday Street. The estimated cost is £6.650 million including land acquisition. The revenue budget cost of the borrowing that would be required to implement this project would be covered by rental income, so that this facility would be achieved at no cost to the council. Any final agreement reached will contain the proviso that any increased project costs to those originally agreed will be underwritten and met solely met by the Lancashire Care NHS Foundation Trust as with on-going costs.
44. Appendix B4 analyses the use of developers' contributions to finance the capital programme. Some contributions are uncommitted at present, and schemes will be recommended for addition to the capital programme or revenue budget as appropriate. It is likely that additional contributions will be received from 2013/14 onwards, and new schemes will be proposed in future budget monitoring reports if the opportunity arises.

FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE

45. Contained in the MTFS (Appendix F) is a summary of the forecast position for the Council's budget up to and including 2015/16. The forecast is based on the following key assumptions:
- A continuation of current service provision to the same level and in the same way over that period.
 - Increase in costs for the Council's pension bill have been included at the rate of 0.5% in 2013/14 with pay-award estimates at 1.0% in each year.
 - No allowance at this stage has been made for any future increase in Council Tax.
 - No allowance has been made for potential decreases in external financial support from the Government from 2015/16 onwards pending the outcome of CSR 2014.
 - Additional New Homes Bonus post 2012/13 has not been built into the base budget.
46. The key message is that the Council remains in a period of continued uncertainty due to the new core funding regimes and the resulting increase risk exposure. The strategy aims to address the budget gap taking a long term and sustainable approach.
47. That said, the Council must plan on some basis and the figures show that further significant savings will be needed over the medium term to balance the budget based upon the assumptions already made. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.

CONCLUSION

48. This paper outlines for the Council the Executive's budget proposals for 2013/14:
- Council Tax for 2013/14 will be frozen and maintained at the same rate as last year.
 - A package of Budget Investments can be funded in 2013/14:
 1. 18 Revenue Budget and 5 Capital Budget schemes. This brings the total investment promoting the local economy to over £2.824 million.
 2. Recurring revenue budget growth to mainstream 3 areas of enhancements to services, being (i) Proactive clean up team, (ii) Tree Policy, (iii) Regeneration projects.
 - Investments 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.
 - Significant progress has been made towards achieving budgetary savings that have already been identified and approved resulting in a planned budget surplus in 2013/14.
 - Budget savings achieved and proposed to date total £0.805m.
 - Savings have been achieved from areas that have not reduced front line services supporting the Council in maintaining high performance.
 - The Capital Programme continues to progress the MTFS objective of setting aside monies to restructure the Council's debt position this enables the budget gap to be reduced and does not impact on service provision.
 - The assumptions included in the budget have been assessed in the light of the latest information available at this time and adheres to the Council's Pay Policy as set out in Appendix A2.

- 49. Future saving will be required and an efficiency programme is proposed and contained in the Medium Term Financial Strategy at Appendix F.
- 50. The Council will need to continue working extremely hard, be innovative and creative to continue to make efficiencies and at the same time minimise the impact on services. There are still factors that may affect the current forecast financial position, namely the forthcoming CSR and the triennial review of pensions in 2014, in addition, the Council's income streams will remain under pressure. The overall approach to be adopted in terms of further efficiencies is set out in the Medium Term Financial Strategy which is appended to this report.
- 51. 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 2013/14 (to follow)
Appendix A2	Pay Policy 2013/14
Appendix A3	Fees and Charges Income 2013/14
B1	Capital Programme 2012/13
B2	Capital Programme 2013/14 to 2015/16
B3	Proposed Changes and Investments 2012/13 to 2015/16
B4	S106 and Similar Developers' Contributions
Appendix C	Budget Investment Package Report
Appendix C1	Budget Investment – Project Mandates
Appendix D	Treasury Management Strategy 2013/14 to 2015/16
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2013/14 to 2015/16
Appendix G	Significant Budget Movements 2012/13 to 2013/14
Appendix H	Special Expenses /Parish Precepts (to follow)
Appendix I	Budget Consultation 2013/14
Appendix J	Assessing the Impact of 2013/14 Budget Proposals

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

52. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2013/14 to 2015/16 and the Statutory Officer’s Report attached in Appendix E.

COMMENTS OF THE MONITORING OFFICER

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

COMMENTS OF THE HEAD OF OD AND HR

54. 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
 SATUTORY FINANCE OFFICER

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	06/02/13	Rev & Capital Budget Report

PAY POLICY 2013/14 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. As part of the Medium Term Financial Strategy recommended to Council in this budget report, section 3 below will be reviewed imminently and before the commencement of the financial year.

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. As per the Medium Term Financial Strategy (MTFS) this policy will be reviewed with regard to section 3 below.

2. PAY STRUCTURE

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

A copy of the nationally negotiated pay spine and the grades to which it relates at Chorley Council, is attached as Appendix A2.1 (NB. these are the current rates of pay as there have not been any nationally negotiated pay increases awarded since 2009).

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

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

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

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

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 Councils as well as much smaller District Council's with far fewer management levels, such as Chorley Council.

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

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

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

Chief Executive:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Head of Governance (Monitoring Officer):

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

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

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

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

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

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

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

4. OTHER CONDITIONS RELATING TO SENIOR MANAGEMENT AND OTHER EMPLOYEES

Pension Arrangements

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

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

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.

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:

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

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

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

6. COMPLIANCE

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

7. PUBLICATION

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

8. GLOSSARY OF TERMS

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

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

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

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

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

APPENDIX A2.1

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

FEES & CHARGES REVIEW

DESCRIPTION	2011/12	2012/13	2012/13	2012/13	2013/14	IMPACT OF INCREASE IN FEES & CHARGES													
	ACTUAL £	BUDGET £	FORECAST £	BUDGET £	BUDGET £	1% £	1.5% £	2% £	2.5% £	2.7% £	3% £	4% £	5% £	6% £	7% £	8% £	9% £	10% £	
PARTNERSHIPS, PLANNING & POLICY																			
Local Land Charges	(112,910)	(106,610)	(111,000)	(111,000)	(111,000)	(1,110)	(1,665)	(2,220)	(2,775)	(2,997)	(3,330)	(4,440)	(5,550)	(6,660)	(7,770)	(8,880)	(9,990)	(11,100)	(11,100)
Tolls-General Markets	(258,734)	(252,000)	(252,000)	(252,000)	(252,000)	(2,520)	(3,780)	(5,040)	(6,300)	(6,804)	(7,560)	(10,080)	(12,600)	(15,120)	(17,640)	(20,160)	(22,680)	(25,200)	(25,200)
Tolls-Flat Iron Markets	(58,565)	(65,000)	(65,000)	(65,000)	(65,000)	(650)	(975)	(1,300)	(1,625)	(1,755)	(1,950)	(2,600)	(3,250)	(3,900)	(4,550)	(5,200)	(5,850)	(6,500)	(6,500)
PEOPLE & PLACES																			
Other Licences	(2,222)	(2,060)	(2,166)	(2,166)	(2,060)	(21)	(31)	(41)	(52)	(56)	(62)	(82)	(103)	(124)	(144)	(165)	(185)	(206)	(206)
Public Protection - Licence Fees	(20,206)	(13,430)	(18,000)	(18,000)	(18,000)	(180)	(270)	(360)	(450)	(486)	(540)	(720)	(900)	(1,080)	(1,260)	(1,440)	(1,620)	(1,800)	(1,800)
Refuse Collection/Civic Amenity Collection	(19,942)	(21,110)	(21,110)	(21,110)	(21,110)	(211)	(317)	(422)	(528)	(570)	(633)	(844)	(1,056)	(1,267)	(1,478)	(1,689)	(1,900)	(2,111)	(2,111)
Wheeled Bins	(26,059)	(14,200)	(20,000)	(20,000)	(20,000)	(200)	(300)	(400)	(500)	(540)	(600)	(800)	(1,000)	(1,200)	(1,400)	(1,600)	(1,800)	(2,000)	(2,000)
Neighbourhood Quality Te/Pest Control Contracts	(9,673)	(10,710)	(8,000)	(8,000)	(8,000)	(80)	(120)	(160)	(200)	(216)	(240)	(320)	(400)	(480)	(560)	(640)	(720)	(800)	(800)
Streetscene Delivery Team/Rechargeable Works	(13,689)	(12,320)	(12,320)	(12,320)	(12,320)	(123)	(185)	(246)	(308)	(333)	(370)	(493)	(616)	(739)	(862)	(986)	(1,109)	(1,232)	(1,232)
Football Pitches	(7,479)	(5,630)	(5,630)	(5,630)	(5,630)	(56)	(84)	(113)	(141)	(152)	(169)	(225)	(282)	(338)	(394)	(450)	(507)	(563)	(563)
Adlington Cem-Grant Right of Burial	(1,069)	(1,760)	(1,760)	(1,760)	(1,760)	(18)	(26)	(35)	(44)	(48)	(53)	(70)	(88)	(106)	(123)	(141)	(158)	(176)	(176)
Adlington Cem-Interment Fees	(4,169)	(2,250)	(4,200)	(4,200)	(2,250)	(23)	(34)	(45)	(56)	(61)	(68)	(90)	(113)	(135)	(158)	(180)	(203)	(225)	(225)
Adlington Cem-Interment Fees - Ashes	(1,100)	(1,950)	(1,950)	(1,950)	(1,950)	(20)	(29)	(39)	(49)	(53)	(59)	(78)	(98)	(117)	(137)	(156)	(176)	(195)	(195)
Chorley Cem-Grant Right of Burial	(25,018)	(27,460)	(13,000)	(13,000)	(13,000)	(130)	(195)	(260)	(325)	(351)	(390)	(520)	(650)	(780)	(910)	(1,040)	(1,170)	(1,300)	(1,300)
Chorley Cem-Interment Fees	(35,581)	(33,260)	(25,000)	(25,000)	(25,000)	(250)	(375)	(500)	(625)	(675)	(750)	(1,000)	(1,250)	(1,500)	(1,750)	(2,000)	(2,250)	(2,500)	(2,500)
Chorley Cemetery/Memorials	(5,845)	(3,970)	(5,000)	(5,000)	(5,000)	(50)	(75)	(100)	(125)	(135)	(150)	(200)	(250)	(300)	(350)	(400)	(450)	(500)	(500)
Chorley Cemetery/Certificate of Burial Fees	(2,368)	(2,010)	(2,010)	(2,010)	(2,010)	(20)	(30)	(40)	(50)	(54)	(60)	(80)	(101)	(121)	(141)	(161)	(181)	(201)	(201)
Chorley Cemetery/Inscriptions	(1,412)	(1,250)	(1,250)	(1,250)	(1,250)	(13)	(19)	(25)	(31)	(34)	(38)	(50)	(63)	(75)	(88)	(100)	(113)	(125)	(125)
Chorley Cem-Interment Fees - Ashes	(8,342)	(7,930)	(7,000)	(7,000)	(7,000)	(70)	(105)	(140)	(175)	(189)	(210)	(280)	(350)	(420)	(490)	(560)	(630)	(700)	(700)
Astley Village Community Centre - Room Hire	(9,196)	(10,300)	(13,000)	(13,000)	(10,300)	(103)	(155)	(206)	(258)	(278)	(309)	(412)	(515)	(618)	(721)	(824)	(927)	(1,030)	(1,030)
Clayton Brook Village Hall - Room Hire	(3,845)	(5,890)	(4,000)	(4,000)	(5,890)	(59)	(88)	(118)	(147)	(159)	(177)	(236)	(295)	(353)	(412)	(471)	(530)	(589)	(589)
Eaves Green Community Centre - Room Hire	(11,583)	(12,360)	(12,360)	(12,360)	(12,360)	(124)	(185)	(247)	(309)	(334)	(371)	(494)	(618)	(742)	(865)	(989)	(1,112)	(1,236)	(1,236)
TRANSFORMATION																			
Street Names & Numbering	(13,696)	(15,450)	(15,450)	(15,450)	(15,450)	(155)	(232)	(309)	(386)	(417)	(464)	(618)	(773)	(927)	(1,082)	(1,236)	(1,391)	(1,545)	(1,545)
Rent Garages	(34,767)	(33,990)	(30,800)	(30,800)	(26,200)	(262)	(393)	(524)	(655)	(707)	(786)	(1,048)	(1,310)	(1,572)	(1,834)	(2,096)	(2,358)	(2,620)	(2,620)
	(687,470)	(662,900)	(652,006)	(644,540)	(644,540)	(6,445)	(9,668)	(12,891)	(16,114)	(17,403)	(19,336)	(25,782)	(32,227)	(38,672)	(45,118)	(51,563)	(58,009)	(64,454)	(64,454)

For reference: No inflationary increases are proposed for 2013/14
Inflation rate currently 2.7% based on Consumer Prices Index (CPI) at December 2012.

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Capital Programme - 2012/13

Scheme

Chief Executive**Head of Customer, ICT & Transactional Services**

Website Development (incl. ICT salary capitalisation)
Thin Client/Citrix Virtual Desktop Infrastructure
Unified Intelligent Desktop (externally funded)
UID / Asidua Mobile

Head of Customer, ICT & Transactional Services Total**Head of Governance**

Planned Improvements to Fixed Assets
Strategic Land Assembly Chorley Town Centre
Demolish Clayton Brook PH and landscape site

Head of Governance Total**Head of Human Resources & Organisational Development**

Integrated HR, Payroll and Training System

Head of HR & Organisational Development Total**Chief Executive Total****Director of Partnerships, Planning & Policy****Head of Economic Development**

Chorley Market Improvements
Climate Change Pot

Head of Economic Development Total**Head of Housing**

Affordable Housing New Development Projects
Disabled Facilities Grants
Housing Renewal
- Home Repair Grants/Decent Homes Assistance
- Energy Efficiency Grants
Cotswold House Refurbishment
Project Design Fees

Head of Housing Total

	2012/13 Current Estimate (1) £	Rephased (2) £	Other (3) £	2012/13 Revised Estimate (4) £
	20,000		(15,000)	5,000
	46,830	(46,830)		0
	59,960			59,960
	23,330			23,330
	150,120	(46,830)	(15,000)	88,290
	613,280	(95,000)	(68,470)	449,810
	476,110			476,110
	0		82,500	82,500
	1,089,390	(95,000)	14,030	1,008,420
	15,000			15,000
	15,000	0	0	15,000
	1,254,510	(141,830)	(970)	1,111,710
	40,630			40,630
	37,530			37,530
	78,160	0	0	78,160
	444,630			444,630
	473,020	(273,510)	109,730	309,240
	129,020	(129,020)		0
	52,780			52,780
	10,280			10,280
	156,930	(65,000)		91,930
	41,440		(41,440)	0
	1,308,100	(467,530)	68,290	908,860

Capital Programme - 2012/13

Scheme	2012/13 Current Estimate (1) £	Rephased (2) £	Other (3) £	2012/13 Revised Estimate (4) £
<u>Head of Planning</u>				
Eaves Green Link Road - contribution to LCC scheme	80,000	(80,000)		0
Chorley Strategic Regional Site	391,200	(391,200)		0
Highway Improvements Pilling Lane area (S106 funded)	150,000	(150,000)		0
Puffin Crossing Collingwood Rd/Letchworth Drive (S106 funded)	47,820	(47,820)		0
Buckshaw Village Railway Station (S106 financed)	592,370	(725,910)		(133,540)
Buckshaw Village Cycle Network (S106 financed)	11,150	(11,150)		0
	1,272,540	(1,406,080)	0	(133,540)
<u>Director of Partnerships, Planning & Policy Total</u>	2,658,800	(1,873,610)	68,290	853,480
<u>Director of People and Places</u>				
<u>Head of Streetscene & Leisure Contracts</u>				
Leisure Centres/Swimming Pool Refurbishment	507,080	(120,000)		387,080
Duxbury Park Golf Course/Access Rd capital investment	80,620		21,230	101,850
Replacement of recycling/litter bins & containers	117,600			117,600
Eaves Green Play Development (S106 funded)	189,480	(166,480)		23,000
Play and Recreation Fund projects	11,040	20,000		31,040
Rangletts Recreation Ground/Duke Street Field (S106 funded)	228,350	(208,350)		20,000
YVCP Natural Play Zone (S106/Grant funded)	3,820			3,820
Adlington Play Facilities (Grove Farm S106)	103,420	(103,420)		0
Project Design Fees	29,870			29,870
	1,271,280	(578,250)	21,230	714,260
<u>Director of People and Places Total</u>	1,271,280	(578,250)	21,230	714,260
<u>Capital Programme Total</u>	5,184,590	(2,593,690)	88,550	2,679,450
<u>Financing the Capital Programme</u>				
Prudential Borrowing	1,977,210	(631,000)		1,346,210
Revenue Budget - VAT Shelter income	435,090	(18,330)	(129,080)	287,680
Revenue Budget - virement from revenue budgets	57,540	(19,540)		38,000
<u>Chorley Council Resources</u>	2,469,840	(668,870)	(129,080)	1,671,890
Ext. Contributions - Developers	1,862,080	(1,473,130)		388,950
Ext. Contributions - Other	185,380	(46,970)	122,400	260,810
Government Grants - Disabled Facilities Grants	269,000	(98,730)	95,230	265,500
Government Grants - Housing Capital Grant	398,290	(305,990)		92,300
<u>External Funding</u>	2,714,750	(1,924,820)	217,630	1,007,560
<u>Capital Financing Total</u>	5,184,590	(2,593,690)	88,550	2,679,450

Note: Current Estimate was approved by Council on 8th January 2013. The changes proposed in columns (2) and (3) are the sum of the changes reported to Executive Cabinet meetings of 17th January 2013 and 21st February 2013.

Capital Programme - 2013/14 to 2015/16

Scheme

Chief Executive

Head of Customer, ICT & Transactional Services

Thin Client/Citrix Virtual Desktop Infrastructure

Head of Customer, ICT & Transactional Services Total

Head of Governance

Planned Improvements to Fixed Assets
Chorley East Health Centre - land purchase/construction
Regeneration Projects

Head of Governance Total

Chief Executive Total

Director of Partnerships, Planning & Policy

Head of Housing

Affordable Housing New Development Projects
Disabled Facilities Grants
Housing Renewal
Cotswold House Refurbishment

Head of Housing Total

Head of Planning

Eaves Green Link Road - contribution to LCC scheme
Chorley Strategic Regional Site
Highway Improvements Pilling Lane area (S106 funded)
Puffin Crossing Collingwood Rd/Leichworth Drive (S106 funded)
Buckshaw Village Railway Station (S106 financed)
Buckshaw Village Cycle Network (S106 financed)

Head of Planning Total

Director of Partnerships, Planning & Policy Total

Scheme	2013/14		2013/14		2014/15		2014/15		2015/16		2015/16		Total 2013/14 to 2015/16 (13) £
	Current Estimate £ (1)	Rephased £ (2)	Other £ (3)	Revised Estimate £ (4)	Current Estimate £ (5)	Rephased £ (6)	Other £ (7)	Revised Estimate £ (8)	Current Estimate £ (9)	Rephased £ (10)	Other £ (11)	Revised Estimate £ (12)	
Thin Client/Citrix Virtual Desktop Infrastructure	0	46,830	0	46,830	0	0	0	0	0	0	0	0	46,830
Total	0	46,830	0	46,830	0	0	0	0	0	0	0	0	46,830
Planned Improvements to Fixed Assets	200,000	95,000	(115,000)	180,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	580,000
Chorley East Health Centre - land purchase/construction	6,650,000	0	1,000,000	6,650,000	0	0	0	0	0	0	0	0	6,650,000
Regeneration Projects	0	0	0	1,000,000	0	0	0	0	0	0	0	0	1,000,000
Total	6,850,000	95,000	885,000	7,830,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	8,230,000
Chief Executive Total	6,850,000	141,830	885,000	7,876,830	200,000	0	200,000	200,000	0	200,000	200,000	200,000	8,276,830
Affordable Housing New Development Projects	143,700	67,470	68,670	143,700	0	79,210	68,670	618,610	0	126,830	503,580	630,410	143,700
Disabled Facilities Grants	470,730	0	0	606,870	470,730	0	0	0	0	0	0	0	1,855,890
Housing Renewal	0	129,020	0	129,020	0	0	0	0	0	0	0	0	129,020
Cotswold House Refurbishment	0	65,000	0	65,000	0	0	0	0	0	0	0	0	65,000
Total	614,430	261,490	68,670	944,590	470,730	79,210	68,670	618,610	0	126,830	503,580	630,410	2,193,610
Head of Housing Total	614,430	261,490	68,670	944,590	470,730	79,210	68,670	618,610	0	126,830	503,580	630,410	2,193,610
Eaves Green Link Road - contribution to LCC scheme	0	80,000	0	80,000	0	0	0	0	0	0	0	0	80,000
Chorley Strategic Regional Site	0	391,200	0	391,200	0	0	0	0	0	0	0	0	391,200
Highway Improvements Pilling Lane area (S106 funded)	0	150,000	0	150,000	0	0	0	0	0	0	0	0	150,000
Puffin Crossing Collingwood Rd/Leichworth Drive (S106 funded)	0	47,820	0	47,820	0	0	0	0	0	0	0	0	47,820
Buckshaw Village Railway Station (S106 financed)	0	725,910	0	725,910	0	0	0	0	0	0	0	0	725,910
Buckshaw Village Cycle Network (S106 financed)	0	11,150	0	11,150	0	0	0	0	0	0	0	0	11,150
Total	0	1,406,080	0	1,406,080	0	0	0	0	0	0	0	0	1,406,080
Director of Partnerships, Planning & Policy Total	614,430	1,667,570	68,670	2,350,670	470,730	79,210	68,670	618,610	0	126,830	503,580	630,410	3,599,690

Capital Programme - 2013/14 to 2015/16

Scheme

Director of People and Places

Head of Streetscene & Leisure Contracts

Leisure Centres/Swimming Pool Refurbishment
 Replacement of recycling/litter bins & containers
 Eaves Green Play Development (S106 funded)
 Play and Recreation Fund projects
 Common Bank - Big Wood Reservoir
 Ranglits Recreation Ground/Duke Street Field (S106 funded)
 Adlington Play Facilities (Grove Farm S106)
 Play, Recreation and Public Open Space projects (S106)
 Astley Hall/Park Development Works
 Clayton Brook Village Hall Extension
 Astley Hall Farmhouse
 Yarrow Valley Country Park Reservoir Works

Head of Streetscene & Leisure Contracts Total

Director of People and Places Total

Capital Programme Total

Financing the Capital Programme

Prudential Borrowing
 Prudential Borrowing - Chorley East Health Centre
 Capital Receipts
 Revenue Budget - VAT Shelter income
 Revenue Budget - virement from revenue budgets

Chorley Council Resources

Ext. Contributions - Developers
 Ext. Contributions - Other
 Government Grants - Disabled Facilities Grants
 Government Grants - Housing Capital Grant

External Funding

Capital Financing Total

Scheme	2013/14		2013/14		2014/15		2014/15		2015/16		2015/16		Total 2013/14 to 2015/16 (13) £
	Current Estimate £ (1)	Rephased £ (2)	Other £ (3)	Revised Estimate £ (4)	Current Estimate £ (5)	Rephased £ (6)	Other £ (7)	Revised Estimate £ (8)	Current Estimate £ (9)	Rephased £ (10)	Other £ (11)	Revised Estimate £ (12)	
	268,780	120,000		388,780	282,250		282,250	282,250	0	283,780	283,780	283,780	954,810
	115,000			115,000	115,000		115,000	115,000	0	115,000	115,000	115,000	345,000
	0	166,480	15,000	181,480	0		0	0	0	0	0	0	181,480
	49,500	(20,000)		23,500	0		0	0	0	0	0	0	23,500
	11,520			11,520	0		0	0	0	0	0	0	11,520
	0	208,350		208,350	0		0	0	0	0	0	0	208,350
	0	103,420		103,420	0		0	0	0	0	0	0	103,420
	239,090		(22,300)	216,790	0		0	0	0	0	0	0	216,790
	0		250,000	250,000	0		0	0	0	0	0	0	250,000
	0		135,000	135,000	0		0	0	0	0	0	0	135,000
	0		30,000	30,000	0		0	0	0	0	0	0	30,000
	0		60,000	60,000	0		0	0	0	0	0	0	60,000
Head of Streetscene & Leisure Contracts Total	677,890	578,250	467,700	1,723,840	397,250	0	397,250	397,250	0	398,780	398,780	398,780	2,519,870
Director of People and Places Total	677,890	578,250	467,700	1,723,840	397,250	0	397,250	397,250	0	398,780	398,780	398,780	2,519,870
Capital Programme Total	8,142,320	2,387,650	1,421,370	11,951,340	1,067,980	79,210	1,215,860	1,215,860	0	1,102,360	1,229,190	1,229,190	14,396,390
Financing the Capital Programme													
Prudential Borrowing	588,780	631,000	1,000,000	2,214,780	597,250		597,250	597,250	0	764,690	764,690	764,690	3,576,720
Prudential Borrowing - Chorley East Health Centre	6,650,000			6,650,000	0		0	0	0	0	0	0	6,650,000
Capital Receipts	0	0	360,000	360,000	0		0	0	0	0	0	0	360,000
Revenue Budget - VAT Shelter income	0	18,330		18,330	0		0	0	0	0	0	0	18,330
Revenue Budget - virement from revenue budgets	0	19,540		19,540	0		0	0	0	0	0	0	19,540
Chorley Council Resources	7,233,780	668,870	1,360,000	9,262,650	597,250	0	597,250	597,250	0	764,690	764,690	764,690	10,624,590
Ext. Contributions - Developers	437,610	1,473,130	(7,300)	1,903,440	0		0	0	0	0	0	0	1,903,440
Ext. Contributions - Other	200	46,970	68,670	115,840	0		68,670	68,670	0	68,670	68,670	68,670	253,180
Government Grants - Disabled Facilities Grants	269,000	61,180		330,180	269,000	37,550	306,550	306,550	0	269,000	269,000	269,000	905,730
Government Grants - Housing Capital Grant	201,730	137,500		339,230	201,730	41,660	243,390	243,390	0	126,830	126,830	126,830	709,450
External Funding	908,540	1,718,780	61,370	2,688,690	470,730	79,210	618,610	618,610	0	126,830	337,670	464,500	3,771,800
Capital Financing Total	8,142,320	2,387,650	1,421,370	11,951,340	1,067,980	79,210	1,215,860	1,215,860	0	1,102,360	1,229,190	1,229,190	14,396,390

Note: Current Estimate was approved by Council on 8th January 2013. The changes proposed in columns (2), (3), (6), (7), (10) and (11) are the sum of the changes reported to Executive Cabinet meetings of 17th January 2013 and 21st February 2013.

Proposed Changes - 2012/13 to 2015/16

Scheme

Chief Executive**Head of Customer, ICT & Transactional Services**

Website Development (incl. ICT salary capitalisation)

Head of Customer, ICT & Transactional Services Total**Head of Governance**

Planned Improvements to Fixed Assets

Demolish Clayton Brook PH and landscape site
Regeneration Projects**Head of Governance Total****Chief Executive Total****Director of Partnerships, Planning & Policy****Head of Housing**Disabled Facilities Grants
Housing Renewal**Head of Housing Total****Director of Partnerships, Planning & Policy Total**

	2012/13 To Revenue £	Increase £	To Revenue £	2013/14 Virement £	Increase £	2014/15 Increase £	2015/16 Increase £	Total £
	(15,000)							(15,000)
	(15,000)	0	0	0	0	0	0	(15,000)
	(68,470)	82,500		(115,000)			200,000	16,530
				115,000	885,000			82,500
	(68,470)	82,500	0	0	885,000	0	200,000	1,099,030
	(83,470)	82,500	0	0	885,000	0	200,000	1,084,030
	(41,440)	109,730			68,670		503,580	750,650
	(41,440)	109,730	0	0	68,670	68,670	503,580	(41,440)
	(41,440)	109,730	0	0	68,670	68,670	503,580	709,210
	(41,440)	109,730	0	0	68,670	68,670	503,580	709,210

Proposed Changes - 2012/13 to 2015/16

Scheme

Director of People and Places**Head of Streetscene & Leisure Contracts**

Leisure Centres/Swimming Pool Refurbishment
 Replacement of recycling/litter bins & containers
 Duxbury Park Golf Course/Access Rd capital investment
 Eaves Green Play Development (S106 funded)
 Play, Recreation and Public Open Space projects (S106)
 Astley Hall/Park Development Works
 Clayton Brook Village Hall Extension
 Astley Hall Farmhouse
 Yarrow Valley Country Park Reservoir Works

Head of Streetscene & Leisure Contracts Total**Director of People and Places Total****Capital Programme Total**

2012/13 To Revenue £	Increase £	2013/14 To Revenue £	Virement £	Increase £	2014/15 Increase £	2015/16 Increase £	Total £
(4,170)	25,400		15,000			283,780	283,780
		(7,300)	(15,000)	250,000		115,000	115,000
				135,000			21,230
				30,000			15,000
				60,000			(22,300)
							250,000
							135,000
							30,000
							60,000
(4,170)	25,400	(7,300)	0	475,000	0	398,780	887,710
(4,170)	25,400	(7,300)	0	475,000	0	398,780	887,710
(129,080)	217,630	(7,300)	0	1,428,670	68,670	1,102,360	2,680,950

Proposed Changes - 2012/13 to 2015/16

Scheme

Financing the Capital Programme

Prudential Borrowing

Capital Receipts

Revenue Budget - VAT Shelter income

Chorley Council Resources

Ext. Contributions - Developers

Ext. Contributions - Other

Government Grants - Disabled Facilities Grants

External Funding**Capital Financing Total**

	2012/13 To Revenue £	Increase £	2013/14 Virement £	Increase £	2014/15 Increase £	2015/16 Increase £	Total £
		1,000,000				764,690	1,764,690
		360,000					360,000
	(129,080)						(129,080)
	(129,080)	0	0	1,360,000	0	764,690	1,995,610
		122,400	(7,300)	68,670	68,670	68,670	(7,300)
		95,230				269,000	328,410
	0	217,630	(7,300)	0	68,670	337,670	685,340
	(129,080)	217,630	(7,300)	0	1,428,670	1,102,360	2,680,950

Note: This appendix is an analysis of the 'other' changes (apart from rephrasing of budgets) reported to Executive Cabinet meetings of 17th January 2013 and 21st February 2013.

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S106 and Similar Developers' Contributions

	2012/13		2013/14		2014/15		2015/16		Balance 1/4/16 £'000	Notes
	Balance 1/4/12 £'000	Receipts Use £'000	Balance 1/4/13 £'000	Receipts Use £'000	Balance 1/4/14 £'000	Receipts Use £'000	Balance 1/4/15 £'000	Receipts Use £'000		
Budgeted use of developers' contributions										
Affordable Housing	445	54 (445)	54	90 (144)	0	0	0	0	0	(1)
Transport	651	134	785	80 (865)	0	0	0	0	0	
Play/Recreation Facilities	433	232 (58)	607	22 (536)	93	93	93	93	93	(1) (2)
Various Purposes	742	(20)	722	(358)	364	364	364	364	364	(3)
Total	2,271	286 (389)	2,168	192 (1,903)	457	457	457	0	0	457

(1) Further contributions may be receivable between 2012/13 and 2015/16

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

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

Use of Contributions Receivable from Developers 2012/13 to 2015/16

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Affordable Housing New Development Projects	445	144		
Eaves Green Link Road - contribution to LCC scheme		80		
Buckshaw Village Railway Station (S106 financed)	(134)	726		
Buckshaw Village Cycle Network		11		
Eaves Green Play Development (S106 funded)	23	181		
Common Bank - Big Wood Reservoir		11		
Play and Recreation Fund projects	31	24		
YVCP Natural Play Zone	4			
Rangleys Recreation Ground	20	208		
Adlington Play Facilities (Grove Farm S106)		103		
Play, Recreation & Public Open Space projects (S106)		217		
Highway Improvements Pilling Lane area		150		
Puffin Crossing Collingwood Rd/Letchworth Drive		48		
	389	1,903	0	0

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Report of	Meeting	Date
Chief Executive	Council	28 th February 2013

BUDGET INVESTMENT PACKAGE 2013/14

PURPOSE OF REPORT

1. To present for approval a package of budget growth items as part of the budget approval process. The report contains 18 budget growth investments in respect of the Revenue Budget and 5 Capital Budget/Programme budget growth schemes.

RECOMMENDATIONS

2. That Members use the results of the budget consultation which highlight the views of residents to inform their decisions on setting the Budget for 2013/14.

EXECUTIVE SUMMARY OF REPORT

3. This paper presents:
 - 18 growth schemes in the Revenue Budget the support the budget principles agreed at Executive Cabinet in January, the Council's strategic priorities and the findings of the budget consultation.
 - 5 growth schemes to be included in the Capital Programme to assist in redeveloping key town centres sites to support improving the town centre and a plan to improve Astley Park, plus projects to extend the village hall at Clayton Brook and improve the reservoir at Yarrow Valley Country Park.
4. The investment proposals have been grouped into four categories based on the corporate strategy priorities:
 - **Involving residents in improving their local area and equality of access for all**
Total Revenue Proposals: £0.250m;
Total Capital Proposals: £0.135m.
 - **Clean, safe and healthy communities**
Total Revenue Proposals: £0.284m;
Total Capital Proposals: £0.060m.
 - **An ambitious council that does more to meet the needs of residents and the local area**
Total Revenue Proposals: £0.160m;
Total Capital Proposals: £0.280m.
 - **A strong local economy**
Total Revenue Proposals: £0.655m;
Total Capital Proposals: £1.00m

Investment proposal – Revenue Budget	£1.349m
Investment proposal – Capital Budget	£1.475m
TOTAL INVESTMENT PACKAGE 2013/14	£2.824m

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

BACKGROUND

6. The budget estimates for 2013/14 includes headroom to allow for investment in priorities. This has been partially been achieved as a result of an effective, pre-budget efficiency programme.

BUDGET PROPOSALS

7. The Executive published the outline budget for consultation during January 2013 setting out its overall intention for spending and investment in the borough for the forthcoming financial year 2013/14. The proposals are all focussed on the priorities of the Corporate Strategy, summarised in the project synopses later in this report and set out in more detailed project mandates in Appendix C1.

BUDGET CONSULTATION RESULTS

8. The budget consultation results are attached in Appendix I on the agenda. They show a broad consensus with the areas proposed for investment and in particular recognise town centre development, a strong economy and neighbourhood working as high priorities. The areas for investment outlined below have all been designed to support the achievement of the priorities through targeted activity and a sustainable approach.

REVENUE BUDGET GROWTH SCHEMES

9. The table below identifies the growth schemes for 2013/14:

INVESTMENT AREA	Amount £
Neighbourhood working:	
• Proactive clean up team *	50,000
• Neighbourhood working pot	100,000
• Building capacity in local communities **	70,000
Support to the VCFS Network **	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000
Tree Policy *	30,000
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Car park pay and display income reduction	75,000
Inward investment delivery	
• Inward investment fund	350,000
• Regeneration projects - revenue costs of capital scheme*	40,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
TOTAL NEW INVESTMENT	1,348,500

* these items are recurring and included in the base budget (seen in Appendix F1).

** these items are recurring for 3 years and therefore have first call on future NHB receipts as per Appendix F1).

CAPITAL PROGRAMME BUDGET GROWTH SCHEMES

10. Five further Capital Programme/Budget investments are proposed:

INVESTMENT AREA	Amount £m
Regeneration Projects	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
TOTAL NEW INVESTMENT	1.475

Regeneration Projects – Estimated Capital Budget £1.0m

11. This budget will make funds available to pursue a range of options to improve the attractiveness of key potential business premises in the borough with the aim of influencing future development and attracting more quality business growth.
12. This option creates the facility to invest in regenerating key sites up to a total of £1.0m with an estimated revenue cost of £40,000 per year in revenue. Overall the revenue costs are reducing in the budget following the debt restructuring strategy being applied, a revenue savings of £60,000 will be achieved which more than offsets the £40,000 required to facilitate the timely delivery of regeneration, and allow options to be developed in the town centre following the completion of the town centre Masterplan and Inward Investment delivery projects.

Astley Park development – Estimated Capital Budget £0.280m

13. Astley Park Development Works £250k. In line with the Corporate Strategy, work is currently being developed in order to further enhance Astley Park to maximise its use by local people for recreational use as well as major events. £250k will cover a range of improvements that could include, for example, car parking enhancements, additional attractions, lighting, pathway improvements etc. Wherever there is the opportunity to apply for external funding, this will be pursued. In the meantime it is financed in the Capital Programme by means other than borrowing and therefore will have no impact on the on-going revenue budget.
14. Astley Farmhouse £30k. This project will bring the farmhouse into use to add to the offer around the Astley complex. The money will be used to refurbish the building so that it can be used for an alternative use. This will include additional gallery space and it will also include provision for other activities. This may involve a partnership with an external organisation that could bring an income stream into the Council. This scheme is not financed in the Capital Programme using borrowing and therefore will have no impact on the on-going revenue budget.

Clayton Brook Village Hall Extension – Estimated Capital Budget £0.135m

15. Following the demolition of the pub in Clayton Brook, this project will extend the existing Village Hall to provide a base for additional community activities in the area. The intention ultimately is for the project to be managed by local people through a community management arrangement. There is a potential for the Council's investment to be matched via external funding bid for by the local community. The demolition of the pub and the extension of the Village Hall along with working with other property owners in the area will result in a significant improvement to the local environment. This scheme is not financed in the Capital Programme using borrowing therefore will have no impact on the on-going revenue budget.

Yarrow Valley Country Park reservoir works – Estimated Capital Budget £0.060m

16. The Environment Agency has served notice on the Council that improvements need to be made to the reservoir (lodge) at Yarrow Valley Country Park. These improvements are to deal with emergency situations and provide additional capacity to hold water and redirect water away in the event of severe rainfall. This is not due to a lack of maintenance of the existing amenity rather increasing capacity for a severe eventuality in the future. This

scheme is not financed in the Capital Programme using borrowing and therefore will have no impact on the on-going revenue budget.

PROJECT SYNOPSES

INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL

Neighbourhood Working - Proactive clean up team **£50,000**

A proactive team to deal with areas that repeatedly fall into disrepair in neighbourhood areas, revisiting areas every six to eight weeks. This will ensure that those areas that are currently cleaned up on an ad hoc basis/when we receive a complaint etc. will be cleaned up on a scheduled basis.

Neighbourhood Working - Projects **£100,000**

This budget would provide additional funding to support works over and above business as usual including specific neighbourhood projects arising from neighbourhood meetings and a further programme of community clean up days.

Neighbourhood Working - Building capacity in local communities **£70,000**

Working with the social enterprise Spice, this would be a three year project that would:

- Develop an extension to the current project (funded by LCC and the Department for Health) to make the time credits system available to the whole of the borough. This would include a training programme for community organisations and schools who want to be involved which would run from April 2013.
- Provide additional community development capacity to support the launch and development of neighbourhood working. This would include increasing the provision for community engagement and developing effective neighbourhood plans for each area.

Linking this work closely with the community development work that will be needed to make neighbourhood working successful will provide additional value to both pieces of work, in encouraging greater community involvement and engagement. It is also designed to encourage a different approach to neighbourhood working than the one that has been previously taken.

Support to the VCFS network to increase volunteering in the borough **£15,000**

This funding will develop further infrastructure and support for third sector organisations in Chorley through support for the VCFS Network. This work will also strengthen provision for volunteering including links into the Lancashire County Council volunteering programme.

16/17 year old drop in scheme **£15,000**

This budget would enable provision of a drop in service for 16/17 year olds to continue for another year. The service provided by 'South Ribble Key' has to date been funded by a CLG grant. The drop in centre provides housing advice, family mediation and counselling for young people.

CLEAN, SAFE AND HEALTHY COMMUNITIES**Tree Policy****£30,000**

This budget is to enhance the existing tree service. The Council's current tree policy which has been in place since 2010 states that work will only be undertaken on dead, dangerous and diseased trees. Many requests for service are for pruning overhanging branches / topping trees. The policy will be amended to include Council trees overhanging private gardens / houses (including the roots) regardless of tree health.

The estimated cost of this proposal is more difficult to determine as it depends on requests and demand. The work would be undertaken using a specialist tree contractor and £30K would provide additional tree work two days a week during the growing season (over 26 weeks). If demand is less – spare capacity could be utilised on other tree work and if demand was greater this would require further funding or it could be undertaken the following season.

Extension and improvement of street furniture**£65,000**

This would extend the current replacement and refurbishment programme of 300 bins by an additional 300 bins (25% of stock) during 2013/14.

Replacement will targeted at the remaining high use sites such as parks, play areas, car parks and to replace the old style red dog bins. The red dog bins offer limited capacity and often appear to be full, when they aren't, due to the opening mechanism trapping bags of dog waste. Litter bin capacity will be improved by 10% and it will also be much easier for residents to dispose of their dog waste

Active Generation**£31,000**

This budget would enable the continuation of the Active Generation scheme for a further 12 months. Active Generation provides a variety of activities aimed at encouraging the 50+ age group to be more active physically, and to promote healthier lifestyles. In 2013/14 it is proposed to continue to provide activity opportunities for older people but also to link into the wider neighbourhood working model and seek to establish local community groups that are self-sustaining and able to continue with the provision of local activities and developments.

Street Games**£50,000**

This budget would enable the continuation of the Street Games scheme for a further 12 months. Street Games is a specific project aimed at delivering doorstep sport in a low cost way with a key emphasis on the most deprived communities in the Borough. It is aimed towards young people 5 years to 24 years, providing diversionary activity and supporting health and wellbeing.

Improvements to Play Areas**£100,000**

To make improvements to the Astley Park play area and four other play areas in the borough such as Coronation Rec and/or Harpers Lane, over a three year programme of work

Free Swimming**£7,500**

This budget would provide free afternoon swimming sessions for under 16's during the school summer holidays (Monday – Fridays).

AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA**Employee Health Scheme****£20,000**

This a continuation of the employee health care cash plan for a second year. The council would pay a fixed contribution of £1 per week per employee, enabling employee to claim back money for healthcare costs. The benefits of this scheme include:

- Improved employee health
- Increased staff satisfaction and engagement
- Improvement in staff benefits, more attractive package for potential employees.
- Achieve a reduction in current health and well-being expenditure.

Campaigns and Events**£40,000**

This budget is to augment the delivery of key activity planned for the next twelve months around specific priority campaigns including:

- The civic pride campaign, which will link closely with neighbourhood working in particular and take a broader approach to building community resilience and increasing levels of engagement;
- Town centre and inward investment marketing, to link with the work being undertaken to improve and revitalise the town centre as well as encouraging inward ;
- Collective energy switching to support priorities around reducing fuel poverty
- Christmas lights switch on.

Support to Chorley Community Bank**£50,000**

In the light of Welfare Reform changes, there is now a need to ensure a source of secure and accessible finance in Chorley which provides a viable alternative to other more high risk options such as pay day lenders and loan sharks. This project will look to establish a high street Bank of Chorley in an extension to the current Credit Union model operated by Unify from the cash office in the Union Street reception.

The Council along with local partners from the advice and housing sectors will look to finance this initiative for a 3 year period after which it is envisaged the facility will become self-sustaining. This project will form a key part of a wider programme of work aimed at mitigating the impact of Welfare Reform in Chorley.

Private Property Improvement Scheme Trial**£50,000**

The Council have statutory powers to address issues with privately owned properties in the Borough when they constitute a statutory nuisance, a danger to the public or are sufficiently detrimental to the amenity of the neighbourhood. However there is a gap where the condition of the property is not sufficiently poor to trigger statutory responsibilities but is poor enough to cause issues for neighbours. This budget will support the introduction of a trial scheme for a period of 1 year to provide a process for considering these properties and where appropriate, with the property owner consent, to undertake works to address the issues raised. This initiative supports a wider approach to neighbourhood working and promotes civic pride.

A STRONG LOCAL ECONOMY

Inward Investment Delivery fund

£350,000

This budget for inward investment delivery is to enable the development of an inward investment plan and subsequent pursuit of a range of options to deliver priority areas of the plan. This may include development of a database of target intermediaries, the development of an inward investment site or may contribute to larger and more ambitious schemes to bring forward key employment sites.

Car park pay and display income reduction

£75,000

It is estimated that continuation of the trial changes to the car parking tariffs will impact on the budget by an annual reduction in income of approximately £75,000. Following the end of the trial in February, a decision will need to be made about whether to continue with the trial tariffs, make additional changes or revert back to the previous tariffs. Allocating £75,000 will enable members the flexibility to continue with the revised tariffs, make adjustments or even to invest in other improvements to car parking.

Town Centre Master Plan

£30,000

This budget will fund the development of a town centre masterplan from an external provider. The plan will provide the foundations for a strategic and planned approach to attract future investment to key development sites, enhance the public realm and improve the town centre offer.

This project will consider whether the size of the retail element of the town centre is fit for purpose, more clearly define land use zones, provide investment-ready locations for future development, identify locations for investment in the public realm, as well as car parking provision.

Support the expansion of local businesses

£110,000

A budget of £10,000 to include:

- Business Advisor budget to cover networking memberships, marketing and guest speakers
- Choose Chorley Business Network and Annual North West Business Insider Event
- Maintaining business data Maintaining business database for the Choose Chorley Business Newsletter

Plus, £100,000 reward scheme for capital expansion of existing businesses. This grant will help existing local businesses to realise their expansion plans by either hastening their decision to expand, which should mean the creation of new jobs, and/or the grant funding could be used as quasi capital investment to leverage funding from mainstream finance sources. SME businesses have to overcome various challenges and bureaucracy to expand and this will provide a vital incentive.

Implement a joint employment initiative with Runshaw College

£50,000

This budget would be used to overcome some of the financial barriers that young people face in accessing and sustaining apprenticeships by allocating £45,000 to Runshaw College to make available a Chorley Council employment support fund from which employers can access support towards costs additional to wages; this may include travel, training, protective clothing, tools and equipment to do the job dependent on the specific needs of the individual. The amount available would be limited per apprentice (e.g. £750 per year) from which employers can access (via Runshaw) as much or as little as they require and this fund will be available for a two year period.

IMPLICATIONS OF REPORT

17. 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

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

COMMENTS OF THE MONITORING OFFICER

19. The proposals are in line with legislation.

GARY HAL
CHIEEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Victoria Willett	5348	07 th Feb 2013	Budget growth

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Project Mandates

1	Pro-active Clean Up Team
2	Implement Improvements to Neighbourhood Working
3	Strengthening the Voluntary, Community and Faith Sector in Chorley
4	Chorley Community Bank
5	16/17 Year Old's Drop In Scheme
6	Tree Policy
7	Extension and Improvement of Street Furniture
8	Active Generation
9	Street Games
10	Play Area Improvements
11	Free Swimming
12	Employee Health Scheme
13	Campaigns and Events
14	Regeneration Projects
15	Car Park Pay and Display Income Reduction – no project mandate as continuation of current arrangements until the trial completed and evaluated
16	Inward Investment Delivery
17	Town Centre Master Plan
18	Support the Expansion of Local Businesses
19	Joint Employment Support Initiative with Runshaw College
20	Private Property Improvement Scheme Trial

Project Mandate

PROJECT MANDATE

1 - Pro-active Clean-Up Team

Date: 10th December 2012

Author: Jamie Dixon

Responsible Directorate: People and Places

Project Mandate

1. Project Overview

This project will deliver improvements across the borough through a dedicated clean-up team to monitor and take remedial and improvement action in areas where repeat environmental issues are experienced.

2. Project Background

Across the borough there are a number of areas that require on-going action to address environmental issues such as litter, dumped rubbish and over-grown vegetation. This is currently addressed through an ad-hoc reactive approach and requires a dedicated team that can undertake pro-active remedial action followed by regular monitoring and further action to ensure standards are maintained.

The dedicated team will also provide additional resources to support neighbourhood working and target areas and issues that are identified through the neighbourhood meetings.

3. Corporate Priorities

The project would 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.

4. Objectives

- Improve environmental and cleanliness across the borough.
- Proactively target and monitor areas to ensure standards are maintained.
- Increase in the percentage of people satisfied with their neighbourhood as a place to live.

5. Scope

The scope of the project includes establishing a permanent dedicated clean-up team consisting of two operatives and van. The service will operate year round and will undertake regular monitoring and environmental improvements as required.

6. Constraints

The permanent dedicated team will be established from 2013/14.

This project requires a budgetary investment of £50,000.

7. Impact on other Directorates/Projects

This project will work closely with the neighbourhood team and directly support improvements to neighbourhood working alongside the Health, Environment and Neighbourhoods team.

Project Mandate

PROJECT MANDATE

2 - Implement Improvements to Neighbourhood Working

Date: 10th December 2012

Author: Simon Clark

Responsible Directorate: People and Places

8. Project Overview

This project will deliver improvements to neighbourhood working as set out and agreed in the review of neighbourhood working that will be presented to Executive Cabinet in November 2012.

9. Project Background

In 2007 the Council commissioned a report from Partners in Change entitled “*The Scope and Prospects for Neighbourhood Working in Chorley*”. This led to the creation of the a neighbourhood working model with seven neighbourhood areas initially supported by a neighbourhood profile which was intended to inform an annual neighbourhood action plan.

Over the last 4 years the neighbourhood working model has evolved to a point where Members have a twice yearly neighbourhood area meeting with officers; undertake regular Ward walks with Neighbourhood Officers as required and can submit ‘Expressions of Interest’ to resource particular and discreet work packages and projects in their particular area, together with ‘business as usual’ delivery of neighbourhood, community development and street scene services.

Therefore the original concept of providing a neighbourhood profile and developing a project/action plan for each neighbourhood area has been superseded. The current neighbourhood working model is supported by a modest budget and delivered by integrating actions and plans into officers ‘business as usual’ work streams.

The new administration initiated a review into neighbourhood working in order to consider how existing arrangements could be more clearly defined, improved and linked to other key initiatives such as civic pride. This project follows on from the review and aims to implement the recommendations in order to improve neighbourhood working in Chorley.

10. Corporate Priorities

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

11. Objectives

- Members will have significantly more control and say in what happens in their area and potentially direct access to resources to deliver.
- Increase the number of neighbourhood areas, from seven to eight in order to address issues with eastern parishes covering large rural and urban settlements.
- Increase in the percentage of people satisfied with their neighbourhood as a place to live.
- Increase representation from parish and county councillors at neighbourhood meetings in order to improve the effectiveness of the meetings and planning for the areas.
- To increase the level of support to communities to facilitate the growth of community groups and increase the volunteering capacity within communities.

Project Mandate

12. Scope

The scope of the project is limited to implementing the recommendations contained within the review of neighbourhood working and extending the level and nature of support to communities for community group growth and sustainable volunteering capacity. More specifically this includes:

- The development of the annual neighbourhood plans;
- The reallocation of staff to the new areas;
- The establishment of neighbourhood meetings in the areas affected by the change in neighbourhood footprint.
- Extending memberships/representation at the neighbourhood meetings to include parish and county councillors.
- Development of a clear process and governance arrangements for devolving and monitoring budgets to a neighbourhood level.
- The provision of additional resource through the existing Spice Uplift 'time banking' project to support community development work and provide a means of building on the work already done to implement a model to encourage sustainable volunteering effort in communities.
- Develop an annual 'Community clean-up programme' to provide 12 'skip days' (one per month) across the Borough.

13. Constraints

The project will be delivered during 2013/14 with some elements, if approved, extending until 2016.

To implement the recommendations of the review and make further improvements will require additional investment, which will be subject to approval at full Council.

It should be noted that delivery will require a budget of £170,000. This is split between investment of £100,000 for neighbourhood working (including a programme of 'clean up' days) and £70,000 for community development work and increasing volunteering capacity within communities (this element will be recurring for 3 years).

14. Impact on other Directorates/Projects

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

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

This project also has close links to the projects to develop and implement a civic pride campaign and the member accreditation scheme.

Project Mandate

PROJECT MANDATE

3 - Strengthening the Voluntary, Community and Faith Sector in Chorley

Date: 02/01/13

Author: Vicky Willett

Responsible Directorate: People & Places

Project Mandate

15. 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 provide additional support to the VCF Sector in Chorley through strengthening the work of the Chorley VCFS Network as the over-arching organisation responsible for coordinating the sector and therefore best placed to identify and address local needs.

16. 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 the Chorley partnership commissioned another piece of work from the VCF network with the overarching objective being to increase, retain and support volunteers in Chorley.

Additionally, Lancashire County Council have recently commissioned Chorley's VCF network to host one of six project coordinators to operate across Lancashire in order to deliver a strategic county wide approach to volunteering.

17. 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.

18. Objectives

The objective of this project will be to further strengthen the VCF sector in Chorley through supporting the VCFS Network to become more self-sustaining and effectively achieve their priorities as follows:

- To continue to be the umbrella structure and focus for Voluntary, Community and Faith Sector partnership work across Chorley in particular by the Chorley Local Strategic Partnership.
- To expand our membership to ensure that all sectors are fully represented.
- 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 for example in the establishment of a Faith Forum linked to the work of the Equality Forum.

Project Mandate

- 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 support the development of Volunteering in Chorley through the project that the Network currently manages and through opportunities that arise via the county council funding through One Lancashire. To ensure that the Network Project embraces improving opportunities for volunteering and looks at new initiatives including SPICE, employee supported volunteering and training.
- 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 at present in shadow format. To seek to maintain the current post that the Network manages funded via the NHS.
- 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.

19. Scope

The project will include:

- Working with the VCFS Network to identify where activity and resources should be targeted to achieve the priorities listed above.
- Supporting the Network to develop a project plan.
- Managing the delivery of the project plan by the VCFS Network to its successful completion.

This project will be delivered in partnership with other key local initiatives, specifically the Spice Uplift Time Credits programme although this will be run through a separate project.

20. Constraints

A budget of £15,000 has been identified to deliver the objectives of the project and should be completed by March 2014. It is expected that this resource should be used to ensure the future self-sustainability of the Network.

A budget provision of £15,000 is required.

21. Impact on other Directorates/Projects

This work links in with the corporate strategy project, improving volunteering and should also support neighbourhood working initiative.

Project Mandate

PROJECT MANDATE

4 – Chorley Community Bank

Establishing a source of secure finance in Chorley

Date:

Author:

Responsible Directorate:

Project Mandate

22. Project Overview

In the light of Welfare Reform changes, there is now a need to ensure a source of secure and accessible finance in Chorley which provides a viable alternative to other more high risk options such as pay day lenders and loan sharks.

This project will look to establish a high street Chorley Community Bank in an extension to the current Credit Union model operated by Unify from the cash office in the Union Street reception.

The Council along with local partners from the advice and housing sectors will look to finance this initiative for a 3 year period.

This project will form a key part of a wider programme of work aimed at mitigating the impact of Welfare Reform in Chorley.

23. Project Background

Changes taking place as a result of Welfare Reforms will have a big impact on families and individuals in Chorley with reduced levels of household income and an increased need for basic financial products such as loans and bank accounts.

For those customers not able to access mainstream banking services, there is increased potential to turn to more high risk alternatives such as loan sharks and pay day lenders with far greater long term consequences. Recent information from Lancashire West Citizens Advice Bureaux indicates that there is already an increase in Chorley in returning debt clients and they expect a further increase. The availability of pay day loans means that debt clients have managed to obtain payday loans even with bad credit records, or if they have been made bankrupt.

Credit Unions enable people to save as well as offering low cost loans. They are owned and run by members and provide annual dividends back to its members, as well as providing a safe and ethical place to borrow from. This form of early intervention will be key to mitigating the impact of Welfare Reforms changes, preventing residents from accumulating large debts from pay day loan companies or from going into arrears.

This project will look to support the extension of the credit union model currently operated by Unify through the Union Street cash office. It will involve re-positioning the facility in a high street location and establishing it under the brand of Chorley Community Bank or similar. A high street presence and strong branding will help to remove potential stigma or negative connotations attached to credit unions and create a sustainable, long term proposition.

Securing this service in Chorley will complement a wider programme of activity in partnership with key local agencies, aimed at mitigating the impact of Welfare Reform changes. This includes a joint initiative with the CAB to provide targeted financial support and advice, working closely with the credit union to encourage long term behaviour change in how people manage their money.

The operating costs for the Chorley Community Bank will be £50,000 per year which accounts for a town centre location and staffing. The town centre location is important to

Project Mandate

provide an impartial and accessible base, and as people invest in the Credit Union, monies will be available to help all of Chorley communities. The Chorley Community Bank will require financial support for the first three years at a total cost of £150,000 to enable them to become sustainable in future.

Chorley Council will look to secure contributions from partners to meet the running costs of Chorley Community Bank for the first 3 years of operation.

24. Corporate Priorities

This project will contribute to achieving the following priorities:

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

25. Objectives

Key objectives of this project will be to:

- Reduce the number of customers using pay day loans
- Prevent longer term complex debt issues
- Enable residents to set up a basic bank account
- To ensure the customer profile reflects that of local housing providers

26. Scope

The project will make funding available to meet the running costs of Chorley Community Bank for a 3 year period after which time the infrastructure should be in place for the facility to be self-sustaining.

27. Constraints

This project will require funding of £50,000 per year for 3 years, totalling £150,000. This will be achieved through a combination of Council funds and cash contributions from key partner agencies including RSL's and advice providers.

The delivery of the project is reliant on partnership working with a range of local agencies, specifically local RSL's and the current credit union.

28. Impact on other Directorates/Projects

- Legal – securing property in a town centre location
- Frontline services – Revs and Bens/Customer services/Housing – signposting and referrals
- Policy and comms – partnership working and promoting the service

Project Mandate

PROJECT MANDATE

5 - 16/17 Year Old's Drop-in Scheme

Date: February 2013

Author: Zoe Whiteside

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

29. Project Overview

The drop-in is for 16/17 year olds only and operates two days a week on Tuesdays and Fridays from Lord Street in Chorley. It is the gateway (single point of access) for referrals of 16/17 year olds from the Chorley and South Ribble area who are at risk of becoming homeless.

30. Project Background

The service commenced in January 2012 and ceases in July 2013. The service was funded by a one-off amount of £30,000 from the Department for Communities and Local Government. The drop in provides mediation and support to 16/17 year olds at risk of homelessness.

The service was commissioned following 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.

31. Corporate Priorities

The project sits under two of the four priorities: Involving residents in improving their local area and equality of access for all and clean, safe and healthy communities. The project also supports the Council's prevention of Homelessness Strategy, Supports the Working with families project, supports the Council's work on Children's safeguarding and contributes to the reduction in NEETS and improving life chances of young people.

32. Objectives

From the information available (January – October 2012) 43 16/17 year olds have used the service and the majority were helped to either stay at home, stay with other members of their family in settled accommodation or accessed supported accommodation. The number of 16/17 year olds accommodated in Cotswold have also reduced as this service works with the young person to try and eliminate the need for temporary accommodation. Previously young people would be referred directly into Cotswold by CSC.

It is anticipated that the continuation of the service would:

- Provide support to 70 young people (based on current performance)
- Keep the no of 16/17 year olds referred into Cotswold at a minimum
- Maintain the positive working relationship that has been established between CBC and CSC

Project Mandate

33. Scope

To fund half of the cost of the service (£15,000) to March 2014. The funding would be used to pay for the two part time mediation/support workers, the hiring of the venue, equipment and some materials. .

34. Constraints

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

A budget provision of £15,000 is required. The service costs £30,000 in total. The council would require South Ribble to fund the other £15,000. They are currently looking into this and if Chorley commits to this they are likely to fund the other half.

35. Impact on other Directorates/Projects

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

Project Mandate

PROJECT MANDATE

6 - Tree Policy

Date: 19/11/2012

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

36. Project Overview

Revise the current tree policy to action work on all trees on Council land rather than just dead, dangerous and diseased trees.

37. Project Background

The current tree policy that has been in place since 2010 states that the Council will only action work only to dead, dangerous and diseased trees. Many requests for service are for pruning overhanging branches / topping trees. The policy could be amended to include Council trees overhanging private gardens / houses (including the roots) regardless of tree health.

The estimated cost of this proposal is difficult to determine as it depends on requests and demand. The work would be undertaken using a specialist tree contractor and £30,000 would provide additional tree work two days a week during the growing season (over 26 weeks). If demand is less – spare capacity could be utilised on other tree work and if demand was greater this would require further funding or it could be undertaken the following season (assuming the budget remains in place).

38. Corporate Priorities

The revised policy would contribute to the following objectives:

- Clean safe and healthy communities.
- 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.

39. Objectives

To complete 52 days of tree work over a 26 week period.

40. Scope

<i>Included</i>	<i>Not Included</i>
<ul style="list-style-type: none"> • Trees on Council owned land 	<ul style="list-style-type: none"> • Trees on other private land
<ul style="list-style-type: none"> • Two days work per week over 26 weeks starting April 2012 	<ul style="list-style-type: none"> • Trees on the highway
<ul style="list-style-type: none"> • Other tree work within Council owned sites 	

41. Constraints

The project requires budgetary resources of £30,000.

42. Impact on other Directorates/Projects

Links into the work undertaken by the Streetscene Tree Officer and the wider Streetscene and Parks team.

Project Mandate

PROJECT MANDATE

7 – Extension and Improvement of Street Furniture

Date: 06/12/2012

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

43. Project Overview

Continuation of the litter bin replacement with a further 300 replacement litter / dog waste bins

44. Project Background

The current bin stock includes approximately 1,115 litter bins (includes 189 dog bins). During 2012 300 bins were replaced in the town centre and along the main arterial routes and main roads through the various towns and villages. The new bins have improved capacity by 10% which helps reduce litter and supports the operational efficiency of the Streetscene service. The new bins are also signed up as litter / dog waste bins and this supports initiatives to encourage residents to dispose of dog waste responsibly.

Replacement of a further 300 bins will be targeted at the remaining high use sites such as parks, play areas, car parks and to replace the old style red dog bins. The red dog bins offer limited capacity and often appear to be full, when they aren't, due to the opening mechanism trapping bags of dog waste. Litter bin capacity will be improved by 10% and it will also be much easier for residents to dispose of their dog waste

45. Corporate Priorities

The revised policy would 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.

46. Objectives

- To replace 300 litter bins with larger litter bins that can accept both litter and dog waste. The additional bins will:
- Increase capacity by at least 10% to manage street waste including replacing some sites that currently have multiple litter / dog bins with a litter bin that can also take dog waste.
- Include a sticker to educate people that dog waste can now be included in normal litter bins.
- Rationalise litter bin provision which improves operational efficiency and provides more effective emptying arrangements.
- Replace existing red dog bins with larger capacity bins that can accept dog waste and litter.
- Provide greater convenience for customers – fewer problems with overflowing bins and more litter bins will be sited closer to bus stops.

Project Mandate

47. Scope

<i>Included</i>	<i>Not Included</i>
<ul style="list-style-type: none"> • Replacement of Council owned litter and dog bins. 	<ul style="list-style-type: none"> • Replacement of litter bins owned by other organisations
<ul style="list-style-type: none"> • Replacement to improve litter bin capacity 	<ul style="list-style-type: none"> • Additional litter bins

48. Constraints

Further litter bins could be included dependent on additional budget.

A budget provision of £65,000 is required.

49. Impact on other Directorates/Projects

Links into the work undertaken by the Neighbourhoods team to improve litter and dog fouling.

Project Mandate

PROJECT MANDATE

8 - Active Generation

Date: 27 November 2012

Author: Lee Boyer

Responsible Directorate: People and Places

Project Mandate

50. Project Overview

Active Generation is a specific project aimed at encouraging the 50+ age group to be more active physically, and to promote healthier lifestyles.

51. Project Background

Having successfully delivered an externally funded Active Generation project over the last 4 years, the current Administration is seeking to embed the principles of physical activity and healthy lifestyle promotion for older residents.

The service will continue to provide activity opportunities for older people but will also link into the wide neighbourhood working model and seek to establish local community groups that are self-sustaining and able to continue with the provision of local activities and developments.

The information below summarises what has been delivered by the scheme so far this year:

Active Generation 2012 (April – December statistics)

Number of Separate sessions delivered	111
Individual Sessions delivered	501
Visits to Active Generation sessions	3193
Number of people on average per session	6.373253
Number of Individual males attending	795
Number of individual females attending	961
Total individuals attending AG sessions	1756
Cost per visit to Active Generation session	£1.26
Community Groups Supported	52

31 separate sports and activities have been delivered this last quarter

- Sports and Activities include, Tai Chi, Yoga, Pilates, Badminton, Crown Green Bowling, Dances, Canoeing, Tennis, Table Tennis, Short Tennis, Cricket, Running groups, Health Walks, Handball, Basketball, 50+ Games etc, Olympic programme of activities and full programme of events during Older Peoples week in Chorley.

52 Community groups supported include

- Chorley Older people's forum, Art in Adlington, Age UK groups, Chorley Bowls Forum, VCFS, Eaves Green Seniors and many more.

Project Mandate

52. Corporate Priorities

The project meets the clean, safe and healthy communities priority in that it will promote a range of activities for the over 50's age group as well as tackling health inequalities.

The project will also contribute to the priority of involving residents in improving equal access to all.

53. Objectives

The objectives of this project are:

- Increase the level of participation in physical activity amongst older people to the national minimum of one session of physical activity (30 mins) per week.
- Engage further with those approaching older age to ensure they are supported with physical activity opportunities and health lifestyle messages.
- To increase the range of activities available through supporting local community groups and encouraging volunteering effort.

54. Scope

The scope of this project is restricted to ensuring that Active Generation as a brand is delivered. The project will not seek to develop further branded activity products for the 50 + age group. However in developing Active Generation for this age group the project will seek to determine and establish an extension to service delivery that ensures those approaching 50 years are encouraged to either maintain appropriate levels of activity or engage in service provision.

55. Constraints

The project will require support from the wider neighbourhood working resource provision across the Council. In particular the community and volunteering elements of the project will be contingent on available resources from the community development team. The budget will be essentially used to fund a FTE Active Generation Officer plus a small budget to seed fund activities as required.

A budget provision of £31,000 is required.

49. Impact on other Directorates/Projects

A number of other Directorates will be impacted, in particular Communications Team and the Housing Team to ensure the service is widely used and communicated.

There will be cross over with this project and the Volunteer Development project.

Project Mandate

PROJECT MANDATE

9 - Street Games

Date: 27 November 2012

Author: Lee Boyer

Responsible Directorate: People and Places

Project Mandate

50. Project Overview

Street Games is a specific project aimed at delivering doorstep sport in a low cost way with a key emphasis on the most deprived communities in the Borough. It is aimed towards young people 5 years to 24 years. The project could be mainstreamed into business as usual service delivery.

51. Project Background

Having successfully delivered an externally funded Street Games project over the last 3 years, the current Administration is seeking to embed the principles of physical activity and diversionary activity amongst younger people.

The indicators of success to date over the past 12 months of the Street Games service are:

- 622 sessions of activity delivered, including evening, weekend, school, holiday time, weekly evening session.
- 1237 hours of actual coaching delivery
- 5103 participants (these are counted as one on each activity)
- 8702 attendances
- 3221 Male participants
- 1880 Female participants
- 3242 Under 13's
- 1251 13-15 years
- 93 over 16.
- 102 With a known disability. (2% although this is the base minimum not all data that returns discloses this, so the actual figure is expected to be higher.)
- 76 estimated to be from BME community. (1.5%)
- In excess of 15 different sports delivered.
- Football the most popular activity. Others include Handball, Table Tennis, Rugby Union, Rock Climbing, Orienteering, Dodgeball, Athletics, Streetgolf,
- Re ages not all ages are disclosed so we don't have the full range of the 5103

In addition young volunteer successes over this year include:

- 34 young volunteers signed since start of streetgames but on books to date.
- 13 currently active 16 short term (one off or short events)
- 405 hours of volunteering this year completed.
- 1 Fundamentals of movement course completed.
- 2 Safeguarding qualifications
- 1 NGB level one qualification Handball level One
- 6 Activator courses
- Us, Girls, Chorley 2012 Schools, School Holiday activity's, Great Manchester Run, Sky Ride Manchester, Volunteer Conference's. attended and residential for Chorley Vols.
- One volunteer accepted for role at London 2012 for Coca Cola.

The service will continue to provide sport and diversionary activity opportunities for younger people within their communities.

Project Mandate

52. Corporate Priorities

The project meets the clean, safe and healthy communities priority in that it will promote a range of activities with in communities. The project will also contribute to the priority of involving residents in improving equal access to all as well as promoting volunteering.

53. Objectives

The objectives of this project are:

- To develop the legacy of the existing Streetgames project and ensure it is provided as part of the activity offer.
- Engage further with younger people (14 to 25 age range) and direct them into leadership and volunteering roles.
- To complement and support national initiatives around doorstep sport clubs, active women (Us Girls project).
- Enable the further enhancement of the Get Up and Go offer

54. Scope

The scope of this project is restricted to ensuring that Street Games as a brand is delivered. The project will not seek to develop further branded activity products for door step sport.

55. Constraints

Existing resources (previously externally funded) will be utilised to deliver this project but with support from the wider neighbourhood working resource provision across the Council. In particular the community and volunteering elements of the project will be contingent on available resources from the community development team. The budget will be essentially used to fund 2 FTE and 2PTE officer posts, combining development and delivery of doorstep sports.

A budget provision of £50,000 is required.

56. Impact on other Directorates/Projects

A number of other Directorates will be impacted, in particular Communications Team and the Housing Team to ensure the service is widely used and communicated.

There will be cross over with this project and the Volunteer Development project as well as community safety teams.

ICT teams will be engaged to establish a means of mobile working within the mainstreamed service.

Project Mandate

PROJECT MANDATE

10 – Play Area Improvements

Date: 06/12/2012

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

57. Project Overview

The project includes investment into a number of existing Council owned play areas over a three year period.

58. Project Background

The project will be phased over three years and will include the development and improvement of Council owned play areas at a number of key sites including Astley Park. Where possible the funding will be used to attract further external funding to enhance the various schemes.

59. Corporate Priorities

The revised policy would contribute to the following objectives:

- Clean safe and healthy communities.
- 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.

60. Objectives

To invest in improvements of Council owned play areas. To be confirmed but could include for example:

- **Astley Park** - investment in creating a 'destination' play area (new play equipment across a range of age groups and associated safety surfacing)
- **King Georges Field** - investment in improving the play provision for 8-12 year olds (replacement of play equipment, boundaries and safety surfacing where necessary).
- **Tatton Rec. Ground** - investment in improving the play provision for the toddler to 8 year old age bracket (replacement of equipment, boundaries and safety surfacing where necessary)
- **Harper's Rec. Ground** - investment in replacing equipment, boundaries and safety surfacing in the toddler play area.
- **Coronation Rec. Ground** - investment in resurfacing of tennis courts and replacement of boundary mesh fencing and nets.

To levy in further additional external funding to enhance the various schemes.

61. Scope

<i>Included</i>	<i>Not Included</i>
<ul style="list-style-type: none"> • Improving existing Council owned play areas 	<ul style="list-style-type: none"> • Improving play areas at non Council owned sites
	<ul style="list-style-type: none"> • Developing play areas at new Council owned sites.

62. Constraints

This project requires budgetary resources in the sum of £100,000 per annum over the three year period from 2013/14 to 2015/16.

63. Impact on other Directorates/Projects

Links into the work undertaken as part of the Open Spaces Study that identifies Council owned sites that require investment. Also supports the development of Astley Park.

Project Mandate

PROJECT MANDATE

11 - Free Swimming

Date: 02/01/13

Author: Vicky Willett

Responsible Directorate: People & Places

Project Mandate

64. Project Overview

This project is to make available free afternoon swimming sessions for under 16's during the school summer holidays (Monday – Fridays) at the Council's leisure facilities: All Seasons Leisure Centre and Brinscall Swimming Baths. This project will run for 12 months.

65. Project Background

Improving the health of Chorley's local communities is a key focus for the administration and in particular tackling health inequalities to enable young people to take part in physical activity preventing a range of longer term health and social issues.

This project will remove a potential financial barrier to physical activity and enable young people from any community including those that are more deprived, to access swimming facilities. It will also complement the existing Get Up and Go programme, enhancing the current offer to young people in terms of physical and diversionary activity.

66. Corporate Priorities

The project would contribute to the following corporate objectives:

- Clean safe and healthy communities.
- 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.

67. Objectives

The project will aim to:

- Work with our partners Active Nation to put in place the free swimming programme including monitoring and reporting arrangements.
- Promote the project through appropriate channels including Get Up and Go
- Increase the numbers of young people taking part in physical activity

68. Scope

This project will include liaising with Active Nation to set up and deliver the free swimming project. Free swimming will be available on week day afternoons during the school summer holidays for young people aged under 16 and living in the Chorley Borough.

This project does not include free swimming during term time and does not extend to other age groups at the present time.

69. Constraints

The budget required should cover all delivery costs and Active Nation will be the main partner in ensuring effective delivery.

The project requires a budget provision of £7,500.

70. Impact on other Directorates/Projects

This work links in with the existing Get Up and Go programme, neighbourhood working and other health and wellbeing initiatives.

Project Mandate

PROJECT MANDATE

12 - Employee Health Scheme

Date: 10th December 2012

Author: Jane McDonnell

Responsible Directorate: Chief Executives Office

Project Mandate

71. 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 first year, and this project would extend the scheme for a further 12 months.

72. Project Background

An employee health scheme was introduced in 2012/13 following two years of no pay award for staff.

Although there had been little apparent impact of having no pay award, 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 June 2012, the scheme has been accessed 164 times and claims have totalled approximately £6,037 for services including dental care, optical care, prescriptions and wellbeing such as physiotherapy and acupuncture.

73. 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.

74. Objectives

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

- Improved employee health;
- Increased staff satisfaction and engagement;
- Improvements in staff benefits, creating a more attractive package for potential employees; and
- Achieve a reduction in the current health and wellbeing expenditure.

75. 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.

76. Constraints

Budgetary resources of £20,000 are required to cover a period of 12 months.

77. 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
- Pedometer Challenge
- Flu Vaccinations
- Smoking Cessation
- Health Screening

Project Mandate

PROJECT MANDATE

13 - Campaigns and Events

Date: 10 December 2012

Author: Chris Sinnott

Responsible Directorate: Chief Executives Office

Project Mandate

78. Project Overview

The investment would support identified campaigns and promotional activity for the town centre and the borough.

79. Project Background

The changed focus of the policy and communications service means that it is possible to clearly define and identify areas where undertaking further promotion and campaigns could effectively support the council in achieving its priorities. A campaigns and engagement strategy will be developed in early 2013 to guide the work of the team. Most of the campaigns will be resourced from existing budgets. However, there are some areas where an additional budget would mean that more could be achieved.

80. Corporate Priorities

The revised policy would contribute to the following objectives:

- A strong local economy.
- 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.

81. Objectives

- To promote and increase engagement in the changed approach to neighbourhood working and civic pride campaign.
- To support the economic development strategy, with a campaign to promote the town centre – with an aim to; increase visitor stay, and diversify the reasons for visiting the town centre.
- To promote the use of the collective fuel purchasing scheme (this is likely to be iChoosr).
- To maintain the improved Christmas lights display.

82. Scope

Included within the scope of this investment would be;

- A promotional campaign of the civic pride campaign and neighbourhood working (including as necessary, advertising, printed materials and other materials)
- A promotional town centre marketing campaign (including as necessary, advertising, printed materials and evaluation work through surveys)
- A campaign to promote the use of the collective fuel purchasing scheme – through advertising, printed materials and website development.
- Cost for the additional Christmas lights display used in 2012, for use in 2013.

The staff costs of developing and managing these campaigns is already available.

83. Constraints

Budgetary resources of £40,000 are required to deliver the project.

84. Impact on other Directorates/Projects

These campaigns link closely with the work of Economic Development and Health, Environment and Neighbourhoods. It links closely with the following projects and initiatives:

- Tackling fuel poverty (Corporate Strategy key project)
- Develop a town centre master plan (Corporate Strategy key project)
- Launch the civic pride campaign (Corporate Strategy key project)
- Implement improvements to neighbourhood working (Corporate Strategy key project)
- Develop volunteering in the borough (Corporate Strategy key project)

Project Mandate

PROJECT MANDATE

14 - Regeneration Projects

Date: 04 January 2012

Author: Gary Hall

Responsible Directorate: Chief Executives Office

85. Project Overview

This project will encompass the pursuit of various options to improve the attractiveness of key sites and potential business premises in the borough with the aim of influencing future development and encouraging more quality business growth, and employment opportunity.

86. Project Background

There are a number of factors such as long term vacant properties in key town centre locations, public realm issues and idle/un-used sites which affect the perception of the borough and don't support a strong offer to potential investors, visitors or shoppers. To address these issues the Council has taken various steps including remodelling the grant scheme to support the establishment of new enterprises however more still needs to be done.

A number of options are available to increase the attractiveness of Chorley's offer to businesses in terms of inward investment both in the town centre and across the borough. This may include development of inward investments sites, redevelopment or refurbishment of vacant premises or larger more ambitious schemes. This may also include the developing sites where the Council retain an interest and also generates a revenue stream to assist with future sustainability.

87. Corporate Priorities

This project supports the following priorities:

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

88. Objectives

- Improve the offer for business considering Chorley
- Achieve more control over future retail development
- Boost trade and strengthen the town centre
- Create employment opportunity

89. Scope

This project will focus on progressing options to regenerate sites or premises for potential business opportunities including redevelopment or refurbishment of premises. It may also include identifying and facilitating the purchase of key vacant sites (and any associated redevelopment or refurbishment works).

Activity to convert interested parties into established businesses will be delivered through business as usual of the economic development team.

Project Mandate

90. Constraints

There would be significant financial costs in the Council pursuing a strategy to regenerate potential sites but this will secure more influence over the business offer and further development of the borough. This would be covered by financing the cost of borrowing up to £1million to invest in regeneration.

91. Impact on other Directorates/Projects

This project could have implications for the Economic Development and Governance teams.

Project Mandate

PROJECT MANDATE

16 – Inward Investment Delivery

Date: 26/10/2012

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

92. Project Overview

This project will produce an inward investment plan and deliver key actions over the first year. Activity will include developing an inward investment web site, marketing package and a grant scheme to support the capital injection from inward investors who are creating jobs for local people.

93. Project Background

The emerging 2012 Economic Development strategy aims 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.

The Chorley Local Plan will provide a future supply of employment land in Chorley upto 2026. This project will develop a plan for bringing forward development and inward investment.

In a global economy and a very competitive market place, the challenge for Chorley is to develop and articulate a succinct and targeted proposition to enable it to stand out from its competitors, particularly from within the Manchester conurbation, and bring new investment and jobs. Chorley has some fantastic assets but it needs to make sure that potential investors hear about them.

Given the current recession, Chorley simply cannot afford to leave its inward investment activities to other agencies. There is potential for Chorley to raise its game and be at the forefront of the impending economic recovery that has the potential to bring new jobs and investment to the borough.

The most important aspect of any inward investment campaign is an on-line presence. By developing an inward investment web site, Chorley will send out a clear message that it is a forward-looking, open and welcoming place for new investors.

Potential inward investors need to know specifically how Chorley can help solve their business challenges and what particular industry and sector strengths the town has. Firms need to know how Chorley can tap into wider supply-chains, particularly those that would serve advanced manufacturing and engineering industries and support the Enterprise Zone at Samlesbury and Warton. This is hugely important in helping to position Chorley's development opportunities in a more effective way to inward investment intermediaries.

The potential to complement any existing provision and to provide a grant scheme to support the capital requirements of inward investment companies who are creating local jobs will be developed, subject to funding.

94. Corporate Priorities

Producing an inward investment plan and delivering key actions over the first year will support the Corporate Strategy's priority theme on 'A strong local economy', by helping to create a strong business sector and providing access to high quality employment.

Project Mandate

95. Objectives

The project will aim to produce an inward investment action plan and delivery of key actions identified in the plan. This may include, but is not limited to:

- Creating a database of target intermediaries to reach out to potential investors and their advisors who are likely to be involved in expansion and relocation plans of business that are suited to the town.
- Developing an inward investment web site.
- Creating sectoral propositions and associated marketing material.
- Introducing and delivering a reward scheme, or suitable alternative to support the expansion of existing companies who are creating/safeguarding jobs, subject to funding.

96. Scope

Whilst this project will produce an inward investment action plan and deliver activity (as outlined above), there will be other elements in the plan for delivery and resourcing that fall out of the remit of this specific project.

The inward investment action plan will complement any other work of partner organisations and agencies.

The development of the inward investment web site will complement Chorley Council's own web site.

The grant scheme to support the capital requirements of inward investment companies who are creating local jobs will complement any existing provision.

97. Constraints

Timescales

Estimated key milestones are shown below, but the milestones and the dates will be reviewed following delivery of the inward investment plan.

Key Action	Milestone Date
Produce an inward investment action plan	Feb 2013
Create a database of target intermediaries	Feb 2013
Develop an inward investment web site	Aug 2013
Create sectoral propositions and associated marketing material.	Apr 2013
Agree proposal for grant scheme for capital investment	Feb 2013

Project Mandate

Resources

Economic Development will secure a third party to produce the inward investment action plan, create the database of target intermediaries, provide a set of recommendations for developing the web site and support the creation of the sectoral propositions. Support will be required from the Communications Team in preparing the marketing material. Additional staff resources will be required in Economic Development to deliver the grant scheme for capital investment.

Budget

The project's budget of £350,000 would enable the development of an inward investment plan and provide flexible resources to be targeted at delivering priority areas identified in the plan. This may include, but is not limited to:

- Creating a database of target intermediaries to reach out to potential investors and their advisors who are likely to be involved in expansion and relocation plans of business that are suited to the town.
- Developing an inward investment web site.
- Creating sectoral propositions and associated marketing material.
- Introducing and delivering a reward scheme, or suitable alternative to support the expansion of existing companies who are creating/safeguarding jobs, subject to funding.

98. Impact on other Directorates/Projects

The development of the inward investment web site will complement Chorley Council's own web site and integrate with the information technology requirements of ITC.

Support will be required from the Communications Team in preparing the marketing material.

Project Mandate

PROJECT MANDATE

17 - Town Centre Masterplan

Date: 31/10/2012

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

99. Project Overview

Producing, consulting and agreeing a long term plan for the future development of Chorley Town Centre in order for it to maintain and grow its position in the retail hierarchy; providing consideration to the demarcation of the town centre boundary, land use zoning, locations for new development, public realm and car parking.

100. Project Background

The Central Lancashire Core Strategy, adopted in 2012, will deliver retail and town centre uses in Chorley Town Centre by 'building on the success of the Market Walk shopping centre, through investing in further retail development, supporting a range of other retailers and services, as well as improving the centre's appearance and accessibility'. To support its Key Service Centre role, in addition, the 2012 Chorley Local Plan states that 'it will also preserve the market town character, encourage local specialist shops to remain in the town centre....supporting town centre development providing for tourists and visitors'.

The Central Lancashire Retail and Leisure Review 2010 identifies capacity for additional and convenience shopping floor space, and the Chorley Local Plan identifies four key sites for retail development.

The emerging 2012 Economic Development Strategy has a long term outcome 'to create a vibrant town centre that attracts people from both the local community and visitors in the day and evening, for shopping, eating and entertainment'. In order to help realise these strategies and plans, developing a town centre masterplan will provide the foundations for a strategic and planned approach to attract future investment to key development sites, enhance the public realm and improve the town centre offer.

This project will consider whether the size of the retail element of the town centre is fit for purpose, more clearly define land use zones, provide investment-ready locations for future development, identify locations for investment in the public realm, as well as car parking provision.

101. Corporate Priorities

This project fits in with the Council's Corporate Priority for 'A strong local economy' by supporting a 'Vibrant town centre' and a 'Strong and expanding business sector'.

102. Objectives

This project will aim to:

- Define the required size of the retail element of the town centre.
- Clearly define land use zones for a multi-functional market town.
- Provide masterplanned investment-ready locations for future development.
- Identify locations for targeted investment in the public realm.
- Provide adequate provision for car parking.

Project Mandate

103. Scope

This project will build upon the aspirations of the Core Strategy and Chorley Local Plan.

104. Constraints

Timescales

An indication of timescales are provided in the table below:

Task	Timescale
Prepare brief	Dec 2012
Seek quotations through The Chest	Jan 2013
Evaluate submissions and award contract	Feb 2013
Third party commences work	Mar 2013
Final submission	June 2013

Resources

This project will be managed by the Head of Economic Development and a third party will be appointed to undertake the work.

Budget

A budget provision of £30,000 is required.

105. Impact on other Directorates/Projects

Elements of this project will need to be consistent with planning policy and development management, as such a multi-disciplinary task and finish group will be established to oversee the work.

Project Mandate

PROJECT MANDATE

18 - Support the expansion of local businesses

Date: 25/10/12

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

106. Project Overview

Establishing a business advice and support service for existing businesses in the Borough who have been trading for more than 3 years in order to help them to survive and grow. A newly appointed Business Advisor will work closely with the start-up Business Advisor and other business support organisations/programmes to provide a fully integrated business support infrastructure. This will include establishing a 'Choose Chorley Business Network' and a quarterly business newsletter. A reward scheme to support the expansion of existing companies who are creating/safeguarding jobs will also be introduced, subject to funding.

107. Project Background

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

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

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

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

Existing and planned support for the provision of quality business advice and information is limited. There is some initial thinking on the development of a Business Growth Hub for the Lancashire Enterprise Partnership area. The Hub will support SMEs in Lancashire with 5%-20% annual growth potential. An ERDF bid is being prepared to help resource this initiative. If taken forward, the Hub will work with a cohort of 100 key businesses across Lancashire from the following priority sectors: Aerospace, Advanced Manufacturing, Professional and Financial, Environmental and Green, and

Project Mandate

Creative/Digital. It is anticipated that the Hub will be accessed by 8% of Lancashire's business base every year. A significant proportion of Chorley businesses will not be served by the emerging Business Growth Hub with its current focus on priority sectors.

Whether this is a chargeable service is still yet to be determined. Furthermore, Winning Pitch is providing a Growth Accelerator Programme targeting existing businesses with 20% annual growth potential over 3 years. This is a paid service after an initial free meeting. It is estimated that only a limited number of Chorley businesses will be supported in this way.

There are a plethora of private sector led Chorley-based business networks but with access restrictions on gender, fee charges and trade duplication. By Chorley Council establishing a 'Choose Chorley Business Network', which complements and integrates with existing provision, will help Chorley Council improve relationships with SMEs, achieve an improved understanding of the trading environment and their business needs, help inform future provision of business support and provide a networking opportunity to exchange SME experiences and enhance trading positions.

The potential to complement existing provision and to provide a reward scheme to support the expansion of existing companies who are creating/safeguarding jobs will be developed, subject to funding.

108. 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'.

109. Objectives

The project will aim to:

- Establish a business advice and support service for existing businesses in the Borough who have been trading for more than 3 years in order to help them to survive and grow.
- A Business Advisor will be appointed to deliver a high quality bespoke service to existing businesses, working closely with the start-up Business Advisor and other business support organisations/programmes to provide a fully integrated business support infrastructure.
- Establish a 'Choose Chorley Business Network' which complements and integrates with existing business network provision.
- Produce a quarterly business newsletter so that businesses are informed of the support available and current economic news.
- Introduce and deliver a reward scheme to support the expansion of existing companies who are creating/safeguarding jobs, subject to funding. Estimated outcomes from the reward scheme include:
 1. Support for 23 expanding companies;
 2. 23 companies committed to the employment charter;
 3. 10,000 sq ft floor space improved or created;
 4. 100 jobs created; and
 5. £400,000 of private sector investment.

Project Mandate

110. Scope

Whilst the Business Advisor Service will support all existing businesses the focus will be:

- To work in partnership with the emerging Lancashire Business Growth Hub to ensure that referrals are made into the Chorley service, and vice versa.
- To target businesses in the average and high risk sectors with a view to maintaining stability in these uncertain economic times as a first priority, and then to seek out untapped potential.
- Some focus on non-priority sectors, but not exclusively, to support growth and job creation.
- Particular targeting to our retail businesses within the Town Centre and Local Service Centres which do not belong to priority sectors.

The role of the Business Advisor will complement that of the start-up Business Advisor and partner agency services.

111. Constraints

Timescales

Key milestones include:

Key Action	Milestone Date
Business Advisor in post	November 2012
First formal meeting of the 'Choose Chorley Business Network'	January 2013
First issue of 'Choose Chorley Business Newsletter'	January 2013
Agree proposal for reward scheme for capital expansion	January 2013

A budget provision of £110,000 is required.

Resources

A Business Advisor is being appointed to help establish the business advice and support service who will also support the business network and the preparation of the newsletter along with other staff in the Economic Development Section. Support from the Communications Team will be required in the production of the newsletter. A temporary resource will be required for approximately 3 months to develop our database of businesses for receipt of the newsletter. Additional staff resources will be required in Economic Development to deliver the reward scheme.

Project Mandate

Budget

This project's budget would need to comprise of the following:

1. Business Advisor budget to cover networking memberships, marketing and guest speakers
2. Choose Chorley Business Network and Annual North West Business Insider Event
3. Maintaining business database for the Choose Chorley Business Newsletter
4. Reward scheme for capital expansion of existing businesses.

112. Impact on other Directorates/Projects

The role of the Business Advisor will complement that of the start-up Business Advisor and partner agency services.

Support from the Communications Team will be required in the production of the newsletter.

Project Mandate

PROJECT MANDATE

19 - Joint employment support initiative with Runshaw College

Date: 1 November 2012

Author: Gary Hall

Responsible Directorate: Chief Executive's office

Project Mandate

113. Project Overview

Working with Runshaw College and Lancashire County Council, this project will identify the barriers to young people accessing and sustaining apprenticeships in the Borough of Chorley.

114. Project Background

Evidence from Runshaw College suggests a number of young people are not able to access the apprenticeship opportunities that exist in the Borough, for a number of reasons, the main barriers being:

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

Currently there are 30 apprentice vacancies within the Borough that remain unfilled. Identifying the barriers in more detail and breaking down these barriers so that these opportunities are taken will directly impact on the Council's aspiration to reduce unemployment and manage the number of NEETS within the Borough.

115. Corporate Priorities

The project directly links to Corporate Project "Implement a joint employment support initiative with Runshaw College" and the NEET target of 5.1.

116. Objectives

The objective will be to reduce the number of reduce the number of young people, particularly NEET young, people excluded from employment opportunities through the barriers identified by 50%.

117. Scope

The project will be limited to those accessing opportunities through Runshaw College and will need to be flexible enough to deal with individual circumstances. Assistance from Lancashire County Council who provide support in a number of areas, particularly transport, will also be required.

118. Constraints

A budget provision of £50,000 is required to fund the project. This budget would be used to overcome some of the financial barriers that young people face in accessing and sustaining apprenticeships by allocating a budget of £45,000 to Runshaw College to make available a Chorley Council employment support fund from which employers can access support towards costs additional to wages; this may include travel, training, protective clothing, tools and equipment to do the job dependent on the specific needs of the individual. The amount available would be limited per apprentice from which employers can access (via Runshaw) as much or as little as they require. This fund would be available for two years. Any surplus could be allocated towards developing the Runshaw Skills for Work placement scheme to create placements in Chorley.

119. Impact on other Directorates/Projects

There would be limited resource implications internally, as once the scheme is set up it would be run and administered through Runshaw College.

Project Mandate

PROJECT MANDATE

20 - Private Property Improvement Scheme Trial

Date: 13th January 2013

Author: Chris Moister

Responsible Directorate: Health Environment and Neighborhoods

120. Project Overview

This project will support the adoption of a scheme and supporting policy to address issues of privately owned accommodation in a poor state of repair but where the threshold for statutory nuisance enforcement or planning enforcement is not met.

121. Project Background

The Council have statutory powers to address issues with privately owned properties in the Borough when they constitute a statutory nuisance, a danger to the public or are sufficiently detrimental to the amenity of the neighbourhood. However there is a gap where the condition of the property is not sufficiently poor to trigger statutory responsibilities but is poor enough to cause issues for neighbours. The properties may be of poor visual appearance with overgrown or poorly maintained gardens, boarded up windows, or more serious problems. This has an impact on the overall perception of the neighbourhood and fails to promote a sense of civic pride.

It is proposed that a pilot scheme be introduced to provide a process for considering these properties and in appropriate cases, and with the property owners consent to undertake works to address the issues raised. The process will follow a series of principles and steps as a last resort to support those who are unable to undertake the works themselves due to disability, infirmity or severe financial hardship. It will not be used to undertake maintenance or improvement that should have been done by the registered owner of the property and has been left undone through indolence or neglect.

122. Corporate Priorities

The scheme would contribute to the following objectives:

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

123. Objectives

The main objective of the scheme is to improve the appearance of the street scene through giving the Council the ability to address issues with privately owned accommodation in a poor state of repair but not meeting the threshold for statutory nuisance enforcement or planning enforcement.

This will support the wider agenda of neighbourhood working and align with aspirations to increase civic pride through encouraging a sense of ownership and responsibility within communities.

124. Scope

The project will include the set up and subsequent operation of the scheme as a pilot with budget provided for 1 year which will then be subject to review. It will also include the development of accompanying policy which should set out the terms of the scheme.

This scheme is not designed to address issues covered by statutory powers but will form part of a coordinated response with teams responsible statutory action.

Project Mandate

125. Constraints

The budget required to operate this scheme on a pilot basis for 1 year is £50,000.

126. Impact on other Directorates/Projects

This project has clear links to services with responsibility for statutory nuisance or planning enforcement and relates to Environmental Health, Building Control, Planning and Housing. There are also links with the Neighbourhood Working project and the corporate strategy project to improve housing standards.

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Report of	Meeting	Date
Statutory Finance Officer	Executive Cabinet	21 February 2013

TREASURY STRATEGIES AND PRUDENTIAL INDICATORS 2013/14 TO 2015/16

PURPOSE OF REPORT

- To present for approval the Treasury Strategy and Prudential Indicators for the years 2013/14 to 2015/16. Submission of these reports is a requirement of the Codes of Treasury Practice with which the Council must comply.
- The strategy incorporates the changes in investment limits recommended by Governance Committee and approved at the last Council meeting. No other changes are proposed.

RECOMMENDATION(S)

- That Council approve:
 - The Prudential Indicators for 2013/14 to 2015/16, as set out in this report.
 - The Treasury Management Strategy for 2013/14 and Treasury Indicators.
 - The Annual Investment Strategy 2013/14.
 - The annual MRP strategy 2013/14.

EXECUTIVE SUMMARY OF REPORT

- The Treasury Strategy was reviewed in September by Governance Committee and approved by Council at its last meeting. No further changes are proposed. The following limits remain in force:
 - The maximum that can be invested with the part nationalised banks remains at £5m and with other institutions £2m. Up to £3m can be deposited in funds affording instant access (Money Market Funds and Call Accounts).
 - Funds can be deposited for up to one year in the part nationalised banks and local authorities, and for a maximum of 3 months with other institutions.
 - Deposits are restricted to British 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.

The report advises that repayments from Landsbanki total just less than 50%, and that recovery of 100% by 2018 is expected.

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 un-programmed 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)

- 5. With security of investments being the paramount objective no change in the current narrow range of British counterparty institutions is proposed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 6. None.

CORPORATE PRIORITIES

- 7. 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	

BACKGROUND

- 8. The Local Government Act 2003 gave authorities greater discretion over capital expenditure by allowing prudential borrowing. It also sought to strengthen governance by making compliance with CIPFA’s Prudential Code and CIPFA’s Treasury Management Guidance, statutory requirements. The former requires the production of Indicators showing that expenditure is affordable, the latter requires the approval of an annual Treasury Management Strategy incorporating Treasury Indicators and limits
- 9. 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.
- 10. Finally Authorities have, through the Local Government Act 2003, also been given greater discretion in investing surplus cash. They are required however, by guidance issued by the DCLG, to prepare an annual Investment Strategy to identify how that discretion should be applied.
- 11. This report therefore brings together these related requirements. The Governance Committee’s role is to scrutinise these policies and practices, while the Council is required to approve them.

PRUDENTIAL INDICATORS 2013/14 to 2015/16

- 12. Local Authorities have discretion to incur capital expenditure in excess of the capital resources provided by government, or those resources resulting from the sale of assets or the receipt of contributions from other parties. To do this however increases a Council’s indebtedness and ultimately leads to a charge to the revenue budget.
- 13. To manage that process Councils must set certain Indicators. These are designed to indicate that the expenditure is prudent and affordable. The following are the relevant indicators for Chorley.

Prudential Indicator 1 - Capital Expenditure

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

Table 1 – Capital Expenditure	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Capital expenditure incurred directly by the Council	2,679	11,951	1,216	1,229
Less Capital resources				
Capital Receipts	0	360	0	0
Grants & contributions	1,007	2,689	619	464
Revenue and Reserves	326	38	0	0
Unfinanced amount (affects the CFR see Prudential Indicator 2 below)	1,346	8,864	597	765

15. The 2013/14 capital and unfinanced expenditure figures appear higher in 2013/14 primarily because of the inclusion of the Health Centre as only the expenditure is shown in this table and not the fact that this capital project will be cost neutral on the budget. In terms of prudence and affordability this project is included in the programme on the assumption that its costs will be recovered through its letting.

Prudential Indicator 2 – Capital Financing Requirement (CFR)

16. 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). **It should be noted that this indebtedness does not necessarily result in the Council having an immediate need to take out additional borrowings.** This is because the Council has various reserves, and the cash which supports those reserves can be used temporarily instead of borrowing.
17. The CFR is important therefore because it has the potential create a charge impacting on Council Tax. The following table shows how the CFR is changing over the next few years.

Table 2 - CFR	31/03/13 Revised £'000	31/03/14 Estimate £'000	31/03/15 Estimate £'000	31/03/16 Estimate £'000
Estimated CFR	9,135	17,643	17,682	17,856
Reasons for the annual change in the CFR				
Unfinanced capital expenditure (as above)		8,864	597	765
Annual revenue charge (MRP)		(356)	(392)	(419)
Annual revenue charge (MRP) on Health Centre		0	(166)	(172)

18. The use of prudential borrowing has increased the CFR in the years following 2013/14, as in table 1 this is primarily due to the inclusion of the Chorley East Health Centre project and the fact that only the expenditure is reflected in this table and not the fact the project will be cost neutral. The specific MRP item for the Health Centre in years 2014/15 and 2015/16 in the

budget has been assumed at no extra cost, and the interest charges, will be matched by the rent paid for the building.

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

19. This indicator shows the proportion of the receipts from government grants and local taxpayers that is required to meet the costs associated with capital financing (interest and principal, net of interest received). As this is a ratio, as the amount of government grant goes down this invariably causes the comparative value to increase.

Table 3 – Ratio of financing costs	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Ratio	0.76	2.33	6.90	6.11
Ratio (excl. Chorley East Health Centre)	0.76	2.33	3.64	3.00

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

Table 4 – Impact of capital investment decisions	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £
Increase/(decrease) in Band D charge	(1.80)	3.06	3.12	5.01

20. 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 are based on very broad assumptions, for example, interest rates over the long term, and should be treated as being indicative and illustrative only. The Health Centre revenue assumption, that expenditure is matched by income, means that it has had no impact on the Band D charge. It should be noted that the figures above are notional and are not the actual impact on Council Tax, which will be determined by actual spend and financing arrangements. They also indicate that the Council intends to invest in capital spending. It should be noted however that the executive papers on regeneration spend, may over time generate income to mitigate some of the costs of the investment.

TREASURY MANAGEMENT STRATEGY 2013/14 to 2015/16**Background**

21. 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

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

Reporting

23. 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

24. The Council's borrowings and investment are inter-related. The following table details the expected changes in borrowings and cash, consistent with the capital and revenue budgets. It shows that at the end of the current year the Council should have an estimated £11m of cash available for investment. In 2013/14 that is fully used to pay for capital expenditure and debt repayment, and in the following year a new borrowing, specifically to finance the health centre, has been assumed. In 2015/16 a large amount of existing debt is repaid, reducing the Council's cash balances to zero.

Table 5 – Borrowing and Investments	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Borrowing at period start	7,822	7,272	6,922	13,272
Borrowing repaid in year	(550)	(350)	(350)	(5,350)
Borrowing in year	0	0	6,700	0
Est. borrowing at period end	7,272	6,922	13,272	7,922
Est. surplus cash for investment at year end	(11,000)	0	(5,500)	0
Net borrowing/(investments)	(3,728)	6,922	7,772	7,922

25. The issues affecting the timing of any borrowing are discussed in paragraph 30 below.

Prudential Indicator 7

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

Prudential Indicator 8 The Operational Boundary for External Debt

27. 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.

Table 6 – Operational Boundary	31/3/13 Estimate £'000	31/3/14 Estimate £'000	31/3/15 Estimate £'000	31/3/16 Estimate £'000
Borrowings	7,272	6,922	13,272	9,222
Other long term liabilities	0	0	0	0
Operational boundary	7,272	6,922	13,272	9,222

Prudential Indicator 9 The Authorised Limit

28. 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	31/3/13 Estimate £'000	31/3/14 Estimate £'000	31/3/15 Estimate £'000	31/3/16 Estimate £'000
Borrowings	10,000	10,000	15,000	10,000
Other long term liabilities	0	0	0	0
Authorised limit	10,000	10,000	15,000	10,000

Economic outlook and expected movement in interest rates

29. The report of the Council's consultants is attached at the end of this report. They stress the economic uncertainties, and conclude that the overall balance of risk is still to the downside. An increase in base rate is no longer envisaged in the period covered by the strategy. They also refer to the possibility of the UK Sovereign rating being reduced from AAA. There has not been a significant reaction to the downgrade of other sovereign ratings, but there is the potential for it to adversely affect Government borrowing costs, which could have consequence to local authorities borrowing costs

Borrowing strategy

30. If the Health Centre proceeds then Table 5 above shows that additional borrowing will be necessary by 2015/16. The actual timing will depend on actual and anticipated movements in interest rates, and any decision will be taken in consultation with the Treasury advisor.

Icelandic Investment

31. Repayments of the Landsbanki deposit to date amount to 49.6% of the admitted claim (in Icelandic Krona). In sterling the repayments amount to £963k. A district court will hear argument in the summer concerning which rates of exchange to use when converting repayments from Icelandic krona into various currencies. Thus far the Winding Up Board has applied the rates at the date of claim (22/4/09) and ignored the impact of changes since then. This may go to appeal to the Supreme Court which would delay resolution of this issue until the autumn. No further repayments will be made by the Winding Up Board until this is finally resolved. Recovery of 100% of the claim is expected, subject to any exchange rate variation.

Treasury Management Limits on Activity

32. 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

33. The Council is exposed to interest rate movements on its invested cash. The amount varies significantly over the course of the year, and during each month. Potentially balances can peak at around £25m for short periods. This amount will therefore form the limit

	2012/13 Revised	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Upper limit on variable rate exposure	£25m	£25m	£25m	£25m

Treasury Indicator 2 – Upper limit on fixed rate exposure

34. 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.

	2012/13 Revised	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Upper limit on fixed rate exposure	100%	100%	100%	100%

Treasury Indicator 3 - Maturity structure of borrowing

35. The Council is required to determine upper and lower limits for the maturity structure of its debt. At this stage no borrowing is planned in 2013/14, therefore the proposed limits reflect the structure of existing borrowing only.

	As at 31/3/2014	
	Lower Limit	Upper Limit
Under 12 months	5%	5%
12 months to 2 years	5%	5%
2 to 5 years	90%	90%
5 to 10 years	5%	50%
10 years and above	0%	0%

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

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

Use of Treasury Advisors

37. The Council's contract with Sector Treasury Services will continue, subject to six months' notice, following its 31/3/13 expiry. The current price will continue
The Council recognises that responsibility for treasury decisions cannot be delegated to the advisor but remains its responsibility at all times.

Performance Indicators

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

INVESTMENT STRATEGY 2013/14**Introduction**

40. Under the Power in Section (15) (1) of the Local Government Act 2003 the CLG has issued Guidance on Local Government Investments. This was updated with effect from 1 April 2010. Each Authority is recommended to produce an annual strategy that sets out its policies to manage investments, giving priority to security and liquidity. This strategy follows the guidance.
41. 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.
42. The specific issues to be addressed in the Investment Strategy are as follows:
 - How “high” credit quality is to be determined
 - How credit ratings are to be monitored
 - To what extent risk assessment is based upon credit ratings and what other sources of information on credit risk are used
 - The procedures for determining which non specified investments might prudently be used
 - Which categories of non-specified investments the Council may use
 - The upper limits for the amounts which may be held in each category of non- specified investment and the overall total.
 - The procedures to determine the maximum periods for which funds may be committed.
 - What process is adopted for reviewing and addressing the needs of members and treasury management staff for training in investment management.
 - The Authority’s policies on investing money borrowed in advance of spending needs. The statement should identify measures to minimise such investments including limits on (a) amounts borrowed and (b) periods between borrowing and expenditure

Chorley Strategy 2013/14**Objectives**

43. The Council’s investment priorities are:
 - The security of capital and
 - The liquidity of its investments.
44. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
45. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity. The Council will restrict borrowing in excess of its immediate need, to the additional amount envisaged to be required in the following eighteen months.

Use of Specified and Non-Specified Investments

46. Specified investments are those made:
- with high “quality” institutions, the UK Government or a local authority,
 - for periods of less than one year and
 - denominated in sterling.

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

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

Counterparty Selection Criteria

47. In determining which institutions are “High Quality” the Council uses the creditworthiness service provided by Sector. This combines the credit ratings from all three rating agencies (Fitch, Moody, Standard and Poor) in a sophisticated modelling process. It does not however rely solely on these ratings, but also uses:
- credit watches and credit outlooks from the agencies
 - credit Default Spreads (CDS) to give early warning of likely changes in ratings
 - sovereign ratings to select counterparties from only the most credit worthy countries.

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

- Purple – recommended maximum duration 2 years
 - Blue (used for nationalised and part nationalised UK Banks)– 1 year
 - Orange – 1 year
 - Red – 6 months
 - Green – 3 months
 - No colour – not to be used.
48. The Council only lends to UK financial institutions. This strategy does not therefore specify a minimum sovereign rating.
49. The Council may use AAA rated Money Market Funds.
50. The Council may lend to the UK Government (which includes the Debt Management Office)
51. The Council may lend to other Local Authorities.
52. Currently all deposits except those with the part nationalised banks are restricted to three months.

Monitoring of Credit Ratings

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

Time and Money Limits

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

Member Training

55. There are no plans to provide additional training in 2013/14.

Change of Bank

56. Barclays Bank will become the banker to the Council w.e.f. April 2013. The bank currently meets the Council's credit criteria for deposits up to three months. The bank offers a deposit account facility that will be useful at times when cash balances are at a maximum

Interest earnings in 2013/14 - Impact of the Funding for Lending scheme

57. The Council has benefitted over the last couple of years from the "special tranche" rates offered on deposits with the part nationalised banks. As recently as October 2012 the RBS Group offered 1.50% for twelve months money and the Lloyds Group 2.70%. The introduction, by the Government, of the Funding for Lending Scheme, enabling Banks to access cheap funds to stimulate lending, has seen the collapse of these rates. This will affect the earnings of investments.

Revised list of Financial Institutions and Investment Criteria

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

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

ANNUAL STATEMENT OF MRP POLICY 2013/14

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

The Council will assess their MRP for 2013/14 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2013/14 relates to debt incurred prior to 2008/9. MRP will continue to be charged on this at the rate of 4%, in accordance with option 1 of the guidance. There are some capital schemes since then which generate a further MRP liability (i.e. capital expenditure which is not financed by any grant or contribution e.g. vehicles). The MRP liability on this will be based on the estimated useful life of the asset, using the equal annual instalment method of calculation (option 3 of the guidance).

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

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

59. These are contained in the report.

COMMENTS OF THE MONITORING OFFICER

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

The following is the advice of the Council's consultants – Sector (December 2012)**Economic outlook and expected movement in interest rates**

The interest rate forecast is as follows:

	Mar-13	June-13	Sep-13	Dec-13	Mar-14	June-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5yr PWLB	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%
10yr PWLB	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%
25yr PWLB	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%
50yr PWLB	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%

In summary, our views on the prospects for GDP growth in the major global economies are as follows:

UK

- The Bank of England November 2012 Inflation Report has again pushed back the timing of a return to trend growth and the rate at which inflation will fall back towards the target rate of 2%.
- It now looks likely that Q4 2012 will see a return to negative growth. If this negativity continues into the first quarter of 2013 it would be the first triple dip recession since records began in 1955.
- A fair proportion of UK GDP is dependent on overseas trade; the high correlation of UK growth to US and Eurozone GDP growth means that the UK economy is likely to register weak growth over 2013 and 2014.
- Consumers are likely to remain focused on paying down debt. Weak consumer sentiment and job fears will all act to keep consumer expenditure suppressed; this will be compounded by inflation being higher than increases in average earnings i.e. disposable income will still be eroded.
- The Coalition government is hampered in promoting growth by the need to tackle the budget deficit.
- Little sign of a coordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.
- There is potential for more QE in 2013 which will help to keep gilt yields lower than they would be otherwise.
- On the other hand, recent discussion around reformulating how RPI is calculated could adversely affect demand for inflation indexed gilts in particular, but also gilts generally, if this proposal is taken forward and was perceived to be a softening of the stand against inflation in the UK.
- The main rating agencies have all made it clear they are reviewing the UK's "AAA" status in early 2013. There is a material chance of the current ratings being downgraded. Although the UK will retain its "safe haven" status, a change in rating may place some upside pressure on gilt yields.

US

- GDP growth is likely to remain weak at around 2% - but that is a lot better than the prospects for the UK and Eurozone.
- The Fed has indicated that is unlikely to increase the central rate until 2015. It changed its policy targets to focus specifically on the employment sector. The new target is for unemployment to fall to 6.5% before official policy rates are raised.
- The "fiscal cliff" has only been partially dealt with at the beginning of January 2013. Increasing the debt ceiling and agreeing the cuts in expenditure part of the "fiscal cliff" will need to be resolved within the next two months.

APPENDIX B**Treasury Management Policy Statement (adopted 2nd March 2010)**

61. This organisation defines its treasury management activities as: *The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*
62. This organisations regards the succesful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury managementa ctivities will focus on their risk implications for the organisation.
63. This organisation 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.

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gordon Whitehead	5485	04/02/13	

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Report of	Meeting	Date
The Statutory Finance Officer	Special Council	28 February 2013

STATUTORY FINANCE OFFICER REPORT

PURPOSE OF REPORT

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

RECOMMENDATION(S)

- The Council are recommended to:

Note the Statutory Finance Officer's comments and advice Under S25 of the Local Government Act 2003, as set out in this report and have regard to it when considering the budget proposals for 2013/14.

EXECUTIVE SUMMARY OF REPORT

- This report is required by statute and the Statutory Finance Officer should set out for members how the budget has been constructed and the assumptions that underpin that budget. The Statutory Finance Officer is required to comment on the proposals so the Council can be reassured that the risks contained in the budget are manageable and do not compromise the delivery of the budget.
- This paper outlines the key assumptions and risks and identifies that working balances should be maintained to mitigate some of that risk moving forward. In terms of the 2013/14 budget all the key budgets have been reworked to align with expected outturn for 2012/13 and reflect the ongoing costs of delivering the current level of service. The budget now contains only a few targets and is based upon known facts rather than what could be delivered in terms of savings and efficiencies, in other words the budget is forecast to balance.
- Having reviewed the underlying assumptions and commented on the position in relation to risks and working balances, I am satisfied that the budget assumptions are reasonable, the key financial risks have been considered and the budget is deliverable.

Confidential report Please bold as appropriate		No
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CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

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

BACKGROUND

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

The Robustness of the Estimates and Risk Issues

8. In terms of the budget proposals, once again for 2013/14, a thorough reassessment of the budget has been undertaken by Directors and their accountants based upon the latest available information. In terms of key assumptions contained, particularly in the 2013/14 budget, these are contained in the Medium Term Financial Strategy but summarised for convenience below.

9. KEY ASSUMPTIONS

Assumption	2013/14	2014/15	2015/16
Pay Award	1.0%	1.0%	1.0%
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax	£0.225m	£0.225m	£0.000m
Pension Contribution Increase	0.5%	0.0%	0.0%
Reduction in Grant Settlement (AEF)	£0.435m	£0.824m	-
Business Rates Retention	£0.171m	£0.171m	£0.171m
New Homes Bonus in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£0.739m	£1.500m	£2.300m

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

Council Tax Increases.

11. The administration's aim in the financial strategy remains to contain future increases below inflation. Accordingly the forecast budget position of the Council does not take account of any potential Council Tax increases in future years, but the Medium Term Financial Strategy models the impact of limited Council Tax increases for the future. As the Council Tax is decided annually, it will be for the council to determine if any increases are actually implemented.

Council Tax Freezing Grant.

12. The administration is proposing to freeze Council Tax in 2013/14, therefore, the Council will be eligible to receive Council Tax Freezing grant in 2013/14. This grant income has only been included in the budget for two years as this is consistent with the grant's qualifying criteria.

Reduction in Grant Settlement

13. The most recent Comprehensive Spending Review brought about reductions in Central Government grant. As a reminder, the table below summaries the year on year decrease in formula grant awarded to Chorley Council.

Decrease in Formula Grant

Year	Reduction £000	%
2011/12	1,154	-13.6
2012/13	857	-11.7
2013/14	435	-7.4
2014/15	824	-15.1
Total	3,270	

14. To alleviate this an adjusting dampening mechanism was put in place for 2011/12 and 2012/13, that means the full impact will not be felt until 2013/14. The Government has also announced a review for Local Government to take effect from 2016/17 therefore there may be further amendments to the Formula Grant from next year onwards. The funding from Government is now in two parts which includes the new business rate retention scheme. Whilst the baseline funding has been agreed for 2013/14 this will mean future years will have further variances as the grant received will be dependent upon maintaining and increasing the business rate valuation and collection.

Pay Inflation

15. The assumptions for pay inflation are based on the fact that pay has been frozen for a number of years and thus it is more likely that a pay award will be negotiated for future years. The pay budget has been accounted for in line with the Council's Pay Policy which is contained within the agenda for formal Council approval. Recent communications between employee and employer representatives indicate that a 1 % pay offer could be made for 2013/14.

Pension Contribution

16. The Local Government Pension Scheme for Lancashire was valued as at March 2010 with a new employer contribution rate taking effect from April 2011. The revaluation indicated that the Council's target contribution was subject to a stepped increase of 0.5% per annum until 2014/15. Therefore a revaluation is to be undertaken during 2013/14.
17. The value of the pension fund has been adversely affected by depressed financial markets and in particular the fall in the value of equity prices. The performance of the fund and the assumptions made in terms of liabilities will have a major bearing on the future employer rate. A number of changes have been made to the benefits staff will receive in their pensions and the levels of contributions employees make. It remains to be seen if this will

result in a reduction in the level of employers' contributions, the revaluation exercise will establish this.

New Homes Bonus

18. The inclusion of New Homes Bonus (NHB) in the 2013/14 base budget forecast has been limited to that received prior to 2013/14. This is due to the fact that the amount receivable is re-calculated each year and dependent on fluctuating bases i.e. the number of new properties built in the borough each year. This approach serves to mitigate risk in respect of variable funding levels by restricting the reliance of the Council on this income stream to balance its budget. This also allows for maximum flexibility with regard to its future use as all future allocations and receipts of NHB are currently uncommitted.

It is estimated that if the funds allocated for the NHB Scheme were redistributed using the formula grant model, the total Chorley would receive would be circa £500k. The risk in terms of a change in the distribution nationally is significant and represents probably the biggest single risk contained within the budget although the methodology is unlikely to change in the next two financial years.

Supporting People Income

19. The provision for above grants has been reduced in the budget for the forthcoming years. This is to reduce the Council's reliance on these income streams as their continuation and levels are uncertain. A new methodology for the distribution of supporting people grant is now in discussion with the County Council and the recipients of support people grant.

Health Reforms

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

OTHER SIGNIFICANT ISSUES

2013/14 New Budget Investment Package

21. The administration's budget for 2013/14 contains both a freeze in Council tax and a package of both revenue and capital budget growth items totalling £ 1.349m and £1.475m respectively.
22. The revenue budget package of £1.349m is allocated between a requirement to provide for a recurring budget provision in the sum of £0.120m with the balance being for 2013/14 schemes only. This provides the Council with the facility to review the proposal level of total investment and amend it to respond to possible future budget pressures.

New era for Local Government Core Funding

23. Local Government funding as entered into a new regime with regard to the methodologies used to distribute the total funding available from central Government between authorities. Large proportions of core grant, previously included in four year settlements, are being allocated between Councils via new grant funding models for New Homes Bonus. The Retention of Business Rates supports Local Government Funding. Both of these new sources of grant income are calculated on an annual basis using variable factors, thus, annual fluctuations will become the norm as part of the budget setting cycle and medium term financial forecasts. 2013/14 is a transitional year with baseline funding being

allocated, therefore the 2013/14 budget is robust, it is the future years where the uncertainty lies.

24. To mitigate against changing year to year funding levels the Council has not committed any estimated future receipts of NHB at this stage to balance its budget. Given the Council's current performance in attracting NHB this action currently provides financial resilience and a degree of flexibility to possibly offset further expected, but as yet unknown, reductions in funding. The key risk is that if this method of grant distribution is changed, it is unlikely to happen prior to the next general election in 2015 and the next comprehensive spending review is the same period, but the reasons are outlined in Paragraph 18.

Medium Term Financial Strategy (MTFS)

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

Year	Budget (Headroom)/Gap £000	Cumulative £000
2013/14	(495)	(495)
2014/15	1,441	946
2015/16	644	1,590

26. The plan indicates that, in the medium term, the Council has the opportunity to generate additional revenues and review its operation with a view to becoming more efficient. In terms of managing this, the Council is not dependent upon one approach and the level of productivity gains needed should not undermine the Council's ability to continue to deliver services within the Borough.

Icelandic Bank

27. Significant progress has been made with regard to the repayment of the Icelandic Deposits currently held and earning interest in Landsbanki. The Council has been awarded Priority Creditors status and repayment has now commenced. Whilst it is anticipated that it will be 2018 before the recovery period is complete, the latest indication are that a 100% recovery will be achieved.

Other Risks

28. The current economic conditions are likely to continue to have an impact on the Council's budget both on revenue in terms of income generation and on capital in terms of the Council's ability to release capital receipts from both preserved right to buy sales and on the sale of its own assets.
29. In terms of the savings options that vast majority have been implemented and achieved. The budget, therefore, only contains the following items that represent targets for efficiency other than decisions that have already been made and will result in savings being made.

Policy Option	£'000
Asset rationalisation	50
Review of Governance	25

Total	75
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LEVEL OF RESERVES

30. The budget for 2013/14 has been established based upon not using working balances to fund recurrent expenditure. Part of the budget strategy for 2013/14 was to maintain the balanced position and the budget proposals achieves this key aim, with a surplus actually being generated
31. The risks outlined in my statutory report on the budget indicate that the public finances and funding of Local Government will diminish. The MTFs indicates that budget savings will need to be achieved over the next two financial years and as such as a minimum working balances should be maintained at the target level of £2.0m.
32. The level of balances is a matter of judgement but given the uncertainty moving forward I propose that the level of working balances is maintained to a target of £2.0m by the end of March 2014/15. The current forecast position as at the end of this financial year 2012/13 is shown in the table below.
33. Forecast Balances as at 31 March 2013

	£m
General fund working balance forecast Dec monitoring	2.587
Use of General Balances for Debt Restructuring within MTFs	(0.450)
Contribution to Investments funding in 2013/14	(0.115)
Forecast balances 31/03/2013	2.022

Source: Revenue Budget Monitoring period ending December 2012.

34. The rationale for this position is based upon the following:
- (a) the Council has uncommitted working balances that would enable it to cover the loss of any deposit should this occur. This was one of the criticisms the audit commission made of some councils' who did not have sufficient reserves should the Icelandic Bank collapse resulting in a loss of significant proportion of these deposits.
- (b) There is likely to be further variances in the level of Government grant received by the Council following the introduction of the business rate retention scheme. Some protection is in place in that a safety net exists over the council's loss of income if a reduction in its business rate reaches £0.200m.
- (c) The Comprehensive Spending Review in 2015 may result in further reductions in local government funding. The current Government's policy is to protect education and the NHS as much as possible. Consequently the reduction in local government funding is likely to continue. This represents a significant risk in the medium term.

IMPLICATIONS OF REPORT

35. 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

36. These are contained within the report.

COMMENTS OF THE MONITORING OFFICER

37. 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
Susan Guinness	5101	8 February 2013	Statutory Finance Officer Report Special Council 080213

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Medium Term Financial Strategy 2013/14 – 2015/16



CONTENT

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

(1) FOREWORD AND INTRODUCTION

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

This Medium Term Financial Strategy (MTFS) continues the route by which the budget gap could be bridged in order that the corporate priorities can continue to be delivered. For a number of successive years local authorities have faced notable change and a period of significant budget reductions and challenges as set out in the last Comprehensive Spending Review (CSR) in 2010. The coming year 2013/14 is no exception, in fact the year will introduce new funding regimes that transform the way in which local authorities are financed.

The administration's financial aims are to invest in and support the 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.**

Whilst also following their financial strategy to:

- Continue to restrain Council Tax increases.
- Deliver a balanced budget over the Financial Planning Period 2013/14 to 2015/16.
- Identify the savings required to balance the budget seeking to minimise the impact on front line service users.
- Establish working balances no lower than £2.0m over the financial planning period 2013/14 – 2015/16.
- Review the financial risks facing the Council during 2013/14 and the level of balances taking into account the latest information available.
- Make the Council more financially self-sufficient as Government funding is likely to continue to diminish.

Capital Programme

- The resources available will be targeted at areas that deliver corporate objectives.
- Borrowing will be contained where possible to ensure the impact on revenue is minimised.
- As part of their capital expenditure strategy the Council will consider the purchase of assets to generate a sustainable revenue stream to counteract against the risk of future reductions in grant funding and year to year fluctuations in locally sourced funding and to aid regeneration of the Borough.
- The Council will consider working with partners to assist them to meet their objectives where there is no impact on Council Tax.

- The Council will continue to identify land to assist in delivering its affordable housing targets.
- The Council will continue to invest in its own infrastructure to ensure levels of investment are appropriate and that asset transfer options are maximised.
- The Council will 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.

Treasury strategy

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

With each year seeing even tighter fiscal regimes, the retraction of centrally controlled funding, and now also the added local risk of core funding collection, the overriding MTFS financial aims will be difficult to achieve. Nevertheless this strategy sets out ways in which it is envisaged this could be achieved.

New Era for Local Authority Financing

The previous Medium Term Financial Strategy set out the funding changes on the horizon. This strategy commences with the new changes in place, that is, Business Rates Retention and Council Tax Support Scheme. The amount of Government formula grant is being retracted and each year is seeing even tighter fiscal regimes. This, coupled with core funding collection risk transferring locally, means that the overriding aims of the MTFS are getting increasingly more difficult to achieve.

The whole platform by which local authorities are financed has changed for the foreseeable future and for the lifespan of the strategy with the actual financial impact in the first year based on estimates. Indeed the new Business Rates Retention scheme mean that part of the Councils core funding will only be fully and accurately quantified at the conclusion of the financial year. Core funding distribution arrangements now comprise of a number of high value grant income streams calculated on annual variable factors and therefore subject to fluctuations from one year to the next and within the current year. Uncertainty and increased risk exposure is now a permanent feature in terms of financial planning over the medium term. With this new era in mind this document sets out the Council's financial strategy for the next three year period from 2012/13 to 2014/15.

Business Rates Retention

The Local Government Finance Bill included a significant change to the funding of local councils. Although the details of the new arrangements are unknown the basis of the change is that Business Rates Retention would replace the current system of centrally pooling business rates. At present local authorities collect rates from the businesses in their areas, pay the funds into a central pool and then receive allocations back from this pool as part of Formula Grant.

This system is said to give councils no direct financial incentive to promote business growth, because they do not receive any of the business rate receipts from new developments. Under the new system, councils would keep a share of the growth in business rates in their area. Rate setting powers would remain with the Government and the Government would also decide what share of business rates should be kept by councils, how much should be paid into a central pool to be redirected to local government through other grants.

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

Council Tax Support Scheme

Conversion of benefits paid into Council Tax discounts serves to reduce the Council Tax base within the borough. This directly reduces the amount of Council Tax that can be raised as total Council Tax received is calculated by multiplying the Council Tax rate by the Council Tax base. Despite keeping Council Tax at the same rates as the previous year a reduction in the base will invariably reduce the amount of income that can be generated.

What Has Been Achieved

The previous MTFS set out the implications of the CSR 2010 and the implications for the Council's budget together with actions to address the budget funding gap. During this period significant progress has continued against the strategy and the table below sets out a summary of savings that have already been achieved, and also now proposed, in the first year of the three year programme, (Appendix G).

Saving	Previous 3 Year Strategy 2012/13 to 2014/15 £m	Achieved 2013/14 £m
Productivity Gains	0.500	0.392
Council Tax Yield	0.325	-
Review of Income Streams	0.300	0.150
Rationalisation of Accommodation and Investment Properties	0.100	-
Review of Contracts	0.100	0.070
Review of the Base Budget	0.100	0.133
Debt Restructuring	-	0.060
Total	1.425	0.805

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

(2) POLICY CONTEXT

This section of the strategy set out the Council’s policy direction. The overall aim of the financial strategy is to identify resources to meet 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 Council has recently updated its Corporate Strategy following consultation with residents. The key priorities and long term outcomes are set out below:



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

The delivery of the Corporate Strategy is supported through a series of key projects and service level business improvement plans. In each case, the resources required to deliver the projects and plans are broadly 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.

(3) FINANCIAL CONTEXT AND OUTLOOK

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

- The Comprehensive Spending Review in 2010 provided detailed information for only two years, that is, 2011/12 and 2012/13. Following on from this the final settlement figures for 2013/14 were recently published and are now included in the forecasted budget estimates. The Local Government Financing Settlement for 2014/15, however, remains provisional and therefore may still be subject to amendment. The estimates for 2015/16 contain indicative figures as the settlement is not known plus the outcome of the next CSR which is due in 2014 will also impact in this year.
- The introduction of shorter term Central Government settlement announcements and new variable arrangements for calculating fundamental grants annually exacerbates the increasingly uncertain nature of the Council's core funding streams.
- The new Business Rates Retention regime passes the risk of growth or decline and collection from Central Government to Local Government and therefore changes in the tax base will have a direct and immediate impact on the Council's core funding.
- The triennial review of the Pension Fund is due to take place in 2014 the outcome of which is unknown.
- The on-going revision of the Housing Benefits system and the introduction of Universal Credits.
- The Welfare Reform agenda is assumed to be cost neutral to the Council.

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

- Revenue Budget
- Capital Programme Financing

Assumptions contained in 3 year forecasts - Revenue

Assumption	2013/14	2014/15	2015/16
Pay Award	1.0%	1.0%	1.0%
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax	£0.225m	£0.225m	£0.000m
Pension Contribution Increase	0.5%	0.0%	0.0%
Reduction in Grant Settlement (AEF)	£0.435m	£0.824m	-
Business Rates Retention	£0.171m	£0.171m	£0.171m
New Homes Bonus in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£0.739m	£1.500m	£2.300m

Assumptions contained in 3 year forecasts - Capital Programme Financing

Assumption	2013/14 £m	2014/15 £m	2015/16 £m	Total £m	Note
Prudential Borrowing	2.215	0.597	0.765	3.577	
Prudential Borrowing – proposed Health Centre scheme	6.650			6.650	
Receipts from asset sales	0.360			0.360	
VAT Shelter Receipts	0.018			0.018	
Revenue Funding	0.020			0.020	
Developers & Other Contributions	2.019	0.069	0.069	2.157	(a)
Government Grants	0.669	0.550	0.396	1.615	(b)
Total	11.951	1.216	1.230	14.397	

- (a) Additional projects to be funded with developer contributions will be added to the programme when the contributions are received.
(b) Actual Grant allocations could vary from these estimates.

(4) REVENUE BUDGET FORECAST AND EFFICIENCY STRATEGY

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

Budget Headroom/Gap 2013/14 – 2015/16

Year	Budget (Headroom)/Gap £000	Cumulative £000
2013/14	(495)	(495)
2014/15	1,441	946
2015/16	644	1,590

The table shows that over the medium term the cumulative budget gap amounts to £1.590m for which budgetary efficiency savings will need to be found in order to balance the budget. It is important to view this position with consideration to the budget assumptions above for the following reasons:-

1. The outcome of the forthcoming triennial pensions fund review is unknown and has the potential to significantly impact on the forecast.
2. The Comprehensive Spending Review 2015 cannot be predicted but further funding reductions are possible.
3. The funding arrangements for Business Rates Retention and Council Tax Support are new for 2013/14 so their volatility and therefore risk exposure cannot be fully understood at this stage.

Local Authority funding is now unpredictable in nature and is entering a period of permanent, annual fluctuations. This will very much hinder accurate financial planning year on year so it is recommended that further NHB receipts are not included in the budget forecasts but set aside to be matched with investment expenditure. This enables all subsequent NHB monies received to be available and uncommitted thus allowing for maximum flexibility in its future application.

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

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

In this respect the Council's Strategy will be:

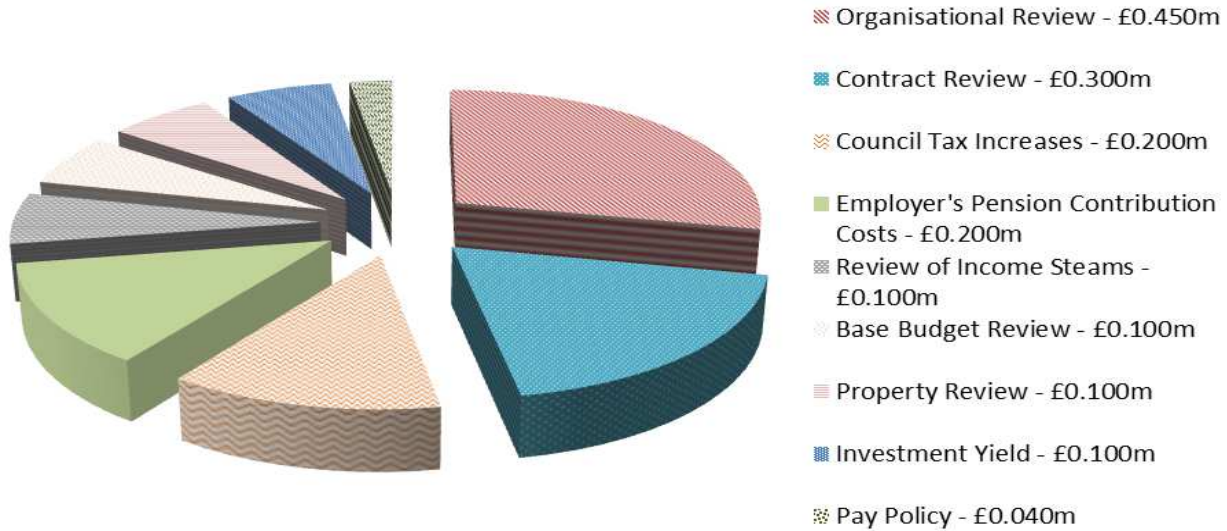
- To continue to restrain Council Tax increases.
- Deliver a balanced budget over the Financial Planning Period 2013/14 to 2015/16.
- Identify the savings required to balance the budget seeking to minimise the impact on front line service users.

In this respect the following actions will be included:-

- Increase productivity
- Review of expenditure on contracts
- Review of non employee related base budget heads
- Review of all income streams to ensure full cost recovery is being achieved and all possible revenue streams are being structured in the most appropriate way
- Seek to increase income yield from Investment Properties thus strengthening the sustainability of the budget in the longer term
- Review our property in order to reduce the cost of maintain our assets
- Minimise the effect of increased employee related costs in respect of Employer's Pension Contributions
- Review of the Pay Policy

It is thought that the above strategy could achieve the level of budgetary savings in the sum of £1.540m being sufficient to bridge the funding gap. Further detail is set out below:

Budget Savings Strategy 2013/14 to 2015/16 – Total £1.590m



Productivity Gains - £0.450m

Total employee budget is £10.1m. It is proposed that a savings of £0.450m is secured by focussing on improved productivity. The forthcoming results of the most recent rough cut costing exercise, developments in ICT and performance information, all continue to inform the development of an Efficiency Programme which follows the principles of maintaining performance with particular regard to front line services.

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

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

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

Deliverability - this is an area where significant savings have been achieved to reduce the budget gap and this target equates to 4.5% productivity gains over the next two financial years.

Review of Major Contracts - £0.300m

The Councils spends in the region of £4.9m on its contracts with partners. As this is a significant spend area for the Councils we will continue to engage with our partners to review contracts in order to look for opportunities to deliver the same or improved services in a different way to increase efficiency and reduce costs.

Deliverability – Total budget for contract spend is £4.9m, therefore, the target of £0.300m equates to 6.1% reduction in costs.

Council Tax Yield - £0.200m

The Council can consider applying a below inflationary increase to Council Tax in future years. It is very difficult to accurately forecast inflation over the period of the strategy, however, assuming that 1.7% inflation is applied to Council Tax this will increase income yielded by £200k over the period 2014/15 to 2015/16.

Deliverability - Based on Consumer Prices Index (CPI) at December 2012 is 2.7%.

Employer's Pensions Contribution - £0.200m

Government has set out to reduce the cost of employers' pension contributions via terms and conditions. As of yet it is unknown whether this objective has been successful, however, it will become apparent when the triennial revaluation has taken place in 2014. The Council is also in receipt of £1.750m from Chorley Community Housing which was paid over in respect of meeting pension liabilities that remained with the Council on the transfer of the housing stock. These monies will be used to reduce the cost of the pension contribution bill and the best way of achieving this is being explored. This includes identifying the timing of such action to maximise the benefit and saving to the budget.

Deliverability – Total anticipated spend on Employer's Pensions Contribution is £1.5m per annum, therefore, the target of £0.200m equates to 13% reduction in costs or a 2% reduction in the contribution rate.

Review of all Income Streams and Cost Recovery Models - £0.100m

All income streams whereby we determine the level of charge (excluding car parking) will be reviewed so that our charging policies are structured in a way to optimise effectiveness.

Deliverability – Total anticipated annual income in the budget is £1.5m, therefore, the target of £0.100m equates to 6.7%.

Review of the Base Budget - £0.100m

Review all non-staffing expenditure budget heads totalling in £5.2m. This will include an all-inclusive and corporate wide approach to budgets to ensure that all items are being resourced in the most cost effective way to achieve maximum standardisation of processes and economies of scale.

Deliverability – Total budget is £5.2m, therefore, the target of £0.100m equates to less than 2.0% reduction in costs.

Property Review - £0.100m

Progress has been made in rationalising the use of our assets. The next stage will now be to review in more detail the running costs of our assets to realise efficiency savings.

Deliverability – The total budget provision for running our civic buildings is £0.460m, therefore, a target of £0.100m equates to 22%

Investment Yield - £0.100m

Current investment yield is circa £0.400m, in terms of the MTFS the principle has been established that any surplus NHB be used to invest in schemes that may generate the Council a sustainable income stream as part of its strategy to reduce reliance on government support.

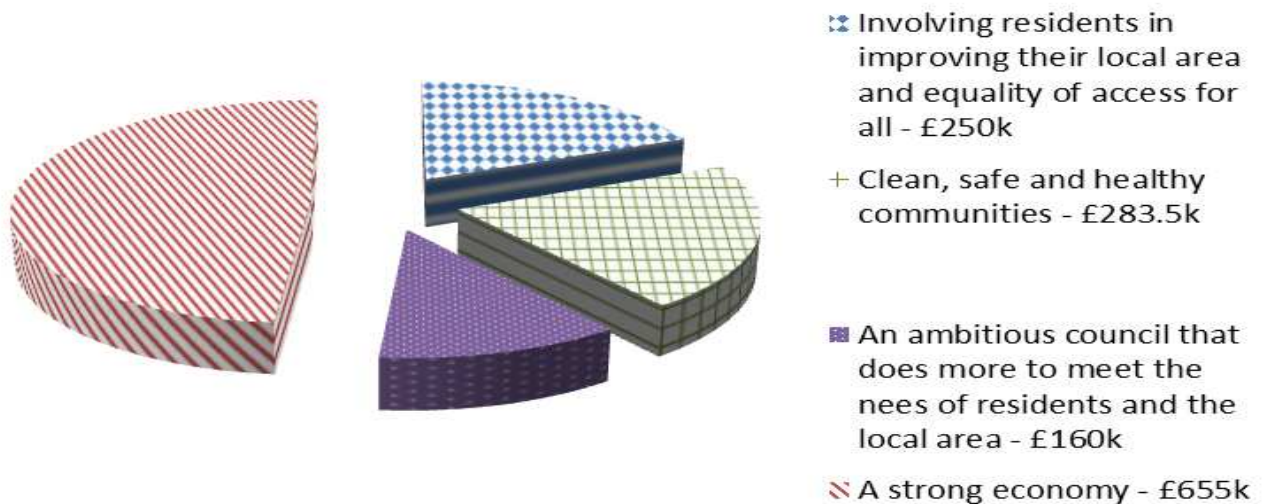
Pay Policy - £0.040m

The Executive are working with senior officers to agree in principle a phased 10% reduction in costs effective from 2013/14.

(5) SUPPORTING THE CORPORATE STRATEGY

The rate of progress in delivering the MTFS has resulted in a surplus within the Council's budget for 2013/14. This has facilitated the opportunity to accommodate a package of new investments in the borough. The revenue budget investment package supports the budget principles and priorities:

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



The revenue budget investment areas are list below but explained in more detail in the New Budget Investment report (Appendix C) which gives a synopsis of each project together with the project mandates.

INVESTMENT AREA	Amount £
Neighbourhood working:	
• Proactive clean up team *	50,000
• Neighbourhood working	100,000
• Community development and volunteering **	70,000
Support to the VCFS Network – Increasing volunteering in the borough **	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000
Tree Policy *	30,000
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Regeneration projects *	40,000
Car park pay and display income reduction	75,000
Inward investment delivery	350,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
TOTAL NEW INVESTMENT	1,348,500

*This is a recurring investment in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes, as listed below, have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy (included in Appendix F1).

** These items are recurring for 3 years and therefore have first call on future NHB receipts (included in Appendix F1).

The programme of investments will be funded from the budget as set out below. The Executive is recommending to Council not to build any further NHB receipts into the base budget. This is because the long term reliance on this source of funding is not sustainable as the grant is only temporary in nature. NHB funding has therefore been matched with temporary expenditure so that the spending commitment it finances can be stopped at the same time as the funding ceases. This course of action will prevent the budget falling into an immediate and avoidable deficit position and also safeguard the objectives of the MTFs. In the Statutory Officer report it highlights that a change in methodology would result in a significant reduction in funding to the Council.

The headroom within the budget for 2013/14 also provides the opportunity to make further investments in services on a one off basis. This means that the expenditure for the investments above will be incurred in just 2013/14 thus only making a temporary call on the Council's budget.

The Revenue Budget in 2012/13 is expected to achieve an underspend against budget of £0.565m. As the strategic objectives with regard to General Balances have already been achieved the budget set for 2013/14 utilises this opportunity to set aside £0.450m to restructure debt and £0.115m to invest in the Corporate Strategy.

TO BE FINANCED BY:-	
New Homes Bonus 2013/14	(739,000)
Budget Surplus in 2013/14	(495,000)
Underspend in the Revenue Budget in 2012/13	(114,500)
TOTAL FUNDING	1,348,500
FUNDING (SURPLUS)/SHORTFALL	<i>Balanced</i>

Five further Capital Programme/Budget investments are proposed:

INVESTMENT AREA	Amount £m
Regeneration Projects	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
TOTAL NEW INVESTMENT	1.475

The incorporation of the Capital project to regenerate town centre sites is there to expedite the delivery of the project once the outcome of the Town Centre Masterplan and Inward Delivery work streams are known.

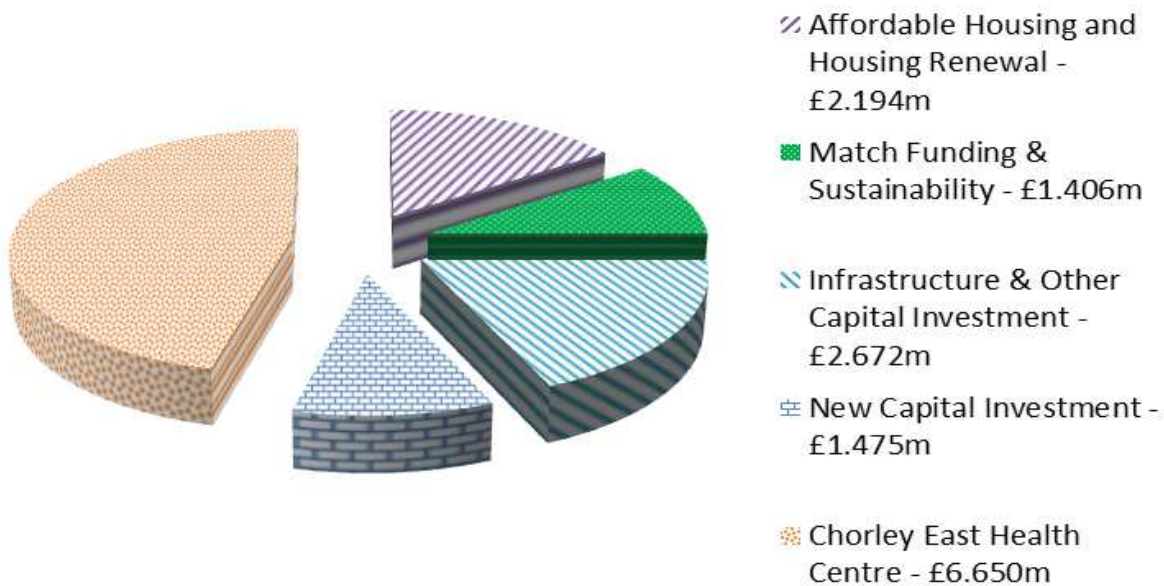
(6) CAPITAL PROGRAMME FORECAST

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

- The resources available will be targeted at areas that deliver corporate objectives.
- Borrowing will be contained where possible to ensure the impact on revenue is minimised.
- As part of their capital expenditure strategy the Council will consider the purchase 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 2013/14 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 £14.396m as follows over the MTF5 period. This includes £1.0m investment in the Regeneration projects which will make capital funds available to the Council. Funding the programme will require prudential borrowing borrow of £3.577m and capital receipts of £0.360m. The programme also contains further borrowing in respect of Chorley East Health Centre being a further £6.650m, although this is will not impact on the revenue budget as the cost will recovered from Lancashire Care NHS Foundation Trust. The programme will be funded from a variety of sources, which is consistent with the strategic objectives outlined. (see Appendices B1, B2, B3 and B4 for further details of the Capital Programme 2013/14 to 2015/16)

Priority Areas for Capital Investment



(7) WORKING BALANCES

Previous financial strategies have identified a number of changing external factors likely to have a negative shift on the Council's risk profile with the new funding regimes, the risk of collection transferring locally and diminishing Government grant exacerbating the situation. In recognition of these circumstances the proposal has been made that working balances are to be kept at a level no lower than £2.0m.

The rationale for this position is based upon the following:

- (a) The Council has uncommitted working balances that would enable it to cover the loss of any deposit should this occur. This was one of the criticisms the audit commission made of some councils' who did not have sufficient reserves should the Icelandic Bank collapse resulting in a loss of significant proportion of these deposits.
- (b) There is likely to be further variances in the level of Government grant received by the Council following the introduction of the business rate retention scheme. Some protection is in place in that a safety net exists over the council's loss of income if a reduction in its business rate reaches £0.200m.
- (c) The Comprehensive Spending Review in 2015 may result in further reductions in local government funding. The current Government's policy is to protect education and the NHS as much as possible. Consequently the reduction in local government funding is likely to continue. This represents a significant risk in the medium term.

There have been a number of significant changes that have now been implemented with effect from April 2013. The greatest impact highlighted in the past with regard to the reduction of funding has come to fruition. The 2010 CSR witnessed significant funding reductions coupled with a growing degree of uncertainty. Indeed influencing external factors continue to be a significant issue. The new Central Government grant distribution regime introduces year on year variable calculations as a permanent feature with regard to the Council's core funding presenting further uncertainty hindering accurate financing planning for the foreseeable future. This coupled with the reduced Council Tax base as a consequence of Council Tax Support Scheme and the possibility of managing in year tax base fluctuations in respect of Business Rates makes the public finance environment ever more challenging.

As members will be aware, working balances are there to protect Councils against the 'peaks and troughs' in expenditure and income and they allow fluctuations to be managed by bringing budgets back into balance. Although the budget for 2013/14 has been established based upon not using working balances to fund recurrent expenditure sometimes the savings required to balance the budget can take time. Maintaining working balances means the Council does not have to make short term reactive changes that can significantly impact on service performance. The Council continues to manage its budget effectively with no significant overspends on recurrent budgets in the last few years.

In light of the moveable platform that core funding now sits, the emphasis on approach within the MFTS will be on financial sustainability over the medium and longer term. The use of working balances is legitimate but should only be a short term strategy particularly in the light of the increasing fluctuating nature of local authority funding over a longer medium term.

In terms of resource availability members will be aware, and as reported in monitoring, working balances are estimated to total £2.587m at the end of March 2013. After allowing for the contribution to debt restructuring and the financing of investment, balances are expected to be £2.022m and remain within the proposed target level of no lower than £2.0m as referred to above. The working balances position is made up of estimated balances in hand and forecast forward as shown below:

Forecast Working Balances

	£m
General fund working balance forecast Dec monitoring	2.587
Use of General Balances for Debt Restructuring within MTFS	(0.450)
Contribution to Investments funding in 2013/14	(0.115)
Forecast balances 31/03/2013	2.022

Source: Revenue Budget Monitoring period ending December 2012.

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

- To establish working balances no lower than £2.0m over the financial planning period 2013/14 – 2015/16.
- To review the financial risks facing the Council during 2013/14 and the level of balances taking into account the latest information available.

All reserves are shown below in addition to the General Fund Reserve

Reserves	Projected Balance 31 March 2013 £000	Projected Balance 31 March 2014 £000	Projected Balance 31 March 2015 £000	Projected Balance 31 March 2016 £000
General Fund Reserve	2,184	2,070	2,070	2,070
Change Management Reserve	77	77	77	77
Performance Reward Grant	29	0	0	0
Government grants (Housing)	577	302	45	40
Handyperson Scheme	49	46	16	0
Town Centre Grants	199	119	39	0
Town Centre Reserve	274	0	0	0
Planning Appeal Costs	188	18	0	0
Personal Searches Grant	34	34	34	34
Local Development Framework	46	0	0	0
Astley Hall Works of Art	6	6	6	6
Maintenance of Grounds	52	62	72	82
Apprentices (NEET's) Reserve	9	0	0	0
Elections Reserve	0	85	58	29
Total	3,724	2,819	2,417	2,338

Provisions	Projected Balance 31 March 2013 £000	Projected Balance 31 March 2014 £000	Projected Balance 31 March 2015 £000	Projected Balance 31 March 2016 £000
Payment to Lancashire Pension Fund	1,750	1,750	1,750	1,750
Potential MMI Clawback	15	15	15	15
Total	1,765	1,765	1,765	1,765

(8) TREASURY MANAGEMENT

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

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

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

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

The Council will:

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

The prudential indicators, targets and measures will be agreed as part of the budget setting process in February 2013, via the production of annual Treasury Management Strategy.

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Analysis of Budget Variations 2013/14 - 2015/16

	2012/13 ESTIMATE £'000	2013/14 ESTIMATE £'000	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000
CASH BASE BUDGET REQUIREMENT	13,668	13,727	13,054	13,729
Cash Movements:				
Other Virements (Transfer below the line)	74			
Inflation				
Pay	(55)	71	78	88
Pensions	(22)	64	13	17
Non-Pay	57	106	61	61
Contractual	517	195	177	205
Income	27	(12)	14	19
Increments	28	67	30	17
Volume Expenditure	(127)	(193)	130	0
Volume Income	16	187	100	45
New Burdens Grants Expenditure	0	16	0	(16)
Council Tax Support Grant - Expenditure	0	44	18	(77)
Savings Identified 2011/12	(51)	(4)	(2)	0
Growth Items 2011/12 (non-recurrent)	(266)	0	0	0
Savings Achieved for 2012/13	(898)	(2)	0	0
Additional Savings Achieved for 2012/13	(30)	(6)	0	0
Mainstream Growth Items 2012/13 (recurrent)	278	(93)	0	0
Growth Items 2012/13 & 2013/14	65	0	(65)	0
Growth Items 2012/13 (Non-recurrent)	445	(445)	0	0
Budget Investment package 2013/14 - (recurrent)	0	0	120	0
Base Budget Review Savings 2013/14	0	(133)	0	0
Transformation Strategy Savings 2013/14	0	(537)	0	0
DIRECTORATE CASH BUDGETS	13,727	13,054	13,729	14,087
Contingency:				
- Management of the Establishment	(200)	(200)	(200)	(200)
- Other Corporate Savings Targets	0	0	0	0
Directorate & Corporate Budgets	13,527	12,854	13,529	13,887
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	0	(19)	(12)	(69)
Review of Investment & Debt Strategy	0	(26)	(46)	(46)
- MRP less Commutation Adjustment	294	366	392	419
- Debt Restructuring Saving in 2013/14		(60)	(60)	(60)
sub total	294	261	274	244
TOTAL EXPENDITURE	13,821	13,115	13,803	14,131
Financed By:				
Council Tax - Borough	(6,402)	(5,810)	(5,844)	(5,871)
Localisation of Council Tax Support Grant	0	(753)	(753)	(753)
Grant for freezing Council Tax	(318)	(160)	(160)	0
Grant for freezing Council Tax 2013/14 & 2014/15	0	(65)	(65)	0
Parish Precepts	567	567	567	567
Council Tax Parishes	(567)	(529)	(529)	(529)
Formula Grant	(5,883)	(5,620)	(4,795)	(4,795)
New Homes Bonus	(1,044)	(1,044)	(1,044)	(1,044)
Additional New Homes Bonus from previous years	0	(22)	0	0
Performance Reward Grant	(89)	0	0	0
Area Based Grant	0	0	0	0
LABGI Grant	0	0	0	0
New Burdens Grant	0	(16)	(16)	0
Council Tax Support Grant - New Burdens	0	(59)	(77)	0
Council Tax Transition Grant	0	(20)	0	0
Collection Fund (Surplus)/Deficit	(40)	(77)	(7)	(7)
Transfers to/(from) Earmarked Reserves	(31)	68	(63)	(39)
Local Services Support Grant	(71)	(71)	(71)	(71)
Transfer to/(from) General Balances	58	0	0	0
TOTAL FINANCING	(13,821)	(13,611)	(12,857)	(12,541)
Net Expenditure	0	(495)	946	1,590
Analysis of Net Expenditure (Budget Gap)				
Net Expenditure in Year	0	(495)	1,441	644
Surplus New Homes Bonus		(739)		
Underspend from 2012/13		(115)		
		(1,349)		
New Investments for 2013/14		1,349		
BALANCED BUDGET 2013/14		0		
Surplus New Homes Bonus - priority call 2014/15 & 2015/16		(739)	(1,500)	(2,300)
Funding 2013/14 Budget Investment package		739		
Play Area Improvements			100	100
Community development and volunteering			70	70
Chorley Community Bank			50	50
Support to VCFS Network			15	15
Surplus New Homes Bonus		-	(1,265)	(2,065)
Key Assumptions				
Reduction in Government Grant Settlement (AEF)	£857k	£435k	£824k	£0k
Profiled Reduction in Grant Settlement	-11.7%	-7.4%	-15.1%	0.0%
Pay Award	0	1%	1%	1%
Pension Increase	0.5%	0.5%	0%	0%
Increase in Council Tax	-1%	0%	0%	0%
Grant for Freezing Council Tax	£318k	£159k	£159k	£0k
Grant for freezing Council Tax 2013/14 & 2014/15	-	£65k	£65k	£0k
Business Rates Retention Scheme	-	£171k	£0k	£0k
Use of New Homes Bonus	£1,044k	£1,044k	£1,044k	£1,044k

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APPENDIX G

Significant Budget Movements		2013/14 Budget Change £	2013/14 Budget Change £
Description	Details		
Non-Pay			
Housing & Council Tax Benefits	Anticipated increase in costs due to higher demand for benefits.	48,640	
Non Domestic Rates	Anticipated increase in costs for Council properties.	2,660	
Cotswold House	Void allowance on Cotswold House rent increase.	4,320	
Council Tax Benefits	Reduction of surplus on Council Tax Benefit overpayments recovered	48,990	
Misc	Various minor changes	1,480	
			106,090
Contracts			
Waste contract	Inflationary increase in contract price plus property growth and vehicle replacement cost.	180,510	
LCC waste/recycling agreement	Amendment to Cost Share agreement with LCC	19,030	
Active Nation leisure contract	Inflationary increase.	10,940	
Health & Safety	Health & Safety contract brought in-house	(9,980)	
Property Services	Inflationary increase on Liberata property services contract including efficiency saving.	3,560	
Refuse Collection (Civic Offices)	New refuse contract for Civic Offices (Neales Waste Management)	(14,210)	
ICT Contracts	Inflationary increase on various ICT contracts	10,890	
Transformation Management	Banking Services tender	(8,700)	
Transformation Management	Procurement Fee for new insurance contract.	3,750	
Concierge Service	Profile Security replace Red Rose Security at Cotswold Supported Housing	(4,000)	
Misc	Various minor changes	3,530	
			195,320
Income			
Housing Benefit Administration	Reduction in Housing Benefit Admin Subsidy Grant receivable in 2013/14	29,070	
Cotswold House	Cotswold House rent increase for 2013/14	(21,600)	
Shared Financial Services	Increase in recharge to South Ribble BC for Shared Financial Services for 2013/14	(16,670)	
Misc	Various minor changes	(2,320)	
			(11,520)
Volume Expenditure			
Elections	No Election costs in 2013/14. Reduction offset by matching contribution to reserve for future years costs.	(107,000)	
Car Leases	Phased reduction in Council contribution to car lease rental costs	(17,460)	
Electricity - various buildings	Adjustment based on actual meter readings and revised invoices now received.	(10,320)	
Housing Needs and Policy	Fixed Term Assistant Housing Officer post ends November 2012.	(14,100)	
Cotswold House	Lifeskills Co-ordinator post financing ends 31/03/13	(31,030)	
External Audit Fees	Reduction in External Audit Fees	(46,490)	
LCC Pensions Account	Anticipated increase in Added Years Pension costs.	10,510	
LCC Pensions Account	Adjustment to pensions account regarding former CBC staff at Chorley Community Housing.	30,000	
Car Park Management	Reduction in enforcement and cash collection costs.	(9,500)	
United Utilities Waste Water	Review of surface water & highway drainage charges	(13,940)	
Home Improvement Grants	Preston Care and Repair carrying out the Handyperson scheme funded by additional income detailed below.	30,000	
Bengal St Depot	Reduction in NNDR and running costs following lease of the site	(15,000)	
Discretionary Rate Relief (NNDR)	Budget no longer required under Business Rates Retention scheme	(6,400)	

Significant Budget Movements

Description	Details	2013/14 Budget Change £	2013/14 Budget Change £
Misc	Various minor changes	7,740	(192,990)
Volume Income			
Capital Recharge Income	Reductions in Capital Programme resulting in reduced recharge of staffing costs to capital schemes	61,310	
Gillibrand Street Offices	Assumes rental income for 2012/13 only under current lease agreement.	50,000	
Car Park Management	Reduction in off-street parking fees in line with 2012/13 current forecasts.	30,870	
Home Improvement Grants	Preston Care and Repair carrying out the Handyperson scheme	(29,660)	
Building Control income	Rebasing of Building Control income in line with 2012/13 forecasts.	10,000	
Planning Fees	Rebasing of Planning Fees income in line with 2012/13 forecasts.	25,000	
Cemetery Fees	Rebasing of Cemetery Fees income in line with 2012/13 forecasts.	22,620	
Council Tax	Provision for write-off of bailiff costs not recovered from council tax debtors	15,000	
Union Street	Lease of Union Street Offices to HMRC	(6,160)	
Investment Portfolio	Loss of annual rent following demolition of Clayton Brook Public House.	10,500	
Misc	Various minor changes	(2,950)	186,530
2012/13 Mainstream Growth Items			
Community Safety - IDVA	Reallocation of mainstream growth items for 2013/14	(13,000)	
Sanctuary Scheme	Reallocation of mainstream growth items for 2013/14	(10,000)	
CAB funding	Reallocation of mainstream growth items for 2013/14	(20,000)	
Tackling Dog Fouling	Reallocation of mainstream growth items for 2013/14	(50,000)	(93,000)
Base Budget Review			
Budget savings identified	See Schedule of Base Budget Review Savings attached		(133,240)
Transformation Strategy Savings			
Streetscene	Streetscene Modernisation	(153,790)	
Policy & Communications	Policy & Communications restructure	(55,000)	
Planning	Review of Spatial and Planning Policy teams - phase 1	(28,730)	
Waste & Recycling	Waste Contract - Margin Contribution (Not approved yet)	(50,000)	
Active Nation leisure contract	Active Nation contract (reduce repairs/maintenance)	(20,000)	
Planning	Planning Fees - 15% national increase in charges	(75,000)	
Transactional Services	Review of Transactional Services - phase 1	(114,000)	
Audit & Fraud Team	Review of Audit & Fraud Team	(15,000)	
Governance	Review of Governance	(25,000)	(536,520)
Other Savings			
Review of Investment & Debt Strategy	Additional interest from increasing investment limit from £3m to £5m.		(75,000)
Debt Restructuring	Use of 2012/13 budget underspend to repay debt.		(60,000)

Base Budget Review – Proposals for achieving recurring budgetary savings from non-staff budget heads.

A review of all non-staffing budget heads that also do not appear elsewhere within the **Transformation Strategy** has been undertaken. The focus to date of the phase of the review has centred around identifying budgets by analysing past performance and trends in reduced expenditure. All the proposals listed below have been approved by the relevant Budget Holder to ensure that underutilisation is due to permanent changes in circumstances and not as a result of one off, unique reduced operational demand or, in fact, earmarked to fund other related financial commitments.

Abandoned Vehicles	(1,750)	Due to price of scrap metal we currently don't have to pay for collection of abandoned vehicles.
Travel and Subsistence	(1,250)	General volume change and reduction in demand across the organisation
Training and Course Fees	(4,000)	General volume change and reduction in demand across the organisation
Statutory Notices	(850)	Redundant budget as funded from LDF earmarked reserve
Stationery	(1,250)	General volume change and reduction in demand across the organisation
Travel Expenses	(1,260)	General volume change and reduction in demand across the organisation
Signs	(1,370)	Budget used to replace signage when fees change, this is not a frequently used budget there is scope for reduction
Service Fees - HR	(2,570)	General volume change and reduction in demand e.g. pre-employment questionnaires
Hire of Premises	(250)	Budget not used as all internal meetings use Council premises
Refreshments	(300)	General volume change and reduction in demand
Tools, Equipment and Furniture	(2,790)	General volume change and reduction in demand
Publications	(640)	General volume change and reduction in demand
Fixtures and Fittings	(1,000)	General volume change and reduction in demand
Professional Fees	(360)	General volume change and reduction in demand
Printing	(3,800)	General volume change and reduction in demand after rationalisation of budgets and change of use
Postages	(50)	General volume change and reduction in demand
Photographic Supplies	(360)	General volume change and reduction in demand
Employee Costs	(3,300)	Amendments in staffing budget across the organisation for minor adjustments
Transport Licences	(2,000)	General volume change and reduction in demand – redundant budget
Legal Fees – Council Tax	(6,690)	General volume change and reduction in demand due to collection rates.
Miscellaneous Expenses	(2,050)	General volume change and reduction in demand
Members Allowance Scheme	(7,890)	Changes recommended by the Independent Remuneration Panel have been adopted by the Council.
Maintenance/Nature Reserves	(1,930)	Reactive works and assessment based on past trends over a number of years
Laundry	(300)	General volume change and reduction in demand
Software Licences	(13,950)	Assessment of commitment of this budget over a number of years after consolidation and transfer to ICT
Internet Charges	(1,690)	Member's internet – change of provider, budget now based on actuals.
HR Occ Health Fees	(800)	General volume change and reduction in demand.
HM Land Registry	(400)	General volume change and reduction in demand.
Grounds Maintenance Contractor	(3,110)	Reactive works and assessment based on past trends over a number of years
General Subscriptions	(8,660)	No longer subscribing to CIPFA benchmarking. Savings on LGA subscription.
First Aid Payments	(200)	General volume change and reduction in demand
External Photocopying	(200)	General volume change and reduction in demand
Exam Fees	(500)	Building Control budget not required
Economic Development Grants	(5,000)	Lancashire Enterprise Partnership (LEP) no contribution required as request for funding has ceased

Drawing Office Supplies	(100)	General volume change and reduction in demand
Disposal of Records	(50)	General volume change and reduction in demand
Conservation of Exhibits	(1,500)	General volume change and reduction in demand at Astley Hall
Conferences	(3,750)	General volume change and reduction in demand.
Computer Consumables	(1,770)	General volume change and reduction in demand
Cleaning Attendant Services	(3,080)	Brought in-house Yarrow Valley Visitors Centre
Car Allowances	(12,340)	General volume change and reduction in demand/posts across the organisation
Burglar Alarms	(240)	
Analysts Fees	(640)	General volume change and reduction in demand
Sub Total – Expenditure	(105,990)	
ADDITIONAL INCOME TRENDS		
Gambling Premises Licence	(7,000)	Additional Income Trend
Licence Fees	(9,890)	Additional Income Trend
Premises Licence	(900)	Additional Income Trend
Other Legal Fees - Governance	(2,000)	Additional Income Trend
Administration Costs Recovered	(1,660)	Additional Income Trend – Busy Bees
Wheeled Bins	(5,800)	Additional Income Trend
Sub Total – Income	(27,250)	
TOTAL	(133,240)	

Report of	Meeting	Date
Chief Executive	Council	28 th February 2013

BUDGET CONSULTATION 2013/14

PURPOSE OF REPORT

1. This report provides the Council with the results of the public consultation carried out on the Executive's draft budget proposals for 2013/14.

RECOMMENDATION(S)

2. That Members use the results which highlight the views of residents to inform their decisions on setting the Budget for 2013/14

EXECUTIVE SUMMARY OF REPORT

3. Public consultation on the outline budget for 2013/14 was carried out between 28th January 2013 and 8th February 2013 using a combination of: online survey posted on the website; email survey sent to approximately 2,500 residents; email survey sent to parish councils via intheboro; press releases; face to face consultation; provision of paper surveys and the use of social media. The consultation received 459 responses.
4. The results of the consultation show that residents who took part clearly recognise town centre development, a strong economy and neighbourhood working as high priorities. In terms of Council Tax, residents indicated that their preference would be for as small an increase as possible.

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

BACKGROUND

6. The consultation to support the 2013 budget cycle included: an online survey posted on the website; an email survey sent to approximately 2,500 residents; an email survey sent to parish councils via intheboro; press releases; face to face consultation; provision of paper surveys and the use of social media.
7. The public consultation was based on priorities outlined in the Council Budget proposals which were approved by Executive Cabinet on the 17th January 2013. Residents were asked to provide their opinions on:
 - The specific key investment areas aligned with the Council's corporate strategy priorities
 - The future level of Council Tax given the impact of a reduction in Council funds

RESULTS OF THE CONSULTATION

8. The quantitative results presented below come from the public survey which ran from the 28th January 2013 to the 8th February 2013. 459 residents responded to the consultation. (Please note that not all answers will sum to 459 as some residents chose to skip questions)

Council Tax

9. 46.2% (183) respondents considered a 0.5% increase appropriate if they are to receive continued investment in services; 43.7% (173) considered a 2% increase appropriate and 10.1% (40) considered a 5% increase would be appropriate. Of the 205 respondents who provided qualitative feedback on the proposals 9.3% (19) commented that they would like to see a Council tax freeze.

Budget Principles

10. Respondents were asked to score the specific investment proposals on a 5 point scale from high to low priority. The results below rank the principles in order of priority.

		Overall Score*	Overall %
1	Supporting Businesses	1615	15.0%
2	Improving Town Centre	1521	14.1%
3	Neighbourhood Working	1482	13.8%
4	Schemes to support young people	1353	12.6%
5	Sporting Activities Young and Old	1289	12.0%
6	Events in the borough	1241	11.5%
7	Improvements to play areas	1169	10.8%
8	Improvement of Street Furniture	1107	10.3%

*Please note that respondents were asked to score the priorities from 1 to 5 and could give as many 5s or 1s as they wished.

Summary of qualitative feedback

11. Of the 205 respondents who gave additional comments or suggestions, the following key themes can be identified:

Council tax freeze	9.3%	Residents stated that they would prefer no increase in council tax.
Town centre development	9.2%	Responses included requests for more independent shops and incentives for businesses.
Road and pavements	7.1%	Responses related to improving services provided by Lancashire County Council.
Car parking	6.1%	Comments related to increasing the amount of parking and providing free parking.
Dog fouling	6.1%	Requests for more stringent controls and measures for dog owners who let their dogs foul in public places, particularly parks and residential areas.
Policing and PCSO's	6.1%	Responses requested an increase in the number of Police and PCSOs on the streets
Rural areas	3.5%	Reponses relate to ensuring access to services in rural areas
Public transport	3.5%	Responses were mainly about bus transport
Other including footpaths, housing and planning		Responses included improving foot paths, development control and affordable housing

Other issues arisen for consideration

12. Euxton Parish Council have raised concerns about the impact of recent changes as part of the council tax support scheme which they consider negate recent growth in Euxton and therefore leaves a budget shortfall. As such, it is requested that the top up grant is increased to reflect the equivalent increase in housing growth in parish areas.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

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

COMMENTS OF THE MONITORING OFFICER

15. There are no comments.

GARY HALL

CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Victoria Willett	5438	7 th February 2013	Budget Consultation Report 2013

Report of	Meeting	Date
Chief Executive	Council	28 February 2013

ASSESSING THE IMPACT OF BUDGET PROPOSALS – 2013/14

PURPOSE OF REPORT

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

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

1. Under equality legislation in the Equality Act 2010, public authorities have legal duties to pay 'due regard' to the need to eliminate unlawful discrimination and promote equality of opportunity between people who share a protected characteristic and those who do not, as well as to promote good race relations. The law requires that this duty to pay 'due regard' be demonstrated in the decision making process, including financial decisions
2. To meet this requirement in relation to the budget growth proposals 2013/2014, work has been undertaken to assess the impact of the proposals. This report presents the findings and recommendations based on this work.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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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

CORPORATE PRIORITIES

3. This report relates to the following Strategic Objectives:

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

BACKGROUND

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

RESULTS OF THE IMPACT ASSESSMENTS

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

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

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

COMMENTS OF THE MONITORING OFFICER

8. There are no comments.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

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

GARY HALL
CHIEF EXECUTIVE

Report Author	Ext	Date	Doc ID
Sarah James	5779	01/02/13	Assessing the impact of the 2013/14 budget proposals

Integrated Impact Assessment

Name of the service, policy, strategy or project being assessed

Overall budget proposals

What does the service, policy, strategy or project do?

Makes proposals for the budget setting process for 2013/2014.

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

Sarah James

Date of Assessment

01/02/2013

Equality Impact Assessment	Yes	No	Evidence		
1. Have consultations with relevant groups, organisations or individuals indicated that this particular activity will create problems which are specific to them?	✓		High level budget consultation has been conducted. 451 residents responded to the consultation which asked residents about whether they supported the Council's budget principles and what areas/services require investment.		
What potential impact does this activity make to:					
	P	N	U	NI	Evidence
2. Equality of opportunity amongst customer groups of different racial backgrounds (Race)				✓	No proposals should have a differential effect on any customers because of these characteristics.
3. Equality of opportunity amongst male and female customers (Sex)				✓	No proposals should have a differential effect on any customers because of these characteristics.
4. Equality of opportunity amongst able bodied customers and customers with a disability (Disability)				✓	No proposals should have a differential effect on any customers because of these characteristics.
5. Equality of opportunity amongst customers of different ages (Age)	✓				A number of the investment proposals will have a positive impact on age groups that may otherwise be disadvantaged. This includes proposals that are targeted to young people such as the street games, free swimming, improvement of play areas, 16/17 year olds drop in scheme and joint employment initiative with Runshaw College. The active generation proposal is targeted at those above 50.
6. 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.
7. 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.
8. Equality of opportunity amongst customers that live in different parts of Chorley (Rurality)	✓				The improvement to neighbourhood working proposal seeks to improve neighbourhood working across the neighbourhood areas, and in particular increases the number of areas from seven to eight to address issues with eastern parishes covering large rural and urban settlements. This will have a positive impact on people who live in different parts of Chorley.

Sustainability Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. The effective protection of Chorley's environment. Possible issues to consider are; <ul style="list-style-type: none"> • Limiting waste generation & encouraging recycling • Limiting factors that contribute to climate change • Protection of and improving access to the natural environment 	✓				A number of proposed schemes will have a positive impact on Chorley's environment. These include: <ul style="list-style-type: none"> • Proactive clean up team • Neighbourhood working pot • Tree policy • Street furniture • Improving play areas
2. Prudent usage of natural resources. Possible issues to consider are; <ul style="list-style-type: none"> • Limiting use of non sustainable energy, water, minerals and materials • Reducing the need to travel and encouraging walking, cycling and low carbon modes of travel 	✓			✓	The proposed scheme for joint employment initiative with Runshaw College will actively encourage the use of public transport as a way to get to work and have a positive impact on the prudent use of natural resources
3. Social progress amongst all of Chorley's communities. Possible issues to consider are; <ul style="list-style-type: none"> • Opportunities for education and information • Provision of appropriate and sustainable housing • Reduced fear of crime and community safety • Access to cultural and leisure facilities • Encouraging engagement and supporting volunteering 	✓				A number of proposed schemes will have a positive impact on social progress amongst all of Chorley's communities. These include: <ul style="list-style-type: none"> • Active generation • Community development support and volunteering project • 16/17 year olds drop in scheme • Free swimming • Improvements to play areas • Employee health scheme
4. A vibrant local economy in Chorley. Possible issues to consider are; <ul style="list-style-type: none"> • Supporting better quality jobs and developing the skills 	✓				A number of proposed schemes will have a positive impact on a vibrant local economy. These include: <ul style="list-style-type: none"> • Purchase of key town centre sites

Sustainability Impact Assessment	P	N	U	NI	Evidence
of local residents <ul style="list-style-type: none"> Supporting local business by procuring goods and services locally Strengthening links with public, private and third sector partners 					<ul style="list-style-type: none"> Inward investment pot Town centre master plan Support the expansion of local business Car park pay and display income reduction Joint employment initiative with Runshaw College

Health Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. Encouraging healthy lifestyles across Chorley's population. Possible issues to consider are; <ul style="list-style-type: none"> Diet and nutrition Exercise and physical activity Substance use: tobacco, alcohol and drugs Risk taking behaviour Education and learning, or skills 	✓				The following schemes will have a positive effect on healthy lifestyles across Chorley's population: <ul style="list-style-type: none"> Active generation Street games Improvements to play areas Free swimming Employee health scheme Campaigns and events
2. Promoting a positive social environment for all of Chorley's residents. Possible issues to consider are; <ul style="list-style-type: none"> Social status Employment (paid or unpaid) Social/family support Stress/Mental Health Income 	✓				The proposed investment in the following all support a positive social environment for Chorley's residents: <ul style="list-style-type: none"> 16/17 year olds drop in scheme Active generation Community development support and volunteering project Campaigns and events Joint employment initiative with Runshaw College

Health Impact Assessment	P	N	U	NI	Evidence
3. Promoting a positive physical environment across Chorley. Possible issues to consider are; <ul style="list-style-type: none"> • Living conditions • Working conditions • Accidental injuries or public safety • Transmission of infectious disease 	✓				The proposed investment in the proactive clean up team, improvements to neighbourhood working, tree policy, extension and improvement of street furniture, purchase of key town centre sites, town centre master plan will all support a positive physical environment across Chorley.

Reputational Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
1. Chorley Council's reputation. Possible issues to consider are; <ul style="list-style-type: none"> • Proving to residents that we provide value for money • Informing and engaging with local residents • Building trust and confidence in Chorley Council • Reducing customer dissatisfaction with council services • Chorley Council's role as a community leader 	✓				All of the proposals within the budget growth paper should have a positive impact on the Council's reputation.
2. Our ability to deliver the Corporate Strategy. Issues to consider are; <ul style="list-style-type: none"> ▪ A council that consults and engages with residents ▪ An ambitious council that continually strives to improve 				✓	Overall, the Corporate Strategy will continue to be delivered through key projects and business improvement planning. The campaigns and events proposal will particularly help the council to consult and engage with residents.

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