

18 February 2014

Special Council

You are invited to attend a special meeting of the Council to be held in Council Chamber, Town Hall, Chorley on **Tuesday, 25th February 2014 commencing at 6.30 pm.**

AGENDA

1. **Apologies for absence**
2. **Minutes of the last meeting of the Council held on 7 January 2014 (Pages 5 - 10)**
3. **Declarations of Any Interests**

Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.

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

4. **Mayoral Announcements**
5. **Public Questions**

Members of the public who have requested the opportunity to ask question(s) on any item(s) on the agenda will have three minutes to put their question(s) to the relevant Councillor. Members of the public will be allowed to ask one short supplementary question.

6. **Recorded Votes at Budget Meetings (Pages 11 - 12)**

Members are advised that from 25 February 2014, there is a new requirement under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 for how councillors voted on decisions at budget meetings, to be recorded in the minutes. This includes votes on any proposed amendments.

The relevant correspondence from the Department for Communities and Local Government is attached and Council Procedure Rules will be revised in due course.

For the purpose of the Budget Council recorded votes will be used prior to adopting the Standing orders as per the attached letter.

7. **Review of the Council Tax Support Scheme and Discounts and Exemptions (Pages 13 - 20)**

The attached report of the Chief Executive was agreed at Executive Cabinet on 16 January 2014 and requires full Council approval.

8. **General Fund Revenue and Capital Budget and Council Tax for 21014/15 (Pages 21 - 40)**

To seek approval to recommendations from the Executive contained in a report of the Chief Executive and within the appendices listed below.

APPENDIX A

- a) Appendix A1 - Council Tax Resolution (to follow)
- b) Appendix A2 - Council's Pay Policy (Pages 41 - 50)
- c) Appendix A3 - Fees and Charges (Pages 51 - 52)
- d) Appendix A4 - Business Rates: Local Discounts Discretionary Rate Relief Policy (Pages 53 - 56)

APPENDIX B

- e) Appendix B1 - Capital Programme 2014/15 to 2016/17 (Pages 57 - 58)
- f) Appendix B2 - Capital Programme Financing 2014/15 to 2016/2017 (Pages 59 - 60)
- g) Appendix B3 - Developer Contributions 2014/15 to 2016/17 (Pages 61 - 62)

APPENDIX C

- h) Appendix C - Budget Investment Package 2014/15 (Pages 63 - 70)
- i) Appendix C1 - Project Mandates for Budget Investment (Pages 71 - 138)

APPENDIX D

- j) Appendix D - Treasury Strategies and Prudential Indicators 2014/15 to 2016/17 (Pages 139 - 158)

APPENDIX E

- k) Appendix E - Report of the Statutory Finance Officer (Pages 159 - 166)

APPENDIX F

- l) Appendix F - Medium Term Financial Strategy (Pages 167 - 184)
- m) Appendix F1 - Analysis of Budget Variations 2014/15 to 2016/17 (Pages 185 - 188)

APPENDIX G

- n) Appendix G - Significant Budget Movements from 2013/14 (Pages 189 - 190)
- o) Appendix G1 - Base Budget Review (Pages 191 - 192)

APPENDIX H

- p) Appendix H - Special Expenses and Parish Precepts (to follow)

APPENDIX I

- q) Appendix I - Budget Consultation 2014/15 (Pages 193 - 200)

APPENDIX J

- r) Appendix J - Assessing the Impact of the 2014/15 Budget Proposals (Pages 201 - 208)

9. Call In Procedures (Pages 209 - 212)

The attached report was agreed by Overview and Scrutiny Committee on 9 January 2014 and is referred to Council for approval as a change to the Constitution.

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

Yours sincerely



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Chief Executive

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Distribution

1. Agenda and reports to all Members of the Council for attendance.

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

PROCEDURE FOR PUBLIC QUESTIONS/SPEAKING AT COUNCIL MEETINGS

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

Council**Tuesday, 7 January 2014**

Present: Councillor John Walker (Mayor), Councillor Roy Lees (Deputy Mayor) and Councillors Ken Ball, Eric Bell, Julia Berry, Alistair Bradley, Terry Brown, Henry Caunce, Jean Cronshaw, Matthew Crow, Magda Cullens, John Dalton, Doreen Dickinson, Graham Dunn, Dennis Edgerley, Robert Finnamore, Christopher France, Anthony Gee, Danny Gee, Peter Goldsworthy, Marie Gray, Alison Hansford, Steve Holgate, Keith Iddon, Kevin Joyce, Hasina Khan, Paul Leadbetter, Adrian Lowe, Marion Lowe, June Molyneaux, Greg Morgan, Mick Muncaster, Steve Murfitt, Beverley Murray, Mark Perks, Alan Platt, Pauline Phipps, Dave Rogerson, Geoffrey Russell, Rosie Russell, Joyce Snape, Kim Snape, Ralph Snape, Paul Walmsley and Peter Wilson.

Also in attendance

Officers: Gary Hall (Chief Executive), Lesley-Ann Fenton (Director of Partnerships, Planning and Policy), Jamie Carson (Director of People and Places), Chris Moister (Head of Governance) and Carol Russell (Democratic Services Manager).

14.C.99 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors David Dickinson and Harold Heaton.

The Mayor informed Members that Councillor David Dickinson was currently in hospital recovering from a recent heart attack. He was in touch with David's family and would convey the best wishes of all Members of the Council for his speedy recovery.

14.C.100 MINUTES OF THE LAST MEETING OF THE COUNCIL HELD ON THURSDAY, 28 NOVEMBER 2013

RESOLVED – that the minutes of the last Council meeting be confirmed as a correct record and signed by the Chair.

14.C.101 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest.

14.C.102 MAYORAL ANNOUNCEMENTS

The Mayor thanked everyone for their donations and sponsorship for fundraising events arranged before Christmas in aid of his chosen Charities. He also informed Members of forthcoming fundraising events, in particular the Charity Ball on 14 February.

The Mayor invited all Members to accompany him to the Holocaust Memorial Day on Saturday 25 January at Astley Park.

14.C.103 PUBLIC QUESTIONS

The following question was submitted by Mr Bertram, on behalf of Mr Norris of Chorley Rd Charnock Richard in relation to the Chorley Local Plan 2012-2026.

“Through the provisions of the finally approved Chorley Local Plan 2012-2026, individual developments will be identified and taken forward to completion.

Would Councillor Dennis Edgerley, please confirm, that in the matter of the design and construction of residential developments, Chorley Borough Council, will continue its current policy of ensuring, that the minimum traffic and highway design standards to be applied will be those of Manual for Streets, or its successor document.”

In response, Councillor Edgerley stated that the advice used to determine the highway implications of a planning application was consultation with Lancashire County Council (LCC) as the Highway Authority. They would advise whether proposals were satisfactory. The Council does have regard to the County Council's judgement about whether proposals accord with the Manual for Streets, or if not, whether the difference is significant enough to warrant objection on the County Council's part. Chorley Council can challenge Highway Authority advice but needs very strong technical evidence if it wishes to reject it.

A supplementary question was posed by Mr Bertram on behalf of Mr Norris, relating to a specific planning application, alleging that false advice was provided by the County Council in relation to the highway implications of the planning application and asking what action Chorley Council was going to take as a consequence.

In response, Councillor Edgerley referred to a site visit which had taken place prior to the decision on the planning application and this had included attendance by an LCC Highways Officer. Specific discussions took place on site on the issue of visibility. The view was taken that there were no grounds for refusal on this point. On that basis, Chorley Council would take no further action and any concerns about the highway information provided by LCC, would need to be taken up directly with them.

In response to a subsequent request, Councillor Edgerley agreed to consider further written information to be provided by Mr Bertram and if he saw a need to go back to LCC, he would do so.

14.C.104 EXECUTIVE CABINET

Members considered a general report of meetings of the Executive Cabinet held on 24 October, 21 November and 12 December 2013.

Members raised issues relating to car park tariffs and the impact on income; the delivery of the Council's ICT strategy; responses to the consultation on the draft Parks and Open Space Strategy; and changes to Performance Indicators.

Councillor Alistair Bradley, Executive Leader proposed and Councillor Peter Wilson, Executive Member for Resources, Policy and Performance seconded and it was **RESOLVED – that the report be noted.**

14.C.105 SCRAP METAL DEALERS ACT 2013

Members considered a report of the Director of People and Places, approved by the Executive Cabinet in October 2013 on new legislation relating to the scrap metal industry and proposals for the Council to discharge its functions under the Scrap Metal Dealers Act 2013.

The report sought approval to changes to the Council's Constitution giving authority to the Director of People and Places to administer the licensing scheme and for Executive Cabinet to set the licence fees.

Member welcomed the legislation and licensing scheme which aimed to raise trading standards across the scrap metal industry.

Councillor Adrian Lowe, Executive Member for Places proposed and Councillor Alistair Bradley, Executive Leader seconded and it was **RESOLVED – that approval be given to the necessary changes to the Council Constitution to ensure that:**

1. **The Director of People and Places is authorised to:**
 - **grant or renew a licence of a Scrap Metal Dealer under the Scrap Metal Dealers Act 2013.**
 - **serve Notice of a proposal to refuse or cancel a licence of a Scrap Metal dealer under the Scrap Metal Dealers Act 2013.**
 - **serve notice of a proposal to vary a licence of a Scrap Metal Dealer under the Scrap Metal Dealers Act 2013.**
 - **determine applications for a licence of a Scrap Metal Dealer under the Scrap Metal Dealers Act 2013 where it is the intention to refuse or cancel a licence or to vary a licence under section 4 of the Act where the applicant has not served notice requiring the opportunity to make representations to the authority in respect of the proposal to refuse or cancel a licence, or to impose conditions on a licence.**
 - **institute legal proceedings in respect of any breaches of the provisions of the Act.**

2. **Where the Director of People and Places proposes to refuse or to cancel a licence or to vary a licence under section 4 of the Act and the applicant has given notice to the authority within the prescribed time that they require the opportunity to make representations about that proposal, the relevant Cabinet Member be authorised to conduct the hearing and determine the application on the Cabinet's behalf.**

3. **The Executive Cabinet be authorised to approve the fees set out in paragraph 53 of the report in respect of Scrap Metal Dealers Licences.**

14.C.106 REVENUE AND CAPITAL BUDGET MONITORING 2013/14 REPORT 2 (END OF SEPTEMBER 2013)

Members considered a report of the Chief Executive, approved by the Executive Cabinet in November 2013 on the provisional revenue and capital outturn figures for the Council against the budget and efficiency savings targets set for the

2013/14 financial year. The report sought Council approval to a number of proposed changes to the capital and revenue budget.

During discussion, Members raised issues regarding the rent payable by Recycling Lives at Bengal Street depot; the costs of Council borrowing; the use of the New Homes Bonus and any future reliance on it as an income source; and the use of Disabled Facilities Grant and delays caused by the LCC assessment process.

Councillor Alistair Bradley, Executive Leader proposed and Councillor Peter Wilson, Executive Member for Resources, Policy and Performance seconded and it was **RESOLVED –**

1. **That approval be given to the use of funds held on the Council's balance sheet, in the Council's role as trustee of The Avondale Library Trust, to contribute £24k to the Home Start Children's Play Area.**
2. **The transfer of £50k from the Hut Lane earmarked reserve to the Local Development Framework reserve to cover the additional budget requirement in 2013/14 as detailed in paragraph 36 of the report, be approved.**
3. **Approval be given to an £80k budget transfer of Council resources (carried over from the former Regional Housing Pot and currently within the disabled adaptations capital programme) to fund improvements at Cotswold House; and**
4. **The proposed re-profiling of the Capital Programme to better reflect delivery in 2013/14, be approved.**

14.C.107 OVERVIEW AND SCRUTINY

Members considered a general report of the Overview and Scrutiny Committee and Performance Panel meetings held on 26 September, 10 October and 5 December 2013, including updates on the work of scrutiny task groups.

The work of the Parks and Open Spaces Strategy Scrutiny Task Group looking at health impact assessments had now concluded and Councillor Berry was thanked for her chairship of that group. The final report would be considered at the Overview and Scrutiny Committee on 9 January 2014.

Councillor Steve Holgate, Chair of the Overview and Scrutiny Committee proposed and Councillor Mark Perks, Vice Chair seconded and it was **RESOLVED – that the report be noted.**

14.C.108 PARISH COUNCIL SPEAKING RIGHTS AT DEVELOPMENT CONTROL COMMITTEE

Members considered a report of the Director of Partnerships, Planning and Policy, approved at Development Control Committee on 10 December 2013, proposing the introduction of speaking rights for Parish and Town Councillors in relation to the determination of planning applications by the Committee.

The report sought full Council approval to the change to the section of the Constitution on speaking rights at Development Control Committee.

The changes had been proposed by a Parish Council and supported through the Borough Parish Liaison Meeting. A suggested revision to the recommendation in the report on procedure at meetings was suggested.

Councillor Paul Walmsley, Chair of Development Control Committee proposed and Councillor Dennis Edgerley, Executive Member for LDF and Planning seconded and it was **RESOLVED –**

That speaking rights for Parish and Town Councillors for planning applications heard by Development Control Committee be established and the procedures for speaking be approved as follows:

- 1. Order of speaking: objector, supporter, parish/town councillor, ward councillor, applicant/agent**
- 2. Parish/Town Councillors wishing to speak must advise the Democratic Services Officer on the Friday before the Committee meets.**
- 3. A request to speak must be accompanied by an appropriate form of authority from the clerk or chairperson of the Parish/Town Council. This should be in the form of an email or letter of authority.**
- 4. Parish/Town Councils should seek to utilise the services of a Ward Councillor to address the committee, and must represent the authorised views of the parish/town council that they represent.**
- 5. Parish/Town Councillors will have three minutes to speak.**
- 6. In the event that all speakers are against the application, the Chair will grant the applicant a time extension.**

14.C.109 PROPOSED DIVERSION OF PUBLIC FOOTPATH NO. 4 CHORLEY

The Head of Governance submitted a report seeking approval for a diversion order for two lengths of public footpath at Rivington View Estate, Chorley in compliance with Section 257 of the Town and Country Planning Act 1990.

The Development Control Committee had agreed the diversion of the footpath in principle when the planning application for the housing development on this site was approved in 2010. The costs of the footpath diversion order would be met by the developer.

Councillor Paul Walmsley, Chair of Development Control Committee proposed and Councillor Dennis Edgerley, Executive Member for LDF and Planning seconded and it was **RESOLVED –**

- 1. That the Head of Governance be authorised to make a diversion order under Section 119 Highways Act 1990 in respect of the lengths of footpath no. 4, shown on the plan attached to the report as Appendix B.**
- 2. That when the diversion order referred to in paragraph 1 above comes into effect, the Head of Governance be authorised to certify that Article 2 of the footpath diversion order made on 14 September 2010 under Section 257 of the Town and Country Planning Act 1990 as contained in Appendix A to the report, has been complied with.**

14.C.110 QUESTIONS ASKED UNDER COUNCIL PROCEDURE RULE 8

There were no questions for consideration under procedure rule 8.

14.C.111 TO CONSIDER THE NOTICES OF MOTION GIVEN IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 10

There were no motions to be considered under procedure rule 10.

14.C.112 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – that the press and public be excluded for consideration on the following item of business under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

14.C.113 LOCAL DEVELOPMENT FRAMEWORK : LOCAL PLAN UPDATE

Councillor Dennis Edgerley, Executive Member for LDF and Planning provided Members with an update in relation to the progression of the Local Plan to adoption and the need to comply with the Inspectors requirements for an updated Gypsy, Traveller and Travelling Showpeople's Accommodation Assessment (GTAA) to be undertaken and provision subsequently agreed. An updated GTAA had been commissioned and the final report was awaited.

The Executive Member reported that he had written to the Inspector in December 2013 to seek an extension in time to the proposed timetable as it did not allow sufficient time for the Council to consider the outcome of the assessment; fully understand the requirements; and to make appropriate provision.

RESOLVED – that approval be given to the Council's position as reported by the Executive Member for LDF and Planning, with a special meeting of the LDF Working Group being organised in January to consider the final GTAA report and a Member Learning session being organised as soon as possible so that all Councillors have the opportunity to fully understand the issues.

Chair



Department for
Communities and
Local Government

The Leader
Principal Councils in England

Dear Leader

Recorded Votes at Budget Meetings

In the coming weeks, your council will be holding its annual budget meeting at which it will be formally taking decisions about its expenditure on local services and council tax levels for the year ahead. These discussions will affect the lives and household budgets of all who live in the council's area. Local people should be able to see how those they have elected to represent them have voted on these critical decisions.

Accordingly I am writing to you today to say that the Government's expectation is that at this year's budget meetings, all councils will adopt the practice of recorded votes – that is recording in the minutes of the meeting how each member present voted – on any decision relating to the budget or council tax. People will thus be able to see how their councillors voted, not only on the substantive budget motions agreeing the budget, setting council taxes or issuing precepts, but also on any amendments proposed at the meeting.

We are very clear that any serious commitment to transparency and democratic accountability, which I am confident we all share, demands nothing less in today's circumstances. I know that the practice of recorded votes is already being followed in a range of circumstances across councils. If local people are to continue to have confidence in their councils and their elected representatives, then the practice of recorded votes needs to be followed everywhere on this year's budget decisions.

To facilitate this, we have last week made 'The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014'. These Regulations make it mandatory for councils as soon as is practicable after the Regulations are in force, to amend their Standing Orders so as to include provisions requiring recorded votes at budget meetings.

I recognise that some councils may be holding budget meetings before they have formally amended their Standing Orders, but nothing prevents the council from simply resolving to holding a recorded vote, in line with the Regulations.

BRANDON LEWIS MP

Brandon Lewis MP
Parliamentary Under Secretary of State

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04 February 2014

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Report of	Meeting	Date
Chief Executive	Special Council	25 February 2014

REVIEW OF THE COUNCIL TAX SUPPORT SCHEME AND DISCOUNTS AND EXEMPTIONS

PURPOSE OF REPORT

1. To present a review of the first year of the council tax support scheme and the discounts and exemptions for empty properties, which were implemented in April 2013; and to make proposals for 2014/15.

RECOMMENDATION(S)

2. That the proposed council tax support scheme and discounts and exemptions for empty properties and second homes be approved.

EXECUTIVE SUMMARY OF REPORT

3. The council adopted a new council tax support scheme and changes to discounts and exemptions for council tax in January 2013. These changes came into effect on 1 April 2013. The effects of the changes have been reviewed and are presented in this report alongside with a recommendation for the approach for 2014/15.
4. Collection rates for council tax from council tax support recipients and those affected by the changes to discounts and exemptions have been better than modelled. The number of claims for council tax support has decreased during the financial year, and the number of long term empty properties has decreased.
5. It is recommended that the council tax support scheme and the discounts and exemptions for empty properties should continue unchanged. The schemes have been in operation for less than one year, and the review set out in this report outlines that the changes have been successfully implemented and the overall impact on individuals is difficult to fully estimate at this point, particularly with other changes being made nationally through welfare reforms.

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
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- 6. The council is required to adopt a scheme for council tax support and discounts and exemptions for empty properties. In adopting the scheme last year, the council agreed to review the scheme after the first year and make any necessary changes.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 7. To not make change the schemes. This was rejected as the schemes are currently operating successfully and have only been in place since April 2013.

CORPORATE PRIORITIES

- 8. 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

- 9. The Local Government Finance Act 2012 required local authorities to design and implement a local scheme to administer council tax support to replace the previous system of Council Tax Benefit from 1 April 2013. At the same time, billing authorities were given greater discretion over the reliefs from council tax available for second homes and some empty properties.
- 10. In the spending review 2010, the government announced that the grant used to fund council tax support would be reduced by 10%. The government also set that people who are older than pensionable age could not be adversely affected by the new localised scheme and that the scheme should have regard to the council’s existing duties such as the equality duty.
- 11. The funding arrangements for council tax support were different to those of the previous Council Tax Benefit scheme. Previously, the benefit was awarded according to the number of claims made throughout the year and then the council claimed subsidy from DWP for the amount of expenditure. Council Tax Support funding is allocated as a fixed amount by the Department for Communities and Local Government (DCLG) in the Local Government Finance Settlement. The funding receivable by Chorley Council for 2013/14 was £0.753 million, but from 2014/15 onwards Council Tax Support funding is no longer identifiable as a separate allocation, as it is within the revenue support grant.
- 12. Last year, the council agreed a new council tax support scheme and changes to the discounts and exemptions given to empty properties which would meet the need to identify savings to cover the estimated shortfall in funding. The additional savings required came from reducing the maximum amount of council tax support by 7.5% for working aged claimants and from reducing discounts and exemptions that applied to second homes and certain types of empty properties.
- 13. After a large consultation exercise from October to December 2012, a localised council tax support scheme and changes to discounts and exemptions for empty properties and second homes were approved by full council. This was implemented 1 April 2013.

14. Since April, all working aged tax payers have at least 7.5% of their council tax liability to pay. Chorley's scheme for 2013/14 is calculated the same way as the previous Council Tax Benefit scheme, which means that higher levels of support are awarded for households with disabilities, carer needs and families with children with the only change being that the final benefit award is cut by 7.5% for all claimants of working age.
15. At the same time, changes were introduced to the discounts and exemptions from council tax. These are summarised in the table below:

Class	Pre- April discount	Arrangements since April
Class A: a vacant property which requires, is undergoing, or has recently undergone major repair work to make it habitable, or structural alteration	100% for 12 months	50% for twelve months
Class C: Empty, unoccupied and unfurnished property	100% for 6 months	<ul style="list-style-type: none"> • 50% for 0-6 months • 25% for 6-24 months • Full charge + 25% from 24 months
Second homes: homes that empty but furnished and the owner has their main home elsewhere	50%	No discount

16. It was agreed that the council tax support scheme and changes to discounts and exemptions would be reviewed part way through the financial year to determine whether changes needed to be made for future years.

REVIEW OF THE COUNCIL TAX SUPPORT SCHEME

17. A review of the council tax support scheme which has been in operation since the beginning of April has been undertaken in terms of the number of claimants, the expenditure on the scheme and the amount of council tax that has been collected.

Current caseload and expenditure

18. The table below shows council tax support expenditure and caseload numbers for the four main claimant group types as at 7 Oct 2013. The expenditure figure is the amount of council tax support awarded. The 'count' is the number of recipients.

Group description	Count	Expenditure
Elderly – Non-passported	1,324	£901,462
Elderly – Passported	2,374	£2,146,056
Working age – Non-passported	1,502	£916,232
Working age – Passported	2,712	£2,132,607
Total	7,912	£6,096,358

NB:

Passported means those receiving Income Support, Jobseekers Allowance, Employment Support Allowance (Income Based). This group are households who are living below their needs level. Their needs level has been set for this group by DWP according to their household needs (for example needs for children, disabilities, carer needs).

Non-Passported means those who still qualify for help towards their Council Tax costs but who may have low income or receive other 'non-passported' benefits such as Jobseekers Allowance (Contribution based) or Employment Support Allowance (Contribution based). This group have low income but do not automatically receive maximum council tax support. This group would include those actively seeking work.

Change in demand and expenditure

19. As illustrated in the table below, council tax support caseload has reduced during the first half of 2013/14:

Caseload	April 13	Oct 13
Elderly – Non-passported	1,324	1,324
Elderly – Passported	2,440	2,374
Working age – Non-passported	1,580	1,498
Working age – Passported	2,775	2,736
Total	8,139	7,932

20. The expenditure for council tax support has also reduced:

Expenditure	April 13	Oct 13
Elderly – Non-passported	£902,098	£901,397
Elderly – Passported	£2,202,731	£2,1695,180
Working age – Non-passported	£956,212	£926,714
Working age – Passported	£2,177,221	£2,159,969
Total	£6,238,264	£6,157,261

21. The largest decrease in caseload has been from the working age non-passported claimant group.

Collection rates

22. The modelling undertaken during the development of the council support scheme estimated the collection rate for council tax due from the working age passported group would be 50%. This is the group that would previously have had received the maximum council tax benefit and so were not liable to pay council tax. Since April, under the new support scheme, they have been liable for 7.5% of their council tax. At the end of November, 40.8% of the council tax from that group has been collected, exceeding the estimates from the modelling.
23. In addition, monitoring has been undertaken of the collection rate for all council tax support claimants. This includes claimants who receive the maximum council tax support. The collection rate for all claimants at the end of November is 62.6%, compared to 75.77% for all tax payers.

Summons

24. Although the collection rate for council tax support has been better than estimated, there has been an increased volume of summonses issued for non-payment. There have been more summonses issued in the period to December than in the whole of 2012/13.

Total summonses issued April-December 2012/13	Total summonses issued April – December 2013/14	Total summonses issued 2012/13
2,423	3,400	3,255

25. 1,748 of the summonses issued during 2013/14 relate to people who have received council tax support. Of these, some pay the principle debt before the court hearing and so the summons are cancelled. For claimants who receive certain benefits, an attachment can be placed on those payments (of £3.60 per week) to recover the debt. 515 attachments of benefits have been made in this financial year.
26. No formal complaints have been received about the changes made to council tax support.

REVIEW OF DISCOUNTS AND EXEMPTIONSCurrent numbers

27. The number of tax payers affected as at December 2013 by the changes to discounts and exemptions is set out in the table below:

Property type	Number affected
Class A changes (empty and undergoing major repair work) 100% charge	66
Class C changes (properties empty and unfurnished from 0-6 months) 50% charge	528
Class C changes (properties empty and unfurnished from 6-24 months) 75% charge	347
Class C changes (properties empty and unfurnished over 24 months) 125% charge	201
Second Homes (empty but furnished) 100% charge	154

28. One of the stated aims of the changes made to discounts and exemptions was to reduce the number of long term empty properties in the borough. There has been a significant reduction in properties that have been empty for more than two years; from 287 in March to 201 in December.

Collection rates

29. The estimated collection rate used for modelling purposes during the development of the scheme for properties affected by the changes to discounts and exemptions was 80%.
30. The collection rate at the end of November was 63.8%, which should lead to a collection rate higher than 80% by the end of the financial year.

Issues and complaints

31. Five formal complaints have been received during the year relating to the changes made to the discounts and exemptions for empty properties. Two of these related to the consultation on the changes, two were received from landlords about empty properties and the final one related to financial hardship that the change would cause. None of the complaints progressed beyond stage one in the complaints process.

PROPOSALS FOR 2014/15

32. It is proposed that the council tax support scheme remains the same for 2014/15 as has been in operation for 2013/14. This uses the same calculations as the council tax benefit scheme, with a 7.5% reduction in support for working age claimants.
33. The discounts and exemptions for empty properties and second homes will also remain unchanged for 2014/15.
34. Given both elements of the scheme have been implemented successfully, and do not appear to have caused widespread issues with affected groups, the continuation of the schemes will allow some consistency over time and will enable the council to monitor and review the impact of the scheme once it has been in place for a full financial year.

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. In December 2013 the National Audit Office (NAO) published its report on the implementation of Council Tax Support by DCLG and local authorities. Within that report is a recommendation that DCLG should consider continuing to compensate local authorities for the cost of administering Council Tax Support schemes. This council receive £84,000 in 2012/13 towards the cost of implementing the scheme, and £58,978 “new burden” funding in 2013/14. At present, it is assumed that a similar figure would be receivable in 2014/15, but not subsequent financial years.
37. Also in 2013/14, this council qualified for a transitional grant of £19,890, which is not receivable in subsequent years.
38. Variances from budgeted Council Tax income, discounts and collection rates are dealt with in the calculation of the estimated surplus or deficit on the council’s Collection Fund. During 2013/14 the budgeted precepts will be paid from the Collection Fund to Chorley Council’s General Fund, the parish councils, Lancashire County Council, the Police & Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority. The estimated 2013/14 surplus or deficit on the Collection Fund will be allocated to this council, county, police and fire in 2014/15.
39. In setting the Tax Base for 2013/14, and therefore the estimated net income from Council Tax, the budgeted cost of Council Tax Support discounts was increased to £6.510 million to allow for an increase in eligible claimants. The text of this report confirms that the forecast increase has not materialised and that the estimated cost in 2013/14 has actually reduced. In estimating the surplus for 2013/14, I have reduced the estimated cost of Council Tax Support discounts by £0.310 million to £6.200 million. This is a little higher than forecasts quoted in this report, but any year-end variance would be reflected in the surplus or deficit carried forward to 2014/15 for distribution in the following year.
40. In respect of the Collection Fund’s Council Tax income before discounts, the budgeted total (including the effect of technical changes and growth) was £56.132 million. In estimating the surplus or deficit for the year on the Collection Fund, the forecast has been increased by £0.327 million to £56.459m. I have also reduced the provision for bad debts by £0.038 million. Finally the difference between the actual Collection Fund surplus brought forward from 2012/13 and the estimated surplus distributed in 2013/14 is £0.112 million.
41. Taking all of these changes together, I have estimated that there should be a Collection Fund surplus of £0.788 million in 2013/14, which would be distributed to this council, county, police and fire in 2014/15. The split of the surplus is £102k to Chorley Council and £686k to the other preceptors. This estimate has been provided to Lancashire County Council to assist in budget preparation.
42. Performance in 2013/14 indicates that implementation of Chorley’s Council Tax Support scheme, and of the technical changes, has been achieved within budget. However, from 2014/15 onwards it is no longer possible to monitor the net cost of Council Tax Support because the Government funding is not identified as a separate resource allocation in the Local Government Finance Settlement.

43. If the scheme continues unchanged, and the change to the discount for empty and unfurnished properties is agreed, the Council Tax Base for 2014/15 would take this into account.

COMMENTS OF THE MONITORING OFFICER

44. The proposed scheme fulfils the statutory requirements by protecting those of pensionable age and having regard to the impact on groups categorised as vulnerable. The proposal is within the scope of the legislation.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Background Papers			
Document	Date	File	Place of Inspection
Local council tax support scheme and changes to discounts and exemptions	8 January 2013	Council report	http://cbc-us-mod/ieListDocuments.aspx?CId=114&MId=3307&Ver=4

Report Author	Ext	Date	Doc ID
Julie Riding / Chris Sinnott	5337	7 January 2014	Localised council tax support Exec Cabinet report

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Report of	Meeting	Date
Executive Cabinet (Introduced by the Executive Member for Resources, Policy and Performance)	Special Council	25 February 2014

GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2014/15

PURPOSE OF REPORT

1. To seek approval of the Executive's budget proposal including the Council Tax yield to be received in 2014/15.

RECOMMENDATION(S)

2. The Executive recommends that Council:
 - a) Approves the budget and proposals set out in this report including:
 1. Council Tax set out in the resolutions (at Appendix A1).
 2. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April subject to the changes proposed and included in this report at paragraph 43 and Medium Term Financial Strategy (at Appendix F and F1).
 3. Maintain the fees and charges in Appendix A3 at current 2013/14 levels.
 4. Business Rates - Local Discounts Relief Policy (at Appendix A4).
 - b) Approve the Capital Programme to 2016/17 (Appendices B1, B2, and B3).
 - c) Approve the Budget Investment Package Report (Appendix C and C1).
 - d) Approve the Treasury Management Strategy and its core principles set out in Appendix D.
 - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E.
 - f) Approve the Council's Medium Term Financial Strategy (MTFS) (at Appendix F and F1).
 - g) Note Significant Budget Movements from the 2013/14 Budget (at Appendix G and G1).
 - i) Note Special Expenses and Parish Precepts (at Appendix H).
 - j) Note the Budget Consultation 2014/15 report (at Appendix I).
 - k) Note the Assessing the Impact of Budget Proposals 2014/15 report (at Appendix J).

EXECUTIVE SUMMARY OF REPORT

3. This is the second budget set by the Administration which aims to allocate resources within the approved budget to enable delivery of the Corporate Strategy and the priorities stated within it. The Executive has successfully delivered the 2013/14 budget and also contained spending. Significant budget efficiencies in the sum of £0.938m have been achieved. This is sufficient to address the budget deficit position in 2014/15 and also present headroom in the budget of £0.040m to fund recurring investment in the base budget. Budget savings to provide headroom next year and reduce the budget deficit over the longer term have been implemented concurrently with delivering the New Investment Package.

4. The Executive presents a budget that:-

- **Freezes Council Tax for a second year in 2014/15.**
- **Addresses the previously forecasted budget deficit position for 2014/15 in advance of the year delivering £0.938m worth of budget savings.**
- **Contains headroom of £0.040m in the budget for 2014/15 to fund recurring investment.**
- **Does not contain cuts to front line services.**
- **Delivers Revenue and Capital New Investments totalling £1.3m in 2014/15.**
- **Brings the total committed to New Investments since 2013/14 to £4.1m.**
- **Is consistent with the Corporate Priorities and aims to bring income into the Council.**
- **Is consistent with the Medium Term Financial Strategy.**
- **Reduces the Council's borrowing commitment to fund the Capital programme.**

5. The budgetary resources allocated are consistent with, the following key priorities in the Corporate Strategy:

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

6. Council Tax Yield 2014/15

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

7. The Administration is able to freeze Council Tax for a second year so Council Tax will remain at the same level that it was in 2013/14. This enables the Council to take advantage of the grant that is available for a two year period. This freeze has been facilitated by the successful implementation of the budget efficiency programme in advance of the financial year. Budget savings have been secured and headroom created to fund recurring budget investment in 2014/15 and onwards. This action has been taken to redress the significant budget deficit position and growing risk of core funding volatility.
8. For freezing Council Tax in 2014/15 the Council will receive a freezing grant of £66k in 2014/15 and 2015/16 at which point all Council Tax freezing grants will cease. It is evident from the budget forecasts contained in the Medium Term Financial Strategy (MTFS) that the Council will be presented with a challenging financial outlook over the longer term. The Executive is mindful that a sustainable approach needs to be taken in order to deliver a Medium Term Financial Strategy (MTFS) that achieves the optimum beneficial state of delivering ambitious investment and regeneration within the local area as well as addressing the current forecasted budget deficit.
9. Budget consultation has been undertaken and the results rank the nine items below in the following priority order:-

1 st	Supporting businesses and improving the local economy
2 nd	Supporting healthier communities
3 rd	Supporting residents who are struggling financially
4 th	Supporting safer communities
5 th	Improving the town centre
6 th	Delivering a cleaner Chorley
7 th	Neighbourhood working
8 th	Putting on events
9 th	Improvements to play areas

10. The New Investment Package, which totalled £2.824m last year, continues and provides a further £1.319m for Investment in 2014/15 making the two year programme total £4.143m.
11. Headroom of £0.40m has been achieved in 2014/15. This provides an opportunity to build proposed new investment into the budget on a recurring basis, £30k (subject to final evaluation) for a Meals on Wheels service and £10k for the proposed amendment to the Pay Policy in respect of Apprentices receiving the relevant National Minimum Wage as included in Appendix A2. A Meals on Wheels service, currently receiving positive feedback during its trial period, is aimed at connecting communities through food to overcome social isolation (detailed project mandate is available in Appendix C1).
12. The proposed New Investment package over the two years has delivered projects across the priorities in the Corporate Strategy consistent with the results of the consultation exercise.

Two Year Investment Programme 20213/14 to 2014/15

Priority	Total £m
A strong local economy	2.002
Clean, safe and healthy communities	0.988
Involve residents in improving their local area and equality access for all	0.608
An ambitious Council that does more to meet the needs of residents and the local area	0.545
TOTAL TWO YEAR INVESTMENT PROGRAMME	4.143

13. Budget management performance in 2013/14 has been strong. As a result the budget gap for 2014/15 has already been closed. The main contributing transaction being the purchase of Market Walk which not only delivers significant additional budgeted income with immediate affect but also provides further income generating opportunities. Together with restructuring budget efficiencies this significantly improves the budget’s financial resilience in response to increasing budgetary pressures caused mainly by the erosion of core funding and also the increased exposure to the risk.
14. The budget forecasts in the MTFS indicate that the Council’s budget deficit will be in the region of £2.200m by 2016/17. It is important to note, however, these estimates are based on a number of assumptions that may be subject to review and change. The key assumptions that are potentially of high value, and therefore impact, are listed below:

15. **KEY BUDGET ASSUMPTIONS**

Assumption	2014/15	2015/16	2016/17
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 and 2015/16	£0.066m	£0.131m	-
Reduction in Grant Settlement	£0.878m	£0.875m	£0.350m
Profiled reduction in Grant Settlement	(13.5%)	(15.6%)	(7.4%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.236m	£2.886m
Net Financing of Market Walk	£1.011m	£1.011m	£1.011m
Additional Business Rates Retained 2014/15	-	£0.503m	£0.503m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.710m	£0.832m	£0.956m
Supporting People Income from LCC	£0.156m	£0.147m	£0.138m
Pay Award	1.0%	1.0%	1.0%

16. The budget papers also contain two policies for approval. The 2014/15 Pay Policy as referred to above and set out in Appendix A2 and the Local Discounts Discretionary Rate Relief Policy attached in Appendix A4. (Reference paragraphs 43 and 38 respectively below).

17. The Capital Programme is contained in Appendices B1 to B3 and includes the financing of short term assets by budget underspend efficiencies achieved in 2013/14. This in itself results in further budget savings as the borrowing commitment of the Capital Programme is reduced as per the key objectives of the Council's Medium Term Financial Strategy in respect of its debt position. The largest single investment being £1.0m for the Public Realm works in the Market Street Development project.
18. Moving on from the immediate future and the budget proposals for 2014/15, the budget also presents a Medium Term Financial Strategy that aims to balance the budget, secure financial resilience to mitigate risk over the longer term. In order to protect the provision of front line services in the borough the MTFs focusses on bringing additional income into the Council through a series of options that seek to maximise income generation opportunities in addition to further cost efficiency savings.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

19. To ensure that the Council complies with the requirement to set the budget for 2014/15.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

20. None.

CORPORATE PRIORITIES

21. 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	✓

22. The Executive published the outline budget and summary MTFS at the Executive Cabinet meeting on 16th January 2014 setting out its intention for spending and investment in the borough for the forthcoming financial year 2014/15. These papers expand upon that report and set out in more detail for Council the Executive's budget proposals for 2014/15.

BUDGET CONSULTATION

The outline budget proposals were agreed by members in a report to Executive Cabinet on 16th January 2014. Public consultation was based on priorities outlined in the report, with residents being asked to provide their opinions on:

- the proposed investment areas, which were grouped into nine categories; and
- what else the council should be investing it money in.

The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive.

Consultation was primarily carried out through an on line survey, however paper copies of the survey were available on request. It was widely promoted through the Council's website, local press, social media and invitations to take part were also emailed to a number of groups including parish council clerks, the VCF sector network, the equality forum and 150 residents who had recently responded to our customer satisfaction survey.

The results of the consultation ranked the nine items below in the following priority order:-

1 st	Supporting businesses and improving the local economy
2 nd	Supporting healthier communities
3 rd	Supporting residents who are struggling financially
4 th	Supporting safer communities
5 th	Improving the town centre
6 th	Delivering a cleaner Chorley
7 th	Neighbourhood working
8 th	Putting on events
9 th	Improvements to play areas

These results are also reflected in the continued New Investment Programme totalling £4.143m since 2013/14 as summarised in the table below. The proposed New Investment Package for 2014/15 is explained further in a later section within this report.

Two Year Investment Programme 2013/14 to 2014/15

Priority	Total £m
A strong local economy	2.002
Clean, safe and healthy communities	0.988
Involve residents in improving their local area and equality access for all	0.608
An ambitious Council that does more to meet the needs of residents and the local area	0.545
TOTAL TWO YEAR INVESTMENT PROGRAMME	4.143

In summary the budget proposals below include:

- **Freezing Council Tax for a second year in 2014/15**
- **Budget performance during 2013/14 to achieve headroom in the budget for 2014/15 prior to the financial year**
- **Two New Investments proposals of £0.040m to be built into the base budget to be funded from 2014/15 headroom**
- **A second year of proposed New Investments supporting the corporate priorities**
- **Reduced borrowing commitment within the Capital Programme**

23. The budget proposed in this report includes the freezing of Council Tax in 2014/15 for the second year. This proposal entitles the authority to claim the Council Tax Freeze grant made available from Central Government. This will be the second consecutive year that the Council has frozen its Council Tax. The grant received will equate to a 1% increase in total Council Tax income of £66,000 paid for a period of two years in 2014/15 and also 2015/16. Acceptance of this funding does not prevent local authorities from approving council tax increases for future years after 2014/15 although the budget forecast over the medium term set out in Appendix F1 is currently based on the assumption that there will be no Council Tax increases.
24. The forecasted budget in Appendix F1 in the Medium Term Financial Strategy (MTFS) contains the current budget that has been updated to take account of changes to the net cost of existing services. For example, inflation, changes in volumetrics and policy changes made by the Council during the current year as part of the in-year budget management process. Also set out in the Council's MTFS Appendix F1 is an analysis of the year on year changes over the next financial planning period 2014/15 to 2016/17.
25. **Budget Management Performance 2013/14.**
26. A key influencing factor on the forthcoming budget is the effective management of the budget in the proceeding financial year. The table below demonstrates where recurring budgetary changes have occurred over the main budget categories reducing the total Directorate Budgets from £14.3m (2013/14) to £12.7m (2014/15), more details are provided in Appendices G1 and G2. The table demonstrates the extent to which increasing inflationary cost pressures impact on the budget and budget efficiencies required to contain them.

Budget Category	Recurring Items £000	Movement £000	Mainly attributable to:-
Total Directorate Budgets 2013/14 incl. NHB temporary funding		14,303	
One year growth items		(994)	Remove temporary increase to fund New Investment Package in 2013/14
New Homes Bonus		(532)	Transfer NHB funded items not in Base Budget (recurring investment £235k and £297k PCSOs)
Sub Total Base Budgets excl. New Investments		12,890	
Employees	(232)		MTFS budget savings offset by pay-award assumption and increments
Pension Costs	100		Incremental increase and impact of pay award
Premises	42		Inflationary increases
Transport, Supplies and Services and Housing Benefits	58		Minor changes
Contracts	138		Inflationary increases
Market Walk Net Income	(442)		Net additional Income from purchase of Market Walk
Income	117		Car Parking Tariff change to promote use of the Town Centre
Sub Total – Recurring Items		(219)	
One off movement in 2014/15 offset by Earmarked Reserves		113	Planned increases funded by earmarked reserves previously set aside e.g. election costs
Total Directorate Budgets 2014/15		12,671	

27. Balancing the budget in advance of 2014/15 and providing headroom of £0.040m has been achieved by effective budget management throughout 2013/14. The budget management decisions made, and their impact on the budget deficit, are listed in the MTFS in Appendix F1. The budget savings made are on a recurring basis and total £0.938m are as follows:-

- Market Walk £0.492m – The purchase of Market Walk has brought an additional £0.492m into the budget so far on a recurring basis. After a provision has been made of £0.050m in an equalisation account to mitigate against the financial risk of temporary void units the net contribution in the budget is £0.442m. This acquisition is a major feature of the Town Centre and supports the Council's corporate priorities whilst also presenting further opportunities to increase the financial benefits already realised. The project not only serves to strengthen the financial resilience of the Council it also brings additional income into the borough.
- Transformation Strategy Savings £0.367m – Mainly attributable to restructuring approved in Health, Environment and Neighbourhoods, Transactional Services and Strategic Housing and the amendments made in the Pay Policy with effect from April 2013 with regard to senior managers pay.
- Base budget review £0.094m – An in year challenge process for non-employee costs the detail of which is set out in Appendix G.

- Review of Property Management function (£0.035m) – The review into this function has not been completed yet but the project to look at the viability of bringing the service back in house has prompted an offer of a contract savings proposal. Therefore, budget savings have already been secured irrespective of the final outcome of the project. The final outcome may well achieve further savings and these will be brought into the base budget when known.
- Police Community Support Officers (PCSOs) (£0.297m) – The continuation of the service provided by PCSOs is to be funded from NHB receipts in 2014/15 and beyond if required. As the Police and Crime Commissioner (PCC) has announced that commitment to the service will only be provided on an annual basis, this matches the function with annually available funds should the service be withdrawn by the PCC in the future.

28. In addition to securing recurring budget efficiencies for 2014/15 and beyond the in-year underspend achieved against the budget in 2013/14 is available to be used to finance short life assets in the 2014/15 Capital Programme. This reduces the Council's borrowing requirement and contains its debt position that also realises a budget saving in the revenue account. This is consistent with the overall budget objectives within the MTFS.

29. **Budget Forecast 2014/15 to 2016/17**

30. Members will be aware that the outlook for public sector finances is uncertain with regard to the scale of core funding cuts possibly leading to the total erosion of Revenue Support Grant (RSG). More significant, however, is the fact that core funding streams will continue to be exposed to the risk of fluctuations on an annual basis. This has been brought about by the transition from a system of formulae grant set on a quadrennial basis to an annual announcement that has been fundamentally changed. New Homes Bonus (NHB) and Business Rates Retention (BRR) are especially vulnerable to large scale annual variations both in terms of their level of funding realised and also to changes made to their technical frameworks by Central Government.

31. Despite this uncertainty budget forecasting remains an integral component of the budget setting process to strengthen financial resilience through effective budgetary planning. The MTFS therefore has been compiled based on some assumptions with the key assumptions listed below:

32. **KEY BUDGET ASSUMPTIONS**

33. The table below shows the key assumptions made in forecasting forward the Council's financial position. Please note these do not determine what might actually happen in future years, particularly with regard to Council Tax levels as these are determined annually based upon the latest up to date information. In recent years the budget assumptions list has been expanded to reflect that the total overall funding regime change is shifting to a compilation of more uncertain and variable processes and influencing factors. The scale of risk and its potential impact on the budget is evident from some of the further information and key messages below.

Assumption	2014/15	2015/16	2016/17
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 and 2015/16	£0.066m	£0.131m	-
Reduction in Grant Settlement	£0.878m	£0.875m	£0.350m
Profiled reduction in Grant Settlement	(13.5%)	(15.6%)	(7.4%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.236m	£2.886m
Net Financing of Market Walk	£1.011m	£1.011m	£1.011m
Additional Business Rates Retained 2014/15	-	£0.503m	£0.503m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.710m	£0.832m	£0.956m
Supporting People Income from LCC	£0.156m	£0.147m	£0.138m
Pay Award	1.0%	1.0%	1.0%

34. Council Tax and Council Tax Freeze Grant

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

35. Local Government Finance Settlement

No additional reductions have been formally announced after 2015/16, however, the Chancellor of the Exchequer has announced that a further £25bn will need to be reduced from public sector spending and the austerity measures will continue for some time to come. Therefore the assumed trend has been acknowledged with a estimated provisional reduction in RSG of £0.350m in 2016/17. The next Comprehensive Spending Review (CSR) is due to take place in 2014 and is expected to contain the extended austerity measures and core funding cuts for local authorities from 2015/16 onwards. How this will be profiled across public sectors remains unknown.

36. New Homes Bonus

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

37. Net Financing

The budget savings achieved by the purchase of Market Walk are shown after the financing costs have been accounted for. Currently the budget contains the financing costs of £1.011m which equates to the cost of all external borrowing being used to finance the purchase. There are other options available which include borrowing all funds from internal cash balances and also the option to use a mixture of both. As borrowing shifts from external borrowing to internal borrowing the cost reduces. The factors that determine the optimum mix are: the amounts of cash balances available; the loss of investment income on those balances, and the direction of travel in respect of interest rates for external borrowing. The budget assumption above reflects a status of all borrowing being externally provided, however, any proportionate or total shift to internal borrowing will reduce this cost and provide further in year budgetary savings. Estimates indicate that budget savings of 0.330m could be realised dependent on the availability of internal cash.

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

BRR was implemented on 1st April 2013 so this is the first year of operation for the new funding regime. Local authorities are now allowed to retain a proportion of any additional income generated from growing the tax base for businesses in their local area. Although this new scheme means that some of the financial benefit of net tax base growth is realised by the authority, it also results in some of the risks of collection also transferring to local authorities. Within these new arrangements it is important to note that there are a number of externally determined variables that directly impact on the level of funding actually received in year. Although we continue to collect the business rates for this area (circa £36m), the net movement in the business rate annual rate poundage is determined by central Government; losses on collection is impacted upon by the national economic environment, and, reductions in Rateable Value due to appeals are determined by, and the responsibility of, the Valuation Office Agency (VOA).

As part of this new grant regime the Government determines our Start-Up Funding Assessment level for 2013/14 with reference to previous actual performance. This being £5.131m comprising of Revenue Support Grant - £3.081m and Baseline Funding Level - £2.050m. As an incentive to local authorities any additional income generated as a result of net growth in business rates will be retained according to the proportionate shares of the precepting authorities (with the exception of Police and Crime Commissioners) and by reference to the Baseline Funding Level.

In addition to all the above, performance in comparison to the Baseline Funding Level is also impacted upon by any changes made to the technical accounting framework by Central Government. Indeed high value technical changes have very recently been disclosed which means the system's potential for in year instability poses an even greater risk to financial planning than that previously anticipated.

It is therefore proposed that any additional funds that are forthcoming from BRR are not built into the base budget until there is some certainty about accuracy of both the forecasting and BRR accounting process. In essence, this will mean building any additional income into the base in the second year of receipt rather than the first year. As a consequence in 2014/15 there is a possibility that an additional sum of £503k could be received representing the Council's share of additional Business Rates retained under the new arrangements. This increase in estimated income has only been included in the base budget from 2015/16. This is a similar treatment to that currently applied to NHB received after 2012/13 albeit for a temporary period. That is, the base budget is not reliant on its receipt until after it has been achieved. Although this treatment is similar to NHB receipts, it is for different reasons. The question mark over NHB as a secure funding stream is its longevity within the total core funding regime. The critical issue with BRR is not its permanency but rather its sensitivity to large scale movements and volatility in terms of both its technical framework, which continues to be revised, and its Tax Base.

Business Rates Retail Relief – As part of the autumn statement the Chancellor of the Exchequer announced that:

- a discount of £1,000 would be available from 1st April 2014 for shops, pubs, restaurants with a Rateable Value (RV) of £50,000 or below for two years up to the state aid limits;
- an 50% business rates relief for 18 months would be available for business that move into retail premise that have been empty for a year or more;
- the above two measures should be delivered through local authority discount powers (under s47 of the Local Government Finance Act 1988);
- Central Government would undertake to provide funding in full via Section 31 grant funding.

A proposed policy is attached in Appendix A4 in respect of awarding the above measures

39. Pension Fund - Triennial Review

The triennial review of the Pension Fund will impact on the budget with effect from 2014/15. The impact is complex with two applicable factors within the review impacting on the budget. Firstly, the fund's valuation has suffered negatively due to the current criteria, this means that progress in making up the fund's deficit position has not been as effective as originally expected.

Secondly the Employers' Contribution, which is a budgeted cost to the Council, is to be calculated in a different way. Up until now one contribution rate has been paid although in reality it was a consolidation of two elements that is, (i) the contribution for current members (future service contribution) and (ii) a contribution to make up the fund's deficit and achieve a fully funded position over a period of 19 years. This consolidated rate was calculated as a straightforward percentage applied to the pay bill of pension fund members. The change has been brought about due to the widespread reduction in public sector pay bills, and by default, the erosion of deficit contributions which has effectively slowed down the rate of recovery. To overcome this issue the deficit element of the contribution will now be paid as a pre-determined cash amount that will not fluctuate in accordance with pension fund membership numbers and will total £2.498m over the next three years.

In summary, the Budget Assumptions in the current year's MTFS contained a Pensions Fund Employers' Contribution rate of 20.3% of salaries, this rate will reduce to 11.1%, however, it will now be coupled with a cash payment towards the deficit initially budgeted at £0.710m for 2014/15. Despite this significant change in approach the overall cost over the triennial review period is broadly in line with that already brought into the Council's MTFS.

40. Supporting People Income from LCC

Lancashire County Council has confirmed that contract extensions in respect of supporting people have been provided until 30th September 2014. A more limited period has been introduced to provide LCC with sufficient time and flexibility to review the services provided. The income currently in the base budget is circa £150k per annum which may be reduced or retracted on 30th September 2014 depending on the outcome of LCC's service reviews.

41. **OTHER KEY BUDGET CONTENT**

42. Council Tax Support Scheme

The other fundamental change made to core funding from April 2013 was the Council Tax Support Scheme which replaced Council Tax Benefit with a localised Council Tax Support charge in response to reductions in government grant subsidy. The new arrangements also reduced the available funding for the scheme to 90% of the previous level of funding. The Council scheme introduced in 2013 means that some Council Tax payers are required to pay a level of Council Tax for the first time or at an increased amount. The Council is required to renew the Council Tax Support Scheme annually and this review took place in January 2014. The subsequent financial affect on Parish and Town councils of £38k has also been included in the Council's budget for 2014/15, however, this will be reviewed on an annual basis.

43. Pay Policy 2014/15

The budget has also been constructed in accordance with the Council's Pay Policy. The Localism Act requires that the Pay Policy is approved formally by the Council and published on the website in April 2014/15. The updated policy is attached at Appendix A2 and makes provision for the increase of the current Living Wage rate to £7.65 per hour and proposals to deal with potential future increases to the Living Wage rate. The pay policy has also been updated to reflect the 1% national pay award effective from 1st April 2013, and proposed changes to pay apprentices the national minimum wage rate relevant to their age.

AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES

44. Investment in priority areas in 2013/14 delivered a number of schemes for both residents and businesses. It achieved more attractive neighbourhoods through proactive targeting of 80 neighbourhood grot spots and installation of new street furniture including cycle stands and picnic benches in Astley Park. Communities are now more engaged through the establishment of regular neighbourhood area meetings, over 750 volunteers signed up to the Chorley Time Credits scheme and a successful programme of campaigns and events including Chorley Live.

45. Support for businesses has been strengthened substantially with the establishment of the business advice and support service, Choose Chorley Networks and work to improve the town centre including the improvements to Market Street and the development of the Town Centre Masterplan. Chorley Credit Union is also now recognised on the High Street with over 400 new savers and 330 smart loans. Through the Runshaw College joint support initiative, over 53 apprenticeship vacancies have been created with 20 supported by Chorley Council including many not previously in education, employment or training.
46. Both the Revenue and Capital budget contain significant new and continuous investments. The new budget investment package continues to focus on the corporate strategy priorities and is also consistent with the findings of the budget consultation process with the local community where supporting businesses and improving the local economy and supporting healthier communities were identified as the top scoring priorities (see Appendix I). The 2014/15 programme below is summarised further in Appendix C and also advanced enough in the planning stage to be set out in project mandates contained in Appendix C1.
47. The total investment programme since 2013/14 now totals £4.143m and is summarised below:-

Priority	2013/14 £m	New in 2014/15 £m	Year 2 of Investment started in 2013/14 £m	Total £m
Involve residents in improving their local area and equality access for all – TOTAL £0.608m				
Revenue investment	0.250	0.138	0.085	0.473
Capital investment	0.135			0.135
Clean, safe and healthy communities – TOTAL £0.988m				
Revenue investment	0.284	0.120	0.100	0.504
Capital investment	0.060	0.424		0.484
An ambitious Council that does more to meet the needs of residents and the local area – TOTAL £0.545m				
Revenue investment	0.160	0.055	0.050	0.265
Capital investment	0.280			0.280
A strong local economy – TOTAL £2.002m				
Revenue investment	0.655	0.347		1.002
Capital investment	1.000			1.000
TOTAL INVESTMENT PROGRAMME - £4.143m	2.824	1.084	0.235	4.143

48. The 2014/15 New Development Package listed below adds to the continuing projects set out in last year's budget proposal some of which lasted for more than one year. As per Appendix F1, total NHB monies available amount to £1.586m, this available pot is being invested as follows:-

	£m	£m
Revenue New Investment Package 2014/15	0.660	
Capital New Investment Package 2014/15	0.424	1.084
Year 2 of recurring 2013/14 Investment Projects		0.235
Sub Total New Investments		1.319
PCSOs		0.297
Total Investment Package 2014/15		1.616
Financed by:-		
Use of New Homes Bonus available in 2014/15	1.586	
Headroom created in the budget in 2014/15	0.030	1.616
Fully Financed in 2014/15		1.616

Investment Area (Revenue)	2014/15 Amount £	2015/16 Amount £
Deliver Agreed Neighbourhood Priorities	50,000	
16/17 young person's drop in scheme	21,000	
Britain in Bloom	10,000	
Connecting Communities through food to overcome social isolation	12,000	
Meals on Wheels Service *	30,000	
Expand the food bank	15,000	
Extension & improvement of street furniture	35,000	
Play and Open Space Strategy	50,000	
Free Swimming	8,000	
British Cycling, Tour of Lancashire * *	20,000	45,000
Mediation for Anti-Social Behaviour disputes	7,000	
Employee health scheme	20,000	
Campaigns and promotions	20,000	
Deliver Chorley Council energy advice switching service	15,000	
Inward investment delivery	100,000	
Town Centre Masterplan	35,000	
Support the expansion of local businesses (BIG grant)	40,000	
Support the expansion of local businesses	5,000	
Business Start-up Support Scheme	67,000	
Town Centre & Steeley Lane Pilot Action Plans ***	100,000	100,000
Total (Revenue)	660,000	145,000

*Meals on Wheels scheme of £30k to be built into the base on a recurring basis financed from budget headroom created in 2014/15.

**The tour will be staged in 2015/16 and requires a further £45k in 2015/16 and will have priority call on available NHB funds.

***Phased over two years at £100k in both 2014/15 and 2015/16, also has priority call on NHB receipts available in 2015/16.

49. New 2014/15 Capital Programme investments to be funded from NHB are proposed:

Investment Area (Capital)	2014/15 £000	2015/16 £000	
Regeneration Projects	100		
Astley Hall & Park Development (Capital works to be phased over two years)	50	25	Astley Play area – extra
	100	100	Event Parking
	5	5	Events Staging
	40	40	Footpath Lightning
	15	15	Sensory Garden
	18	18	Street Furniture
	15	15	Steps & footpath improvements
	81		Other proposals
Sub Total Astley Hall and Park Development	324	218	
Total Investment (Capital)	424	218	

50. The Capital Programme is set out in detail in Appendix B1 covering the proposed capital schemes to support the Corporate Strategy together with the planned financing arrangements. The Capital Programme also contains a further £0.305m for Astley Hall and Park Development bringing the total investment to £0.629m in 2014/15.

CAPITAL PROGRAMME

51. Section B of the Budget Monitoring Report to Executive Cabinet on 13th February 2014 reported the estimate of expenditure for 2013/14 and the forward projections to 2015/16 based on information up to 31st December 2013.

52. There are some amendments in respect of the forecast of expenditure for 2013/14 and additions to the budget in future years.

53. The estimates used to produce the new three year capital programme rely on the most up to date forecast of outturn for 2013/14. As of 31st January 2014 estimated spend on capital projects in 2013/14 is £26.584m (£3.243m excluding the acquisition of Market Walk). The breakdown by scheme of 2013/14 forecasted expenditure and the proposed new capital programme 2014/15 to 2016/17 is contained in Appendix B1.

54. A budget of £1.00m to redevelop Market Street has been added to the programme in 2014/15. A section 278 agreement is due to be signed which will contribute £0.700m to the project of improvements to traffic management and public realm in and around the new ASDA. In addition Lancashire County Council is contributing £0.100m and the council will add £0.200m, which already has budget approval, from the Regeneration Programme.

55. The Housing Renewal Budget has been accelerated by £100k from 2014/15 to fund the acquisition and clearance of the site at 2, Thirlmere Road.
56. Mineshaft treatment work has been completed this financial year at Rangletts Recreation Ground. In 2014/15 it is proposed to add £243k from section 106 reserves to complete a new allotment site, extend play area provision, provide overflow car parking and other hardworks (including lighting, footpaths and fencing). Recurrent budgets for 2016/17 have been added for Asset Management £200k, replacement bins £115k and £75k transferred from the Leisure Centre Improvement programme in 2015/16 to 2016/17.
57. The new capital investment proposals totalling £642k have been directed towards delivery of improvements to Astley Hall and Park and to the Regeneration Programme. They are outlined in the table above within the new investment section of this report and in Appendix C. They will be funded from the available surplus of New Homes Bonus.
58. The proposals contained in this report would create a capital programme as follows:-
- 2014/15 – £11.924m
 - 2015/16 – £1.305m
 - 2016/17 – £0.390m
 - **Total – £13.619m**
59. The cost of borrowing impacting on the revenue budget is being contained. Last year a revenue budget surplus of £450k was used to reduce repayments of borrowing on short life assets. In 2013/14 the latest forecasts indicate that £200k will be available to replace financing from borrowing. It is proposed to use this resource to fund replacement bins in 2013/14 and 2014/15.
60. The Capital Financing is set out below, anticipated borrowing for the period 2014/15 to 2016/17 totals £2.192m and is profiled in the table below.

	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
Prudential Borrowing	1.212	0.590	0.390	2.192
Prudential Borrowing Health Centre	6.650			6.650
Revenue Funding	0.358			0.358
Developer and Other Contributions	2.652			2.652
Government Grants	1.052	0.715		1.767
Total Capital Financing	11.924	1.305	0.390	13.619

61. Given the constraints on the level of resources available, the aim is to maximise the use of external funding where available and to limit the borrowing requirement. The depressed state of the property market means potential asset sales have been postponed until the market improves. Therefore there are no capital receipts available to fund new expenditure in 2014/15.
62. With regard to Chorley East Health Centre the proposal remains that a budgeted scheme is included in the 2014/15 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 £6.650m including land acquisition. The revenue budget cost of the borrowing required to implement this project will be covered by rental income and at no cost to the council.

63. The Council expects to receive further section 106 contributions in 2014/15. A schedule of the balance of section 106 funding carried forward into 2014/15 and proposed use going forward is attached in Appendix B3.

FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE

64. Contained in the Medium Term Financial Strategy (Appendix F) is a summary of the forecasted budgetary position facing the Council up to and including 2016/17. The MTFS forecast, based on the assumptions described above, projects that the budget deficit position may reach £2.200m by 2016/17. This estimate is based on the continuation of current service levels being delivered and is made pending the announcement of Central Government's next Comprehensive Spending Review due in 2014.
65. The key message is that the Council remains in a period of continued uncertainty and heightened exposure to risk due to the significant year to year fluctuations made possible by the current, and relatively new, core funding regimes. The strategy aims to address the budget gap taking a long term and sustainable approach whilst at the same time improving financial resilience.
66. Despite the degree of estimating within the budget and their possible movement over time, the Council must plan on some basis. This latest plan demonstrates that further significant savings will be needed over the medium term to balance the budget. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.

CONCLUSION

67. This paper outlines for the Council the Executive's budget proposals for 2014/15:
- Council Tax for 2014/15 will be frozen for a second year and maintained at the same level as in 2013/13 and 2013/14.
 - Budget efficiency savings of £0.938m have been secured in the budget in advance of 2014/15 to address the budget deficit forecasted in the previous MTFS.
 - Headroom of £0.040m is created to provide funding for proposed recurring investment in the budget. It is proposed to provide a Meals on Wheels service, subject to final evaluation, and amend the pay policy to incorporate the National Minimum Wage for Apprentices.
 - A package of Budget Investments can be funded consisting of revenue and capital projects. In 2014/15 the total investment is £1.084m which means that £4.143m has been invested from 2013/14.
 - Investments are consistent with the Budget Consultation result and will be made in key areas to support the new Corporate Strategy:
 1. INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.
 2. CLEAN, SAFE AND HEALTHY COMMUNITIES.
 3. AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.
 4. A STRONG LOCAL ECONOMY.

- Savings have been achieved from areas that have not reduced front line services supporting the Council in maintaining high performance.
- The Capital Programme continues to progress the MTFs objective of minimising its impact on the Council’s level of borrowing commitment and therefore improving its overall debt commitment. This has been achieved by funding short life assets via contributions from the revenue account as opposed to borrowing. This action enables the budget gap to be reduced and does not impact on service provision.
- The assumptions included in the budget have been assessed in the light of the latest information available at this time. They are also compatible with the Council’s proposed Pay Policy as set out in Appendix A2.

68. The MTFs contains the updated budget forecasts to 2016/17 which identifies that further budget savings will be required to bridge the funding gap in future years. Therefore the MTFs provides a plan to deliver a balanced budget over the longer term. Appendix F.
69. 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 in 2014 and performance against the BRR baseline funding level whilst also the Council’s income streams will remain under pressure. The overall approach to be adopted in terms of further efficiencies is set out in the Medium Term Financial Strategy which is appended to this report.
70. 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 2014/15
Appendix A2	Pay Policy 2014/15
Appendix A3	Fees and Charges Income 2014/15
Appendix A4	Local Discounts Discretionary Rate Relief Policy
Appendix B1	Capital Programme 2014/15 to 2016/17
Appendix B2	Capital Programme 2014/15 to 2016/17 Financing
Appendix B3	S106 and Similar Developers’ Contributions
Appendix C	Budget Investment Package Report
Appendix C1	Budget Investment – Project Mandates
Appendix D	Treasury Management Strategy 2014/15 to 2016/17
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2014/15 to 2016/17
Appendix G	Significant Budget Movements 2013/14 to 2014/15
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2014/15
Appendix J	Assessing the Impact of 2014/15 Budget Proposals

71. 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

72. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2014/15 to 2016/17 and the Statutory Officer's Report attached in Appendix E.

COMMENTS OF THE MONITORING OFFICER

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

COMMENTS OF THE HEAD OF HR AND OD

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

GARY HALL
STATUTORY FINANCE OFFICER

Background Papers:

Executive Cabinet 16th January 2014 – 2014/15 Budget and Summary Budget Position Over the Medium Term

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	10/02/14	Rev & Capital Budget Report

APPENDIX A2**PAY POLICY 2014/15
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 2014/15 and for each financial year thereafter, and must do so with regard to any guidance from the Secretary of State for Communities and Local Government. In addition the Policy must be agreed by the full Council and be publically available.

2. POLICY OBJECTIVE

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

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

3. CHORLEY BOROUGH COUNCIL'S RESPONSIBILITY

It is the Council's responsibility to ensure that:

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

4. OUTCOMES

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

POLICY PROCEDURE

1. SCOPE

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

2. PAY STRUCTURE

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

A copy of the nationally negotiated pay spine and the grades to which it relates at Chorley Council are included below incorporating the pay award in 2013.

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

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

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

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

3. SENIOR MANAGEMENT REMUNERATION

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

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

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

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

Chief Executive

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

The level of salary for the Chief Executive, who is the Head of Paid Services, is £106,000 which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken. ⁽¹⁾ The 7.5% of the Chief Executive salary relating to the lease car scheme is non-pensionable.

This figure is a single spot point and therefore there is no incremental progression. However, the rate of pay would be reviewed in light of any national agreements relating to pay awards under the Chief Executive Conditions of Service.

The current Chief Executive also undertakes the role of Statutory Finance Officer which was taken into account together with the range of other responsibilities and market rates, when determining the salary.

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

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

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

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

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

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

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

Chief Executive Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£106,000	£21,734	1:4.9

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

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

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

The level of salary for Directors is a single spot salary of £81,000, which is inclusive of the 7.5% Director's Car Lease Scheme contribution if this benefit is taken ⁽¹⁾. The 7.5% of the Directors salary relating to the lease car scheme is non-pensionable.

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

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

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



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

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

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

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

Director Salary (including lease car contribution)	Median salary (SCP 25)	Ratio
£81,000	£21,734	1:3.7

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

Head of Governance (Monitoring Officer)

The level of salary for The Head of Governance is paid in accordance with the National Pay Spine as detailed within paragraph 2 of the Procedure, and was evaluated using the Single Status Job Evaluation Scheme, at PO Scale K (£48,334 to £50,044). Appointment would normally be at the bottom of the grade with incremental progression based upon annual increases until the maximum of the grade is reached.

In addition The Head of Governance is entitled to participate in the Council Car Lease Scheme which provides for a maximum of 7.5% of salary (£3,753) towards the cost of a lease car.

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

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

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

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

Head of Governance (including lease car contribution)	Median salary (SCP 25)	Ratio
£53,797	£21,734	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.

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

Performance Related Pay

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

Bonuses

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

Payments on the termination of employment

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



Senior Managers returning to Chorley Council

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

Professional Subscriptions

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

Other Benefits

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

5. LOWEST PAID EMPLOYEES

Lowest Paid Employees

At a meeting of the Council on the 8th January 2013, Chorley Council adopted the "Living Wage" for all its employees, excluding apprentices (see below), to address the issue of low pay. The Living Wage Foundation, which is a national body, established and annually updates what it considered to be a "living wage" which is an hourly rate and is currently £7.65 for outside London. The rate is set by the Centre for Research in Social Policy and is based upon what it considers to be the basic cost of living to provide a minimum income standard. This compares with the National Minimum Wage which is currently £6.31 per hour.

Therefore, excluding apprentices (see below), the lowest paid employees at Chorley Council are paid in accordance with the Living Wage within scale 1 which is the lowest grade within the national pay structure for Local Government. However, whilst the lowest point on the nationally negotiated pay spine for scale 1 is 4 (£12,266 per annum) the minimum point used by Chorley Council is the national point 11 (£14,880 per annum, £7.87 per hour), which is above the "living wage" rate. In order to ensure we can keep accommodating the "living wage" increases SCP 12 (£15,189 per annum, £8.03 per hour) has been moved from Scale 2 and put in the top of Scale 1. By doing this it protects the job evaluation process which has posts currently evaluated within scales 1 and 2, and ensures that the council is able to accommodate future increases. This change only affects a small proportion of staff that are on this grade and will enable them to now be able to progress to SCP 12 through incremental progression, thereby further addressing low pay. It is proposed these changes take effect from 1st April 2014.

Salary range for Scale 1

Point	Annual salary	Hourly rate
11	£14,880	£7.87
12	£15,189	£8.03

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

Apprenticeships

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

Under 18	£3.72 per hour
18 - 20	£5.03 per hour
21 and above	£6.31 per hour

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

6. COMPLIANCE

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

7. PUBLICATION

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

8. GLOSSARY OF TERMS

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

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

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

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

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



SCALE 1			SCALE 2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
11	14,880	7.8723	13	15,598	8.2521
12	15,189	8.0357	14	15,882	8.4024

SCALE 3			SCALE 4		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
15	16,215	8.5786	19	17,980	9.5123
16	16,604	8.7844	20	18,638	9.8604
17	16,998	8.9928	21	19,317	10.2197
18	17,333	9.1700			

SCALE 5			SCALE 6		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
22	19,817	10.4842	26	22,443	11.8735
23	20,400	10.7926	27	23,188	12.2676
24	21,067	11.1455	28	23,945	12.6681
25	21,734	11.4984			

SO1			SO2		
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
29	24,892	13.1691	32	27,323	14.4552
30	25,727	13.6109	33	28,127	14.8806
31	26,539	14.0405	34	28,922	15.3012

PRINCIPAL OFFICER					
SCP	Annual Salary	Hourly Rate	SCP	Annual Salary	Hourly Rate
33	28,127	14.8806	51	43,852	23.1999
34	28,922	15.3012	52	44,755	23.6777
35	29,528	15.6218	53	45,674	24.1639
36	30,311	16.0361	54	46,568	24.6368
37	31,160	16.4852	55	47,478	25.1183
38	32,072	16.9677	56	48,334	25.5711
39	33,128	17.5264	57	49,189	26.0235
40	33,998	17.9867	58	50,044	26.4758
41	34,894	18.4607	59	50,900	26.9287
42	35,784	18.9315	60	51,755	27.3810
43	36,676	19.4035	61	52,611	27.8339
44	37,578	19.8807	62	53,466	28.2862
45	38,422	20.3272	63	54,322	28.7391
46	39,351	20.8187	64	55,177	29.1914
47	40,254	21.2964	65	56,033	29.6443
48	41,148	21.7694	66	56,888	30.0966
49	42,032	22.2371	67	57,744	30.5495
50	42,938	22.7164			

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	2013/14 BUDGET £	2014/15 BUDGET £	IMPACT OF INCREASE IN FEES & CHARGES on 2013/2014											
			1% £	1.5% £	2% £	2.5% £	3% £	4% £	5% £	6% £	7% £	8% £	9% £	10% £
PARTNERSHIPS, PLANNING & POLICY														
Local Land Charges	(111,000)	(111,000)	(1,110)	(1,665)	(2,220)	(2,775)	(3,330)	(4,440)	(5,550)	(6,660)	(7,770)	(8,880)	(9,990)	(11,100)
Tolls-General Markets	(252,000)	(262,000)	(2,620)	(3,930)	(5,240)	(6,550)	(7,860)	(10,480)	(13,100)	(15,720)	(18,340)	(20,960)	(23,580)	(26,200)
Tolls-Flat Iron Markets	(65,000)	(65,000)	(650)	(975)	(1,300)	(1,625)	(1,950)	(2,600)	(3,250)	(3,900)	(4,550)	(5,200)	(5,850)	(6,500)
PEOPLE & PLACES														
Other Licences	(2,060)	(2,060)	(21)	(31)	(41)	(52)	(62)	(82)	(103)	(124)	(144)	(165)	(185)	(206)
Public Protection - Licence Fees	(18,000)	(18,000)	(180)	(270)	(360)	(450)	(540)	(720)	(900)	(1,080)	(1,260)	(1,440)	(1,620)	(1,800)
Refuse Collection/Civic Amenity Collection	(21,110)	(21,110)	(211)	(317)	(422)	(528)	(633)	(844)	(1,056)	(1,267)	(1,478)	(1,689)	(1,900)	(2,111)
Wheeled Bins	(20,000)	(20,000)	(200)	(300)	(400)	(500)	(600)	(800)	(1,000)	(1,200)	(1,400)	(1,600)	(1,800)	(2,000)
Neighbourhood Quality Te/Pest Control Contracts	(8,000)	(8,000)	(80)	(120)	(160)	(200)	(240)	(320)	(400)	(480)	(560)	(640)	(720)	(800)
Streetscene Delivery Team/Rechargeable Works	(12,320)	(10,000)	(100)	(150)	(200)	(250)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	(1,000)
Football Pitches	(5,630)	(5,630)	(56)	(84)	(113)	(141)	(169)	(225)	(282)	(338)	(394)	(450)	(507)	(563)
Adlington Cem-Grant Right of Burial	(1,760)	(1,760)	(18)	(26)	(35)	(44)	(53)	(70)	(88)	(106)	(123)	(141)	(158)	(176)
Adlington Cem-Interment Fees	(2,250)	(2,250)	(23)	(34)	(45)	(56)	(68)	(90)	(113)	(135)	(158)	(180)	(203)	(225)
Adlington Cem-Interment Fees - Ashes	(1,950)	(1,950)	(20)	(29)	(39)	(49)	(59)	(78)	(98)	(117)	(137)	(156)	(176)	(195)
Chorley Cem-Grant Right of Burial	(13,000)	(13,000)	(130)	(195)	(260)	(325)	(390)	(520)	(650)	(780)	(910)	(1,040)	(1,170)	(1,300)
Chorley Cem-Interment Fees	(25,000)	(25,000)	(250)	(375)	(500)	(625)	(750)	(1,000)	(1,250)	(1,500)	(1,750)	(2,000)	(2,250)	(2,500)
Chorley Cemetery/Memorials	(5,000)	(5,000)	(50)	(75)	(100)	(125)	(150)	(200)	(250)	(300)	(350)	(400)	(450)	(500)
Chorley Cemetery/Certificate of Burial Fees	(2,010)	(2,010)	(20)	(30)	(40)	(50)	(60)	(80)	(101)	(121)	(141)	(161)	(181)	(201)
Chorley Cemetery/Inscriptions	(1,250)	(1,250)	(13)	(19)	(25)	(31)	(38)	(50)	(63)	(75)	(88)	(100)	(113)	(125)
Chorley Cem-Interment Fees - Ashes	(7,000)	(7,000)	(70)	(105)	(140)	(175)	(210)	(280)	(350)	(420)	(490)	(560)	(630)	(700)
TRANSFORMATION														
Street Names & Numbering	(15,450)	(16,450)	(165)	(247)	(329)	(411)	(494)	(658)	(823)	(987)	(1,152)	(1,316)	(1,481)	(1,645)
Rent Garages	(26,200)	(25,000)	(250)	(375)	(500)	(625)	(750)	(1,000)	(1,250)	(1,500)	(1,750)	(2,000)	(2,250)	(2,500)
	(615,990)	(623,470)	(6,235)	(9,352)	(12,469)	(15,587)	(18,704)	(24,939)	(31,174)	(37,408)	(43,643)	(49,878)	(56,112)	(62,347)

Note: Inflation rate currently 2.0% based on Consumer Prices Index (CPI) at December 2013.

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**APPENDIX A4****Chorley Borough Council
Business Rates - Local Discounts
Discretionary Rate Relief Policy**

Effective 1st April 2014 to 31st March 2016

The Council has adopted a new Local Discount Discretionary Rate Relief Policy in response to the Chancellor of the Exchequer's Autumn statement on the 5th December 2013. This policy is in addition to the existing Discretionary Rate Relief policy effective from 1st April 2013.

This policy only covers the announcements made in the above statement. It makes no additions or amendments to our existing Policy. All awards will be made under Section 47 of the Local Government Finance Act 1988 as revised.

Details of the policy are:

This policy relates to the following areas only

- a) a 50 per cent business rates relief for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises that have been empty for a year or more (Re-Occupation relief);
- b) a discount of £1,000 for shops, pubs and restaurants with a rateable value of £50,000 or below for two years up to the state aid limits, from 1 April 2014 (Retail Property Relief).

Chorley Council will require a written application for any relief awarded under these provisions. This application must be made on the form designed for this purpose. The award of such discounts is likely to amount to state aid. However it will be state aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). All businesses must confirm that any benefit they receive under these powers does not exceed the current State Aid restrictions. It is the businesses' sole responsibility to ensure these limits are not exceeded.

Re-Occupation Relief

This relief will apply to all Businesses, individuals which satisfy the criteria detailed above subject to the current and subsequent guidance issued or to be issued by the Department of Communities and Local Government.

Occupation must be of a trading nature and for one of the uses outlined in the Retail Property Relief detailed below. Occupation in itself will not trigger eligibility to the relief

The Section 151 Officer has authority to decide upon any application for this relief made under this policy taking into account the contents of this policy, the Council's priorities and policies and in addition the advice provided by the Department for Communities and Local Government

Retail Property Relief

Chorley Borough Council will take into account the guidance issued by the Department of Communities and Local Government therefore:

Which properties will benefit from relief?

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

Chorley Borough Council will consider shops, restaurants, cafes and drinking establishments to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public, including:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for applicants as to the types of uses that Chorley Borough Council considers for this purpose to be retail. Chorley Borough Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. **Conversely, properties that are not broadly similar in nature to those listed above will not be eligible for the relief.**

Which properties that will not qualify for this relief?

The list below sets out the types of uses that Chorley Borough Council does not consider to be retail use for the purpose of this relief. Chorley Borough Council will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under our local scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Amusement Arcades
- Post office sorting office

Hereditaments that are not reasonably accessible to visiting members of the public:

Awards of this discount will only be made after entitlement to all other reliefs has been determined.

The Maximum amount of any award under Retail Relief Discount will be £1,000. No award can exceed liability. Where Liability falls below £1,000 an award equal to that liability will be made. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to state aid de-minimis limits. It is the responsibility of the applicant to ensure they do not make an application which results in rules governing State Aid are not broken. Further information can be obtained at <https://www.gov.uk/state-aid>

The Section 151 Officer has authority to decide upon any application for this relief made under this policy taking into account the contents of this policy, the council's priorities and policies and in addition the Advice provided by the Department for Communities and Local Government's "Retail Relief - Guidance" booklet.

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Capital Programme**Appendix B1**

	2013/14	2014/15	2015/16	2016/17	2014/15 to 2016/17
	£'000	£'000	£'000	£'000	£'000
Asset Improvement Programme					
White Hart	356	0	0	0	0
Demolition Clayton Brook Public House	74	0	0	0	0
Other Asset Improvements	58	200	200	200	600
Regeneration Programme					
Market Street Redevelopment	0	1,000	0	0	1,000
Other Regeneration Projects	0	310	0	0	310
Car Park Resurfacing	0	365	0	0	365
Market Street Refurbishment (98-102)	368	0	0	0	0
Properties for Homeless - Bengal Street	40	0	0	0	0
Chorley East Health Centre	0	6,650	0	0	6,650
HR Management System	15	0	0	0	0
Thin Client Implementation	47	0	0	0	0
Unified Intelligent Desktop	28	0	0	0	0
Market Walk Acquisition	23,341	0	0	0	0
Total Chief Executives	24,327	8,525	200	200	8,925
Affordable Housing Projects (s106)					
Halliwell Street	77	77	0	0	77
St George's Street	136	136	0	0	136
Other schemes	0	74	0	0	74
Housing Renewal	100	328	127	0	455
Disabled Facilities Grant	366	318	370	0	688
Cotswold House Improvements	166	0	0	0	0
Bengal Street Depot Accommodation	75	0	0	0	0
Home Energy Repair Grants	3	0	0	0	0
Climate Change Pot	20	0	0	0	0
Buckshaw Village Cycle Network (s106)	11	0	0	0	0
Buckshaw Village Rail Station (s106) (unallocated)	0	726	0	0	726
Eaves Green Link Road - contbn to LCC - (s106)	0	80	0	0	80
Highway Improvements Pilling Lane Area (s106)	0	150	0	0	150
Puffin Crossing Collingwood Letchworth (s106)	48	0	0	0	0
Total Partnership Planning & Policy	1,001	1,888	497	0	2,385
Astley Hall & Park Development Programme					
Cenotaph Footpath	20	0	0	0	0
Memorial Arch Astley Park	82	0	0	0	0
Astley Hall Farmhouse	125	0	0	0	0
Other Astley Hall & Park Development	71	305	0	0	305
Astley Hall & Park Development (New Investment)	0	324	218	0	542
Pilling Lane CCTV (s106)	30	0	0	0	0
Adlington Play Facilities (s106)	20	83	0	0	83
Big Wood Reservoir	12	0	0	0	0
Clayton Brook Village Hall Extension	35	100	0	0	100
Duxbury Golf Course Capital Works	95	0	0	0	0
Eaves Green Play Development (s106)	70	114	0	0	114
Leisure Centres Improvements	200	75	275	75	425
Play & Recreation Fund (s106)	24	0	0	0	0
Play Recreation POS Projects (s106)	80	152	0	0	152
Rangletts Recreation Ground (s106)	222	243	0	0	243
Recycling receptacles	110	115	115	115	345
Yarrow Valley Country Park Reservoir Work	60	0	0	0	0
Total People and Places	1,255	1,511	608	190	2,309
Total Capital Programme	26,583	11,924	1,305	390	13,619

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Capital Programme Financing

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2014/15 to 2016/17 £'000
<i><u>External Funding</u></i>					
External Contributions	818	2,652			2,652
Government Grants	611	1,052	715		1,767
Total External Funding	1,429	3,704	715	0	4,419
<i><u>Chorley Council Resources</u></i>					
Revenue Contributions to Capital	345	358			358
Capital Receipts	360				
Prudential Borrowing - Market Walk	23,341				0
Prudential Borrowing - Chorley East Health Centre		6,650			6,650
Prudential Borrowing	1,109	1,212	590	390	2,192
Total Chorley Council Resources	25,155	8,220	590	390	9,200
Capital Financing Total	26,584	11,924	1,305	390	13,619

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S106 and Similar Developers' Contributions

Appendix B3

Budgeted use of developers' contributions	BAL B/F	2013/14		BAL C/F	2014/15		BAL C/F	2015/16		BAL C/F	2016/17		BAL C/F	
	31/03/13	RECEIPTS	USE	31/03/14	RECEIPTS	USE	31/03/15	RECEIPTS	USE	31/03/16	RECEIPTS	USE	31/03/16	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Various Purposes	(688)	(19)	252	(455)	(4,000)	423	(4,032)	0	0	(4,032)	0	0	(4,032)	(1) (2)
Affordable Housing	(498)	0	212	(286)	0	286	0	0	0	0	0	0	0	(2)
Transport	(755)	(80)	59	(776)	0	776	0	0	0	0	0	0	0	(2)
Play / Recreational Facilities	(627)	(130)	206	(552)	0	349	(203)	0	0	(203)	0	0	(203)	(2)
	(2,568)	(229)	729	(2,069)	(4,000)	1,834	(4,235)	0	0	(4,235)	0	0	(4,235)	

(1) Sum due to Chorley Council in 2014/15 following the development of the 2,000th residential unit at Buckshaw. The amount will be between £4m and £6.5m and is not included in the Budget until this is confirmed.

(2) Further contributions may be receivable between 2014/15 and 2016/17.

Use of Contributions Receivable from Developers 2013/14 to 2016/17

	2013/14	2014/15
	£000	£000
Rangletts Recreation Ground	222	243
Pilling Lane CCTV	30	
Highways Improvements		150
Affordable Housing projects at Halliwell Street and St George's Street	212	286
Puffin Crossing Collingwood Rd/Letchworth Drive	48	
Buckshaw Village Cycle Network	11	
Eaves Green Link Road - contribution to LCC scheme		80
Buckshaw Village Railway Station		726
Big Wood Reservoir	12	
Eaves Green Play Development	70	114
Play and Recreation Fund projects	24	
Adlington Play Facilities (Grove Farm)	20	83
Play, Recreation and Public Open Space projects	80	152
	729	1,834

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Report of	Meeting	Date
Chief Executive	Special Council	25 th February 2014

BUDGET INVESTMENT PACKAGE 2014/15

PURPOSE OF REPORT

- 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 2 Capital Programme budget growth schemes.

RECOMMENDATIONS

- That Members note the contents of the report.

EXECUTIVE SUMMARY OF REPORT

- This paper presents:
 - 18 growth schemes in the Revenue Budget that support the budget principles agreed at Executive Cabinet in January, the Council's strategic priorities and the findings of the budget consultation.
 - 2 growth schemes to be included in the Capital Programme to assist with the Regeneration Programme and implementing the Astley Park Development Plan.
- 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: £0.138m;
 - Clean, safe and healthy communities**
Total Revenue Proposals: £0.120m;
Total Capital Proposals: £0.424m.
 - An ambitious council that does more to meet the needs of residents and the local area**
Total Revenue Proposals: £0.055m;
 - A strong local economy**
Total Revenue Proposals: £0.347m;

Investment proposal – Revenue Budget	£0.660m
Investment proposal – Capital Budget	£0.424m
TOTAL INVESTMENT PACKAGE 2014/15	£1.084m

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 estimate for 2014/15 includes headroom to allow for investment in priorities. This has been partially been achieved as a result of an effective, pre-budget efficiency programme and utilisation of available New Homes Bonus funds.

BUDGET PROPOSALS

7. The Executive published the outline budget for consultation during January 2014, setting out its overall intention for spending and investment in the borough for the forthcoming financial year 2014/15. 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 support for businesses and improving the local economy, improvements to the town centre and supporting healthier communities 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 2014/15:

	Investment area (Revenue)	Amount 2014/15 (£)	Amount 2015/16 (£)
1	Deliver agreed neighbourhood priorities	50,000	
2	16/17 young person's drop in scheme	21,000	
3	Britain in Bloom	10,000	
4	Connecting communities through food to overcome social isolation	12,000	
5	**Meals on Wheels service	30,000	
6	Expand the food bank	15,000	
7	Extension & improvement of street furniture	35,000	
8	Play and Open Space Strategy	50,000	
9	Free swimming	8,000	
10	*British Cycling, Tour of Lancashire	20,000	45,000
11	Mediation service for Anti-Social Behaviour disputes	7,000	
12	Employee health scheme	20,000	
13	Campaigns and promotions	20,000	
14	Deliver Chorley Council energy advice switching service	15,000	
15	Inward investment delivery	100,000	
16	Town Centre masterplan	35,000	
17	Support the expansion of local businesses (BIG grant)	40,000	
	Support the expansion of local businesses	5,000	
18	Business start-up support scheme	67,000	
19	*Town Centre & Steeley Lane pilot action plans	100,000	100,000
TOTAL REVENUE INVESTMENT		660,000	145,000

* These items are phased over 2 years

** This item is recurring and included in the base budget (seen in Appendix F1)

CAPITAL PROGRAMME BUDGET GROWTH SCHEMES

10. Two further Capital Programme investments are proposed:

Investment area (Capital)	Amount 2014/15 (£)	Amount 2015/16 (£)
Regeneration Projects	100,000	
* Astley Hall & Park Development	324,000	218,000
TOTAL CAPITAL INVESTMENT	424,000	218,000

* These items are phased over 2 years

PROJECT SYNOPSES**11. CAPITAL PROGRAMME BUDGET GROWTH SCHEMES****Regeneration Projects – Estimated Capital Budget £100,000**

This budget will make funds available to deliver further strategic site acquisition and clearance in the Town Centre.

Astley Hall and Park Development – Estimated Capital Budget £324,000

During August 2013 the Council undertook consultation on the future improvement of Astley Hall and Park. The outcomes of the consultation informed the production of the Astley 20:20 development plan, a five year programme of work that aims to maximise the usage and value of this key asset to local residents.

This budget will provide funds to support the delivery of a number of key actions from the development plan including destination play area, event parking, event staging, footpath lighting, sensory garden, street furniture and pathway improvements. The work will be phased over 2 years with £324,000 allocated to support activity in year 1 and £218,000 to support activity in year two.

12. REVENUE BUDGET GROWTH SCHEMES**INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL****Deliver agreed neighbourhood priorities - £50,000**

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

16/17 young person's drop in scheme - £21,000

The drop-in service is for 16/17 year olds only and operates two days a week on Tuesdays and Fridays from Lord Street in Chorley. It is the gateway (single point of access) for referrals of 16/17 year olds from the Chorley area that may be at risk of becoming homeless; providing family mediation, counselling and support. This budget will enable the continuation of the service for another year.

Britain in Bloom - £10,000

The Council won the Gold Award for the Best Small City category at the 2013 North-West In-Bloom Awards and has subsequently been entered to represent the North-West for this category in the national Britain In-Bloom awards in 2014. Additional features and improvements have been identified that will improve the Council's offer as part of the In-Bloom judging process and this budget will support their delivery.

Connecting communities through food to overcome social isolation - £12,000

This project will review activity to alleviate social isolation including findings from the 6 month pilot scheme launched in November 2013 to deliver warm meals to older vulnerable people at home. The project will collate intelligence, investigate solutions and evaluate options with a focus on food based initiatives such as luncheon clubs and community kitchens. The project will then develop and implement a programme of initiatives to help overcome social isolation in the borough.

Meals on Wheels service - £30,000

This project will review and evaluate the pilot service to deliver hot meals to older vulnerable people, currently targeted at the Western Parishes. A number of options will be developed as to how the service could be taken forward including potential to extend the service to other areas of the borough. Subject to the successful conclusion of the current pilot, this project will seek approval for the preferred option and implement the necessary actions.

Expand the Food Bank - £15,000

The Living Waters Storehouse, currently operating in Chorley, has seen a significant increase in demand over the past 12 months attributed to various factors including the changes as a result of Welfare Reforms. This project will look to enhance the existing facility to enable it to cope with, and support a reduction in longer term demand.

CLEAN, SAFE AND HEALTHY COMMUNITIES
--

Extension and Improvement of Street Furniture - £35,000

This project is the continuation of the street furniture /litter bin replacement with a further 150 bins over a two year period 2014/15 and 2015/16. The bins will be replaced with larger litter bins that can accept both litter and dog waste, 75 by December 2014 and 75 by December 2015.

Play and Open Space Strategy - £50,000

The project will provide financial support to deliver some of the currently unfunded year 1 actions. This will in turn support the delivery and implementation of the strategy together with the associated benefits set-out in the Play, Open Space and Playing Pitch Strategy Executive Summary.

Free Swimming - £8,000

This budget will deliver free swimming for 16 year olds and under during the summer school holiday period (Monday to Friday) to support health and wellbeing priorities through making council leisure facilities more accessible.

British Cycling, Tour of Lancashire - £20,000

This project and associated budget investment will support the development and delivery of a cycling and sporting programme of activities and events in Chorley in partnership with British Cycling.

Mediation service for antisocial behaviour disputes - £7,000

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

AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA
--

Employee Health Scheme - £20,000

This project is a continuation of a Health Cash Plan funded by the council. The council pays a fixed contribution per employee which then enables employees to claim back the costs of health related treatments such as dental charges, eye tests and glasses, consultant appointments, professional

therapy and many other benefits. The scheme has proved to be very successful in its first year, and this investment would enable the extension of the scheme for a further 12 months.

Campaigns and Promotions - £20,000

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

This includes:

- A promotional campaign related to civic pride and neighbourhood working (including as necessary, advertising, printed materials and other materials)
- A promotional town centre marketing campaign (including as necessary, advertising and printed materials)
- A promotional campaign to help make Chorley a cleaner place to live
- A promotional campaign to promote our assets and attract more visitors to Chorley

Deliver Chorley Council energy switching service - £15,000

This project will develop and implement an energy switching support service as part of a proactive approach to ensuring that residents of Chorley are on the most cost effective energy tariff. The project should contribute to reducing fuel poverty in the borough.

A STRONG LOCAL ECONOMY

Inward Investment Delivery - £100,000

Following the preparation of the inward investment plan, this investment will focus on specific actions from the plan to be delivered during 2014. Actions include (but are not limited to) supporting elements of the inward investment campaign, to be delivered by Policy and Communications, such as the inward investment website, social media platforms, associated marketing materials and gateway signage; along with a Chorley in Manchester Day, intermediary contact and bringing forward a pipeline of employment sites.

Town Centre Master Plan - £35,000

This project will deliver a number of specific actions in line with the Town Centre Masterplan, prepared by Deloitte in conjunction with Chorley Council and approved by Executive Cabinet in October 2013. Key actions will include detailed master planning of the Fleet Street development and preparation of a prospectus for the civic quarter.

Support the Expansion of Local Business (BIG Grant) – a. £40,000

As part of the business support service for existing businesses, a reward scheme was launched in April 2013 to support existing businesses in their expansion and growth plans. This scheme is called the Chorley Business Investment for Growth grant (Chorley BIG) and aims to support businesses that are creating or safeguarding jobs with capital investments or works. This project and budget investment will support the future delivery of this scheme through a hybrid grant model with businesses undertaking to re-pay into the community for the funding they have received.

Support the Expansion of Local Business – £5,000

In addition to grant support and to further support the expansion of local businesses, Chorley Council also provides a quarterly networking event known as the 'Choose Chorley Business Network'. This compliments the existing provision of private sector network groups and provides an opportunity for local businesses to develop their supply chains and facilitate their expansion plans. This investment will also support the further development of the network

Business Start-Up Support Scheme - £67,000

This budget will develop the current scheme to deliver a more sustainable support mechanism for business start-ups through moving away from a straight, non-repayable grant into a hybrid scheme. This takes a much smaller grant to support those with minimal requirements before they can start a business and backs it up with the availability of a more affordable loan to cover greater start-up costs.

Chorley Council will continue to administer the grant element through the normal procedures whilst it is envisaged that we will work with the Credit Union to investigate the potential for them to administer smaller repayable loans. The project is aimed at assisting the creation of new start-up businesses and would help those without significant capital available to them to create sustainable businesses and ultimately generate more jobs.

Town Centre & Steeley Lane Pilot Action Plans - £100,000

This budget will support the development and delivery of a two year pilot programme of local area projects within the town centre/Steeley Lane areas of Chorley. This is a pilot programme for local area actions plans which will be evaluated by feedback from town centre stakeholders including shoppers, residents and traders.

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?	
No significant implications in this area		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. The proposals are in line with legislation.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Victoria Willett	5248	04 th Feb 2014	Budget investment

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1. Deliver agreed neighbourhood priorities
2. 16/17 young person's drop in scheme
3. Britain In-Bloom
4. Connecting communities through food to overcome social isolation
5. Meals on Wheels Service
6. Expand the food bank
7. Extension and improvement of street furniture
8. Play and open space strategy
9. Free swimming
10. British Cycling, Tour of Lancashire
11. Mediation service for anti-social behaviour disputes
12. Employee Health Scheme
13. Campaigns and promotions
14. Deliver Chorley Council energy switching support service
15. Inward investment delivery
16. Town centre master plan
17. Support the expansion of local businesses (BIG grant) / Support the expansion of local businesses
18. Business start-up support scheme
19. Town centre and Steeley Lane pilot action plans

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

- 1. Deliver agreed neighbourhood priorities*

Date: December 2013

Author: Simon Clark

Responsible Directorate: People and Places

Project Mandate

Project Overview

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

Project Background

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

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.

Objectives

The objectives of this project are:

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

Scope

The scope of the project is limited to delivering a programme of a maximum of 24 neighbourhood priorities as determined by the neighbourhood area groups in Jan/Feb 2014 and agreed by Executive Cabinet.

Constraints

- The project will be delivered during 2014/15 and will be subject to Executive Cabinet approval.
- Other constraints will be the level and extent of partner engagement where priorities are dependent on them to contribute and deliver.

Project Mandate

Impact on other Directorates/Projects

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

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

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

2. 16/17 young person's drop-in scheme

Date: 19th December 13

Author: Fiona Daniels

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

Project Overview

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

Project Background

The service has been delivering outcomes since January 2012 and was developed following a one-off payment of £30,000 from the Department for Communities and Local Government. The service has been funded for a further 9 months as a growth item which is due to expire in March 2014.

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

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

Corporate Priorities

The project supports two of the four priorities:

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

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

Objectives

From the information available (January – October 2013) 56 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 has 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:

Project Mandate

- Provide support to 100 young people (based on current performance).
- Keep the number of 16/17 year olds referred into Cotswold at a minimum.
- Maintain the positive working relationship that has been established between CBC and CSC.

Scope

To fund £21,000 for the cost of the service to be delivered until March 2015. The funding would be used to pay for the two part time mediation/support workers, the hiring of the venue, equipment and some materials.

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

Impact on other Directorates/Projects

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

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

3. Britain In-Bloom

Date: 17-12-2013

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

Project Overview

This investment is additional funding to support the Council in the 2014 Britain In-Bloom awards with objectives to win both North West and Britain In-Bloom.

Project Background

The Council won the Gold Award for the Best Small City category at the 2013 North-West In-Bloom Awards and has subsequently been entered to represent the North-West for this category in the national Britain In-Bloom awards in 2014.

Additional features / improvement have been identified that will improve the Council's offer as part of the In-Bloom judging as follows:

£6,500 – Willow People Figures to enhance horticultural displays

- Five willow people figures outside Union Street offices.
- Two willow people figures on the seven roundabouts between Harpers Lane and Morrison's – 14 in total.
- The theme would be Chorley, why it was established, its history, market town, mining etc. Will consult further on this idea in the New Year.

£3,500 for additional planting to enhance horticultural displays

- Additional plants / containers to enhance the horticultural displays and to support groups such schools, town centre pubs and the bus station.

Corporate Priorities

This project will contribute to the following objectives:

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

Objectives

- To win Britain In-Bloom.
- To win North-West In-Bloom.

Benefits

- Contributes to all of the four corporate priorities.
- Taking part in the In-Bloom competition raises the profile of the Chorley area and town centre making it a place where people want to live, shop, work and visit.
- The additional investment will provide new additional features and a much enhanced horticultural display.

Project Mandate

- Working together with local people and businesses to improve the local area.

Scope

The project includes investment in new additional features / planting that will directly support and enhance the Council's entry in 2014 Britain In-Bloom.

Key Project Milestones

- *New willow people figures installed May 2014*
- *New planting schemes agreed and installed - Apr/May 2014*
- *Britain-Bloom judging – July-Aug 2014 (TBC)*
- *North-West In-Bloom judging – July-Aug 2014 (TBC)*
- *Britain In-Bloom results – October 2014*
- *North-West In-Bloom results – October 2014*

Constraints

£10,000 budget to be allocated during quarter 1 of 2014 -15.

Impact on other Directorates/Projects

The project will require the support of the Town Centre and Economic Development teams.

PROJECT DOCUMENTATION

PROJECT MANDATE

4. Connecting communities through food to overcome social isolation

Date: 04 December 2013

Author: Victoria Willett

Responsible Directorate: Chief Executives Office

Project Mandate

Project Overview

This project will review activity to alleviate social isolation including the outcomes of a 6 month pilot scheme launched in November 2013 to deliver warm meals to older vulnerable people at home. The project, to be led by Policy and Communications, will collate intelligence, investigate solutions and evaluate options with a focus on food based initiatives. It will then develop and implement a programme of targeted activity to help overcome social isolation in the borough.

Project Background

Work completed by the Chorley Partnership in 2012 identified that social isolation is an issue in Chorley as in many other areas and can have a significant impact on health and wellbeing, particularly for older people. The physical and mental health implications are significant, both for the individual and for the resources within the community.

Chorley has the most rapidly ageing population in the North West with 20.6% of the population estimated to be aged 65 or over by 2020. Research has shown that the likelihood of social isolation increases with age and is therefore most common in those groups who are older, have chronic health or mobility problems, do not have access to a car and whose family networks are geographically dispersed.

Social Isolation is a complex issue and therefore the solutions are complex. In order to support people who may be more at risk of becoming socially isolated, a steering group has been set up to consider how we can better enable communities to connect through food. This included including supporting those who, due to chronic health or mobility problems may not be able to access community based services. A key action arising from this work to date has been the implementation of a pilot Meals on Wheels service.

This project will consider the outcomes of the Meals on Wheels pilot along with wider social isolation intelligence, to help further understand local need. It will then work with partners to develop a range of community based initiatives such as luncheon clubs and community kitchens in targeted locations.

Priorities

This project supports the following corporate priorities:

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

Objectives

The aim of the project is to put in place interventions to support a reduction in the level of social isolation across the borough. This will support healthier and more engaged communities and prevent some of the downstream consequences of being socially isolated such as emergency hospital admissions and need for more acute health care.

The project will also align with the Chorley Time Credits programme to encourage community engagement and increased levels of volunteering. This will help to provide

Project Mandate

additional resource and capacity to support a sustainable approach to tackling social isolation.

Benefits

Additional support will be available to those residents who may be at risk of social isolation, helping to overcome feelings of loneliness and promote better overall health and wellbeing. There should also be longer term benefits in terms of acute health care costs.

Scope

The scope of this project is to:

- Alongside partners, review activity to date and collate social isolation intelligence (including the outcomes of the pilot) to help understand the issue in more detail and inform targeting of provision.
- Investigate a range of possible solutions such as casserole and luncheon clubs, community transport and community kitchens
- Develop options for the way forward
- Agree a programme of initiatives
- Implement initiatives and monitor success.

Out of the scope of this project:

- Evaluation of the Meals on Wheels pilot and delivery of associated actions will be carried out as part of a separate piece of work and under a separate budget investment; although the findings will be used to inform this work
- Ongoing delivery and management of any initiatives beyond the life of the project. As far as possible, initiatives should be designed to be self-sustaining in the longer term.
- Embedding time credits to support reduced social isolation – this will be run as a separate but closely linked project.

Key Project Milestones

Review of activity to date and collation of social isolation intelligence (including work completed by partners)	March 2014
Investigation of solutions including benefits, costs and outcomes	March 2014
Development of options and partner liaison	April 2014
Implementation of initiatives	May 2014
Delivery and monitoring of initiatives	Ongoing

Constraints

- The project may target particular locations or groups given the complexity of the issue and need to deliver focussed activity.

Project Mandate

- A budget of £12,000 has been identified to support the delivery of key actions related to proposed solutions. This may include set up, marketing and promotion costs.
- The project will be led by Policy and Communications and external partners where appropriate. Support may also be required from Health, Environment and Neighbourhoods to ensure delivery aligns with neighbourhood priorities.
- Risks with the project include some reliance on external partners and suppliers to deliver some of the initiatives. Also, directing activity to specific neighbourhoods and target populations may prompt queries and potential negative feeling in other areas although this has not been the case to date.

Impact on other Directorates/Projects

This project aligns with a neighbourhood priority action for Western Parishes in terms of reducing social isolation and also has wider implications for health and wellbeing of residents across the borough. Therefore, support may be required from Health, Environment and Neighbourhoods in terms of assessing need and ensuring coordination at a neighbourhood level through neighbourhood officers.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

5. Meals on Wheels service

Date: 04 December 2013

Author: Victoria Willett

Responsible Directorate: Chief Executives Office

Project Overview

This project, to be overseen by Policy and Communications, will review and evaluate the pilot service to deliver hot meals to older vulnerable people, currently targeted at the Western Parishes. A number of options will be developed as to how the service could be taken forward. Subject to the successful conclusion of the current pilot, this project will seek approval for the preferred option and implement the necessary actions.

Project Background

Significant work has been undertaken to date by the Chorley Partnership to understand the impact of social isolation on health and wellbeing, particularly for older people given the borough profile and aging local population. The physical and mental health implications are significant, both for the individual and for resources within the community. In response to this issue, a steering group of key partners was set up to consider how to support communities including those who, due to chronic health or mobility problems, may not be able to access services in the community.

A key action resulting from this work was the implementation of a 6 month pilot scheme, introduced in November 2013, to deliver warm meals to older vulnerable people at home. The introductory subsidised pilot currently running in the Western Parishes (including Croston, Bretherton, Mawdesley, Eccleston and surrounding areas) is linked to one of their neighbourhood working priorities to reduce social isolation. The current service offers 3 meals per week at a subsidised rate as well as support with minor household duties such as taking bins out, changing light bulbs etc.

An evaluation has been conducted following the first 10 weeks of the 20 week pilot with findings suggesting many positive outcomes and high levels of customer satisfaction.

This project will review the activity and outcomes of the pilot to inform the development of options as to how the service may be taken forward when the pilot concludes. The project will then implement the preferred option and related service delivery activity.

Priorities

This project supports the following corporate priorities:

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

Objectives

The aim of the project and associated investment is to ensure that older, vulnerable people who may be at risk of becoming socially isolated are supported to enjoy a healthy lifestyle including access to hot meals. This will support healthier and more engaged communities and prevent some of the downstream consequences of being socially isolated such as emergency hospital admissions and need for more acute health care.

The project will form part of a package of wider measures aimed at connecting communities through food and will encourage links with volunteering.

Project Mandate

Benefits

The project will ensure that older vulnerable people who may be at risk of social isolation are able to access appropriate support, helping to overcome feelings of loneliness and promote better overall health and wellbeing. There should also be longer term benefits in terms of acute health care costs.

Scope

The scope of this project is to:

- Evaluate the current meals on wheels service pilot and review the outcomes
- Develop options for the way forward which may include extending the service to other areas of the borough as well as recommendations for the level of subsidy.
- Implement the preferred option and actions to develop the service including procurement activity, performance measures, marketing and promotion.
- Carry out service monitoring and performance management

Outside the scope of this project will be:

- Investigation and implementation of wider measures to overcome social isolation such as luncheon and casserole clubs. This work is being completed as part of a separate project and investment budget related to connecting communities through food.

Key Project Milestones

10 week evaluation of the Meals on Wheels pilot service	February 2014
Consideration of options for way forward	March 2014
Conclusion of Meals on Wheels pilot	April 2014
Implementation of preferred option	April/May 2014
Delivery and monitoring of service provision	May 2014

Constraints

- A provision of £30,000 has been made within the budget on a recurrent basis. This would support the continued subsidisation of a Meals on Wheels service and is subject to successful conclusion of the pilot and formal approval of any decision.
- Work to develop the service will be led by Policy and Communications and delivered by external partners where appropriate.
- Support may also be required from Health, Environment and Neighbourhoods to ensure delivery aligns with neighbourhood priorities.

Project Mandate

- Risks with the project include reliance on an external partner to deliver the service although this will be assessed and assured through the procurement process and ongoing performance management.

Impact on other Directorates/Projects

This project aligns with several neighbourhood priorities and also has wider implications for the health and wellbeing of residents across the borough. Therefore support may be required from Health, Environment and Neighbourhoods in terms of assessing need and ensuring coordination at a neighbourhood level through the Community team and neighbourhood officers.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

6. Expand the food bank

Date: 04 December 2013

Author: Victoria Willett

Responsible Directorate: Chief Executives Office

Project Mandate

Project Overview

The Living Waters Storehouse, currently operating in Chorley, has seen a significant increase in demand over the past 12 months attributed to various factors including the changes as a result of Welfare Reforms. This project will look to improve the existing facility so that it is able to meet demand from vulnerable residents who are most in need of help and assistance whilst supporting the principles of Welfare Reform.

Project Background

Living Waters Church, in partnership with Chorley Churches Together, operates Storehouse. It is run by volunteers and operates out of the Living Waters base at Bolton Street in Chorley. Clients are referred into the service by partner agencies and when someone comes to the centre to collect their parcel, they are offered a free hot meal and drink as well as a listening ear to talk about their issues.

Food is donated from a variety of sources including all the churches in the borough, Brothers of Charity, schools, Runshaw College and they have made connections with Asda and Tesco as well as the local market traders.

Since April 2012, the Storehouse has received 371 referrals for food parcels. These requests have steadily increased over the past twelve months from 7 in April 2012 up to 63 in June 2013. There has been a particular influx from April 2013 onwards which the Storehouse attributes to a number of factors but say that client feedback cites the changes to the Social Fund as one of the main reasons for this increase.

This project will work alongside wider support mechanisms such as the Care and Urgent Needs Support Scheme to ensure that residents receive the most appropriate support for their situation, encouraging people to take responsibility and ownership so that they don't find themselves in a position where they can't afford food and basic necessities.

Priorities

This project supports the following corporate priorities:

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

Objectives

This project will support the existing food bank provision so that it is able effectively support those who are most vulnerable and in need of food parcels and related assistance.

The objectives of this project are:

- To ensure that the Storehouse is able to meet local demand through capacity and resources.
- To ensure that those visiting the Storehouse are advised of the most appropriate support and assistance available to meet their requirements.
- To understand the profile of residents using the Storehouse to support service development

Project Mandate

- To mitigate the impact of Welfare Reform changes on the most vulnerable residents of the borough.

The project will also develop and embed links with Chorley Time Credits to increase the number of volunteers as well as developing links with the Credit Union facility to ensure joined up service provision.

Benefits

Key benefits include:

- Increased capacity for the Storehouse to meet local demand
- Local residents able to access food and essentials in times of crisis
- Additional crisis prevention support for those who are most vulnerable

Scope

The scope of this project is to assess, identify and deliver improvements to the Storehouse including:

- Understanding local need and demand for food related assistance through engaging with local partners.
- Identifying how best the Storehouse can meet these needs, whether through additional physical space or extending the service to different areas
- Supporting the Storehouse to prepare a plan as to how they will develop the current provision including data capture requirements to monitor and track the profile of those requiring food parcels.
- Ensuring that the operators of the Storehouse are aware of Welfare Reforms changes, their principles and associated support mechanisms such as Urgent Care and Needs fund and other referral pathways.
- Ensuring that support reaches those in the borough who need it most through the development of necessary checks and balances.

The project will be led by Policy and Communications with a view to achieving the main objectives by October 2014.

Key Project Milestones

Consultation/liaison with key stakeholders and partners including Living Waters and Lancashire County Council to understand local need	February 2014
Development of proposed support to the Storehouse, whether this is resource, capacity, physical space or something else	March 2014
Preparation of a development plan to extend/enhance the current provision	April 2014
Delivery of development actions	May 2014

Project Mandate

Constraints

A budget of £15,000 has been identified to support the identified improvement works. This may be utilised to cover the costs of securing additional capacity, setting up a rural delivery network or expanding the partnership distribution and referral programme.

Risks include close dependencies on an external partner which may affect the overall level of control that we are able to achieve in terms of project direction. Timescales for delivery will also be reliant to some extent on partner involvement and capacity, particularly given that the Storehouse is run mainly by volunteers.

Impact on other Directorates/Projects

Support may also be required from Housing and Health, Environment and Neighbourhoods in terms of assessing need and ensuring coordination at a neighbourhood level. Planning advice may also be required should any structural work be undertaken.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

7. Extension and improvement of street furniture

Date: 17-12-2013

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Overview

This project is the continuation of the street furniture /litter bin replacement during the financial year 2014-15 with a further 150 replacement litter / dog waste bins.

Project Background

The current bin stock includes approximately 1,115 litter bins (this includes 189 dog bins). During 2012 and 2013, 500 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 150 bins will targeted at the remaining high use sites such as parks, play areas and 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.

Corporate Priorities

This project will contribute to the following objectives:

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

Objectives

To replace 150 litter bins with larger litter bins that can accept both litter and dog waste by December 2014.

Benefits

The new 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.

Project Mandate

- Provide greater convenience for customers – less problems with overflowing bins and more litter bins will be sited closer to bus stops.

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

Key Project Milestones

- 150 Litterbins installed December 2014

Constraints

- £35,000 budget.

Impact on other Directorates/Projects

- This project links into the work undertaken by the Neighbourhoods team to improve litter and dog fouling and supports work by Policy and Communications on the Cleaner Chorley campaign.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

8. Play & Open Space Strategy

Date: 17-12-2013

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

Project Overview

To support year one actions of the Play Open Space & Playing Pitch Strategy.

Project Background

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

The strategy is being consulted on until 17th January 2014 and it will then be revised and taken forward for approval.

A number of actions detailed in the action plan will require additional funding.

Corporate Priorities

This project will contribute to the following objectives:

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

Objectives

- To support the year 1 priorities outlined in the action plan.
- Where possible use this funding to lever in further external funding.

Benefits

- The project will provide £50,000 of financial support to deliver some of the currently unfunded year 1 actions.
- This will in turn support the delivery and implementation of the strategy together with the associated benefits set-out in the Play, Open Space and Playing Pitch Strategy Executive Summary.

Scope

- A number of actions within the strategy will be funded through the 3 year recurring £100,000 budget allocated as part of the 2013/14 budget setting process along with some Section 106 monies.

Project Mandate

- This budget of £50,000 will support the delivery of currently unfunded year one actions (2014-15) as outlined in the strategy action plan. This will enhance delivery and extend the impact of the strategy.

Key Project Milestones

- | | |
|---|---------|
| • Strategy approved | May-14 |
| • Year one actions confirmed | May-14 |
| • Agree actions to be funded with Executive Member for People | June-14 |
| • Year 1 actions implemented. | Mar-15 |

Constraints

£50,000 for year one (2014-15)

Impact on other Directorates/Projects

The improvements to public open space this will bring about will benefit and support the work undertaken by the Council's leisure team and wider health and well-being initiatives.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

9. Free swimming

Date: 17-12-2013

Author: Jamie Dixon

Responsible Directorate: People & Places

Project Mandate

Project Overview

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

Project Background

Free swimming was offered in 2013 for a 7 week period over the summer holidays in July and August for those aged 16 or under.

The scheme was offered in conjunction with Active Nation and for 2013 the offer also included Brinscall pool which offered sessions twice a week at no additional cost to the council.

Attendances were 3,426 across the two sites which is a 9% increase on last year's figures and could have been higher had the weather not been as good given that indoor pools are usually busier in poorer weather.

Publicity about the scheme started earlier this year and was more widespread which helped attendances along with Active Nation providing a better registration and entrance system.

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

Corporate Priorities

This project contributes to the following corporate priorities:

- Clean, safe and healthy communities.

Objectives

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

Benefits

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

Project Mandate

Scope

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

Key Project Milestones

Task	Duration	Start	Finish
Work with AN to define scope of offer	2 months	April 14	May 14
Develop Communications strategy	1 month	June 14	June 14
Scheme goes live	7 weeks	July 14	Sept 14
Review scheme	1 month	Oct 14	Nov 14

Constraints

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

Impact on other Directorates/Projects

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

PROJECT DOCUMENTATION

PROJECT MANDATE

10. *British Cycling, Tour of Lancashire*

Date: 17 December 2013

Author: Victoria Willett

Responsible Directorate: People and Places

Project Mandate

Project Overview

This project and associated budget investment will support the development and delivery of a cycling and sporting programme of activities and events in Chorley in partnership with British Cycling.

Project Background

British Cycling has approached Chorley Council and put forward an initial proposal regarding the introduction of a cycling event to take place in Lancashire.

The event package would present a range of opportunities for Chorley to be involved ranging from smaller sporting events for all ages and abilities in 2014 through to a larger, weekend long event in April 2015. The proposal also includes a package of sports development activity that utilises cycling and its national infrastructure to deliver work in local communities with people of all ages.

Initial discussions are underway with British Cycling and this project will look to develop a package of activity and deliver the programme in 2014/15.

Priorities

This project supports the following corporate priorities:

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

Objectives

Key objectives of this project are to:

- Deliver sporting events in Chorley that will promote local assets
- Encourage community engagement
- Promote health and wellbeing priorities
- Raise awareness of cycling and the associated health benefits

Benefits

The project could have significant and wide ranging benefits for local residents and the local area. Depending on its scale, the sporting event planned for 2015 could help to raise the profile of Chorley not just within the sporting community but also on a wider scale in terms of economic development and inward investment. The project supports health and wellbeing priorities and any partnership activity would strengthen the resource available for community development and engagement locally.

Project Mandate

Scope

This project will develop and deliver a programme of sporting events and activity in partnership with British Cycling.

The scope of this project includes:

- Investigating options and liaising with British Cycling
- Developing a package of activity and defining the cost and governance model
- Liaison and consultation with local stakeholders
- Delivery of the programme of activity and larger event (including marketing, promotion and events management where appropriate)
- Monitoring delivery and reviewing activity

The exact scope and scale of the project including costs, timescales and resources will be defined following the conclusion of discussions with British Cycling.

Key project milestones

Indicative milestones are shown below however more detailed milestones will be prepared following further discussions with British Cycling.

Finalise discussions and agree the programme of activity with British Cycling	January 2014
Develop the package/event programme including costs, timescales and other key details	March 2014
Liaise with local stakeholders	March 2014
Deliver the programme of activity	April 2014
Potential weekend cycling event	April 2015

Constraints

A budget of £20,000 has been identified to support the delivery of year one of the project proposals in 2014/15. A further budget of £45,000 has been identified for 2015/16 to deliver the larger weekend long cycling event in partnership with British Cycling.

Constraints include the ability to negotiate a cost effective and mutually beneficial package with British Cycling whereby Chorley is able to achieve maximum value for money from any investment. This may impact upon the size and timing of the event which may be re-scoped to reflect available resources.

Impact on other Directorates/Projects

The scale and scope of the project will influence the level of involvement and resource required from the council to support delivery. If a substantial programme, significant support may be required from Policy and Communications along with support from Health, Environment and Neighbourhoods, Planning, Economic Development and Streetscene.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

11. *Mediation service for anti-social behaviour disputes*

Date: December 2013

Author: S Clark

Responsible Directorate: People and Places

Project Mandate

Project Overview

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

Project Background

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

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

Corporate Priorities

This project meets the following corporate priorities:

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

Objectives

The project will:

- Identify and engage a contractor to act as an on call mediation service
- Set criteria for referral into a mediation process
- Utilise the service if appropriate and where parties meet the referral criteria
- Measures will be established to record the use and impact of the service throughout the year

Benefits

Benefits include:

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

Scope

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

Project Mandate

Key Project Milestones

Key Milestones are:

- Selection and procurement of a mediation service
- Establish referral criteria for access to service
- Measure and monitor service use
- Measure outcomes and determine success

Constraints

- The number of cases that meet referral criteria will be a constraint on delivery of the service.
- The number of mediation sessions will act as a constraint on the success of mediation in each case

Impact on other Directorates/Projects

No impact is anticipated on other service areas.

PROJECT DOCUMENTATION

PROJECT MANDATE

12. *Employee health scheme*

Date: 11th December 2013

Author: Jane McDonnell

Responsible Directorate: Chief Executives Office

Project Mandate

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.

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 January 2013 the scheme has had 449 claims totalling £17,598.58 for services including dental care, optical care, hospital stays, prescriptions and wellbeing such as physiotherapy and acupuncture.

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.

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

Benefits

The key benefit of this project is increased employee health and wellbeing which will support a wide range of related benefits to individuals and the organisation.

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.

Project Mandate

Constraints

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

Key Project Milestones

It is anticipated that the scheme will follow a similar format to previous years.

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
- Health related fun activity

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

13. *Campaigns and promotions*

Date: 19 December 2013

Author: Chris Sinnott

Responsible Directorate: Chief Executives Office

Project Mandate

Project Overview

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

Project Background

Over the past 12 months the Policy and Communications service has successfully changed its focus to support, strengthen and reinforce the council in achieving its priorities based on clearly defined campaign areas. This includes leading on initiatives to drive civic pride, improvements to the town centre, increasing volunteering and improving resident engagement.

A campaigns and engagement strategy has been developed and we will continue to see the actions delivered throughout 2014. 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.

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.

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 improve the way we communicate directly with residents
- To help create a Cleaner Chorley targeting in particular litter, dog fouling, flytipping and graffiti
- To better promote our assets and attract more people into Chorley

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 and printed materials)
- A promotional campaign to help make Chorley a cleaner place to live
- Cost
- A promotional campaign to promote our assets and attract more visitors to Chorley

Project Mandate

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

Constraints

This would be delivered from a £20,000 budget.

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:

- Carry out improvements in the town centre (Corporate Strategy key project)
- Deliver the civic pride campaign
- Deliver environmental improvements as part of the Cleaner Chorley campaign (Corporate Strategy key project)
- Extend Chorley's time credits (Corporate Strategy key project)

PROJECT DOCUMENTATION

PROJECT MANDATE

14. *Deliver Chorley Council energy advice switching service*

Date: 04 December 2013

Author: Victoria Willett

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

Project Overview

This project will develop and implement an in house energy advice switching service as part of a proactive approach to ensuring that residents of Chorley are on the most cost effective energy tariff. The project should contribute to reducing fuel poverty in the borough.

Project Background

Under the new low income high cost definition a household is considered to be fuel poor if they have required fuel costs that are above average (the national median level), and were they to spend that amount, they would be left with a residual income below the official poverty line. The key elements in determining whether a household is fuel poor or not are:

- the energy efficiency of the dwelling
- the cost of energy
- household income.

Chorley performs well in comparison to Lancashire and the North West although fuel poverty remains a concern for large parts of the population such as older people and vulnerable families.

Earlier in 2013 the council, along with other district councils across Lancashire, participated in its first collective energy switch campaign. Promotional activity in support of the project was boosted by the provision of funding from DECC, which helped to pay for extensive marketing using various platforms including local radio advertisements on Rock FM. 664 households in Chorley registered with People Power (out of 10,718 registrations across Lancashire) but only 53 Chorley households actually switched (out of 857 households who switched across Lancashire.)

Priorities

This project supports the following corporate priorities:

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

Objectives

The aim of the project is to develop and implement an in house, home energy advice service.

Key objectives include:

- Raising awareness of the alternative energy tariffs available through a proactive approach
- Supporting residents through the switching process
- Increasing the number of residents
- Increasing the number of residents switching to cheaper energy tariffs
- Maximising income through reducing fuel bills where possible
- Supporting a reduction in fuel poverty across the borough.

Project Mandate

Benefits

The main benefit is that residents are able to access impartial and trustworthy energy advice that could help them to reduce their fuel bills and increase their overall household income. The project should also support a reduction in fuel poverty and also achieve the associated positive outcomes for health and wellbeing.

Scope

This project will develop and deliver a new service initially for a period of 1 year at which point the service will be reviewed and options developed for the way forward.

The scope of this project includes:

- Identification and evaluation of how best a new service could support residents to reduce their fuel bills
- Development of the service including performance measures
- Implementation of the service including staff training as necessary
- Promotion of the new service via appropriate marketing channels
- Monitoring and review of the service

The project will complement other initiatives to reduce fuel poverty locally such as collective energy switching, home energy efficiency measures and Warm Homes Health People; although they will be managed outside the scope of this project.

Key project milestones

- Identify key needs and target groups and develop options for the most appropriate service whether this is face to face, over the phone or a combination of both.
- Develop the service offer and key performance measures
- Prepare to implement the service and carry out the necessary staff training
- Launch the new service including promotion and marketing
- Deliver and manage the service
- Monitoring and review including way forward

Constraints

- The project will be led by Housing with support from Customer Services and Policy and Communications. The project may also require support from external partners.
- A budget of £15,000 has been identified to support the delivery of this project which could be used to fund additional resource or promotion of the service.
- The project should be fully defined and any new service designed and ready in early 2014 to enable implementation and initial monitoring to be carried out by October 2014.
- Risks to the project include the capacity within Customer Services to support and resource any additional service provision. Being unable to meet potential demand would have a negative impact on both the success of the project and the reputation of the organisation if waiting and abandoned call rates increase.

Project Mandate

- There is also a risk that this project duplicates existing services such as USwitch. The project should look to add value through local knowledge and also identify ways to overcome any barriers that may prevent or deter customers from using USwitch.

Impact on other Directorates/Projects

This project could have a significant impact on Customer Services if they are to provide the resource to deliver the energy switching advice and frontline staff could need some additional training in order to offer an effective service. Policy and Communications may be called upon to provide support with promoting the service through the media and marketing materials.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

15. *Inward Investment Delivery*

Date: 18/12/2013

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

Project Overview

Following the preparation of the inward investment plan, this project will focus on actions to be delivered during 2014.

Project Background

A key priority within the 2012 Economic Development Strategy is to promote and increase inward investment in Chorley to support economic growth in the borough and provide a mix of well paid, high and low skilled jobs.

Following a thorough procurement process, Breeze Strategy was appointed in November 2012 to recommend a series of activities to articulate a compelling Chorley offer to attract inward investors to key development sites and premises

The Chorley Local Plan will provide a future supply of employment land in Chorley up to 2026. Prior to the local plan hearing, 17 employment sites have been identified and 11 of these are larger than 1 hectare and have significant inward investment potential. Chorley Council has a responsibility and has a role as facilitator to ensure that there is a continuous supply of land for employment uses. Whilst it is impossible to predict with any degree of accuracy the number of jobs which might be attracted through inward investment, based on industry-standard guidelines, over the next 15 years there is potential to create between 3,000 and 19,000 jobs.

The main messages and recommended activities of the inward investment action plan are detailed below.

- **Inward Investment Market Place** – Lancashire is an under-performing area in inward investment terms, Chorley has the opportunity to compete for many projects that are choosing similar locations.
- **Barriers to Inward Investment** – The lack of available property, lack of awareness of Chorley and lack of distinctive offer are identified as barriers which need to be addressed.
- **Target Audiences** – Our target audiences include existing businesses, intermediaries and advisors in Manchester, Liverpool and Preston, partner organisations like the LEP and UKTi, and potential investors such as growth companies in the North West and Midlands.

The Chorley Offer

The key elements of the Offer are:

- **Lancashire** – reinforcing the wider positive connotations of the county and giving Chorley a more familiar context to external audiences that may not be aware of its location. Communication should mention 'Chorley, Lancashire'.
- **Manchester** – leveraging the great city-brand that is only 30 minutes away, in particular using proximity to assets like the Airport, universities and wider supply-chains. Using phrases like 'on the doorstep of Manchester'.

Project Mandate

- **Chorley is a City Gateway** – not only to Manchester, but also to Preston and Liverpool. Its geographic location and connections mean that its real offer to inward investors is far bigger than the advantages of the district itself. The Chorley Offer can be communicated through several key messages relating to accessibility and these are shown on the next page.



Pipeline of Employment Sites – Acting as facilitator to bring forward a pipeline of employment sites.

Choose Chorley Grant – A local incentive scheme for inward investors looking to locate in Chorley would be a significant help in promoting the town to potential investors and offers the possibility of making a real difference to companies deciding on new locations.

Choose Chorley Web Site – A business-facing promotional web site is fundamental.

Social Media – Using tools such as LinkedIn and Twitter to initiate, facilitate and amplify conversations and relationships with business people and the inward investment community.

Downloadable Marketing Materials – A Choose Chorley Folder and presentation slides to promote the Chorley offer are recommended.

Sectoral Propositions – Use broad-based sectoral propositions to flexibly target potential investors.

Project Mandate

Signage – Bespoke ‘Choose Chorley for Business’ signage at key entry points to Chorley.

Chorley Business Inward Investment Event – An annual event to showcase the town’s assets and sharing of the story, propositions and activity programme.

Chorley Soft Landing Scheme – Bringing together reputable local companies to provide free initial advice (tax, law, HR) to potential investors. Senior players assisting in site visits or discussions over investment projects.

Target Intermediaries – Explaining the offer to a selection of intermediaries and build relationships.

During 2013 the following activities have been delivered:

- A Choose Chorley Grant
- Broad based sectoral propositions
- A database of target intermediaries
- A soft-landing scheme and ‘Red Carpet’ introduction
- An inward investment campaign which will include the production of associated marketing material.
- The commissioning of an inward investment web site for launch in February 2014.
- The commissioning of photography for inward investment marketing material.

Corporate Priorities

Delivering the inward investment plan 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.

Objectives

The project will aim to deliver the following key actions identified in the inward investment action plan; including, but not limited to:

- Completing the inward investment web site.
- Developing social media platforms
- Developing associated marketing material.
- Gateway signage & posters
- Chorley in Manchester Day
- Intermediary contact
- Delivering the Choose Chorley Grant
- Bringing forward a pipeline of employment sites.

Scope

Whilst this project is about the delivery of the overall inward investment plan, there are elements within it that are funding the Corporate Strategy project to ‘Deliver an Inward Investment Campaign’.

Project Mandate

The delivery of the inward investment action plan will complement the 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 existing provision.

Constraints

A total budget of £200,000 comprises of £100,000 growth for 2014/15 and £100,000 unallocated from 2013/14.

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 delivering the inward investment campaign.

Project Mandate

PROJECT DOCUMENTATION

PROJECT MANDATE

16. *Town Centre Masterplan*

Date: 17th December 2013

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

Project Overview

This project will deliver a number of specific actions in line with the Town Centre Masterplan, prepared by Deloitte in conjunction with Chorley Council and approved by Executive Cabinet in October 2013. Key actions will include detailed master planning of the Fleet Street development and preparation of a prospectus for the civic quarter.

Project Background

The Economic Development Strategy was adopted in November 2012 with a key priority “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”. A key action within the strategy was to develop a town centre masterplan.

Following a thorough procurement process, Deloitte was appointed in February 2013 to: define the changing town centre offer and the required retail element; identify significant land/property owners; define land use zones, masterplan investment ready locations; target investment in the public realm and; ensure adequate provision for car parking.

The Town Centre Masterplan provides a long term plan for the future development of Chorley town centre, providing a deliverable framework for investment at key development sites to ensure the viability and vitality of Chorley Town Centre going forward.

This project will implement the phase 1 actions identified in the town centre master plan in relation to the three key investment opportunities and the public realm improvements.

Corporate Priorities

This project fits in with the Council’s Corporate Priority to achieve ‘A strong local economy’.

Objectives

This project will deliver a number of visible improvements in the town centre and start to drive forward the longer term aims outlined in the Town Centre Masterplan.

Benefits

- Improved street scape in town centre locations
- More attractive environment for potential new businesses
- Increased footfall in the town centre
- Increased resident satisfaction through visible indication of council investment

Scope

The project to deliver the Town Centre Masterplan primarily relates to the following specific actions to be overseen by Economic Development:

Project Mandate

- Masterplan and identify a development partner for South Market Street/Fleet Street
- Develop a prospectus for the civic quarter
- Design and deliver the upgraded ASDA junction
- Design and deliver upgraded Market St (south) public realm improvements
- Market St Shop Front Improvements
- Deliver 98-102 Market Street project

Key Project Milestones

The actions outlined above will be delivered in 2014.

Constraints

This project will be led by the Economic Development team with support from a number of other services and external partners as necessary.

A budget of £35,000 has been identified to specifically deliver the following improvements:

- Masterplan and identify a development partner for South Market St/Fleet St residential development
- Develop prospectus for the civic quarter

Impact on other Directorates/Projects

This project forms a key element of the wider programme of economic development activities including inward investment and other more discrete pieces of work such as the renovation of 98-102 Market Street and projects to improve outlying areas of the town centre. The project may impact upon the Planning service and also Policy and Communications.

PROJECT DOCUMENTATION

PROJECT MANDATE

- 17. *Support the Expansion of Local Businesses***

Date: 16/12/13

Author: Cath Burns

Responsible Directorate: Partnerships, Planning and Policy

Project Overview

As part of the business support service for existing businesses, a reward scheme was launched in April 2013 to support existing businesses in their expansion and growth plans. This scheme is called the Chorley Business Investment for Growth grant (Chorley BIG) and aims to support businesses that are creating or safeguarding jobs with capital investments or works. This project and budget investment will support the future delivery of this scheme through a hybrid grant model with businesses undertaking to re-pay into the community for the funding they have received.

In addition to grant support, and to further support the expansion of local businesses, Chorley Council also provides a quarterly networking event known as the 'Choose Chorley Business Network'. This compliments the existing provision of private sector network groups and provides an opportunity for local businesses to develop their supply chains and facilitate their expansion plans. This investment will also support the further development of the network

Project Background

Businesses in Chorley have access to a dedicated business adviser to support them with their development and growth plans. The provision of quality one to one business advice and information to our existing businesses is fundamental to the Chorley Economy for:

- 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.

Through the business support work it became evident that although businesses had aspirations for growth these plans were being delayed, or cancelled, as businesses were finding it harder to raise funds through their normal channels. This was due to the adverse economic trading conditions and banks continued reluctance to lend.

Businesses in Chorley have access to a capital grant scheme which is designed to enable them achieve growth. This fund is delivered through Regenerate Pennine Lancashire and was the result of a successful bid into a national government programme called Regional growth Fund. Accelerating Business Growth (ABG) is a competitive grant scheme that helps growth projects which commit to significant job creation, additional investment from other sources and provide a major impact on the local economy.

Chorley Council consider ABG as a key, and valuable, resource for businesses - often filling a gap in project funding and enabling businesses to kick start their investments but the Authority continues to see a gap in this provision. This is due to the fact that the minimum project value which ABG will contribute to must exceed £100,000 leaving a large number of businesses looking to carry out investments below this value.

Project Mandate

Chorley Council BIG grant scheme is designed to complement ABG and offer support to businesses investing in projects of any size.

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

Although previously a pure grant scheme, a review has been undertaken including consultation with previous grant recipients and the grant will now be offered through a hybrid grant and repayment model with businesses undertaking to re-pay into the community for the funding they have received. This could be through: providing goods, services or expertise to the third sector; attending careers or schools events to provide information and advice; supplying staff members for community tidy up days and events or; becoming a 'Choose Chorley Advocate.' If the recipient did not deliver the activities as agreed and within the specific time, then the grant would revert to a loan and be repayable.

The exact plans for how community repayment would be administered will be developed as part of this project but it is envisaged that a list of activities and their value against the grant would be provided to applicants. The businesses would agree their 'outputs' in advance with the Council giving the opportunity for publicity to be carried out to promote the valuable work being achieved by the scheme. There would also be the opportunity to tie these activities into the Chorley Time Credits scheme.

In addition to grant support and to further support the expansion of local businesses, Chorley Council also provides a quarterly networking event known as the 'Choose Chorley Business Network'. This compliments the existing provision of private sector network groups and provides an opportunity for local businesses to develop their supply chains and facilitate their expansion plans. This investment will also support the further development of the network.

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'.

Objectives

The project will aim to:

- Ensure businesses in Chorley have access to financial support to assist them realise their growth potential through a hybrid grant and repayment vehicle
- Deliver a range of economic benefits to Chorley including;
 - Improving floor space within businesses
 - Creation of jobs
 - Job opportunities for Chorley residents

Project Mandate

- Attracting private sector investment
- Businesses signing up to Chorley Employment Charter
- Engage businesses in community development and support additional resources for associated activities
- Facilitate the 'Choose Chorley Business Network' which complements and integrates with existing business network provision.

Scope

The development of the hybrid grant will be scoped based on Chorley BIG as follows;

- To provide support to businesses in Chorley Borough who are investing over £4,000 on capital equipment/ works that will generate job creation. Maximum contribution of £2,000 per job created or 50% of the project value with a maximum total grant available through the scheme being £10,000
- Available to businesses defined as 'Small and Medium Enterprises' (SME's) i.e. a Company which employs fewer than 250 persons (full time equivalent), and has a turnover of less than 50 million Euros and/or has an annual balance sheet of less than 27 million Euros. No more than 25% of the company's voting rights may be held by a parent company which is not itself an SME
- All funds provided through Chorley BIG grant scheme comply with the EU state aid regulations. Due to these regulations Chorley BIG is unable to provide financial support to companies in the transport sector, or those involved in the production of agricultural equipment
- Applications must be made in advance of investments by businesses as support is not available retrospectively through this grant scheme.

The Choose Chorley Business Network is open to businesses from within Chorley and surrounding areas with a focus on;

- Providing an environment for businesses to build their local supply chains, useful contacts and explore consortia working opportunities
- Enable businesses to be informed of the work Chorley Council is undertaking to support the Local Economy
- Introduce Chorley businesses additional sources of business support to ensure these businesses receive the most beneficial support package to their business

Constraints

Timescales

Key milestones include:

Key Action	Milestone Date
Develop detailed framework for the hybrid grant scheme with community repayment.	February 2014
Deliver hybrid scheme	Ongoing
Facilitate quarterly Choose Chorley Business Network	Ongoing

Project Mandate

Resources

A Business Advisor who has been appointed to deliver support to established businesses will administer the Chorley BIG grant scheme. Support from the Finance Team will be required during the grant appraisal process.

The business advisers within the Economic Development team will facilitate the Choose Chorley Business Network. Support will be required by the wider Economic Development team on the day of the event.

Budget

This project has a budget estimate of £45,000 which comprises as follows:

- £40,000 Chorley BIG reward hybrid scheme for capital expansion of existing businesses
- £5,000 Choose Chorley Business Network

Impact on other Directorates/Projects

Support from the Finance Team will be required during the Chorley BIG grant appraisal process.

PROJECT DOCUMENTATION

PROJECT MANDATE

18. *Business start-up support scheme*

Date: 18/12/2013

Author: Paul Heyworth

Responsible Directorate: Partnerships & Planning

Project Mandate

Project Overview

This project will develop the current scheme to deliver a more sustainable support mechanism through moving away from a straight, non-repayable grant into a hybrid scheme which takes a much smaller grant to support those with minimal requirements before they can start a business, and backs this up with the potential availability of a more affordable loan to cover greater start-up costs.

Project Background

The Starting in Business Grant was introduced in September of 2012 with a total budget of £117,000. To date, grants have been agreed supporting 108 business start-ups, aiming to create a total of 221 jobs in the short to medium term. The scheme has recently been reviewed to ensure that it is fit for purpose going forward through a introducing a combination of smaller grant and affordable loan.

Chorley Council will support the grant element whilst it is envisaged that we will work with the Credit Union to investigate the potential for them to administer smaller repayable loans.

Corporate Priorities

This project fits with the council's policy on "A strong local economy" by supporting new, sustainable start-up businesses.

Objectives

This project would support up to a maximum of 90 new business start-ups either at the pre start stage, or within 6 months of commencing business. The scheme is anticipated to create a total of 140 jobs in total over the length of the advisor commitment to the new business which is 3 years.

Benefits

The project is aimed at assisting the creation of new start-up businesses and would help those without significant capital available to them to create sustainable businesses and ultimately generate more jobs.

Scope

- The offer should be available to all new start businesses on completion of a viable business plan and it is not proposed to means test for need.
- The assessment process would involve a review of the clients plan by the Business Adviser, and completion of any actions resulting therefrom.
- The granting of the loan would be by way of applying the normal canons of lending
- The grant/loan provision is to be available over a 12 month period from April 2014
- The administration of the loans would be via the Credit Union. If this facility is unavailable, the budget would revert to grant funding.

Project Mandate

Key Project Milestones

Mechanisms are already in place for the grant scheme.

A protocol would need to be established with the loan provider for the loan part of the scheme. This will include work with the Credit Union to investigate potential loan administration.

Constraints

- The budget required for this project is £22,500 which would facilitate up to 90 grants and £44,000 loan fund to facilitate up to 88 £500 loans.
- If the Credit Union are unable to administer the loans, the budget would revert back to grant funding.

Impact on other Directorates/Projects

Support may be required from Finance and also Policy and Communications in supporting work with the Credit Union.

PROJECT DOCUMENTATION

PROJECT MANDATE

19. *Town Centre and Steeley Lane pilot action plans*

Date: 17th December 2013

Author: Conrad Heald/Gill Barton

Responsible Directorate: Partnerships, Planning and Policy

Project Mandate

Project Overview

Developing and delivering a two year programme of local area projects within the town centre/Steeley Lane areas of Chorley. This is a pilot programme which will be evaluated by feedback from town centre stakeholders including shoppers, residents and traders.

Project Background

Since June 2011 the Council has delivered a Town Centre/Local Service Centres grant programme offering shop floor refurbishment grants/business rate subsidies for vacant properties, and shop front improvement grants for existing businesses.

A new focus for town centre improvements has now been requested, and a two year pilot programme of local area projects is being developed. This programme will focus primarily on connectivity between the Bus Station, the Rail Station and Steeley Lane, delivering improvements to these gateway areas and creating a more cohesive town centre experience for shoppers and visitors.

Corporate Priorities

This pilot project fits in with the Council's Corporate Priority on 'A strong local economy' by supporting a 'vibrant town centre and villages' and creating a 'strong and expanding business sector'.

Objectives

The project aims to achieve the following:

- A Local Action Plan incorporating a series of worked up, costed projects as follows:
 - a. Gateway signage at bus station
 - b. Signage at underpass to Steeley Lane
 - c. Steeley Lane factory exterior
 - d. Steeley Lane station platform exterior
 - e. Steeley Lane car parking
 - f. Improvements to alleyway between Argos and Nat West, Market Street
 - g. Railings/lighting to underpass at Steeley Lane

Benefits

The programme will deliver improvements to gateway areas to the town centre and link the Steeley Lane shopping area to the town centre through improvements to public realm and signage. This will benefit local businesses and create a more cohesive town centre experience for shoppers and visitors.

We will record footfall and premises vacancies at 6 monthly intervals from January 2014 to monitor the impact of improvements to Steeley Lane, underpass and Chapel Street.

We will monitor car park usage, revenue and PCN's issued on a monthly basis.

Project Mandate

Scope

This two year pilot programme of development and delivery activity will incorporate detailed costings and partner involvement. The geographical areas to be addressed are those listed under paragraph 4 above. Partner involvement will include Northern Rail, the Arts Partnership and local businesses.

Key Project Milestones

Task	Timescale
Working up Schemes including costing out and consultation processes	End May 2014
Cabinet processes	End June 2014
Tendering processes, including via the Chest for projects over £10,000 (specify works/evaluate tenders and select winning tenderer)	End August 2014
Deliver Year 1 projects a to f	End January 2015
Deliver Year 2 project g	End January 2016

Constraints

Timescales

The project is delivered over 2 years with completion early 2016.

Staff Resources

The two year programme will be managed by the Town Centre and Markets Manager with support from the Economic Development Officer, and will require input from Planning, Streetscene, Neighbourhoods and Communications. In addition there will be consultation required with Network Rail, Arts Partnership and private sector businesses.

Budget

The programme has a budget of £200,000; with £100,000 in 2014-15 and £100,000 in 2015-16.

Risk

- Network Rail not giving timely authorisation or funding
- Maintaining the artwork over time
- Interjections with highways requiring LCC approvals

Project Mandate

Impact on other Directorates/Projects

The programme complements the Town Centre Masterplan and will impact on the following Sections – any opportunities for joint working will be addressed as the programme is developed:

- Planning
- Streetscene
- Communications
- Neighbourhoods

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	Meeting	Date
Statutory Finance Officer	Special Council	25 February 2014

TREASURY STRATEGIES AND PRUDENTIAL INDICATORS (2014/15 TO 2016/17)

PURPOSE OF REPORT

1. To present for approval the Treasury Strategy and Prudential Indicators for the years 2014/15 to 2016/17. Submission of these reports is a requirement of the Codes of Treasury Practice with which the Council must comply.

RECOMMENDATION(S)

2. That Council approve
 - The Prudential Indicators for 2014/15 to 2016/17, as set out in this report
 - The Treasury Management Strategy for 2014/15 and Treasury Indicators
 - The Annual Investment Strategy 2014/15
3. That Council note
 - The Annual Statement of MRP Policy 2014/15, approved 11 November 2013

EXECUTIVE SUMMARY OF REPORT

4. No changes are proposed to the Investment Strategy for 2014/15. The following limits remain in force:
 - The maximum that can be invested with the part nationalised banks remains at £5m, and with other institutions £2m. Up to £3m can be deposited in funds affording instant access (Money Market Funds and Call Accounts).
 - Funds can be deposited for up to one year in the part nationalised banks and with local authorities, and for a maximum of 3 months with other institutions.
 - Investments are restricted to 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.
5. The Annual Statement of MRP Policy 2014/15 was approved by Council on 11 November 2013. The policy was amended to allow the Minimum Revenue Provision for relevant assets to be calculated using the annuity method, taking account of the estimated life of the particular assets. Several Prudential Indicators in respect of 2013/14 were updated at the same meeting, to take account of the purchase of Market Walk shopping centre and financing by prudential borrowing. Further changes to prudential indicators are proposed in this report, to take account of the phasing of expenditure and sources of financing in the Capital Programme for 2014/15 to 2016/17.
6. Following an auction of local authority claims, a final sum in respect of the Landsbanki claim has been received, bringing the sum recovered to around 93% of the original investment.

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

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

7. With security of investments being the paramount objective no change in the current narrow range of British counterparty institutions is proposed
8. Approval of the Prudential Indicators, Treasury Management Strategy, Treasury Indicators, and Annual Investment Strategy is necessary to comply with statutory requirements. The Annual Statement of MRP Policy was approved on 11 November 2014 and is presented for information.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. None

CORPORATE PRIORITIES

10. 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

11. The Local Government Act 2003, gave authorities greater discretion over capital expenditure by allowing prudential borrowing. It also sought to strengthen governance by making compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Prudential Code and CIPFA's Treasury Management Guidance, statutory requirements. The former requires the production of Indicators showing that expenditure is affordable; the latter requires the approval of an annual Treasury Management Strategy incorporating Treasury Indicators and limits.
12. 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.
13. Finally Authorities have, through the Local Government Act 2003, also been given greater discretion in investing surplus cash. They are required however, by guidance issued by the Department for Communities and Local Government (DCLG), to prepare an annual Investment Strategy to identify how that discretion should be applied.

14. 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 2014/15 to 2016/17

15. Local authorities have discretion to incur capital expenditure in excess of the capital resources provided by government, or those resources resulting from the sale of assets or the receipt of contributions from other parties. To do this however increases a Council's indebtedness and ultimately leads to a charge to the General Fund revenue budget.
16. 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

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

Table 1 - Capital Expenditure	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Capital expenditure incurred directly by the Council	26,483	11,924	1,305	390
Less Capital resources				
Capital receipts	360	0	0	0
Grants & contributions	1,474	3,761	715	0
Revenue and reserves	332	258	115	0
Unfinanced amount (affects the CFR: see Prudential Indicator 2 below)	24,317	7,905	475	390
Of which:				
Market Walk Shopping Centre	23,341	0	0	0
Chorley East Health Centre	0	6,650	0	0

18. The 2013/14 capital expenditure and unfinanced amount were increased when Council approved the purchase of the Market Walk shopping centre on 11 November 2013 at a budget of £23.341m. The appraisal of the purchase demonstrated that the MRP and interest payable on borrowing would be exceeded by the income stream from rentals.
19. The 2014/15 capital and unfinanced expenditure figures are high primarily because of the inclusion of the Chorley East Health Centre at a budget of £6.650m. In terms of prudence and affordability, this project is included in the programme on the assumption that its financing costs would be matched by rental income.

Prudential Indicator 2 – Capital Financing Requirement (CFR)

20. The CFR is a measure of the Council's indebtedness resulting from its capital programme. It increases when, as above, the Council incurs unfinanced capital expenditure or leases

liabilities. Its importance lies in the fact that it results in a charge to the revenue account, to make provision to finance the expenditure (the Minimum Revenue Provision - MRP).

21. **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.
22. The CFR is important therefore because it creates a charge to the Council's General Fund, which therefore has an impact on Council Tax. The following table shows how the CFR is changing over the next few years.

Table 2 - CFR	31/3/14	31/3/15	31/3/16	31/3/17
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Estimated CFR at year-end	32,518	39,952	39,742	39,395
Reasons for the annual change in the CFR				
Unfinanced capital expenditure (see Table 1)		7,905	475	390
Annual revenue charge (MRP)		(471)	(685)	(737)
Of which:				
Market Walk Shopping Centre	23,341	23,206	23,064	22,917
Chorley East Health Centre	0	6,650	6,491	6,326

23. The estimated CFR as at 31/3/14 increased as a result of the Council's decision on 11 November 2011 to finance the purchase of Market Walk shopping centre by prudential borrowing over 50 years. The appraisal of the purchase was based on taking one 50-year Public Works Loan Board (PWLB) annuity loan as soon as the asset was acquired. This demonstrated that the purchase was affordable when compared to the income stream from rents, because 50-year loans are at higher rates of interest than loans for shorter periods. However, in order to achieve savings in the cost of financing the acquisition, borrowing from the PWLB in November 2013 was limited to £13.341 million, made up of seven loans with repayment periods from 4.5 to 50 years. The remaining £10m balance was met initially from temporary borrowing from other local authorities, which has been replaced by the Council's own cash balances pending a decision as to the amount of additional longer term borrowing to be taken. As low rates of interest are expected to be earned on cash balances invested internally, a better use of cash balances would be to minimise the level of external borrowing at higher interest rates for as long as possible. However, the CFR relating to Market Walk, and therefore the annual MRP, is the same whether the source of funding is external or internal borrowing.
24. Additional financing by prudential borrowing of the Chorley East Health Centre in 2014/15 is reflected in Table 2. The MRP in respect of both Market Walk and Chorley East Health Centre is included in Table 2 figures. In respect of revenue budget provision, it is assumed that all financing costs relating to the health centre would be matched by rental income; and that Market Walk financing costs, and other running costs, would be exceeded by income from rents.

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

25. This indicator shows the proportion of the receipts from government grants and local taxation that is required to meet the costs associated with capital financing (interest and principal, net of interest received). The unadjusted ration increases considerable from 2014/15 onwards because the calculation includes the financing costs for Market Walk and Chorley East

Health Centre, but the revenue stream does not include the rental income that matches or exceeds those costs. As those two schemes are self-financing, an adjusted ratio is presented excluding their financing costs. The adjusted ratio shows a gradual increase from 2014/15 onwards, which reflects the reduction in the revenue stream in respect of government funding. Financing costs increase as a result of additional prudential borrowing and a reduction in interest earned on cash balances.

Table 3 - Ratio of financing costs	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Ratio	2.10	10.71	15.06	16.21
Ratio (excl. Market Walk/Health Centre)	2.10	2.75	3.05	3.72

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

Table 4 - Impact of capital investment decisions	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Increase/(decrease) in Band D charge	(2.90)	(13.99)	(14.38)	(13.45)

26. This table shows the cumulative effect on council tax levels of the changes between the capital programme reported in this strategy and that submitted a year ago. It has to be stressed that the complexity, and notional nature, of the calculations mean that the figures should only be treated as being indicative.
27. Increased costs resulting from the prudential borrowing to finance Market Walk and the addition of 2016/17 to the capital programme are exceeded by the rental income from Market Walk. The net effect of the purchase of Market Walk is that it contributes to a reduction in the annual Council Tax.

TREASURY MANAGEMENT STRATEGY 2014/15 to 2016/17**Background**

28. 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

29. 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

30. 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

31. The Council's borrowings and investment are inter-related. The following table details the estimated changes in borrowings and cash balances available for investment, consistent with the capital and revenue budgets. The table is prepared on the assumption that the remaining £10m borrowing to finance the purchase of Market Walk will be incurred by the end of 2013/14, as approved by Council on 11 November 2013. This is to identify the maximum borrowing in each financial year, in order to calculate the Operational Boundary and Authorised Limit in Tables 6 and 7 below. Setting those Prudential Indicators at the highest estimated level would mean that the option of taking further PWLB loans would be available without the need to amend the limits first.

Table 5 - Borrowing and Investments	2013/14	2014/15	2015/16	2016/17
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Borrowing at period start	7,272	30,263	35,633	35,471
Borrowing repaid in year	(350)	(1,280)	(6,462)	(2,752)
Borrowing in year	23,341	6,650	6,300	1,500
Borrowing at period end	30,263	35,633	35,471	34,219
Surplus cash for investment at year end	(15,000)	(15,000)	(12,000)	(12,000)
Net borrowing/(investments)	15,263	20,633	23,471	22,219

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

Prudential Indicator 7

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

Prudential Indicator 8 The Operational Boundary for External Debt

32. The Council is required to set two limits on its borrowings. The first is the Operational Boundary. This should reflect the most likely, but not worst case scenario consistent with the Council's budget proposals. As discussed above, this table assumes that Market Walk would be financed in full by external borrowing in 2013/14.

Table 6 - Operational Boundary	31/3/14	31/3/15	31/3/16	31/3/17
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Borrowings	30,263	35,633	35,633	35,471
Other long-term liabilities	14	14	14	14
Operational boundary	30,277	35,647	35,647	35,485

Prudential Indicator 9 The Authorised Limit

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

Table 7 - Authorised Limit	31/3/14	31/3/15	31/3/16	31/3/17
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Borrowings	32,263	37,633	37,633	37,471
Other long-term liabilities	14	14	14	14
Authorised Limit	32,277	37,647	37,647	37,485

Economic outlook and expected movement in interest rates

34. The report of the Council's consultants, Capital Asset Services, is attached at Appendix A.
35. Capita report that UK economic growth during 2013 exceeded all expectations, and that the prospects for growth remain strong for 2014. However, there are concerns that a UK recovery based mainly on consumer spending and the housing market may not endure much beyond 2014.
36. Capita indicate that investment returns are likely to remain relatively low during 2014/15 and beyond. Bank Rate is not expected to increase until the June quarter of 2016/17.

Borrowing strategy

- 38. During 2013/14, £13.341m borrowing has been incurred to finance the purchase of Market Walk. In the short-term, the remaining £10m was met by borrowing from other local authorities, until investments matured and the Council’s own cash balances became available. Prudential Indicators presented in this report reflect the assumption that before the end of the 2013/14 financial year, the use of temporary loans and internal cash balances would be replaced with further PWLB loans. This reflects Council approval of the purchase and gives the flexibility to take further PWLB loans should interest rates be attractive. The timing of any additional borrowing and estimated changes in interest rates would be discussed with the Council’s consultants, Capital Asset Services.
- 39. The likelihood is that actual borrowing would be lower than presented in Tables 5, 6 and 7. While internal cash balances are available, the greatest benefit to the revenue budget is to avoid borrowing at say 4% than to invest them at say 0.5%. Adopting this strategy would mean that cash balances available for investment would be lower than presented in Table 5, but this would be worthwhile if the effect is a net saving for the Council’s revenue budget.

Icelandic Investment

- 40. Repayments of the Landsbanki (LBI) deposit continued during 2013/14 and by 31 December 2013 the value in Icelandic króna (ISK) of the partial repayments received by the Council amounted to 53.69% of the claim. However, exchange rate losses reduced the sterling value of the repayments received.
- 41. Following the sale of a number of a number of local authority claims through an auction process, the Council received a payment at the beginning of February 2014 that brought the total recovered to £1,856,337, which is around 93% of the sum originally invested. The cash received is not a windfall resource to the Council, because the annual statement of accounts each year has been prepared on the assumption that most of the investment would be recovered over a period of several years.

Treasury Management Limits on Activity

- 42. 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

- 43. 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.

	2013/14	2014/15	2015/16	2016/17
Table 8 - Variable rate upper limit	Estimate	Estimate	Estimate	Estimate
Upper limit on variable rate exposure	£25m	£25m	£25m	£25m

Treasury Indicator 2 – Upper limit on fixed rate exposure

- 44. 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.

	2013/14	2014/15	2015/16	2016/17
Table 9 - Fixed rate upper limit	Estimate	Estimate	Estimate	Estimate
Upper limit on fixed rate exposure	100%	100%	100%	100%

Treasury Indicator 3 - Maturity structure of borrowing

45. The Council is required to determine upper and lower limits for the maturity structure of its debt. This Treasury Indicator is calculated as at 31 March 2015, and the upper limit assumes that there would be £10 million 50-year PWLB borrowing at the end of 2013/14, and that £6.65 million borrowing would be required to finance Chorley East Health Centre in 2014/15, repayable over 25 years. The percentage of debt maturing within 12 months is high at the end of 2014/15 because a maturity loan for £5 million is repayable during 2015/16.

Table 10 - Maturity structure of borrowing	As at 31/3/15	
	Lower Limit	Upper Limit
Under 12 months	18%	25%
12 months to 2 years	4%	6%
2 to 5 years	12%	15%
5 to 10 years	11%	14%
10 years and above	40%	55%

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

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

Use of Treasury Advisors

47. Last year the Council decided to extend the contact with Capita Asset Services (formerly Sector Treasury Services) by one year to 31 March 2014.
48. A renewal or extension process will be undertaken in accordance with the Business Improvement Plan for Shared Financial Services. This will take into account the relevant procurement policies and also an assessment of the market within the very specialist service area.
49. The Council recognises that responsibility for treasury decisions cannot be delegated to the advisor but remains its responsibility at all times.

Performance Indicators

50. Investments – the generally accepted indicator is 7-day LIBID (The London Interbank Bid rate). This is the rate that could be obtained by the “passive” deposit of money onto the money market. Active investment, in normal times, should outperform this. Average 7-day LIBID plus 10% has been set as a performance indicator for Shared Financial Services. This means, for example, that if average 7-day LIBID were 0.37%, the target would be to achieve 0.41%. Actual investment returns have exceeded this target, but it is likely that the margin above the target will reduce.

INVESTMENT STRATEGY 2014/15**Introduction**

51. Under the Power in Section (15) (1) of the Local Government Act 2003 the DCLG has issued Guidance on Local Government Investments. This was updated with effect from 1 April 2010. Each Authority is recommended to produce an annual strategy that sets out its policies to manage investments, giving priority to security and liquidity. This strategy follows the guidance.
52. 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.
53. 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 2014/15Objectives

54. The Council’s investment priorities are:
 - The security of capital and
 - The liquidity of its investments.
55. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
56. 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

57. 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.

58. 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.
59. 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

60. In determining which institutions are “High Quality” the Council uses the creditworthiness service provided by Capital Asset Services. This combines the credit ratings from all three rating agencies (Fitch, Moody, Standard and Poor) in a sophisticated modelling process. It does not however rely solely on these ratings, but also uses
- Credit watches and credit outlooks from the agencies
 - Credit Default Spreads (CDS) to give early warning of likely changes in ratings
 - Sovereign ratings to select counterparties from only the most credit worthy countries
61. These factors are combined in a scoring system, and results in counterparties being colour coded:
- Purple – recommended maximum duration 2 years
 - Blue (used for nationalised and part nationalised UK Banks)– 1 year
 - Orange – 1 year
 - Red – 6 months
 - Green – 3 months
 - No colour – not to be used

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

The Council may use AAA rated Money Market Funds.

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

The Council may lend to other Local Authorities.

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

Monitoring of Credit ratings

62. Capital Asset Services (CAS – formerly 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

63. 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

64. There are no plans to provide additional training in 2014/15.

Change of Bank

65. Barclays Bank became the banker to the Council from April 2013. The bank offers a deposit account facility that has proved useful during 2013/14. However, the interest rate offered is due to be reduced from 1 April 2014.

Financial Institutions and Investment Criteria (2014/15 Treasury Strategy)

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

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

ANNUAL STATEMENT OF MRP POLICY 2014/15

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

In accordance with the DCLG guidance, this statement sets out the Council's MRP policy for the forthcoming financial year, 2014/15.

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

MRP shall commence in the financial year following that in which the capital expenditure is incurred, or in the year following that in which the relevant asset becomes operational. In respect of the proportion of the Capital Financing Requirement which relates to debt incurred prior to 2008/9, MRP shall be charged on this at the rate of 4% in accordance with option 1 of the guidance, otherwise known as the Regulatory Method.

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

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

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

This policy was adopted by Council on 11 November 2013.

IMPLICATIONS OF REPORT

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

These are contained in the report

COMMENTS OF THE MONITORING OFFICER

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

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

Report Author	Ext	Date	Doc ID
Michael L Jackson	5490	10/02/14	Treasury Strategy 2014-15.doc

APPENDIX A

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

Prospects for interest rates

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

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded during 2013 to surpass all expectations. Growth prospects remain strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth. There are, therefore, concerns that a UK recovery currently based mainly on consumer spending and the housing market, may not endure much beyond 2014. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

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

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt to GDP ratios, in some countries, continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;

- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

Capita Asset Services forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

There could well be volatility in gilt yields over the next year as financial markets await the long expected start of tapering of asset purchases by the Fed. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields. Equally, at the time of writing, the political deadlock and infighting between Democrats and Republicans over the budget, and the raising of the debt limit, has only been kicked down the road, rather than resolved. Resolving these issues could have a significant effect on gilt yields during 2014.

The longer run trend is for gilt yields and Public Works Loan Board (PWLB) rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

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

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see a significant increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded.
- A weak rebalancing of UK growth to exporting and business investment causing a major weakening of overall economic growth beyond 2014
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Prolonged political disagreement over the US Federal Budget and raising of the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the

financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis

- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable; this will cause major difficulties in implementing austerity measures and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts, especially if it looks likely that one, or more countries, will need to leave the Eurozone.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

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

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

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

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

Report of	Meeting	Date
The Statutory Finance Officer	Special Council	25 February 2013

STATUTORY FINANCE OFFICER REPORT

PURPOSE OF REPORT

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

RECOMMENDATION(S)

2. 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

3. This report is required by statute and the Statutory Finance Officer should set out for members how the budget has been constructed and the assumptions that underpin that budget. The Statutory Finance Officer is required to comment on the proposals so the Council can be reassured that the risks contained in the budget are manageable and do not compromise the delivery of the budget.
4. This paper outlines the key assumptions and risks and identifies that working balances should be maintained to mitigate some of that risk moving forward.
5. In terms of the 2014/15 budget all the key budgets have been reworked to align with expected outturn for 2013/14 and reflect the ongoing costs of delivering the current level of service. The budget now contains only a few targets, in terms of expenditure savings, predominantly around the cost of the Property Services Contract. Whilst there are income targets contained within the budget, these are based either on contractual agreements or have been realigned to represent latest performance information. Therefore the bulk of decisions for expenditure savings to be delivered in 2014/15 have already been taken and for, in particular staffing savings, restructuring proposals will be completed by March 2014, with all new structures in place by the beginning of the new financial year. The forecast therefore is that the budget will be balanced for 2014/15 with no use recommended of working balances. Key risks remain around, in particular forecasting of business rate receipts, but the strategy to only build into the base following a year's further evidence is designed to mitigate that risk.
6. 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

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

BACKGROUND

8. 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

9. In terms of the budget proposals, once again for 2014/15, a thorough reassessment of the budget has been undertaken by Directors and their accountants based upon the latest information available. In terms of key assumptions contained, particularly in the 2014/15 budget, these are shown in the Medium Term Financial Strategy but summarised for convenience below.

10. KEY ASSUMPTIONS

Assumption	2014/15 £	2015/16 £	2016/17 £
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 and 2015/16	0.066m	0.131m	-
Reduction in Grant Settlement	0.878m	0.875m	0.350m
Profiled reduction in Grant Settlement	(13.5%)	(15.6%)	(7.4%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	1.044m	1.044m	1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	1.586m	2.236m	2.886m
Net Financing of Market Walk	1.011m	1.011m	1.011m
Additional Business Rates Retained 2014/15 in base budget	-	£0.503m	£0.503m
Pension Fund – Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	0.710m	0.832m	0.956m
Supporting People Income from LCC	0.156m	0.147m	0.138m
Pay Award	1.0%	1.0%	1.0%

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

Council Tax Increases

12. The administration's aim in the financial strategy remains to contain future increases. 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. A prudent approach has been taken to forecasting housing growth numbers, but if growth continues and mirrors the performance achieved previously, there is the likelihood that Council Tax yield will increase further over and above that contained in the forecast.

Council Tax Freeze Grant

13. The administration is proposing to freeze Council Tax in 2014/15, therefore, the Council will be eligible to receive freeze grant in both 2014/15 and 2015/16 and the details of this have been announced by the DCLG.

Reduction in Grant Settlement

14. The Government has already given indicative levels of reduction in grant settlement in 2015/16. From that year onwards it is unclear what may happen, although at a macro level, the Government have indicated more years of austerity are needed to bring the public finances back into balance. I have therefore assumed some reduction in grant in 2016/17 beyond which it is not clear what the reductions will be.

New Homes Bonus

15. The inclusion of New Homes Bonus in the 2014/15 base budget forecast has been limited to that received prior to 2013/14. This is due to the fact that the amount receivable is recalculated each year and dependent upon the number of new properties built in the borough each year. This approach serves to mitigate risk in respect of variable funding by restricting the reliance of the Council on this income stream to balance its budget. This allows for maximum flexibility with regard to its future use. That said, the sum to be received in 2014/15 has been fixed and is based on an actual value rather than a forecast allocation.

Net Financing of Market Walk

15. The assumption built into the forecast is that the Council would take fixed term borrowing for a period of 50 years. In the various reports to Council it has been explained that whilst this figure was used in the financial modelling, the Council must determine the best way of financing the arrangement that results in least costs in terms of debt financing. It is therefore likely that the net financing costs will be less in 2014/15 but this will not be known until cash flow during the year becomes clearer. Budgeting on this prudent basis means there is less risk contained in the budget as the actual costs are likely to be less.

Business Rates Retention

17. The budget reports explains the volatility of this income stream due to the nature of the scheme and the lateness of announcements by the Government of how the Scheme will actually work. The income levels contained within the budget are based upon a set of assumptions in particular in respect of appeals. In respect of that provision, I have reviewed each claim and risk scored them resulting in an increase in the provision. Only when the appeals are settled will I know if that analysis is correct. That said I am as satisfied as I can be that a prudent approach has been adopted for appeals. In respect of the small business rate relief scheme, the Government have only just announced how this will be financed, and I have now been able to include these estimates which total circa £400k in the forecasts. As the scheme is volatile both in nature and in how the Government treats the grant, I have determined that the grant will not be included in the base until we have some degree of certainty. Again this is done to ensure a prudent approach and in 2014/15 the Council could accrue a budget surplus, but this has not been factored into the forecast until 2015/16, at which point we will have a some clarity on a number of outstanding matters.

Pension Fund Contributions

18. All of the figures contained in the budget are based upon actual contribution rates determined by the fund actuary.

Supporting People Income

19. This income stream represents some risk, as the County Council will only commit the funding to midway through the financial year, at which point following their review, we will have some indication of the income that is to be reduced. The income is used primarily to fund support packages for those currently housed at Cotswold House. Any reduction could impact on level of service and support the Council currently offer, but as the income is relatively small in terms of the overall budget, any change would not destabilise the budget in 2014/15.

Pay Award

20. The estimates are based on the latest intelligence from North West Employers Organisation, and it is likely that further pay awards are likely to be in this region given the funding available to local authorities.

OTHER SIGNIFICANT ISSUES

New era for Local Government Core Funding

21. Local Government funding has 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 was a transitional year with baseline funding being allocated, therefore the 2014/15 budget has more certainty, but it is the future years where the real uncertainty lies.

22. To mitigate against changing year to year funding levels the Council has not committed significant elements of 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 and this approach is referenced in the Medium Term Financial Strategy. 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.

Medium Term Financial Strategy (MTFS)

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

Year	Budget (Headroom)/Gap £000	Cumulative £000
2014/15	(40)	(40)
2015/16	1,002	962
2016/17	1,196	2,158

24. 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, unless further significant reduction in funding are announced. However, the MTFS proposes a fundamental review of priorities and services by 2016/17.

Icelandic Bank

25. Contained in the Capital Programme report is confirmation that the Council has received its final payments in respect of the Icelandic deposit, following the auction of that debt. In respect of the budget this removes one of the significant risks that was previously contained in the budget.

Other Risks

26. 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.
27. In terms of the expenditure savings options that vast majority have been implemented and achieved. The budget, therefore, only contains the following item which represents a target for efficiency other than decisions that have already been made and will result in savings being made.

Policy Option	£'000
Property Services Review	(35)
Total	(35)

LEVEL OF RESERVES

28. The budget for 2014/15 has been established based upon not using working balances to fund recurrent expenditure. Part of the budget strategy for 2014/15 was to maintain the balanced position and the budget proposals achieves this key aim, with a surplus actually being generated
29. The risks outlined in my statutory report on the budget indicate that the public finances and funding of Local Government will continue to 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.
30. 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 2013/14 is shown in the table below.
31. Forecast Balances as at 31 March 2014

	£m
General Fund (December 2013 Monitoring)	2.024
Provisional revenue budget underspend	(0.118)
Forecast balance 31/03/2014	2.142

Source: Revenue Budget Monitoring period ending December 2013

34. The rationale for this position is based upon the following:
- 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.
 - 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.
 - The next Comprehensive Spending Review 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
Gary Hall	5104	8 February 2013	EXECREP

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Medium Term Financial Strategy 2014/15 – 2016/17



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

FOREWORD AND INTRODUCTION

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

This Medium Term Financial Strategy (MTFS) continues to plan a route by which the budget gap could be bridged in order that the corporate priorities can still be delivered. For a number of successive years local authorities have faced fundamental change and a period of significant budget reductions and challenges. This has been triggered by the austerity measures implemented by Central Government to reduce overall public sector spending. Funding cuts have been delivered as part of the government's Comprehensive Spending Review (CSR) of 2010 covering the period 2011/12 to 2014/15. This trend is also set to continue and Central Government has announced that further public sector spending cuts will need to be made for some time to come. In summary the overall core funding framework has not only been dramatically reduced, it has also been transformed and now is composed of two relatively new regimes that are vulnerable to annual and significant fluctuations brought about by external factors outwith the influence of the Council.

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

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

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

- Continue to restrain Council Tax increases.
- Deliver a balanced budget by 2016/17.
- Identify budget efficiencies to improve financial resilience and also balance the budget by seeking to bring income into the council and reduce costs whilst minimising the impact on front line service users.
- Establish working balances no lower than £2.0m over the financial planning period 2014/15 to 2016/17.
- Review the financial risks facing the Council during 2014/15 and the appropriate level of balances taking into account the latest information available.
- Make the Council more financially self-sufficient as Government funding is likely to continue to diminish.
- By 2016/17 the Authority will undertake a fundamental review of service priorities to take account of a diminishing resource base.

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

Capital Programme

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

Treasury strategy

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

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

The following sections of the MTFs will include:

1. what the Council's Corporate Priorities are;
2. the financial outlook and key challenges over the planning period to 2016/17;
3. how the Council can meet the financial challenge;
4. where the Council will investment in its services to deliver its priorities;
5. delivering the Capital Programme investment over the longer term;
6. Treasury Management and Strategy;
7. maintenance of working balances.

CORPORATE PRIORITIES

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

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



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

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

FINANCIAL OUTLOOK AND KEY BUDGET CHALLENGES

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

The budget forecast in Appendix F1 attached identifies that by 2016/17 the forecasted a budget deficit will be in the region of £2.200m.

Budget (Headroom)/Gap 2014/15 to 2016/17

Year	Budget (Headroom)/Gap £000	Cumulative £000
2013/14	(40)	(495)
2014/15	1,002	962
2015/16	1,196	2,198

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

Assumption	2014/15	2015/16	2016/17
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax in 2014/15 and 2015/16	£0.066m	£0.131m	-
Reduction in Grant Settlement	£0.878m	£0.875m	£0.350m
Profiled reduction in Grant Settlement	(13.5%)	(15.6%)	(7.4%)
New Homes Bonus Receipts 2011/12 and 2012/13 in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£1.586m	£2.236m	£2.886m
Net Financing of Market Walk	£1.011m	£1.011m	£1.011m
Additional Business Rates Retained 2014/15	-	£0.503m	£0.503m
Pension Fund - Future Service Contribution	11.1%	11.1%	11.1%
Pension Fund – Deficit Recovery	£0.710m	£0.832m	£0.956m
Supporting People Income from LCC	£0.156m	£0.147m	£0.138m
Pay Award	1.0%	1.0%	1.0%

All forecasts are built upon a number of assumptions, which are based upon best information available at the time. The table above evidences the extent and scale to which the budget assumptions can influence the budget position over the period to 2016/17. Also in terms of constructing budget estimates there is some important national context to be considered, namely:

- The Comprehensive Spending Review in 2010 has implemented the Central Government's austerity measures for the period to 2014/15 by significantly reducing local authority core funding. Since 2011/12 cuts for the Council's grant have totalled £3.325m. Revenue Support Grant in 2014/15 is £2.900m and therefore if the current scale of reduction continues it is not an unrealistic view that RSG will be eroded to zero in the future.
- Central Government has announced that a further £25bn will be reduced from public sector budget therefore further core funding reductions will continue and appear in the next CSR due 2014.
- The introduction of shorter term Central Government settlement announcements and new variable arrangements for calculating annually fundamental grants exacerbates the increasingly uncertain nature of the Council's core funding streams.
- The new Business Rates Retention regime passes the risk of possible decline and also collection from Central Government to Local Government and therefore changes in the tax base will have a direct and immediate impact on the Council's core funding. The new system was implemented in April 2013 but its technical accounting framework is still to be finalised, this poses more uncertainty for 2014/15 than originally anticipated. The total income collected from Business Rates is determined by a number of external factors and decision made by Central Government and the Valuation Office Agency (VOA).
- A triennial review of the Pension Fund determines the contribution the Council needs to accommodate in its budget each year to clear the fund's deficit over the next 19 years. Performance against the targets is outside of the Council's control and is subject to external factors such as the valuations derived at by the Pension Fund's actuary.

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. Therefore some of the assumptions above are based on local budget setting decisions to mitigate the risk of large scale fluctuations in funding such as:

- New Homes Bonus – NHB receipts after 2012/13 are not included in the budget forecasts but set aside to be matched with investment expenditure. This enables all subsequent NHB monies received to be available and uncommitted thus allowing for maximum flexibility in its future application.
- Additional Business Rates Retained in 2014/15 - As the system is still subject to change and also exposed to large variations outside of the Council's control, it is recommended that additional Business Rates income is only built into the budget after it has been secured rather than in advance when it is based on estimated outcomes.

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

Assumptions contained in 3 year forecasts - Capital Programme Financing

Assumption	2014/15 £m	2015/16 £m	2016/17 £m	Total £m	Note
Prudential Borrowing	1.212	0.590	0.390	2.192	
Prudential Borrowing – proposed Health Centre scheme	6.650			6.650	
Revenue Funding	0.358			0.358	
Developers & Other Contributions	2.652			2.652	(a)
Government Grants	1.052	0.715		1.767	(b)
Total	11.924	1.305	0.390	13.619	

(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.

What Has Been Achieved

Despite the budget challenges the forecasted budget gap of £2.200m and the risk of substantial change impacting on the estimates, the Council has made progress in addressing the position. Action has taken to balance the budget and provide headroom for investment in advance of the financial year. The Council is proposing a budget that contains headroom for a second consecutive year. Budget efficiency savings of £0.938m have been delivered to close the budget gap for 2014/15 adding to the £0.805m achieved last year.

Saving	Achieved 2013/14 £m	Achieved 2014/15 £m
Productivity Gains	0.392	0.331
Pay Policy	-	0.036
Review of Contracts	0.070	0.035
Review of Income Streams	0.150	-
Review of the Base Budget	0.133	0.094
Debt Restructuring	0.060	-
Investment Yield	-	0.442
Total	0.805	0.938

The purchase of Market Walk has brought an additional £0.492m into the budget so far on a recurring basis. After a provision has been made of £0.050m in an equalisation account to mitigate against the financial risk of temporary void units the net contribution in the budget is £0.442m. This acquisition is a major feature of the Town Centre and supports the Council's corporate priorities whilst also presenting further opportunities to increase the financial benefits already realised. The project not only serves to strengthen the financial resilience of the Council it also brings additional income into the borough.

Transformation Strategy Savings of £0.367m is mainly attributable to restructuring approved in Health, Environment and Neighbourhoods, Transactional Services and Strategic Housing and has focussed on reducing the management costs of the functions. This also includes £0.036m achieved to date with regard to reducing senior officers pay costs as part of the Pay Policy effective from April 2013.

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

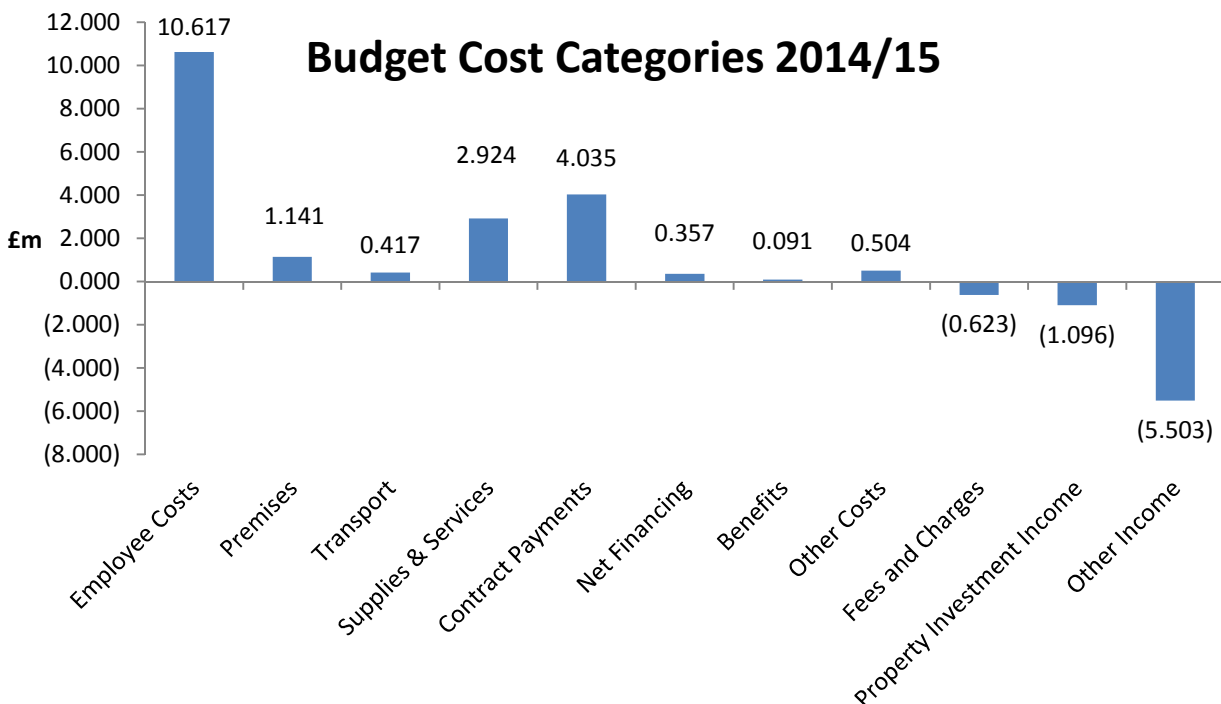
A review into the Property Management function has secured £0.035m budgetary savings in lieu of its completion as the project looking into the viability of bringing the service back in house has prompted an offer of a contract savings proposal. The final outcome may well achieve further savings and these will be brought into the base budget when known.

HOW THE FINANCIAL CHALLENGE WILL BE MET

In summary, in order for a balance budget position to be achieved by 2016/17 further budgetary savings will need to be found from the following sources:

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

To put the strategy into a financial context the total budgeted net expenditure of £12.864m (Appendix F1) is spent in the following areas:-



Employee Costs include the Pensions Fund deficit budget in the sum of £0.710m and the Other Income category includes income streams such as Car Parking, Planning fees, Waste Recycling and Housing Benefit Administration grant.

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

- To continue to restrain Council Tax increases.
- Deliver a balanced budget over the Financial Planning Period 2016/17.
- Identify the savings required to balance the budget seeking to minimise the impact on front line service users.

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

- Maximising the financial benefit of Market Walk
- Maximising Income Generation Opportunities
- Income generation – fees and charges
- Review of Major Contracts
- Reducing expenditure costs and increasing productivity
- Review of non-employee related base budget heads
- Look for opportunities to reduce debt
- Use of New Homes Bonus receipts to smooth the impact of the budget deficit to 2016/17
- Undertake a fundamental review and consider policy changes and implications of priority led budgeting

The overall budget deficit by 2016/17 is forecasted to be £2.200m. The receipt of New Homes bonus and the fact it is not incorporated into the base budget provides an opportunity for the impact of the budget deficit to be effectively smoothed over the next three years.

The strategy below seeks to close the budget gap by 2016/17. In order to protect front line services the priority of this MTFS is to seek to maximise income opportunities. To this end £1.0m will be sought from various options as follows:

Market Walk and other Rental Income Opportunities - £0.220m

It is the Council's aim to achieve substantial long term growth through new income generation opportunities. Following the acquisition of Market Walk we have been able to budget for an additional £500k in the income budget. There are currently four vacant units, the prospect of moving to 100% occupancy could increase future income by and as annual rental income will increase and the cost of Business Rates to the Council of the vacant units will be removed.

Maximising Income Generation Opportunities - £0.500m

The purchase of Market Walk has delivered significant financial benefits to the Council and assisted in closing the budget gap in 2014/15 with the next phase focussing on development opportunities. Other income generation opportunities will be sought including more commercial rental income and consideration will be given to policy changes to implement charges for services currently delivered free and point of delivery.

Fees and Charges including Markets - £0.050m

Inflationary increases, for example 2%, in fees and charges to also include income from the Markets should generate additional income in the region of £50k.

Council Tax Increases - £0.238m

The table below shows the impact of increasing Council Tax between 0.5% and 2%. Currently the Council Tax referendum principle is set at 2%, however, a reduction in this capping level in the next Comprehensive Spending Review cannot be ruled out.

% Each Year	2015/16 £	2016/17 £
0.5	30,000	59,000
1	59,000	119,000
1.5	88,000	178,000
2	118,000	238,000

The table shows that below inflationary increases do have a significant, cumulative and permanent effect, something that the Council Tax Freezing Grant option lacks as it is awarded for a short term temporary period after which it is included within the core grant which is then subject to significant reductions. Even over a short term period approximately £238k can be raised.

Importantly the proportion of overall funding secured via Council Tax is increasing as Central Government funding decreases. Therefore decisions made with regard to Council Tax levels set have increasingly greater impact on the financial resilience of the Council's budget. Financial resilience is also strengthened as funding decisions are retained locally and cannot be eroded by budgetary cuts distributed by Central Government.

In addition to income generation cost reduction can be also achieved by budget efficiencies with priority assigned to the Council's core areas of spend as shown in the pie chart above. This will include major contract and employee costs at management level:

Review of Major Contracts - £0.250m

A significant element of the Council's overall spend and therefore an opportunity to make efficiency savings. This includes both the insourcing of functions such as Property Management and the review of the cost of services provides via the Waste Contract. There is scope to renegotiate the cost of the contract whilst maintaining the same level of service as partners are expected to make efficiency savings with regard to their services in a similar way to that applies to in-house service functions. Such efficiency savings should be shared with the Council.

Budget Efficiency Savings - Reduction of Employee Costs - £0.300m

A review will be undertaken of employee costs including the Senior Management Structure. As employee cost is a large part of the overall expenditure budget this is an achievable target, the total employee budget is circa. £9.3m so the target equates to 3% of the total employee budget and approximately 10 posts. Productivity to be increased by continuing to take advantage of reduced bureaucracy in our processes and making the most of our advanced Information Technology platforms to explore and implement different delivery models.

Budget Efficiency Savings - Reduction of Expenditure - £0.642m

A further budget savings will be required circa. £0650m to close the total budget gap by 2016/17. This may be achieved by a fundamental review of all expenditure across the Council in the delivery of all its services including:

Changes to Policy and Service Provision – By fully assessing the priorities of the Council, budgets can be allocated according to a priority led budget process taking into account the parameters set by the financial constraints of diminishing resources.

Costs may also be reduced by exploring the possibility of sharing resources involved in providing services.

Total Budget Efficiency Programme by 2016/17

Strategy	£m
Market Walk and Other Rental Income Opportunities	0.220
Maximising Income Generation Opportunities	0.500
Fees and Charges incl. Markets	0.050
Council Tax Increases	0.238
Review of Major Contracts	0.250
Budget Efficiencies – Reducing Employee Costs	0.300
Other Budget Efficiencies achieved via options such as: <ul style="list-style-type: none"> • Fundamental review and consider priority led budgeting • Shared Services 	0.642
Total	2.200

NEW INVESTMENT AND SUPPORTING THE CORPOATE STRATEGY

The rate of progress in delivering the MTFs has presented the opportunity to fund 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.**

It is propped that the additional budget surplus of £0.040m is used to provide a recurring provision in the budget for the following items that support the corporate priorities:-

Recurring base budget new investment	£000
Meals on Wheels service (ref. Appendix C and C1)	30
National Minimum Wage for Apprentices (ref. Appendix A2)	10
Total	40

The 2014/15 New Development Package listed below adds to the continuing projects set out in last year's budget proposal some of which lasted for more than one year. As per Appendix F1 the total NHB monies available are £1.586m, this available pot is being invested as follows:-

	£m	£m
Revenue New Investment Package 2014/15	0.660	
Capital New Investment Package 2014/15	0.424	1.084
Year 2 of recurring 2013/14 Investment Projects		0.235
Sub Total New Investments	1.319	1.319
PCSOs		0.297
Total Investment Package 2014/15	1.616	1.616
Financed by:-		
Use of New Homes Bonus available in 2014/15	1.586	
Headroom created in the budget in 2014/15	0.030	1.616
Fully Financed in 2014/15	1.616	1.616

The Investments above are listed below and also set out in detail with project mandates in Appendix C1 to the budget report.

Investment Area (Revenue)	2014/15 Amount £	2015/16 Amount £
Deliver Agreed Neighbourhood Priorities	50,000	
16/17 young person's drop in scheme	21,000	
Britain in Bloom	10,000	
Connecting Communities through food to overcome social isolation	12,000	
Meals on Wheels Service *	30,000	
Expand the food bank	15,000	
Extension & improvement of street furniture	35,000	
Play and Open Space Strategy	50,000	
Free Swimming	8,000	
British Cycling, Tour of Lancashire * *	20,000	45,000
Mediation for Anti-Social Behaviour disputes	7,000	
Employee health scheme	20,000	
Campaigns and promotions	20,000	
Deliver Chorley Council energy advice switching service	15,000	
Inward investment delivery	100,000	
Town Centre Masterplan	35,000	
Support the expansion of local businesses (BIG grant)	40,000	
Support the expansion of local businesses	5,000	
Business Start-up Support Scheme	67,000	
Town Centre & Steeley Lane Pilot Action Plans ***	100,000	100,000
Total (Revenue)	660,000	145,000

*Meals on Wheels scheme of £30k to be built into the base on a recurring basis financed from budget headroom created in 2014/15.

**The tour will be staged in 2015/16 and requires a further £45k in 2015/16 and will have priority call on available NHB funds.

***Phased over two years at £100k in both 2014/15 and 2015/16, also has priority call on NHB receipts available in 2015/16.

The proposed package also includes new 2014/15 Capital Programme investments as below:

Investment Area (Capital)	2014/15 £000	2015/16 £000	
Regeneration Projects	100		
Astley Hall & Park Development (Capital works to be phased over two years)	50	25	Astley Play area – extra
	100	100	Event Parking
	5	5	Events Staging
	40	40	Footpath Lightning
	15	15	Sensory Garden
	18	18	Street Furniture
	15	15	Steps & footpath improvements
	81		Other proposals
Total Investment (Capital)	424	218	

CAPITAL PROGRAMME

The Council's Capital Programme forms part of the Council's overall financial strategy to deliver some of its key objectives contained in the Corporate Strategy. The capital programme has to be affordable and based upon prudence. The current local government financial position and the need to make revenue savings will impact on the Council's ability to finance further capital spending unless additional funding is secured from external sources. The Capital Programme has been constructed based upon the following strategic objectives.

- The resources available will be targeted at areas that deliver corporate objectives.
- Borrowing will be contained where possible to ensure the future impact on revenue is minimised.
- As part of their capital expenditure strategy the Council will consider the purchase 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 2014/15 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 £13.619m over the MTFS period.

The programme also contains £6.650m borrowing in respect of Chorley East Health Centre, although this will not impact on the revenue budget as the cost will be 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 and B3 for further details of the Capital Programme 2014/15 to 2016/17.

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 result 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 next Comprehensive Spending Review due in 2014 and impacting from 2015/16 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.

Central Government's 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 2014/15 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 order to further strengthen the Council's position it is proposed to create a new reserve. The Council is committed to increasing the income it receives from Market Walk by attracting new businesses to occupy vacant units. It is prudent, however, to plan for adverse movement in occupation and the level of rent received in future years through the creation of a Market Walk Equalisation Reserve. This reserve will top slice a proportion of the rent received in 2013/14 and 2014/15 in order to compensate for any fall in income collection in future years.

There is also an option to set aside the £0.503m that is expected to be received as retained additional Business Rates in 2014/15 in a reserve. This could be used to support the budget should Business Rates income experience decline and in future years.

In terms of resource availability members will also be aware, and as reported in monitoring, working balances are estimated to total £2.142m at the end of March 2014. This will allow for options with regards to financing to be explored at the year end with regards to utilising surplus over the £2.0m threshold to further replace the use of borrowing in the capital programme.

The working balances position is made up of estimated balances in hand and forecast forward as shown below:

	£m
General Fund (December 2013 Monitoring)	2.024
Provisional revenue budget underspend	(0.118)
Forecast balance 31/03/2014	2.142

Source: Budget Monitoring period ending December 2013.

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 2014/15 – 2016/17.
- To review the financial risks facing the Council during 2014/15 and the level of balances taking into account the latest information available.

TREASURY MANAGEMENT

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

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

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

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

The Council will:

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

The prudential indicators, targets and measures will be agreed as part of the budget setting process in February 2014, via the production of annual Treasury Management Strategy.

Analysis of Budget Variations 2014/15 - 2016/17

	2013/14 ESTIMATE £'000	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000
CASH BASE BUDGET REQUIREMENT	13,727	14,303	12,636	13,289
Cash Movements:				
Other Virements (Transfer below the line)		38		
Inflation				
Pay	71	86	83	254
Pensions	64	67	16	15
Pensions Rate Adj.	0	33	116	117
Non-Pay	106	(32)	36	39
Contractual	195	221	208	189
Income	(12)	70	31	28
Increments	67	41	19	4
Volume Expenditure	(133)	176	(61)	20
Volume Income	128	(16)	134	31
Savings Identified 2011/12	(4)	(2)	0	0
Savings Achieved for 2012/13	(2)	0	0	0
Additional Savings Achieved for 2012/13	(6)	0	0	0
Mainstream Growth Items 2012/13 (recurrent)	(93)	0	0	0
Growth Items 2012/13 & 2013/14	0	(65)	0	0
Growth Items 2012/13 (Non-recurrent)	(445)	0	0	0
Base Budget Review Savings 2013/14	(133)	0	0	0
Transformation Strategy Savings 2013/14	(537)	0	0	0
Mainstream Growth Items in 2013/14 and in 2014/15	80	0	40	0
Growth Items 2013/14 to 2015/16	235	(235)	0	0
One-Off Non-Recurrent Growth 2013/14	994	(994)	0	0
PCSO's		(297)	0	0
Car Parking Tariffs		100	0	0
Mainstreaming of 3 Posts		80	0	0
Market Walk - Net Income/Equalisation Account		(442)	0	0
Review of Property Contract		(35)	0	0
Base Budget Review Savings 2014/15		(94)	42	0
Transformation Strategy Savings 2014/15		(367)	(12)	0
DIRECTORATE CASH BUDGETS	14,303	12,636	13,289	13,987
Contingency:				
- Management of the Establishment	(200)	(130)	(130)	(130)
- Other Corporate Savings Targets	0	0	0	0
Directorate & Corporate Budgets	14,103	12,506	13,159	13,857
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	(45)	16	(17)	6
- MRP less Commutation Adjustment	346	341	384	425
sub total	301	357	366	430
TOTAL EXPENDITURE	14,404	12,864	13,525	14,287

Analysis of Budget Variations 2014/15 - 2016/17

	2013/14 ESTIMATE £'000	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000
Financed By:				
Council Tax - Borough	(5,810)	(5,898)	(5,925)	(5,952)
Grant for freezing Council Tax in 2013/14	(65)	0	0	0
Potential Grant for freezing Council Tax in 2014/15	0	(66)	(66)	0
Potential Grant for freezing Council Tax in 2015/16	0	0	(65)	0
Parish Precepts	568	530	530	530
Council Tax Parishes	(530)	(530)	(530)	(530)
Revenue Support Grant	(3,862)	(2,999)	(2,051)	(1,824)
Baseline Funding Level	(2,569)	(2,619)	(2,692)	(2,569)
Estimated Growth in Business Rates Retained	(171)	(171)	(674)	(674)
New Homes Bonus 2011/12 & 2012/13	(1,044)	(1,044)	(1,044)	(1,044)
New Homes Bonus 2013/14	(739)	0	0	0
Additional New Homes Bonus (Top-Sliced)	(22)	0	0	0
New Burdens Grant	(16)	(16)	0	0
Council Tax Transition Grant	(20)	0	0	0
Collection Fund (Surplus)/Deficit - Council Tax	(77)	(27)	(7)	(7)
Collection Fund (Surplus)/Deficit - Business Rates	0	0	0	0
Transfers to/(from) Earmarked Reserves	68	(63)	(39)	(19)
Transfer to/(from) General Balances	(115)	0	0	0
TOTAL FINANCING	(14,404)	(12,903)	(12,563)	(12,089)
Sub Total - Net Expenditure/(Income)	0	(40)	962	2,198
Net Expenditure/(Income) in Year	0	0	1,002	1,196
Recurring New Investments				
Meals on Wheels service (Appendix C and C1)		30		
Apprentices - Living Wage - Pay Policy (Appendix A2)		10		
Net Expenditure/(Income)		0	962	2,198
Below the line items not in the base budget:				
New Homes Bonus 2011/12	(302)	(302)	(302)	(302)
New Homes Bonus 2012/13	(742)	(742)	(742)	(742)
New Homes Bonus 2013/14	(739)	(739)	(739)	(739)
New Homes Bonus 2014/15	-	(847)	(847)	(847)
New Homes Bonus 2015/16	-	-	(650)	(650)
New Homes Bonus 2016/17	-	-	-	(650)
New Homes Bonus Receivable	(1,783)	(2,630)	(3,280)	(3,930)
Use of New Homes Bonus in Base Budget	1,783	1,044	1,044	1,044
New Homes Bonus Available Balance	-	(1,586)	(2,236)	(2,886)
Use of NHB for 2013/14 3 year Growth Items in 2015/16	-	235	235	-
Use of NHB for 2014/15 2 year Growth Items in 2015/16	-	-	363	-
Use of New Homes Bonus for PCSO's	-	297	297	297
New Homes Bonus Available Balance	-	(1,054)	(1,341)	(2,589)
Business Rate Retention estimated in 2014/15		(503)	-	-
TOTAL		(1,557)	(1,341)	(2,589)

Analysis of Budget Variations 2014/15 - 2016/17

	2013/14 ESTIMATE £'000	2014/15 ESTIMATE £'000	2015/16 ESTIMATE £'000	2016/17 ESTIMATE £'000
Key Assumptions		2014/15	2015/16	2016/17
Increase in Council Tax		0%	0%	0%
Grant for freezing Council Tax in 2014/15 and 2015/16		£66k	£131k	£0k
Reduction in Government Grant Settlement (AEF)		£878k	£875k	£350k
Profiled Reduction in Grant Settlement		-13.5%	-15.6%	-7.4%
New Homes Bonus receipts 2011/12 & 2012/13		£1,044k	£1,044k	£1,044k
New Homes Bonus estimated receipts from 2013/14		£1,609k	£2,236k	£2,886k
Net Financing of Market Walk		£1,011k	£1,011k	£1,011k
Business Rates Retention Scheme		£0k	£503k	£503k
Future Service Pension Rate		11.1%	11.1%	11.1%
Pension Fund deficit recovery		£710k	£832k	£956k
Supporting People Income from LCC		£156k	£147k	£138k
Pay Award		1%	1%	1%

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Significant Budget Movements

Description	Details	Budget Change	
		£	£
Budget Gap Reported 28 February 2013			946,180
<u>Income Generation</u>			
Market Walk	Budgeted income in 2014/15 (net of deduction for equalisation reserve)	(442,000)	
Gillibrand St Offices	Gillibrand St Offices - three year lease with Asda	(55,000)	
Cotswold Supported Housing	Increase in rents	(12,260)	
White Hart Public House	White Hart Public House rental income (part-year 2014/15)	(12,160)	
Bengal Street Depot	Share of Costs/Income from Recycling Lives at Bengal Street Depot	(7,530)	
Union Street Offices	HMRC lease of Union Street Offices to continue for 2014/15	(6,160)	(535,110)
<u>Other Income Changes</u>			
Housing Benefits	Housing Benefits - rebasing in line with 2013/14 forecasts and subsidy grant reduction in 2014/15	(48,020)	
Individual Electoral Registration (IER) Grant	Individual Electoral Registration (IER) Grant - 2014/15 only.	(35,550)	
Settlement Funding adjustment	Settlement Funding adjustment (July, December and February)	53,930	
Loss of income/service charge	Loss of income/service charge when Liberata leave Gillibrand St Annexe	9,710	
LCC income for Abandoned Vehicles	LCC income for Abandoned Vehicles	6,000	(13,930)
<u>Pension Changes</u>			
Impact of 11.1% rate instead of £750k fixed cash sum	Impact of 11.1% rate instead of £750k fixed cash sum	72,770	
Impact of Pensions Auto-Enrolment	Impact of Pensions Auto-Enrolment	41,420	
Pensions Deficit Recovery adjustment	Pensions Deficit Recovery adjustment	(20,400)	
Impact of changes in pension contribution	Impact of changes in pension contribution	(17,930)	
LCC Pensions Account	LCC Pensions Account - rebasing in line with 2013/14 forecasts	(11,840)	64,020
<u>Transformation Strategy Budget Efficiencies</u>			
Transactional Services Restructure	Transactional Services Restructure	(175,000)	
Health, Environment & Neighbourhoods restructure	Health, Environment & Neighbourhoods restructure full year saving	(118,990)	
Review of Property Contract	Reduced cost of providing Property Management function in 2014/15	(35,000)	
Strategic Housing Restructure	Strategic Housing Restructure	(24,250)	(353,240)
<u>Other Savings</u>			
Base Budget Review savings	Base Budget Review savings agreed with Heads of Service (see breakdown in Appendix G1)	(93,520)	(93,520)
<u>Council Tax</u>			
Potential Grant for freezing Council Tax in 2014/15	Potential Grant for freezing Council Tax in 2014/15	(66,250)	
Additional Council Tax income from revised Council Tax Base	Additional Council Tax income from revised Council Tax Base.	(54,330)	
Collection Fund Surplus 2014/15	Collection Fund Surplus 2014/15	(19,630)	(140,210)
<u>Other Budget Changes</u>			
PCSO budget removed from base budget	Change PCSO's budget to Investment item funded by New Homes Bonus	(297,000)	
Election costs	Saving from combined Local and European Elections on 22 May 2014	(30,000)	
Pay Policy 2013/14	Council Pay Policy - revised February 2013 and impact of 2014/15 Pay Policy	(36,300)	
Utilities	United Utilities surface water charges - increase in costs delayed to 2016/17	(8,040)	
Car Parking Tariffs	Impact of maintaining current Car Parking Tariffs	100,000	
Mainstreaming of 3 HEN posts	Mainstreaming of 3 HEN posts	80,000	
Management of the Establishment	Reduction of annual target saving from £200k to £130k to take account of establishment changes	70,000	
Minor staffing changes amalgamated	Minor staffing changes amalgamated	55,570	
Net Financing	Net Interest and Minimum Revenue Provision (MRP) update 3 February 2014	38,000	
Business Rates	Increase in Business Rates on Council Properties/Car Parks	26,030	
Individual Electoral Registration (IER)	Individual Electoral Registration (IER) additional costs.	24,000	
Waste Contract	Adjustment to RPIX for 2013/14 and vehicle replacement saving not achievable for 2014/15	24,430	
Insurance Premiums	Increase in Insurance Premiums - less premiums recharged to Market Walk	19,120	
Astley Hall	Additional budget provision to cover extra opening hours at Astley Hall	10,000	
Employee Health Scheme	HMRC Tax Liability on Employee Health Scheme	5,000	80,810
Current Budget Deficit/(Surplus)	Budget Headroom 2014/15		(45,000)

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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 has been to identify budgets by analysing past performance and trends in reduced expenditure. All the proposals listed below have been approved by Budget Holders to ensure that change is due to permanent circumstances and not as a result of one off, unique reduced operational demand or, in fact, earmarked to fund other related financial commitments as demand has simply migrated elsewhere.

The base budget review is carried out in addition to analysing volumetric changes as the amalgamation of budget variations in the way can reveal corporate trends. Larger values are identify that would otherwise remain undetected when considered as separate non-material values.

Unless otherwise stated the budgets below have been reduced as a result of a change in demand either led by activity levels or changes in systems and/or processes.

	<u>£</u>	
Council Tax Support Grant	(42,260)	Reduced anticipated costs funded by New Burdens Grant
Publicity	(9,250)	
Utilities	(8,720)	
Printing	(5,090)	
Travel	(1,720)	
Conferences	(3,000)	
Survey Expenses	(4,000)	
Stationery	(3,300)	
General Subscriptions	(2,770)	
Computer Software-Maintenance and licences	(2,540)	Inflationary increase less than budget assumption
HR Recruitment - Advertising	(2,000)	
Miscellaneous Expenses	(1,900)	
Mayoral Hospitality Costs	(1,840)	Successive years costs have been incrementally reduced
Car Allowances	(1,730)	
Bailiffs' Fees	(1,500)	
Rail Fares	(1,500)	
Fixtures & Fittings - Repair/Maintenance	(400)	
	<u>(93,520)</u>	

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Appendix I

Chief Executive	Meeting	Date
	Special Council	25 th February 2014

BUDGET CONSULTATION 2014/15

PURPOSE OF REPORT

1. This report provides the Council with the results of the public consultation carried out on the Executive’s draft budget investment proposals for 2014/15.

RECOMMENDATION(S)

2. That Members use the results which highlight the views of residents to inform their decisions on setting the budget for 2014/15.

EXECUTIVE SUMMARY OF REPORT

3. Consultation on proposed budget investment areas for 2014/15 shows a good spread of support and agreement for each of the investment areas with supporting business and improving the local economy considered to be the highest priority.
4. Additional comments and suggestions were also provided by just under half of the respondents. Suggestions about improvements of the services provided by LCC have been grouped together and therefore form the highest response rate, however below that reference to improving the town centre and its offer, and to improving the cleanliness of the borough were the top in terms of the services we deliver.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

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

BACKGROUND

6. The 2014/15 budget consultation process started following approval of the budget position paper, which set out the budget position along with proposed investment areas, by Executive Cabinet on the 16th January 2014.
7. The proposed investment areas were grouped into nine categories for the purposes of the consultation, and respondents were asked to look at each one and score how much of a priority they considered it should be for the council to spend in each of the areas so that we

can ensure money is being spent on the things that matter to local people. The categories were as follows:

- Neighbourhood working – implementing local projects in your neighbourhood.
- Supporting business and improving the economy – encouraging business growth, attracting new investment into Chorley, offering advice and support to new and existing businesses.
- Improving the town centre – including delivering actions in the Town Centre Masterplan and delivery of projects within the town centre/Steely Lane area.
- Supporting safer communities through a scheme to support young people who are at risk of homelessness and provision of a mediation service for anti-social behaviour disputes.
- Delivering a cleaner Chorley through the continuation of the litter bin replacement programme.
- Supporting healthy communities through provision of sporting activities for both the young and old, and tackling social isolation in older people through a food delivery project.
- Improvements to play areas in the borough.
- Putting on events in the borough to attract more people into Chorley, including entering into the national Britain in Bloom competition.
- Supporting residents who are struggling financially, through projects such as extending the food bank, providing an energy advice switching service, and working with partners such as the credit union to help you save more easily.

8. Respondents were also asked for any additional suggestions about where the council should be investing its money but aren't.
9. The survey ran until the 9th February with respondents encouraged to complete an online survey; however paper copies were also available. The consultation was widely promoted through the Council's website, local press, social media and invitations to take part were also emailed to a number of groups including, parish council clerks, the VCF sector network, the equality forum and 150 residents who had recently responded to our customer satisfaction survey.

BUDGET CONSULTATION RESULTS

10. The 2014/15 ran from the 17th January to the 9th February and received 282 responses. The first question asked respondents to score each of the investment areas out of five, with one being low priority and five being high priority. Respondents were able to give as many fives or ones as they wished. The results are shown below:

	Priority	Overall score	Overall %
1	Supporting businesses and improving the local economy	1080	12.5
2	Supporting healthier communities	1047	12.1
3	Supporting residents who are struggling financially	1006	11.6
4	Supporting safer communities	1001	11.5
5	Improving the town centre	960	11.1
6	Delivering a cleaner Chorley	953	11.0
7	Neighbourhood working	895	10.3
8	Putting on events	877	10.1
9	Improvements to play areas	850	9.8

11. The results show a good spread of support for each of the investment areas. While the investment areas are not directly comparable to the investment areas consulted on last

year, of those that are similar, the results continue to show a similar pattern in terms of priority ranking. For example, supporting business and improving the local economy continues to receive the highest score, as it did last year, followed by improvements to the town centre, events in the borough and then improvements to play areas.

12. From the 282 responses, 123 provided additional comments and suggestions about areas that they felt the council should be, but are not currently investing in. These have been grouped together and prioritised in order of the highest frequency of comments. It should be noted that responses often included more than one comment or suggestion, covering more than one area.
13. Included in the table against each category is a brief note of the work that the council is already undertaking or has plans in place to address.
14. The availability of New Homes Bonus has presented an opportunity to provide a programme of new investment in the Corporate Priorities. The following table summarises the total invested in 2013/14 and 2014/15 and shows that the new investment is in agreement with the findings of the consultation exercise.

Two Year Investment Programme 20213/14 to 2014/15

Priority	Total £m
A strong local economy	2.002
Clean, safe and healthy communities	0.988
Involve residents in improving their local area and equality access for all	0.608
An ambitious Council that does more to meet the needs of residents and the local area	0.545
TOTAL TWO YEAR INVESTMENT PROGRAMME	4.143

No.	Category	Details	Approximate frequency category mentioned	Note
1	LCC Services including road and transport improvements	Included are comments regarding the need to repair and improve the roads, followed by transport infrastructure, improving schools, keeping libraries open and reducing speed limits.	23	The council will continue to work with and lobby Lancashire County Council to improve issues experienced by our residents.
2	Town centre improvements	Comments referenced the markets, range of shops and need for more entertainment facilities in the town centre.	18	To have a thriving town centre is a key priority in the Council's corporate and economic development strategy. The town centre masterplan developed during 2013/14 includes a number of proposals which will seek to improve the town centre offer. Alongside that, work is being undertaken to improve the look of Market Street with improvements to shop fronts and public realm works.
3	Cleaner, greener Chorley	Including street cleansing, dog fouling, bin collection, recycling and renewable energy.	17	Resources have continued to be allocated in the budget to support the replacement of litter bins, and the proactive clean-up team which target issue areas. The cleaner Chorley campaign, which will fully launch in the coming months, encourages residents to report issues and challenges people who do litter and do not clean up after their dogs. In addition, the funding provided to support neighbourhood projects means that local areas can target issues relevant to their locality for improvement.

4	Social isolation and protecting the vulnerable	Including providing support for those in financial need, older people and those with a disability.	14	The council agreed to implement initiatives to overcome social isolation in this year's corporate strategy, and funding is proposed in the budget to support the work. In addition, work is being undertaken to deliver the welfare reforms action plan to ensure that those affected by changes to welfare support are supported through the change. Finally, the council is using the core funding process for this year to commission a series of services which will support vulnerable people, particularly older people.
5	Parks, play and open spaces	Including environmental improvements, planting, footpaths, playing pitches and sporting facilities.	14	The council has recently consulted on its play and open spaces strategy, and money is proposed in this budget to support its delivery. The strategy identifies work and improvements to parks, play areas and open spaces which will be undertaken in the coming years.
6	Neighbourhood working/community empowerment	Comments included community centre management, food growing schemes, and volunteering.	11	The council is continuing to work to encourage volunteering, including through the time credits programme, the civic pride campaign and core funding commissioning. Neighbourhood areas have been working to develop suggestions for projects for the coming year. A continued resource has been proposed in the budget to support the delivery of that work.
7	Investing in the visitor economy and local events	Comments referenced existing events as well as sporting events and making more use of Chorley's heritage and countryside.	10	The council will continue to support and deliver events which provide an opportunity make use of Chorley's assets and encourage visitors.
8	Supporting the local economy/businesses	Additional comments referenced the importance of broadband provision and social enterprises.	8	There is significant investment proposed in the budget to support the delivery of the economic development strategy and the corporate strategy key projects.

9	Car Parking	Including the repair of car parks, payment methods and enforcement.	7	The Executive Cabinet have recently approved a contract award for the resurfacing of some of the key town centre car parks.
10	Investment in outlying areas of the borough	Comments mainly focused on the level of investment in outlying and rural areas compared with the town centre.	7	Much of the investment that is proposed is available and will be used in rural areas. For example, the neighbourhood working projects give local areas the opportunity to identify issues and solutions for their area.
11	Activities for children and young people	Activities in addition to park and play provision mentioned above.	7	The council continues to support activities for children and young people, with the provision of programmes such as Get Up and Go. The budget includes investment to continue the free swimming programme, and support for the development of a Youth Zone.
12	Protecting green space	Planning related comments including enforcement and reference to travellers site provision	6	The council is continuing to work towards full adoption of the LDF.
13	Support for VCF sector organisations	Requests for investment in this sector.	4	Support for the VCFS has continued. The Executive Cabinet have agreed changes to the arrangements for providing core funding this year, and have made available small community grants and councillor community grants in addition to the larger scale support for the sector. In addition, the VCFS Network, as the umbrella body for the sector locally, is continuing to receive support to develop its work and support the sector.
14	Community safety	References to the feelings of safety particularly for the vulnerable and policing levels.	4	The council will continue to work with the police and other partners to improve feelings of safety. This includes the proposed budget investment for a mediation service to tackle anti-social behaviour.
15	Affordable housing		2	The council is continuing to work to deliver affordable housing across the borough, including making use of its assets to bring forward sites for development.

15. Comments and suggestions on improving LCC services have been group together and therefore form the highest frequency of comments. In terms of the services we provide, improvements to the town centre and its offer, as well as addressing the cleanliness of Chorley, particularly in relation to dog fouling were mentioned the most.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

17. The financial implications of the budget are set in the main report and the Medium term Financial Strategy.

COMMENTS OF THE MONITORING OFFICER

18. There are no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Rebecca Huddleston	5779	10 th February 2014	Budget Consultation Council Report

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**APPENDIX J**

Report of	Meeting	Date
Chief Executive	Special Council	25 th February 2014

ASSESSING THE IMPACT OF 2014/15 BUDGET PROPOSALS**PURPOSE OF REPORT**

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

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

3. Under equality legislation in the Equality Act 2010, public authorities have legal duties to pay 'due regard' to the need to eliminate unlawful discrimination and promote equality of opportunity between people who share a protected characteristic and those who do not, as well as to promote good race relations. The law requires that this duty to pay 'due regard' be demonstrated in the decision making process, including financial decisions
4. To meet this requirement in relation to the budget growth proposals 2014/2015, work has been undertaken to assess the impact of the proposals. This report presents the findings and recommendations based on this work.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

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

BACKGROUND

6. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard' in terms of the Equality Act. This includes financial decisions, as set out in the guidance *Using the Equalities Duties to make fair financial decisions*, as published by the Equality and Human Rights Commission, September 2010

7. These assessments must be carried out at a formative stage in the development of a policy, procedure or practice, and can take any form appropriate as long as the legal duties are met. The framework that has been used in this process is to undertake integrated impact assessments - this includes an assessment of equality, sustainability, health, and reputation.
8. An overall integrated impact assessment has been developed on the proposed budget. This includes a consideration of the various investment items that make up the overall final budget investment package. The final assessment is attached at Appendix A.

RESULTS OF THE IMPACT ASSESSMENTS

9. No recommendations have been made following impact assessment. 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

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

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

COMMENTS OF THE MONITORING OFFICER

12. There are no comments.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

13. 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
Victoria Willett	5248	01/02/14	Assessing the impact of the 2014/15 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 2014/15
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	Victoria Willett
Date of Assessment	01/02/2014

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 using a combination of: online survey posted on the website; email survey sent to parish councils via intheboro; provision of paper surveys where appropriate and the use of social media. 282 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 youth zone, free swimming, 16/17 year olds drop in scheme and also targeted at older people such as connecting communities through food to reduce social isolation.
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 continuation of neighbourhood working for 2014/15 will see the extension of neighbourhood activity, with all neighbourhood areas able to put forward priorities relevant to their local area and community, whether rural or urban. The work around connecting communities through food to reduce social isolation will also engage rural wards where individuals may be restricted in their ability to access services. The proposal linked to the play and open space strategy will support equality of access across all areas of the borough and promote Chorley's rural assets.
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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"> • Neighbourhood working • Britain in Bloom • Extension of street furniture • Play and Open Space Strategy • Astley Hall and Park development
(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 to develop a Chorley Council energy switching support scheme will actively support a reduction in fuel poverty and the more efficient use of resources in the home.

<p>(3) Social progress amongst all of Chorley's communities. Possible issues to consider are;</p> <ul style="list-style-type: none"> • Opportunities for education and information • Provision of appropriate and sustainable housing • Reduced fear of crime and community safety • Access to cultural and leisure facilities • Encouraging engagement and supporting volunteering 	✓				<p>A number of proposed schemes will have a positive impact on social progress amongst all of Chorley's communities. These include:</p> <ul style="list-style-type: none"> • 16/17 year olds drop in scheme • Youth Zone • Chorley Council energy switching support scheme • Free swimming • Employee health scheme • Mediation service for anti-social behaviour disputes • Support for the food bank
<p>(4) A vibrant local economy in Chorley. Possible issues to consider are;</p> <ul style="list-style-type: none"> • Supporting better quality jobs and developing the skills of local residents • Supporting local business by procuring goods and services locally • Strengthening links with public, private and third sector partners 	✓				<p>A number of proposed schemes will have a positive impact on a vibrant local economy. These include:</p> <ul style="list-style-type: none"> • Inward investment delivery • Campaigns and events • Town centre master plan • Support the expansion of local business • Town centre and Steeley Lane pilot action plans • Business start-up grants and loans

Health Impact Assessment	P	N	U	NI	Evidence
What potential impact does this activity make upon:					
<p>1. Encouraging healthy lifestyles across Chorley's population. Possible issues to consider are;</p> <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 	✓				<p>The following schemes will have a positive effect on healthy lifestyles across Chorley's population:</p> <ul style="list-style-type: none"> • Play and open space strategy • Free swimming • Employee health scheme • British cycling tour of Lancashire

Health Impact Assessment	P	N	U	NI	Evidence
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 scheme all support a positive social environment for Chorley's residents: <ul style="list-style-type: none"> • 16/17 year olds drop in scheme • Youth Zone • Mediation service for anti-social behaviour disputes • Support for the food bank • Connecting communities through food
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 neighbourhood working, extension and improvement of street furniture, Britain in Bloom, Play and Open Spaces Strategy and 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.

Reputational Impact Assessment	P	N	U	NI	Evidence
<p>2. Our ability to deliver the Corporate Strategy. Issues to consider are;</p> <ul style="list-style-type: none"> ▪ A council that consults and engages with residents ▪ An ambitious council that continually strives to improve 				✓	<p>Overall, the Corporate Strategy will continue to be delivered through key projects and business improvement planning.</p> <p>The campaigns and promotions proposal will particularly help the council to consult and engage with residents.</p>
<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 Sustainable Community Strategy and the work of the Chorley Partnership.</p>



Report of	Meeting	Date
Chief Executive	Overview and Scrutiny Committee	9 January 2014

CALL-IN PROCEDURES

PURPOSE OF REPORT

- To propose some changes to the call in process for Executive Decisions.

RECOMMENDATION(S)

- That two keys changes be made to the call in process:
 - The call in period after a decision has been made be reduced from 10 days to 5 days in order to speed up the implementation of decisions across the Council.
 - That the procedure be revised so that on receipt of a call in request, a Special meeting of the full Overview and Scrutiny Committee be called
- That the procedural issues in paragraph 12 of the report be incorporated into the call in process and the revised call in process be referred to Council for approval as a change to the Council’s Constitution.

Confidential report Please bold as appropriate	Yes	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

- On 10 October 2013 the Overview and Scrutiny Committee agreed that a small number of councillors should undertake a mini review of the call in process and report back to the Committee with their recommendations. This was as a result of Overview and Scrutiny Committee having considered a small number of call in requests over the last 12 to 18 months.
- Whilst not a significant number, how these requests were dealt with prompted a procedural review. The current procedure states that any requests accepted by the Chair of the Overview and Scrutiny Committee as valid (ie within the scope of call in and not defamatory

or frivolous) should be considered, where practicable, at the next Overview and Scrutiny Committee.

7. Experience at a call in considered on 22 January 2013 reviewing the Astley Hall Coach House decision showed that considering a call in request as part of a longer agenda for Overview and Scrutiny Committee makes the meeting too long and does not allow full consideration of all items. The item did however generate public engagement and enabled an open and transparent debate on all the issues, with participation from all interested parties, and this was welcomed.

REVIEWING ELEMENTS OF THE CALL IN PROCESS

8. The Chair and Vice Chair of the Committee plus Councillors Keith Iddon and Roy Lees met on 30 October to consider the present arrangements and to assess alternative options available to them. The Task Group formed the opinion that it would be prudent to consider a full review of the current call-in procedures and process and also considered comparative information from other Lancashire wide authorities.

Number of days permitted for a call in

9. Comparative information showed a vast difference in the time allowed for a call-in request, with some authorities allowing as little as three working days. Present arrangements at Chorley allows for a ten day call-in period, from the date of the decision being published. This means all executive decisions must wait 10 days before they can be implemented with any called in decisions taking at least a further two weeks. To enable decisions to be implemented more quickly, improving the overall efficiency of the authority, Members recommended that the call in period at Chorley Council be reduced to five working days.

Who can call in a decision?

10. The Council also stands out with regard to who can call a decision in. Most other authorities only allowed its own Elected Members to request a call-in. Chorley are the only authority in Lancashire to also allow any resident of the borough, Chair or Secretary of a voluntary group with an interest in the borough, or proprietor or director of a local business, situated in the borough, to request a call in. However, in the interests of being accountable to the people of Chorley and conducting the business of the Council in an open and transparent way, the Task Group still regarded these arrangements to be suitable and recommended that they continue.

How many people should sign a call in?

11. In addition many authorities ask for 3, 5 or even 10 councillors to sign a call in before it can be submitted. In Chorley it only requires one signature and it was felt this should remain in place.

A dedicated meeting for call in requests – or part of the Committee agenda

12. The Task Group considered it important to allow public participation in the scrutiny process and had been pleased to see the number of public that had attended the Overview and Scrutiny Committee in January to consider a decision relating to Astley Hall Coach House. However this had resulted in a longer meeting than had originally been anticipated with some agenda items not being fully debated. To maintain a healthy balance of public involvement and time for reasonable debate and decision, the Members thought that it would be better to convene a special meeting of the full Overview and Scrutiny Committee if a request for a call-in was received and deemed valid by the Chair of the Committee.

Clarifying procedure

13. Procedurally, it was confirmed by the group that the following points should be included for clarification:

- “Days” refers to working days.
- After the Chair has agreed a call in as valid, notice of a full meeting of Overview and Scrutiny Committee should be given within 5 days.
- The person submitting the call in (whether councillor or public) should present their request/case at the meeting.
- Meetings will normally be in public (unless the item is a confidential one) and the public can submit questions on notice, as with other meetings.
- If the Councillor requesting the call in, is a member of the Overview and Scrutiny Committee hearing the call in, he/she will present the item but should not take part in the vote on that item.
- If the Committee asks the Executive Cabinet or Executive Member to reconsider the issue as a result of a call in, the subsequent decision of the Executive Cabinet or Executive Member should be reported back to Overview and Scrutiny Committee.

IMPLICATIONS OF REPORT

14. 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

15. There are no financial implications.

COMMENTS OF THE MONITORING OFFICER

16. The changes proposed remain within the statutory requirements.

**GARY HALL
CHIEF EXECUTIVE**

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dianne Scambler/Carol Russell	5034/5196	17 December 2013	***

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