

EXECUTIVE CABINET

THURSDAY, 18TH FEBRUARY 2016, 6.00 PM
COUNCIL CHAMBER, TOWN HALL, CHORLEY

AGENDA

APOLOGIES FOR ABSENCE

1 **MINUTES**

(Pages 5 - 10)

To confirm the minutes of the Executive Cabinet meeting held on 21 January 2016 (enclosed)

2 **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.

3 **PUBLIC QUESTIONS**

Members of the public who have requested the opportunity to ask a question(s) on an item(s) on the agenda will have three minutes to put their question(s) to the respective Executive Member(s). Each member of the public will be allowed to ask one short supplementary question.

MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY COMMITTEE (INTRODUCED BY THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE, COUNCILLOR JOHN WALKER)

4 **FINAL REPORT OF THE OVERVIEW AND SCRUTINY TASK GROUP
- SINGLE FRONT OFFICE**

(Pages 11 - 26)

Report of the Chair of Overview and Scrutiny Committee (enclosed)

ITEM OF EXECUTIVE LEADER AND EXECUTIVE MEMBER (ECONOMIC DEVELOPMENT AND PARTNERSHIPS) (INTRODUCED BY COUNCILLOR ALISTAIR BRADLEY)

- | | | |
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| 5 | CHORLEY SKILLS FRAMEWORK AND ACTION PLAN

Report of the Chief Executive (enclosed) | (Pages 27 - 80) |
| 6 | PUBLIC SERVICE REFORM PARTNERSHIP UPDATE

Report of the Chief Executive (enclosed) | (Pages 81 - 88) |
| ITEM OF DEPUTY EXECUTIVE LEADER AND EXECUTIVE MEMBER (RESOURCES) (INTRODUCED BY COUNCILLOR PETER WILSON) | | |
| 7 | CHORLEY COUNCIL PERFORMANCE MONITORING QUARTER THREE 2015/16

Report of Chief Executive (enclosed) | (Pages 89 - 98) |
| 8 | REVENUE AND CAPITAL MONITORING 2015/16: REPORT 3 (END OF DECEMBER 2015)

Report of the Chief Executive (enclosed) | (Pages 99 - 118) |
| ITEM OF EXECUTIVE MEMBER (COMMUNITY SERVICES) (INTRODUCED BY COUNCILLOR BEV MURRAY) | | |
| 9 | COMMUNITY ACTION PLANS - UPDATE

Report of the Director of Public Protection, Streetscene and Community (to follow) | |
| ITEM OF EXECUTIVE MEMBER (CUSTOMER AND ADVICE SERVICES) (INTRODUCED BY COUNCILLOR GRAHAM DUNN) | | |
| 10 | SELECTMOVE - PILOTING PROPOSED AMENDMENTS TO THE ALLOCATIONS POLICY

Report of the Director of Customer and Advice Services (enclosed) | (Pages 119 - 124) |
| 11 | ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE CHAIR | |

GARY HALL
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Executive Cabinet Councillor Alistair Bradley (Chair), Councillor Peter Wilson (Vice-Chair) and Councillors Beverley Murray, Graham Dunn, Adrian Lowe and Paul Walmsley.

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

To view the procedure for public questions/ speaking click here

<https://democracy.chorley.gov.uk/ecSDDisplay.aspx?NAME=SD852&id=852&rpId=0&sch=doc&cat=13021&path=13021>

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<https://democracy.chorley.gov.uk/ieListMeetings.aspx?CId=117&Year=0>

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MINUTES OF	EXECUTIVE CABINET
MEETING DATE	Thursday, 21 January 2016
MEMBERS PRESENT:	Councillor Alistair Bradley (Chair), Councillor Peter Wilson (Vice-Chair) and Councillors Beverley Murray and Adrian Lowe
MEMBER RESPONSIBLE:	Councillors Danny Gee, Matthew Lynch and Alistair Morwood
COUNCIL CHAMPIONS:	Councillors Julia Berry, Jean Cronshaw and Gordon France
OFFICERS:	Gary Hall (Chief Executive), Lesley-Ann Fenton (Director of Customer and Advice Services), Jamie Carson (Director of Public Protection, Streetscene and Community), Chris Moister (Head of Governance and Property Services), Simon Clark (Head of Health, Environment and Neighbourhoods), Susan Guinness (Head of Shared Financial Services), Asim Khan (Head of Customer, ICT and Transactional Services), Chris Sinnott (Project Director), James Thomson (Principal Management Accountant), Vanessa Fitzgerald (Policy and Engagement Assistant) and Dianne Scambler (Democratic and Member Services Officer)
APOLOGIES:	Councillors Graham Dunn and Paul Walmsley
OTHER MEMBERS:	Councillors Aaron Beaver, Charlie Bromilow, Margaret France, Tom Gray, Marion Lowe, June Molyneaux, Eric Bell, Paul Leadbetter and Greg Morgan

16.EC.182 Minutes of meeting Thursday, 10 December 2015 of Executive Cabinet

The minutes of the meeting of the Executive Cabinet held on 10 December 2015 be confirmed as a correct record and signed by the Executive Leader.

16.EC.183 Declarations of Any Interests

There were no declarations of any interests.

16.EC.184 Public Questions

The Chair reported that there had been no requests from members of the public to speak on any of the meeting's agenda items.

16.EC.185 Transformation Strategy

The report of the Chief Executive was presented by the Executive Leader and set out the Transformation Strategy that had been developed following the council's consideration of the future governance models overview report and supporting evidence in November. The Strategy sets out the challenges to face public services in the coming years, the key areas that would need to be considered in delivering the change required, and also identified key actions to be implemented over the next year.

Key themes identified within the strategy aimed to set out the key elements that would need to be addressed throughout its implementation. Following its approval, an overview action plan will be developed alongside the implementation of a new management structure for the organisation, to be overseen by an all-party working group.

Decision: Approval of the Transformation Strategy was granted.

Reasons for recommendation(s)

The Transformation Strategy has been developed following the council's consideration of the future governance models overview report and supporting evidence. It provides a framework to support the organisation in the change that will be required to respond to the challenges in the coming years and to reach the ambitions set out in the November council reports.

Alternative option(s) considered and rejected

To not produce a transformation strategy, would mean that the council would not have a clear framework to manage the implementation of a major change programme.

16.EC.186 2016/17 Draft Budget and summary budget position over the medium term

The report of the Chief Executive was presented by the Executive Member (Resources), Councillor Peter Wilson.

It was proposed that Council Tax be frozen and not increase in 2016/17. This would be the fourth consecutive year that the current administration had achieved a balanced budget position for the forthcoming financial year without increasing Council Tax.

The recent Local Government Finance Settlement included provisional core grant allocations for the forthcoming four years, from 2016/17 to 2019/20. The announcement continued the programme of Central Government core grant reductions across all four years adding to previous cuts. The Revenue support Grant would also be reduced to zero over this time.

Due to the successful implementation of the MTFs, budget efficiency savings totalling £0.214m have been applied to the budget to achieve a balanced budget position for 2016/17 achieved mainly by the Council entering into a Business Rates Retention Pooling agreement within Lancashire effective from 1st April 2016.

In addition contributing to the New Investment Packages for 2016/17, totalling £2.845m for both Revenue and Capital projects, the New Homes Bonus also provides an opportunity for the Council to invest in three other additional areas to protect public services within the borough and increase financial resilience given the revolutionary funding changes.

A budget of £0.500m would be available for the next two years to assist in the transactional period public services currently provided for and funded by Lancashire County Council and a £0.500m provision per annum to increase General Balances to mitigate against the financial risk of a core grant income shift to 100% local taxation sources. £0.603m would all be available for use to invest in projects that will provide income streams to the Council.

Potential investment proposals were summarised in the report and set out in detail in project mandates. Funding has been achieved by not building all the New Homes Bonus income received since 2013/14 into the base budget. An approach taken to enable the council flexibility and resilience in order to address the volatile and variable nature of future core funding which continues to be under review by Central Government. The latest round of projects would bring the total new investment on the Councils corporate priorities to £12.008m since 2013/14

The consultation on the proposed budget would focus on obtaining feedback on the key investment areas in order to help prioritise activity. It would also highlight the impact of a reduction in Council funds and ask residents to give the Council their views on the budget. The consultation would invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey. Results would be analysed and published in February for consideration as part of budget finalisation.

The Executive Leader commented on the ambitious nature of the budget and Members supported the projects proposed.

Decision: Approval granted to start the Budget Consultation process and to note the following proposed budget items, in particular:

- **Council Tax to be frozen in 2016/17**
- **The proposed new investments for 2016/17**
- **The balanced budget position for 2016/17**
- **The forecasted budget position to 2017/18**

Reason for recommendation(s)

To progress the Council's 2016/17 Budget setting process to achieve an approved and balanced budget.

Alternative option(s) considered and rejected

Setting the budget is a statutory responsibility.

16.EC.187 Stray Dogs, Kennelling Arrangements and Charges

The report of the Director of Public Protection, Streetscene and Community was presented by the Executive Leader.

The report advised Members of the current and proposed arrangements for dealing with stray dogs and sought agreement to a revision in service provision and charges.

The Council has a long standing stray pick up dog service that includes the use of an external kennel contractor to retain dogs for the statutory 7 day period whilst the owner is traced or comes forward to claim their dog. The current kennel contract ends in March 2016, providing the authority with an opportunity to review its current arrangements. A number of kennel providers are now offering a stray dog collection service and although this service is currently part of the neighbourhood officer's duties, around 30% of collections are dealt with outside of normal Council hours, incurring additional costs to the Council. It was therefore proposed to include this element of the service within the new procurement specification.

Currently the Council makes a charge to dog owners seeking to reclaim their dogs that have been picked up as strays. This charge is made up of a flat rate release fee of £32.50 plus the kennel costs incurred during the dogs stay in kennels. Currently these amount to £10 per day up to the statutory maximum stay of seven days (£70).

Other authorities make a significantly greater charge which is inclusive of the maximum kennelling costs (up to seven days) irrespective of length of stay as well as a release fee. It was considered that a flat rate charge at this level would reflect more accurately the cost in officer time and administration for dealing with a stray dog and the report proposed amending the charging structure to reflect this in line with neighbouring authorities.

Any charge may be subject to a discretionary waiver in exceptional circumstances and on a case by case basis to be determined by the Director following written representation to the Council by the dog owner"

As part of the Council's commitment to tackling stray dogs, the authority would continue the provision of a microchipping service free of charge to any Chorley resident, encourage dog owners to neuter their dogs and the offer of a transfer service for dog owners who no longer want to keep their dog, facilitated through kennel contacts, dog rescue centres and local contacts.

Decision:

1. Approval granted that the Council's stray dog pick up service be provided through an external contractor should out of hours neighbourhood officer cover be unavailable and that this service element is included in the forthcoming procurement of a kennel provider.

2. That subject to discretionary waiver in exceptional circumstances and on a case by case basis to be determined by the Director following written representation to the Council by the dog owner, approval be granted to an increase in the kennel release charge from £32.50 to £80 for owners who wish to recover their dogs from the Council and the per day kennelling costs to be met by the dog owner on release and recovery of the dog at the daily kennelling fee agreed between the Council and the kennel provider.

Reasons for recommendation(s)

To ensure the Council has a stray dog service appropriate to meet demand with a charging scheme that reflects actual costs incurred and is commensurate with neighbouring local authorities.

Alternative option(s) considered and rejected

Retain the current means of stray dog service operation without testing the market and retain the current charges for the release of kennelled dogs.

16.EC.188 Exclusion of the Public and Press

To exclude the press and public for the following items of business on the ground that it involves the likely disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

16.EC.189 Proposed Acquisition of former Stagecoach Depot, Eaves Lane, Chorley

The confidential report of the Chief Executive was presented by the Executive Member for Resources. The report sought approval for the purchase of the former Stagecoach Depot.

Decision:

Approval granted to purchase the Stagecoach Depot, Eaves Lane, Chorley and authority granted to for the Head of Governance and Property Services to complete the acquisition.

Reasons for recommendation(s)

The acquisition of the building will provide the Council with a facility that can be used as it currently stands as a Council depot which will assist the Council in its future town centre strategy requirements.

The use of the depot can continue as an employment site rather than being converted for housing or other commercial use. There are very few depots currently on the market that can be utilised within the same reasonably close proximity to the town centre and on a main commuter route.

The acquisition of this building will mean that the existing facility at Bengal Street belonging to Chorley Borough Council could be used for other purposes and regeneration, which will assist with its economic delivery of the town centre.

Alternative option(s) considered and rejected

A decision not to purchase the building will prevent the re-location of staff from an existing depot,

16.EC.190 Council Tax Local Discounts and Exemption Scheme 2016/17

The confidential report of the Director of Customer and Advice Services was presented by the Executive Member for Resources. The report sought approval of changes to the Local Discount and Exemption Scheme for Council Tax from April 2016.

Decision: Recommendations approved.

Reasons for recommendation(s)

The change to the Council Tax empty premium is one of several measures that will help support an effective Empty Property Policy to encourage the occupation of empty properties and will have financial implications.

Alternative option considered and rejected.

The premium could remain at its existing level but may be interpreted as the Council not using all available measures to incentivise the return to use of long term empty properties.

Chair

Date

Report of the Overview and Scrutiny Task Group – Single Front Office

December 2015



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PREFACE

The Overview and Scrutiny Committee requested the review to be undertaken following the decision by the Council for the creation of a Single Front Office. As the Council needs to ensure that it is able to respond to continued changes and challenges in delivering high quality services against a backdrop of drastically reduced resources and increased demand, the creation of a single front office has become crucial. The proposals would build on the Council's Customer Access Strategy already being implemented by the authority that would lead to significant changes in staffing arrangements and service delivery.

The drivers for the implementation of the Single Front Office are:

- to ensure that the Council has a business model that ensures the best possible customer experience,
- is sustainable in the long term and is able to fully exploit opportunities such as shared services with other councils,
- manages demand effectively by making best use of its intelligence and where possible intervening early to reduce customer demand and manage peaks and troughs,
- smoothing processes to improve productivity to provide opportunities for efficiencies and income generation.

The delivery of the Single Front Office is also timely because of wider changes that are taking place currently that impact on the revenue and benefits service as a result of the Government's welfare reform programme.

I would like to thank the Task Group Members for their deliberations, both Members and officers who made a contribution to this report. Our findings have proved invaluable and enabled us to produce a set of recommendations that we feel will enhance and support current arrangements and future initiatives as the concept of the Single Front Office is embedded into the Council's delivery of its services.



Councillor Alistair Morwood – Chair of the Overview and Scrutiny Task Group

EXECUTIVE SUMMARY

The Overview and Scrutiny Task Group undertook a scrutiny inquiry to review the implementation of the Single Front Office.

Objectives:

1. To ensure that the implementation of the Single Front Office is successful and meets all the principle objectives of the project.
2. To ensure that the customer experience and response times are meeting targets and productivity and performance continues to improve.
3. Maximising the use of technology to improve the effectiveness and efficiency of service delivery.

Desired Outcomes

1. To promote and increase the use of the Council's digital self-service and online services for Members, Officers and Residents.
2. To provide the best efficient and effective customer service experience for the residents of Chorley within the current financial resources for the service.
3. That customer satisfaction of interaction with the Single Front Office remains of a high standard.

Task Group Membership

Councillor Alistair Morwood (Chair)

Councillor John Dalton

Councillor Mark Jarnell

Councillor Matthew Lynch

Councillor June Molyneaux

Councillor Mick Muncaster

Councillor Debra Platt

Officer Support:

Lead Officers

Lesley-Ann Fenton Director Customer and Advice Service

Asim Khan – Head of Customer and ICT Services

Helen Sutton – Customer Services Manager (Direct Services)

Alison Wilding – Customer Services Manager (Ancillary and Digital Services)

Democratic Services

Dianne Scambler Democratic and Member Services Officer

Meetings

The meeting papers of the Group can be found on the Council's website: www.chorley.gov.uk/scrutiny.

Contribution of Evidence

The Task Group would like to thank all those who have provided evidence and contributed to the Inquiry.

LIST OF RECOMMENDATIONS

The Executive Cabinet is asked to consider the following recommendations:

1. **Member Learning Session to be delivered to all Members of the Council on the Single Front Office to help Councillors understand what the Council are trying to achieve and the reasons why.**
2. **The implementation of the Single Front Office, agreed by Executive Cabinet and finalised in March although only part way through has already demonstrated improved efficiencies and has had an impact on productivity. The Group endorse the current approach being taken by the authority and support its expansion in other service areas.**
3. **That the Group supports the continued development, implementation of and migration of accessible services online.**
4. **That the Council continues to engage with those residents who need additional support to access services online.**
5. **That online tutorials are made available for residents to help them make effective use of the My Account system.**
6. **That dialogue on the My Account system be improved at the necessary stages to provide better information to residents regarding assurances on the status of jobs and the transfer of requests to other partner organisations.**
7. **That the process for requesting the addition of an asset to the Council's Asset Register be better promoted to residents using the My Account system.**
8. **That My Account training to be made available to Parish Councils.**
9. **That an option be considered on the My Account system that will allow customers to enter service request details when that specific option is not available to select.**
10. **That a Suggestion Box be considered on the My account system that will allow customers to feedback and promote ownership of the system by the residents of the borough.**
11. **That the Task Group supports the Council's review of all its correspondence with the aim of improving this method of communication to its residents and details of how to register on the My Account system be incorporated into its design.**
12. **That the Council looks at ways to improve the process of customer call backs across the authority.**

METHOD OF INVESTIGATION

Evidence

The group considered a number of reports that included:

Statistics on a range of key performance indicators that are routinely collected on the volume of calls received, call abandonment rates, average waiting times and number of complaints received.

Information on housing benefits productivity in terms of processing new claims and change events.

Analysis of abandoned calls in June 2015 including calls volume and average waiting calls across 13 service areas.

Performance information on Revenue and Benefits including volume of calls and collection rates for Council Tax, Business Rates and Sundry Debtors.

Witnesses

The group consulted with officers on their use of the My account system and shadowed staff at the Council's Contact Centre.

Terms of reference

1. Understanding current provision and what the Council is aiming to achieve by implementing the Single Front Office.
2. Reviewing the productivity and performance information of the service.
3. Investigating areas of best practice amongst other Local Authorities Customer Service delivery and identifying any areas for improvement.
4. Looking at current budget resources and identified savings for the service.
5. Understanding online service provision.

BACKGROUND AND CONTEXT

EVOLUTION OF THE CONTACT CENTRE

At the start of the review, we received a high level overview of how the concept of the Single Front Office had evolved since its inception in 2001/02. It was around this time that there was a general trend across public sector services to look at the workings of the private sector in relation to how it managed relationships with its customers. Technology played a key part in this, gathering customer insight to proactively deliver services. The Council's Customer Access Strategy was developed which culminated in a variety of changes being made.

The development of the new customer services model consolidated all reception areas across the Council along with the different methods that the public uses to access its services to provide a holistic approach and overview with one central access point. The Council was able to use its intelligence data across all of the authority to tailor its services more effectively for the customer and give a more enhanced experience at first contact.

The biggest physical change to this new way of working was face to face contact with the customer. In order to facilitate the whole of the Council's services being able to be accessed at one point in a newly created Contact Centre, the ground floor of the Civic Offices at Union Street was remodelled and supported by a Customer Relationship Management System (CRM) that provided the infrastructure behind the front facing services. In 2003, the Council along with several other district councils, entered into a contract with the Lancashire Shared Contact Centre. However, progress of the implementation of the CRM infrastructure by the County Council had technical issues and delays so Chorley opted out of the partnership and instead implemented Microsoft Dynamics.

The original Contact Centre initially offered a small basket of services that has been added to year by year and now has a great wealth of services, accessible at the first point of call. The Council has achieved significant savings through the changes that have been made, whilst improving and maintaining good performance in service delivery. The ICT and Customer Services were combined in 2010, with its key driver being to promote greater digital engagement with citizens that is still paramount today.

Over the years there has been a significant increase of digital take up by residents to access services and make payments and the service is striving to build on this by ensuring that people have access to the right technologies and have the confidence to access services online. This has been heavily resourced to ensure future success.

The Council is undertaking a review of the policies and processes associated with the service to ensure that they are fit for purpose going forwards and a number of these are currently out for consultation in the public domain. The authority has also invested heavily in the training, development and knowledge of staff to establish greater flexibility across the teams whilst improving upon performance and productivity.

FINDINGS AND RECOMMENDATIONS

SINGLE FRONT OFFICE

The Single Front Office project was set up following approval by the Executive in January 2014 and Executive Member Decision in March, the same year. The project aims to create a Single Front Office, where services are delivered, end to end, as far as possible at the first point of contact and has included:

- A staffing review and restructure of revenue and benefits, customer and transactional services and planning business support
- An intensive training and mentoring programme
- Building works to extend the customer service provision
- Business improvements
- A review of process, policies and procedures

A significant milestone was the development of the new Customer Service Centre based at the Union Street site. Following the service restructure, completion of building works and an intensive period of training and mentoring the new Customer service Centre became operational on 1 October 2014 and the number of customers seen has steadily increased over this period.

The Head of Customer and ICT Services currently manages a team consisting of two Customer Services Managers, five Customer Services Team Leaders, and 36.29 FTE Customer Services Officers, and 10.3FTE Support and other specified officers. The Single Front Offices now deals with 15 service areas that includes, Council Tax, Housing Benefits, Business Rates, Website editing, Sundry Debtors and Parking. Licensing, Land Charges, Get Up and Go, Planning Support, Travel Passes and Select Move, Electoral Registration, Bereavement Services, Waste management, Grounds and Streetscene.

There have been many challenges throughout the delivery of the Single Front Office, not least a new way of working that is a significant change for the service. The opening of the Customer Contact Service has seen a cultural change for many of the staff involved. Dealing with customer requests end to end has presented staff with a completely new way of working and it is to this end that a great deal of consideration has gone into ensuring staff are equipped to work with confidence in the new centre, including the provision of training and mentoring, access to experienced staff at all times, manager and team leader support and acceleration of training for additional staff.

The training and mentoring process has meant that the performance of some service areas dipped during the first year of implementation. However, as the programme of change continues to roll-out performance is exceeding target and is performing better than in previous years, demonstrating that the changes made has improved the service to customers.

The authority has concentrated on providing a Council Tax and benefits service where requests are completed and issues resolved as far as possible at the first interaction

with the implementation of a triage service that ensures that customers are directed to the Customer Service Centre appropriately. Same day processing represents a significant proportion of the Customer Services Centre decisions. However, achieving this for all requests is largely dependent on customers providing all necessary information at the first point of contact and changes in customer behaviour will play a significant role in meeting this challenge.

It was initially envisaged that the service would in the main comprise a fully generic team of officers where staff would be skilled in all specialist areas. However, from operational experience, feedback from staff and knowledge gained during the first year of the Single Front Office project, the Executive Cabinet in August 2015 agreed proposals to change the emphasis whilst ensuring we continue to provide resilience in the core specialist services of the Single Front Office. Consequently, the training and mentoring programme was revised to enable staff to be offered the opportunity to train in a number of generic skills plus a specialist area.

The migration of processes to the front office has enabled an immediate reduction in management costs, and significant savings of £175,000 have already been achieved through these immediate changes.

It is anticipated that full implementation of the single front office will take up to two years, fully integrating the front office into a single team, securing further savings through process improvements, reducing duplication with the back office and improving productivity and other external changes.

Recommendations:

Member Learning Session to be delivered to all Members of the Council on the Single Front Office to help Councillors understand what the Council are trying to achieve and the reasons why.

The implementation of the Single Front Office, agreed by Executive Cabinet and finalised in March although only part way through has already demonstrated improved efficiencies and has had an impact on productivity. The Group endorse the current approach being taken by the authority and support its expansion in other service areas.

TELEPHONY TECHNOLOGY

The Council's current telephony system has been in use since early 2008 and the contract is due to be reviewed. Current limitations include its cumbersome interactive and voice message functionality, making it difficult to respond quickly to control call demand or unexpected events which impact upon incoming call volumes. The reporting software is inflexible and call data is only able to be stored for 12 months which restricts historical reporting.

Initial enquiries have been made by the Council into Skype for Business (formerly Lync) as part of its Microsoft stack of applications. This is the same system that has just been purchased by Preston City Council allowing a unified approach for the authority of all its communications within the Council. A bolt on application enables the same technology to be used for managing the call centre system.

Preston City Council informed us that they had switched their Contact Centre call management software last summer following a corporate move to VOIP (Voice Over Interactive Protocol – Lync) earlier in the year. This allows for calls for specific services to be routed to an individual or group, the provision of relevant reports and the recording of calls for training purposes and for Supervisors to listen into calls either silently or actively.

They had also just gone live with an Interactive Voice Recognition (IVR) based system that allows Council Tax customers to have access to Council Tax on a 24/7 basis, allowing them to make payments, establish a Direct Debit and leave information for a change of circumstances. The system allows callers to be connected with a Customer Services Advisor or any data left by customers sent straight to the Council Tax back office, thereby bypassing the Call Centre. Recent data had seen a reduction in their Council Tax related workload of around 25% since the system was introduced.

Any new telephony system at Chorley needs to support the aspirations of the authority's digital agenda and be able to effectively support its service delivery on a day-to-day basis. Current training programmes are moving the single Front Office away from a static call-handling structure so any new system has to have the flexibility to distribute calls in line with this principle. The Single Front Office must make maximum use of all available technology and any improvements afforded by an upgrade of the telephony will allow improvements in this area and enable associated efficiencies to be realised.

DIGITAL ACCESS TO SERVICES

The implementation of the Digital Strategy is paramount to the success of the Single Front Office. The changes required to achieve the Council's vision will have huge implications for the way in which the authority delivers its services. The digital strategy will ensure that customers are able to and prefer to access services and information easily online and to ensure the commitment and engagement of staff and members to enable the changes to take place. Changes in the organisation's approach to the way it delivers services will lead to corresponding changes in customer behaviour. Therefore it is important that the organisation can support and maintain these changes with the cultural change and the technology required.

Reductions in local government financing have meant that services needed to be delivered in a more efficient way and working practices needed to be streamlined in order to reduce costs. Significant investment has already been made in technology and the Council needs to make the most effective use of the digital opportunities available. Customer expectations have altered over the past two decades with the development of the internet. Increasingly, customers are expecting to be able to request services and obtain information online at times and in places that suit them.

The strategy sets out the objectives and outcomes which will be delivered in order to ensure that customers are able to and are encouraged to access services easily online whilst supporting those who cannot do so. Digital channels have to be fit for purpose and easy to use. Access is required and the skills to use them. These services need to

be reliable in order to build loyalty and confidence amongst users. Action is needed to raise awareness of the online services available and how to access them will increase take-up and help to realise inefficiencies. To this end, the Council are delivering a range of training sessions across the borough that are available for all residents to attend. It is hoped that this will assist in the customer channel migration towards online services and will help to support and encourage its take up by those residents who can sometimes feel overwhelmed or left feeling disadvantaged.

The way in which the authority manages information is also changing rapidly and the objectives in the digital strategy will help to realise the benefits of the changes. This strategy will make digital services the services of choice, enabling the Council to redesign its services to better respond to its customer need.

THE COUNCILS WEBSITE – chorley.gov.uk

The Council has undertaken a huge investment to underpin one of the authority's key aspirations to engage with its residents and we were shown a prototype of the Council's refreshed website that was subsequently launched during the review. The homepage of the website, which was currently made up of articles and advertisements, would lose its banner format and be replaced with large icons for the top key services that residents are being encouraged to access online, making it more interactive, user friendly and being geared around smart technology use.

There is to be a planned migration of online services that residents will be able to access readily on the homepage. The Council currently uses google analytics to monitor what services residents are trying to access on its website and it is this that informs the services that are promoted on the homepage. There had been concerns that the icons appeared too small when trying to access services online via use of a smart phone. However, improvements were made whilst this review was being undertaken and Members commented on how impressed they were with the improved design and size of the icons and considered that this would help to promote greater use of this media.

Members noted the digital changes contained within the Council's Digital Strategy and agreed to support the Council in its continuation to increase access to more services online.

Recommendation:

That the Group supports the continued development, investment and migration of accessible services online.

That the Council continues to engage with those residents who need additional support to access services online.

That online tutorials are made available for residents to help them make effective use of the My Account system.

MY ACCOUNT

Members of the Group undertook shadowing of Contact Centre staff which provided an invaluable insight into the technology that supports the Single Front Office. Members₁₁

commented on how impressed they were by the Contact Centre staff, their professionalism, breadth of knowledge, the consistency of advice they gave, and their ability to get to the crux of a complaint or problem quickly with customers. Staff are multi-disciplined and with the provision of training and experience, they have become extremely knowledgeable and are able to deal with complex issues and difficult customers.

A demonstration of the My Account system allowed Members to experience at first hand a call to the Council through to completion. Residents can access the My Account system in two ways, either by calling the Contact Centre directly and having the details entered up on to the system by staff or by accessing the service directly online. All calls are treated in the same way to ensure that they are dealt with in a consistent manner.

At the initial log in stage, a case history of every contact that the resident has reported retrospectively is provided with details on progress made against each one. Notes are added by officers under the case details. The system automatically defaults to the area in which the resident lives so the options available are tailored to the area. Presently, officers in the Contact Centre have a wider range of service icons to click on at this stage of the process but with the planned improvements to the website this will also be available to residents to improve their experience of using the system.

Using the example of a litter bin that needed to be emptied, Members were given a demonstration of the step by step approach taken to resolve the issue. Once the option to empty a bin is selected, a plan of the area is displayed and the user is able to identify the exact location by clicking on the relevant bin icon. The maintenance schedule for that asset is then displayed and if the bin is scheduled to be emptied, the report ends there and is signed off as completed. If the bin is not due to be emptied, the request is directed to the appropriate team for action.

Members felt that this was something that could be improved upon as it was important to ascertain if maintenance schedules needed changing to meet demand and were concerned that some jobs could be closed off to quickly. Assurances were given that any information received in this way was monitored so that maintenance schedules could be amended accordingly to better meet demand and improve the service. The Group considered that this could be better reflected to the customer and asked for improved communication to residents at this point.

At the start of the project, the Council individually uploaded and flagged several thousand assets so that they could be analysed and identified by residents on the My Account system. Any Councillor or member of the public can ask for an asset to be added to the register by making a request through the General Enquiries tab. This is then picked up by the Council's GIS team for tagging. In addition, all Streetscene Operatives had received training on how to update the Authority's asset records.

All job requests are forwarded to the appropriate Team Leader who will in turn allocate to the appropriate team. All requests also appear at a central point that the whole service has access to. Each member of the teams have been allocated with and trained in the use of an iPad, which they use to receive all allocated tasks. Once completed, the officer will amend its status and provide details of how this has been achieved. The

system then generates an email updating on progress made to the My Account user if provided by the customer. This makes the system more transparent and in turn promotes greater efficiency and use of the system.

The Group also received a demonstration on the internal system for managing calls in the back office and the My Work element of the system that officers use to action all requests. We also received feedback from officers using the system and informed of the changes made to improve the system for both officers and residents use. Possible improvements to the service were discussed that included, better detailed information on action taken for those jobs that are the responsibility of other partner organisations for example, tree cutting or highways, and for those customers who try to report jobs that have already been previously reported and action is in progress.

Recommendations:

That dialogue on the My Account system be improved at the necessary stages to provide better information to residents regarding assurances on the status of jobs and the transfer of requests to other partner organisations.

That the process for requesting the addition of an asset to the Council's Asset Register be better promoted to residents using the My Account system.

That My Account training to be made available to Parish Councils.

That an option be considered on the My Account system that will allow customers to enter service request details when that specific option is not available to select.

That a Suggestion Box be considered on the My Account system that will allow customers to feedback and promote ownership of the system by the residents of the borough.

E.CITIZEN (ONLINE REVENUES AND BENEFITS SERVICES)

The service is being further developed by implementing a range of online options for some services to help drive down costs and provide greater efficiencies. A dashboard allows the customer to make various requests online that include a change of address, the setting up of a direct debit or to search for details like payment history. Landlords can access their tenant Housing Benefit information on the website via e.citizen..

The Authority is also reviewing the Councils sundry debtor processes to find the best ways of simplifying the process and reducing the outstanding debt. A set of new proposals have broadly been agreed that include, payments in advance or by Direct Debit where possible and the consideration of incentives to pay in advance. The Council will also implement the mandatory collection of the debtors' details, such as full name, email address and contact telephone number and where appropriate the collection of a purchase order number.

CORRESPONDENCE

Although the Council's aim was to contact its residents through use of digital means, there are still some instances where residents need to be contacted via letter or by invoice. The Group considered in detail a sample of the correspondence that the Council used to communicate with its residents and made suggestions where deemed appropriate.

All correspondence used by the authority was currently being reviewed with the aim of producing documentation that was self-explanatory, simplistic in design, easy to understand and provided the correct contact information. This was sometimes impacted upon by those letters or invoices that have to contain certain legislative information that is very prescriptive and unable to be changed, for example Council Tax and Business Rates bills. All specialist areas had a dedicated golden number that was unique to the service in terms of enquiries but all correspondence also displayed the automated pay line.

Members agreed that there are some good aspects to the current correspondence but felt that there could be greater uniformity, instructions could be made simpler and that there should be a more cohesive simplistic design approach for all correspondence.

Recommendations:

That the Task Group supports the Council's review of all its correspondence with the aim of improving this method of communication to its residents and details of how to register on the My Account system be incorporated into its design.

CUSTOMER SATISFACTION

Information relating to customer satisfaction levels was received. Prior to 1 April 2012 only customers telephoning the contact centre were surveyed and satisfaction levels were consistently over 93%. Customers were asked about their experience with the Contact Centre which did not really reflect the way the service request was handled overall and a more corporate approach was therefore adopted.

This new way of measuring satisfaction has been undertaken since April 2012 and the Council has seen reduction in satisfaction levels. These levels however, have started to gradually increase over time and at the end of September 2015, the % of customers satisfied with the way they were treated by the Council was at 77.7%. The current survey asks respondents. 'What do you think we could have done better? And the group were provided with the detailed responses from the September survey. Where a reason for dissatisfaction was given, in 90% of cases this was because of a lack of response to or follow-up of the service request.

All service related complaints are monitored and reported to Strategy Group each month together with escalated complaints which have entered the formal complaints

procedure. Customers using My Account are able to view information about the status of their service requests and add notes if they wish. Customer comments may be received to update or cancel a service request or to express thanks for a job done well.

The My Account system sends an email to a customer when a service request is resolved advising them that a job has been closed. In September, 33 customer responses out of 88 (37.5%) suggested that a service request had been closed prematurely meaning the job had not been completed. The Group discussed the reasons as to why this sometimes happens. This included service requests that were the responsibility of other organisations outside the Council's control i.e. Lancashire County Council and measures had recently taken place to include the relevant contact numbers for the County Council in the detail updated by staff.

Members felt that the wording of the email sent when a job was closed off needed to be improved upon so that people could actually state reasons why they were satisfied or not. This would also help the Council to improve services more quickly.

Service requests can be reopened and reassigned upon request and would be monitored to ensure there was no persistent behaviour of jobs being closed too early by staff. If a pattern was identified, this action would be escalated to a more senior officer to deal with. It was however, important to note, that Use of the My Account was still in its early infancy and would continue to be developed, reviewed and refined as time goes by.

It was acknowledged that customer complaint levels are low and that in the main, complaints were generally generated by staff outside of the Contact Centre, which could be improved to provide updates for customers on progress made, action taken or jobs closed prematurely. The group thought the Council needed to look at further ways of improving this behaviour outside of the Single Front Office.

Recommendations:

That the Council looks at ways to improve the process of customer call backs by officers outside of the Contact Centre across the authority.

CONCLUSION

The Group were impressed by the work that the Council is currently undertaking to promote greater efficiencies against the backdrop of ever decreasing resources and commended the implementation of the Single Front Office. There were lots of examples of good working practices across the service and Members endorse future development. All the Councillors that took part in this review have learned a great deal about the work of the service and fully support the aims that the Council are trying to achieve.

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Report of	Meeting	Date
Chief Executive (Introduced by the Executive Leader and Executive Member (Economic Development and Partnerships))	Executive Cabinet	18 February 2016

CHORLEY SKILLS FRAMEWORK AND ACTION PLAN

PURPOSE OF REPORT

- To make Members aware of the progress being made in relation to economic prosperity and the skills agenda for Chorley.

RECOMMENDATION(S)

- Members are asked to note the contents of the report and to endorse the Chorley Skills Framework and emerging Action Plan.

EXECUTIVE SUMMARY OF REPORT

- Education, training and skills development is a key priority within the refreshed 2014 Economic Development Strategy. Recognising that securing a skilled workforce is a significant barrier to business growth, Chorley Council commissioned the preparation of a Skills Framework and Action Plan for Chorley. The report considers the key messages arising from the Skills Framework (contained at Appendix A) and the emerging three year Action Plan. A Chorley Skills Board has been established to support the delivery of the Action Plan.

Confidential report Please bold as appropriate	Yes	No

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

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

BACKGROUND

- Education, training and skills development is a key priority within the refreshed 2014 Economic Development Strategy. In Spring 2015 the Choose Chorley for Business Focus Group was established as a means of Chorley Council engaging with the top businesses in Chorley to help realise their growth ambitions. Whilst every business at the meeting expected growth and job creation within the next twelve months, securing a skilled workforce was identified as a significant barrier. As such, 'Employability and Skills' was considered at the Summer 2015 session of the Focus Group to identify and resolve some 'burning' issues

from a demand and supply perspective. A key action from the session was to commission a skills gap analysis for Chorley.

CHORLEY SKILLS FRAMEWORK

6. The Chorley Skills Framework will help to drive the skills agenda forward supporting local businesses to access the workforce they need, supporting their change and growth, as well as ensuring residents are equipped with the skills required by employers. The Framework considers the base employment and skills position from both a supply and demand perspective, opportunities and challenges going forward and presents a Chorley specific, yet co-ordinated approach within a three year action plan.
7. Chorley Council has commissioned ekosgen to produce the Chorley Skills Framework. Ekosgen has over fifteen years' experience in employment and skills related research, strategy and action planning. The company was considered well placed to undertake the study having prepared the Lancashire Skills and Employment Evidence Base, a Skills Action Plan for the Lancashire Visitor Economy and a Preston / South Ribble City Deal Skills Strategy. Integral to the work was consultation with representatives of major Chorley companies, sourced from the Choose Chorley for Business Focus Group, and key sector representatives to gain an understanding from the business and employer perspective. A wider partnership engagement event was also held to encompass the key facts in relation to employment and skills from stakeholders.
8. The Skills Framework is attached at Appendix A and the pertinent points can be summarised as follows.
 - In common with much of the UK, Chorley's ageing population will continue to have implications for future workforce supply with the strongest population growth forecast to occur in the 65+ age group.
 - Recognising the role that older people can continue to play in the workforce (where they choose to do) can play an important role in maintaining labour supply and supporting the transfer of skills to younger sections of the workforce.
 - The borough's employment rate has out-performed sub-regional and regional averages over the past 10 years.
 - Chorley has a highly skilled population. Young people perform strongly at GCSE level and continue in education beyond compulsory requirements more commonly than the average, and adult skills levels exceed the Lancashire averages.
 - Skills requirements are increasing with an estimated additional 2,800 people required to be qualified to NVQ4+ by 2025 with the health and care sector accounting for the largest additional requirement.
 - Higher skilled occupations are under-represented in the employment base – in professional and associate professional occupations the number of residents working in these occupations is 11,000 higher than the number of roles offered in the borough.
 - Over 27,000 of Chorley's residents work outside the borough with the highest levels of out-commuting reported by those with the highest skills levels. Creating the right job opportunities in Chorley will help retain higher levels of economic activity within the borough.
 - Unemployment is low relative to comparator areas meaning there is limited surplus within the population to accommodate employment growth and an imperative to support and upskill all of those who wish to be in employment.

- With limited surplus capacity in the labour market to satisfy growing demand, supporting all those who wish to work (regardless of their age, health, experience and so on) will be increasingly important going forward; subject to overcoming employer perceptions.
- Relative to its share of total employment, Chorley is over-represented in the following growth sectors: health and social care, creative and digital, and financial and professional services. These growth sectors will continue to create job opportunities going forward.
- Strong employment growth is forecast in construction occupations at a time when the resident occupation structure suggests representation of these categories will reduce.
- A number of skills and recruitment challenges are already evident including high demand for health and social care professionals, engineers and managers, all of which mirror wider trends.
- The business base is dominated by micro enterprises with only 55 businesses employing 50 or more staff in 2014. Research suggests this impacts on anticipation of skills issues and participation in skills development.
- Over the next ten years Chorley is forecast to experience a net addition of 4,400 jobs (+9%) at a time when the working age population is forecast to increase by just 1,700 people. Factoring in replacement demand on top of this, suggests total demand may be in the region of 18,000 workers over 10 years with the strongest demand forecast for professional occupations.
- Many of the challenges above mirror those being experienced across Lancashire and nationally meaning that the ability to draw in workers from adjoining areas is unlikely to be sufficient to address the challenges.
- A need to ensure that Chorley has the workforce available to support company growth and new inward investment by encouraging employers to recruit locally, making Chorley more accessible by road and rail to allow recruitment over a wider geography where necessary, increasing the working age population through new housing development.
- Wider opportunities for accessing employment by recognising links to surrounding areas and growth initiatives, such as Preston/South Ribble City Deal and Lancashire Enterprise Zone, as well as those in Greater Manchester and the Liverpool City Region.

ESTABLISHING THE CHORLEY SKILLS BOARD AND DELIVERING THE THREE YEAR ACTION PLAN

9. A Chorley Skills Board has recently been established to bring together the supply and demand sides of the Chorley labour market; ensuring the employability and skills levels of local people match employer needs. The Board will influence the planning, commissioning and delivery of employability and skills provision in Chorley; encouraging greater collaboration amongst employers, high schools, colleges, universities, skills/training providers and employment services. The Board will work closely with the Choose Chorley for Business Focus Group and positively engage with the Lancashire LEP/Lancashire Skills Hub and their 'champion' for skills. In ratifying the Chorley Skills Framework at a recent inaugural meeting, the Board considered the draft three year Action Plan (contained to the rear of the Chorley Skills Framework at Appendix A) which will be subject to some modification following comment from partners. The Chorley Skills Board will be responsible for supporting the delivery of the Action Plan.
10. The Action Plan presents deliverable projects each with an identified lead partner, supporting partners and fit with provision via the Lancashire Skills and Employment Strategic Framework.

The projects fall within three strategic objectives:

Strategic objective 1: Continue to build and develop effective working relationships between employers, training providers and other service providers to ensure a responsive skills system that recognises business requirements

Strategic objective 2: Ensure that Chorley residents of all ages have the skills and qualifications to access and progress in employment

Strategic objective 3: Ensure local expenditure is used to support training, skills development and employment opportunities for local residents

- Chorley Council and the Chorley Skills Board will seek to procure resources from a range of European and national funds to support the delivery of the Action Plan; influencing and maximising resources from the European Structural and Investment Funds (ESIF) programme and opportunities in relation to Government opt-in packages and calls for bids. In addition, to kick start some activity, £30,000 is being sought as part of the 2016/17 budget setting process.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

- Funding of £30k has been identified to fund the Skills Framework in 16/17 as part of the Council's revenue investment packages. These packages will seek approval as part of the budget setting process that will go to Council on 1 March 2016.

COMMENTS OF THE MONITORING OFFICER

- There are no matters arising from this report.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Cath Burns	5305	28/01/2016	

Appendix A

Skills in Chorley:

The Chorley Skills Framework

December 2015

DRAFT

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DRAFT

1 Context to the Chorley Skills Framework

Key Messages

- At present, Lancashire records a performance gap against a wide range of national averages in relation to economic performance with a step change required to close the gap.
- Lancashire has ambitious growth plans to create 50,000 new jobs and add £3bn to the economy. All parts of the county will have a role to play in achieving these ambitions, building on existing sector strengths and opportunities for growth.
- The new European Social Fund programme presents an important opportunity to drive skills development in response to employer needs across Lancashire, subject to activity being appropriately scoped and commissioned as quickly as possible.
- Central Lancashire – comprising Chorley, South Ribble and Preston – will play the leading role in delivering employment and economic growth in Lancashire over the next ten and twenty years, provided the workforce and housing offer is available to support company investment.
- Chorley has strong economic development ambitions in its own right which can support the achievement of Lancashire wide objectives, potentially through both stand-alone local activities and contributions to wider initiatives.
- The importance of skills development has already been recognised in Chorley with early steps taken to develop the agenda in partnership with a range of organisations with an interest in the agenda from both a supply and demand perspective.
- Development of this Skills Framework will add to the momentum already building in Chorley by enhancing the evidence base, continuing to engage partners and identifying priority actions to work towards.

Understanding Lancashire's Growth Ambitions

The Baseline Position

1.1 The Lancashire Local Enterprise Partnership (LEP) area is home to almost 1.5 million people and employs just over 623,500 people, accounting for 20% of employment in the North West. Whilst traditional sector strengths have been in manufacturing and the visitor economy, the economy has diversified to include strengths in financial and professional services and energy.

1.2 The recession had a significant impact on the Lancashire economy, which between 2007 and 2009 lost over 23,00 jobs – a 4% reduction compared to a 1% reduction in the North West and no overall change nationally (excluding London). Following the recession and slow period of economic recovery, the economy is growing again. Conditions are however changing with new sectors emerging and new skills needs evident.

1.3 The latest statistics show that Lancashire under-performs against national averages (excluding London), including recording:

- fewer jobs per 100,000 working age population less than would be expected;
- Gross Value Added levels per full time worker £10,359 below the national average;
- fewer local people holding higher level skills; and
- business stock in the LEP area below the national average.

1.4 Partners are working together to support Lancashire to improve its economic standing. Lancashire recognises that it cannot be complacent if it is to grow with multiple approaches required to support both businesses and residents to succeed.

Strategic Priorities

Lancashire Strategic Economic Plan

1.5 A series of strategies are already in place to drive growth. Lancashire's Strategic Economic Plan (SEP) sets out ambitious plans to support the county to close the performance gap with the national economy. Over ten years, it establishes an ambition to create 50,000 new jobs, introduce 40,000 new homes and add £3bn of additional economic activity to the economy (an increase of 10%).

1.6 Six priorities underpin the ambition:

Strategic Economic Plan Priorities

Sector development and growth

Support to improve capability and capacity within the advanced manufacturing sector to build on existing strengths.

Innovation excellence

Consistent with recommendations outlined in the Witty Review, this programme will help realise the growth potential of HEI's, underpinned by Lancaster University and UCLan with a series of initiatives in development.

Skills for growth

Two priority schemes have been identified: a Skills Capital Programme (including improvements to college and training provider facilities in response to sector growth needs); and the development of a local Apprenticeship Hub.

Business growth and enterprise

Lancashire's existing Business Growth Hub, Boost, will continue helping to improve the effectiveness and impact of business support provision through Boost 2 Business.

Releasing local growth potential

Building on the LEP's original Growing Places Investment fund, an additional fund will make commercial investments from 2015 onwards, investing in key infrastructure to help kickstart wider investment.

The renewal of Blackpool

Blackpool is a significant visitor destination at a national level but faces challenges with a series of interventions proposed to overcome them.

1.7 An Arc of Prosperity has been identified to provide the focus of economic, employment and housing growth. The arc extends from Lancaster in the north through the Fylde Coast, Preston and East Lancashire to the Barnoldswick advanced manufacturing cluster. Six priority sectors have also been identified to present the strongest opportunities for growth, as considered in Section 3 of this framework.

Lancashire European Structural and Investment Funds Strategy

1.8 The 2014-20 European Structural and Investment Funds (ESIF) programme is just coming on stream and projects supported under the 2007-2013 programme are drawing to a close. The new programme is being delivered in support of overarching SEP growth ambitions.

1.9 The European Social Fund (ESF) element of the programme will play an important role in the delivering of Lancashire's skills ambitions while the European Regional Development Fund (ERDF) element will support the delivery of wider economic ambitions (for example through investment in business support activities and the creation of innovation facilities).

1.10 Structured around two themes, the ESF part of the programme aims to:

Drive the skills for growth: to ensure the workforce is equipped with the increasingly higher level skills required by employers, driving up skills from basic employability through to leadership. The overall intention is to increase the number of people qualified to NVQ Level 4 with the focus on the skills needs to support a high value economy.

Create opportunities for disadvantaged groups/communities: by providing support to those groups and individuals who require the most assistance to benefit from Lancashire's growth plans. Support is intended to help overcome barriers to engagement, including through the provision of employability support, paid internships and support to overcome health related issues.

Lancashire Skills and Employment Strategic Framework 2016-2021

1.11 The strategic framework provides the structure for public investment in employment and skills activities. It is intended to make the system more responsive and provide the foundations for the achievement of SEP ambitions. It also seeks to influence the activities of skills funders and providers in response to local requirements.

1.12 The content is based on the findings of a series of studies (including preparation of a Lancashire wide evidence base and sector skills plans) which identified key issues at a County level to include:

- An ageing population combined with modest population growth, impacting on workforce supply.

- A small workforce aged 21-34 years, including due to young people leaving the area to complete Higher Education and not returning.
- Lower than average employment in higher level occupations, presenting challenges for the recruitment of skilled workers.
- Challenges to creating new employment opportunities in parts of the County, e.g. in East Lancashire, Blackpool, Fylde and Wyre.
- Providing workers to accommodate high levels of replacement demand coupled with employment growth.
- An impetus to reduce the impact of manufacturing decline, including through new inward investment.
- Unemployment increases as a consequence of the recession with a low employment rate affecting certain age groups, including older people.

1.13 A series of actions have been developed in response, structured around four themes:

Future workforce – to enhance young people’s attainment and improve the quality of information, advice and guidance to demonstrate links to local employment.

Skilled and productive workforce – to develop the skills of the workforce to respond to changing employer demands.

Inclusive workforce – to improve engagement of all groups to contribute to and benefit from economic growth.

An informed approach – to provide the structure and intelligence needed to underpin skills and employment activity.

The Enterprise Zone and City Deal

1.14 Working in support of SEP objectives, the Lancashire Enterprise Zone (located in Samesbury and Warton) and the Lancashire, Preston and South Ribble City Deal have identified priority sites for development that will accommodate high levels of overall growth and support the development of Lancashire’s priority sectors, including advanced manufacturing and financial and professional services. These Government supported initiatives recognise the scale of potential for growth in Lancashire and provide a focus for both public and private sector partners to work towards.

Core Funding Opportunities

1.15 There is widespread recognition of the need for employment and skills actions to support the achievement of growth ambitions. A number of skills initiatives are already underway, including Chorley specific and Lancashire wide activities, to support both young people and adults to access and progress in employment. Understanding opportunities to build on these will be as important as identifying new funding routes, particularly at a time of funding restrictions.

1.16 A variety of funding sources are also available to support the achievement of skills objectives. For example, the SEP submission identified Local Growth Fund requirements for skills capital investment and an Apprenticeship Hub and the 2014-20 European Social Fund (ESF) programme has a substantial allocation for investment over a seven year programme, both at a Lancashire level.

1.17 ESF investment proposals are starting to be developed in accordance with the themes outlined earlier, with the preference to support fewer, larger projects (suggesting a Lancashire wide focus for many) rather than a wide portfolio of small projects. Ensuring supported activities respond to local conditions and opportunities will be important to allow the funds to achieve their potential.

Improving Skills in Chorley

Strategy Drivers

1.18 There is a need for activity in Chorley to recognise locally specific conditions, challenges and opportunities but also to be delivered in the context of wider Lancashire ambitions. A Chorley specific, coordinated approach is required, recognising that many of the issues facing Chorley will also apply across a wider geography. Partners in Chorley recognise the role that skills will play in supporting economic ambitions. The refreshed Chorley Economic Development Strategy (2014) establishes a vision to:

capitalise on Chorley’s location in order to be the place of choice in the North West to do business. Chorley will attract employers to its key employment sites and together with a strong local business base; residents will have a greater opportunity to gain well paid employment locally

1.19 Five priority areas for improvement have been identified to achieve the vision:

- **To promote and increase inward investment in Chorley through maximising best use of available employment land and buildings in the borough in order to support economic growth and provide a mix of well paid, high and low skilled jobs** – through acknowledgement of Chorley’s existing strengths and opportunities for growth to create a growing pool of businesses and mix of employment opportunities that can be accessed by all.
- **To provide support to new and existing businesses** – with activity designed to build on existing strong growth rates to help businesses of all sizes to succeed and contribute to Chorley’s growth.
- **To create a vibrant town centre that attracts people from the local community and visitors in the day and evening, for shopping, eating and entertainment** – to improve and develop the town centre, attracting more visitors in both the day and evening which in turn will help to strengthen the business base and vibrancy through higher visitor numbers and additional spend.
- **Education, training and skills development** – supporting people in accessing the education, training and skills required by local businesses and therefore supporting people into jobs, and supporting businesses to develop the skills of their existing workforce.
- **Reducing the gap in our most deprived communities** – taking actions to reduce the gap in Chorley’s most disadvantaged communities and support them in becoming economically active and self-sustaining, supporting a reduction in levels of deprivation in the borough.

1.20 The Strategy seeks to encourage and support young people of school age to achieve their potential, both in terms of educational attainment and wider skills. Actions to promote inward investment and support businesses should mean that Chorley can be more competitive in the offer of skilled and well-paid jobs to young people coming out of education and training.

Work to Date

1.21 Emerging from work to deliver the Chorley Economic Development Strategy, a Chorley Skills Board has been established to help drive economic prosperity and deliver the borough’s aspirations. By bringing together representatives of business, schools, FE, HE, training providers, funders and the Council, it captures both demand and supply side perspectives to influence the planning, commissioning and delivery of employability and skills activities in Chorley. The remit of the group has been designed to complement the work of the LEP and the Lancashire Skills Board, recognising that there are opportunities for elements of Chorley’s ambitions to be delivered through Lancashire wide initiatives.

1.22 A series of initial meetings had also been held with major employers in the area ahead of this commission commencing to build engagement in the skills agenda and secure an early overview of skills challenges. The Council also has an active interest in a series of employability and skills programmes, such as Chorley Works and ensuring the borough is supported through Lancashire wide initiatives such as Lancashire Skills Support for the Workforce.

Purpose of the Chorley Skills Framework

1.23 The Chorley Skills Framework has been developed to help drive the skills agenda forward, supporting local businesses to access the workforce they need to support change and growth and ensure residents are equipped with the skills required by employers, both within Chorley and further. It has been prepared in response to feedback provided by businesses to consider the base employment and skills position from both a supply and demand perspective, opportunities and challenges going forward to present a Chorley specific yet coordinated approach.

1.24 Local partners have played an active role in its development, including the engagement of representatives of the business community, schools, FE colleges and other training providers and support organisations in consultation exercises to ensure the framework is based on a robust understanding of local conditions, needs and aspirations. Partners will also play a leading role in taking activity forward. Lead and supporting partners have therefore been identified against all actions identified towards the end of this document.

2 The Supply Side – Chorley’s resident population

Key Messages

- This section focuses on the characteristics of Chorley’s residents, regardless of where they work.
- In common with much of the UK, Chorley’s ageing population will continue to have implications for future workforce supply with the strongest population growth forecast to occur in the 65+ age group.
- Recognising the role that older people can continue to play in the workforce (where they choose to do) can play an important role in maintaining labour supply and supporting the transfer of skills to younger sections of the workforce.
- The borough’s employment rate has out-performed sub-regional and regional averages over the past 10 years but is yet to recover to pre-recession levels meaning that the performance surplus has reduced in recent years.
- Chorley has a highly skilled population. Young people perform strongly at GCSE level and continue in education beyond compulsory requirements more commonly than the average and adult skills levels exceed the Lancashire averages. There are however likely to remain challenges to matching workforce skills to the needs of employers (see next Section).
- Over 27,000 of Chorley’s residents work outside the borough with the highest levels of out-commuting reported by those with the highest skills levels, to access a larger pool of career opportunities.
- Preston and South Ribble are the major locations for Chorley commuters (over 11,000) with Bolton and Wigan the most important Greater Manchester destinations.
- Unemployment is low relative to comparator areas meaning there is limited surplus within the population to accommodate employment growth and an imperative to support all of those who wish to be in employment to achieve their aim.

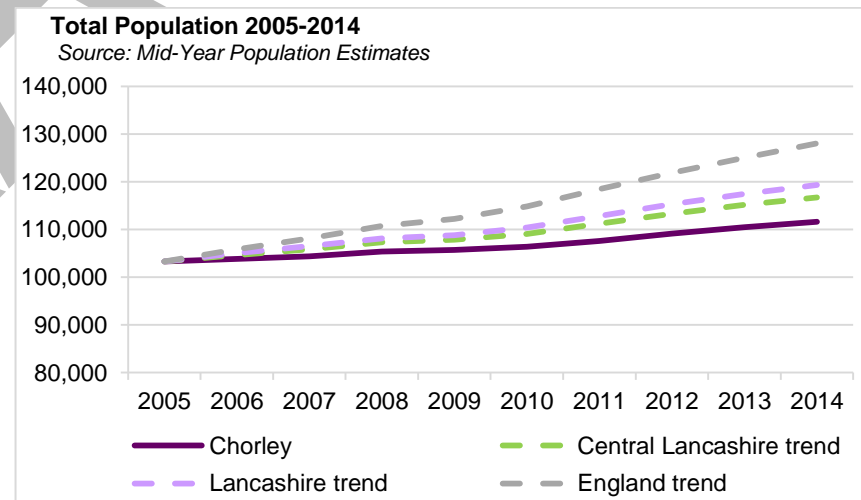
Introduction

2.1 This supply side analysis section considers Chorley’s resident base, including its population, demographics, and education and skills levels. Understanding the base position helps to identify both the opportunities and challenges presented by the scale and characteristics of the population as Chorley strives to grow. The analysis helps to determine the types of intervention needed to allow residents to benefit from current and anticipated future employment opportunities, within the borough and further afield.

Chorley’s Population

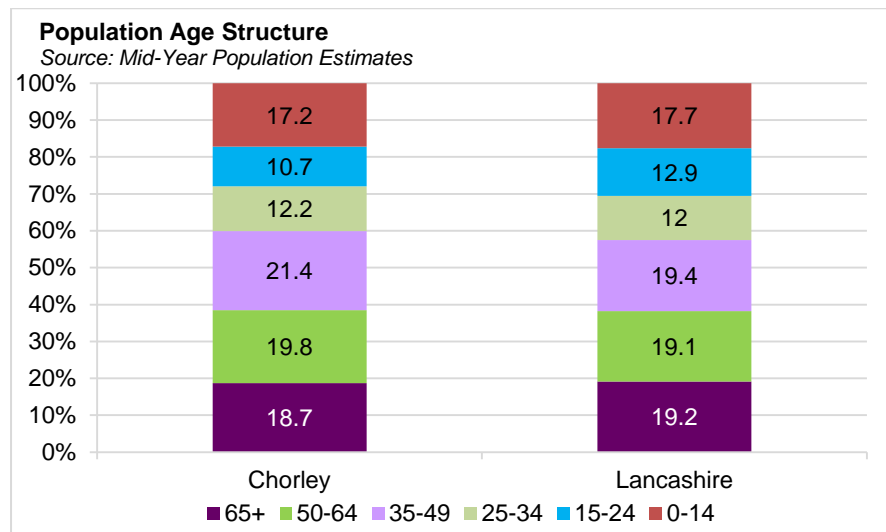
Total Population

2.2 The population of the borough of Chorley was 111,600 in 2014, accounting for 8% of the population of Lancashire and 31% of residents in Central Lancashire. Between 2005 and 2014 the population increased by 8 percentage points, a lower rate than experienced regionally and nationally as shown the figure below. If Chorley had kept pace with growth across Lancashire, it would have been home to an additional 24,800 residents in 2014.



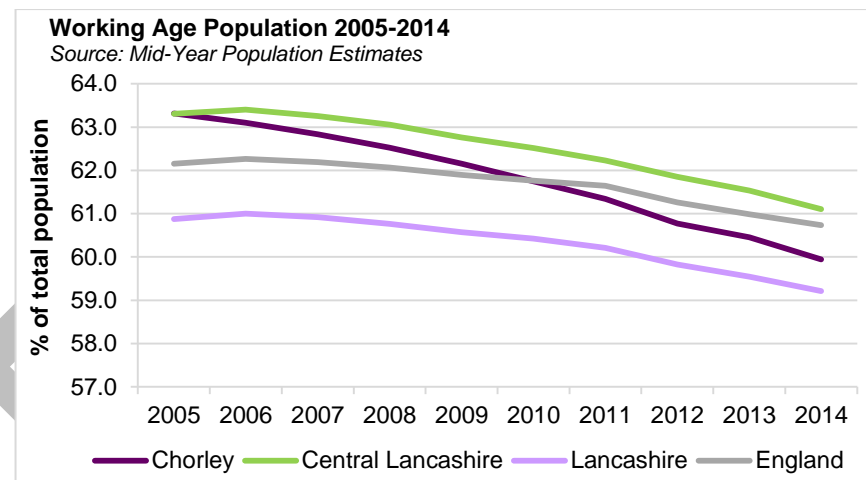
Age Profile

2.3 Just over 64% of Chorley's population in 2014 was of working age, a proportion which is slightly higher than the Lancashire wide average. This difference was due to a relatively large 35-49 year old age band in Chorley. In total, Chorley was home to 66,900 working age residents in 2014.



2.4 Working age residents as a proportion of the total population has declined in Chorley, from over 63% in 2005 to 60% in 2014. This decline is in line with patterns across all geographies, however the rate of change experienced was more significant in Chorley.

2.5 While Chorley's working age population did increase by 1,500 in actual terms, the proportionate decline within the population was due to an increase in older residents. In 2014 Chorley accounted for 30% of Central Lancashire's working age population and 8% of Lancashire's, which is the same proportion as Chorley's share of the total population.



2.6 The decline in working age population as a proportion of the total has been a result of an increasing proportion of over 65's. The over 65's category has increased its representation in Chorley's population from under 15% in 2005 to just under 19% in 2014. This reflects the ageing population being recorded nationally and has implications for levels of economic dependency, although many older residents may choose to continue to work.

2.7 In order to satisfy employment growth forecasts considered in the next section, Chorley will need to attract both in commuters and new residents over the next ten years. The need to attract more working age residents is closely linked to Chorley's housing growth plans.

Sources of Population Change

2.8 Population change results from three factors: natural change (i.e. the number of births exceeding the number of deaths); net internal migration (the balance of people moving into and out of Chorley from the rest of the UK); and net international migration (the balance of people moving into and out of Chorley from the rest of the world).

2.9 Between 2014 and 2015 the population of Chorley increased by around 800 residents. Three quarters (600) of this increase was the result of net migration, with the remainder being natural change, as a result of the number of births being higher than the number of deaths.

Population change by reason		
	2014	2015
Population	110,800	111,600
Natural Change	300	300
Births	1,200	1,200
Deaths	1,000	1,000
All Migration Net	600	600
Internal Migration In	4,500	4,500
Internal Migration Out	3,900	3,900
International Migration In	300	300
International Migration Out	200	200
Cross-border Migration In	200	200
Cross-border Migration Out	200	200

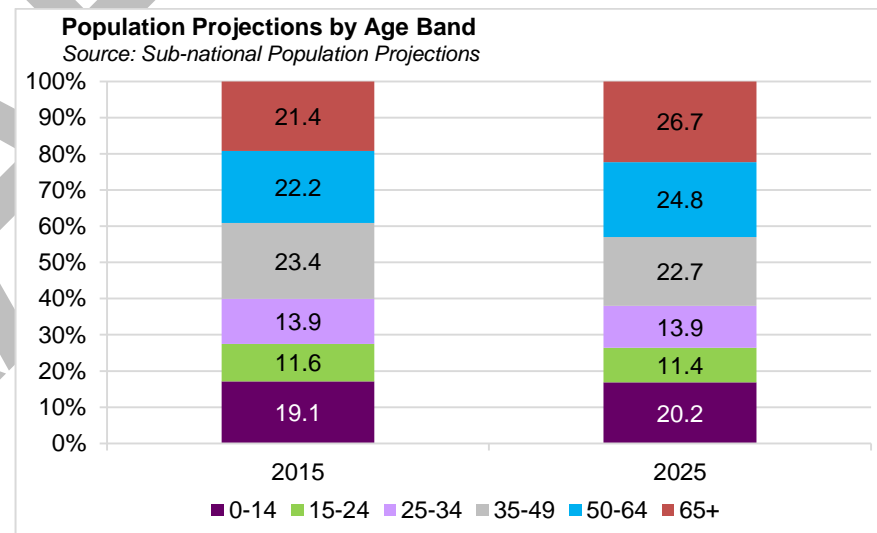
Source: ONS Internal Migration statistics

2.10 Going forward, migration into Chorley, both international and domestic migration will be essential in providing the skilled local workforce to support employment and economic growth.

Forecast Population Change

2.11 Population forecasts suggest that Chorley's population will increase by around 7% (8,100 people) over the next 10 years. This is a faster rate of growth than forecast for Central Lancashire overall, with Chorley's growth accounting for 58% of the total, despite accounting for only 31% of the current population.

2.12 The age bands forecast to experience the largest increases are the 50-64 and over 65 groups with 7,900 people. The 65 and over age bracket as a proportion of the total population is forecast to increase by over 5 percentage points by 2025. This represents Chorley's ageing population, as the currently over-represented group at the top of the working age band move out of the economically active group.



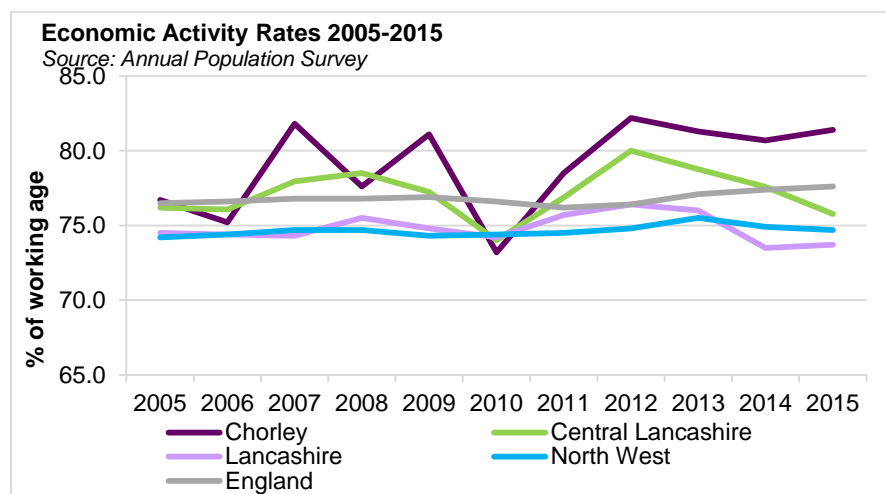
2.13 Using the 15-64 age band as a proxy for the working age population, suggests that this group will grow by 1,700 between 2015 and 2025 (just over a fifth of total growth). Looking over a 20 year period, Chorley's population is forecast to grow by 13,000 people (12%), reaching 125,000 but within this the working age population (using the proxy above) is forecast to fall from 71% of the population in 2015 to 58% in 2035. Opportunities for older workers to remain in

employment, in cases where they wish to do so, will become increasingly important as the ageing population continues to become more prominent.

DRAFT

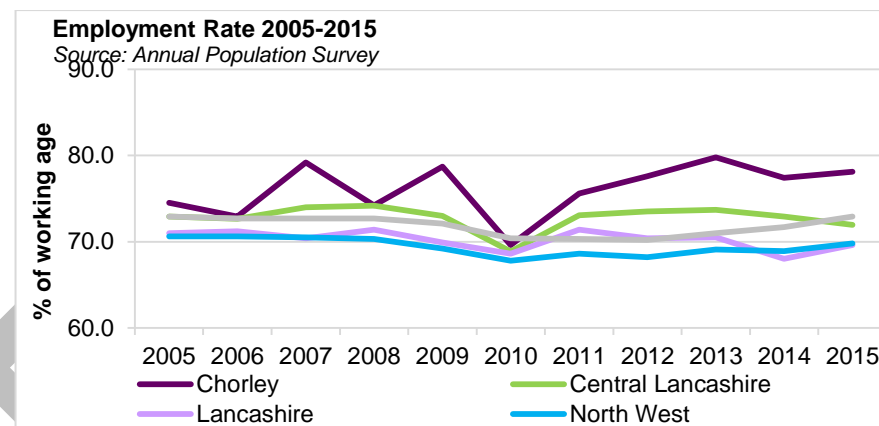
Economic Activity Rates

2.14 In 2015, around 81% of Chorley's working age population were economically active, which is 5 percentage points higher than the Central Lancashire figure and 4 percentage points higher than nationally. Between 2005 and 2015, Chorley's peaks and troughs in economic activity have been more pronounced than Central Lancashire wide. Whilst Chorley's 2015 position exceeds pre-recession levels, both Central Lancashire and Lancashire are yet to recover in full.



Employment Rates

2.15 Chorley has out-performed sub-regional and regional employment rates over the past 10 years. The employment rate has however fluctuated, reflecting the national and global recession and slow period of economic recovery. Between 2009 and 2010 employment fell from just under 79% to 70%, a decline of 9 percentage points. Whilst the employment rate of Chorley residents has not yet recovered to pre-recession levels, the 2015 figure of 78% is just a percentage point lower than the peak in 2007, and is significantly higher than rates for Lancashire, the North West and England.



2.16 The proportion of Chorley's residents in full-time employment has increased slightly over the past decade. This increase has largely been due to a growing proportion of female residents in full-time positions. At a Lancashire level, males in full-time positions declined by 2.8 percentage points while part-time positions increased by an equivalent amount, which differs from the trend in Chorley.

Employment by Full-time/Part-time and Gender				
	2015	2005%	2015%	Change
Total				
Full-time	41,200	75.7	76.9	1.2
Part-time	12,400	24.3	23.1	-1.2
Male				
Full-time	25,300	90.7	90.8	0.1
Part-time	2,600	9.3	9.2	-0.1
Female				
Full-time	15,900	58.3	61.8	3.5
Part-time	9,800	41.7	38.2	-3.5

Source: Annual Population Survey

Economic Inactivity

2.17 There are 12,700 economically inactive¹ working age residents in Chorley as of 2015. Of these, almost a third (32%) are retired, which is more than twice the figure in Lancashire and England. Chorley has a relatively low proportion of economically active students, accounting for 14% of the population which is ten percentage points below the Lancashire figure, reflecting the presence of higher education institutions in other parts of the county.

2.18 Chorley also has a relatively low proportion of residents who are economically inactive due to long term sickness, around 10 percentage points lower than the Lancashire figure, but a higher than average proportion of temporary sick, at 8% being over 5 percentage points higher than the Lancashire and national figures.

Economic Inactivity by Reason 2015 (Working Age)				
Reason	Chorley		Lancashire	England
	Number	%	%	%
Retired	4,100	32.2	15.6	14.1
Looking after family/home	2,500	19.9	23.7	26.1
Long term sick	2,100	16.9	26.4	20.9
Student	1,800	13.8	23.8	26.6
Other	1,200	9.6	7.6	9.7
Temporary sick	1,000	7.7	2.2	2.1
Total	12,700	100.0	100.0	100.0

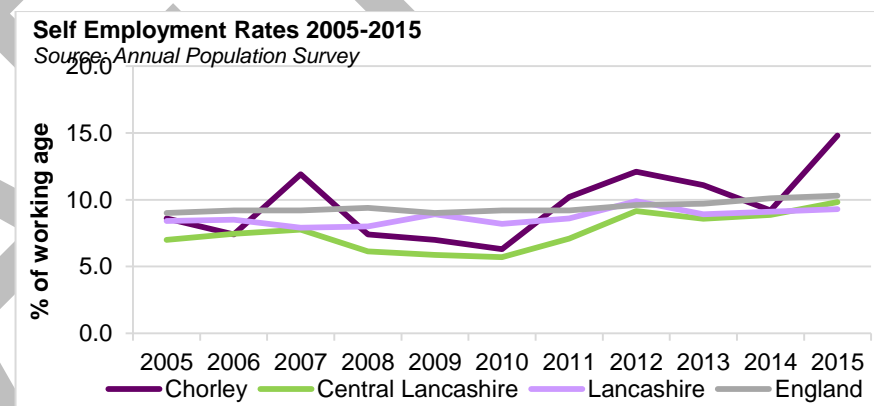
Source: Annual Population Survey

¹ Economically inactive means those who are neither in employment nor unemployed.

Self-Employment

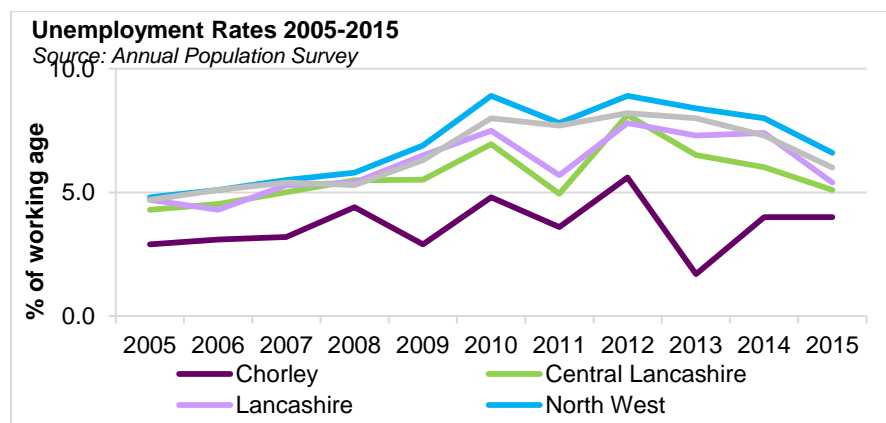
2.19 The proportion of people classed as self-employed has been increasing in the UK over the past decade. In Chorley, growth has been particularly pronounced with the proportion of self-employed residents more than doubling since 2010, from just over 6% to almost 15% in 2015.

2.20 The largest increase came in one year between 2014 and 2015 by almost 6 percentage points with the 2015 proportion being the highest reported across the 10 years. Chorley's 2015 self-employment rate is significantly higher than the national average of around 10% and Lancashire average of 9%, suggesting high levels of entrepreneurialism in the population.



Unemployment

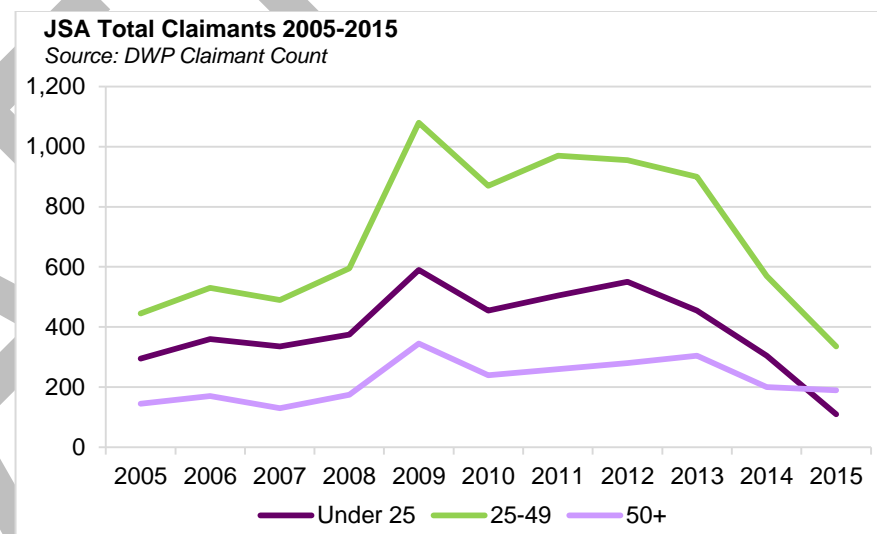
2.21 Between 2005 and 2015, Chorley's unemployment rate was consistently lower than regional and national averages. In 2013 the unemployment rate fell as low as 1.7%, however by 2015 it had risen back to 4%, reflecting wider trends. Despite the increase, it remains 2 percentage points lower than the national average of 6%. The relatively small pool of unemployed residents will have implications for local employers seeking staff. Discussions with JobCentre Plus when preparing this Skills Framework suggested that as the number of employment opportunities increased post-recession "those able to move seamlessly into work did so".



2.22 In July 2015 around 635 Chorley residents were claiming Jobseekers Allowance (JSA). Almost a fifth (110 people, 17%) of these were under 25, just over a half (335, 53%) were between 25 and 49 and three in ten (190, 30%) were over 50. Claimant count has declined amongst all age groups following a peak in 2009, declining more sharply since 2013. The number of under 25s claiming Jobseekers Allowance has also declined so that there were more 50+ year olds claiming JSA in 2015 for the first time in a decade. However, as the 15-24 age group accounts for less than 11% of Chorley's population, under 25s are still overrepresented in the claimant count at 17%².

² As young people were transferred onto Universal Credit ahead of other age groups this figure may also be under-reported.

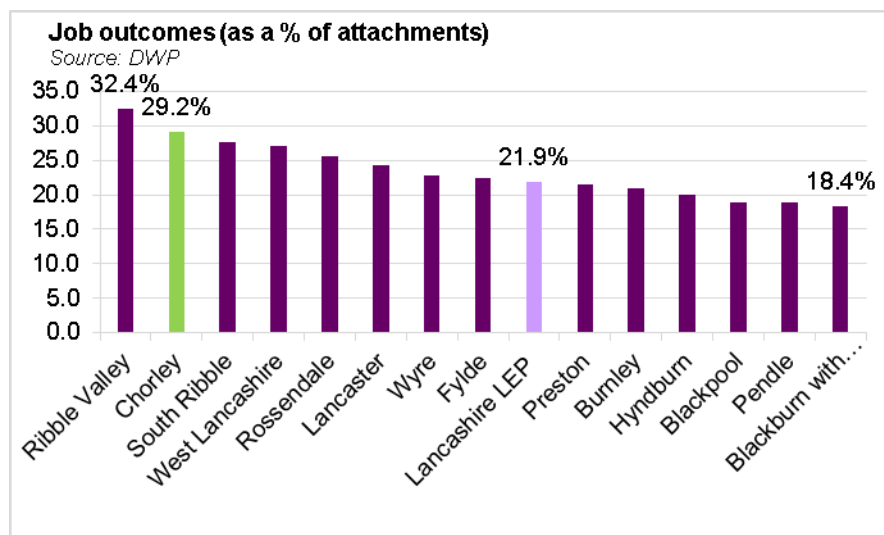
2.23 Addressing youth unemployment has been a challenge across the UK in recent years. Consultations in Chorley, as in other parts of the country, suggest that young people often lack the core employability skills needed by employers and have limited awareness of the range of employment opportunities available to them. Preparing young people to have greater awareness of business requirements (both through structured information, advice and guidance and personal research) and respond accordingly will be important to lowering levels and allowing them to access and progress in their chosen area of work.



2.24 In 2014, 255 JSA claimants (40%) had been claiming for less than 3 months, 160 (25%) for between 3 and 6 months, 90 (14%) for between 6 and 12 months and 125 (20%) for over a year. Between 2005 and 2015, the number of long term claimants, those claiming for over 6 months, increased by around 50%. Long term claimants were slightly more overrepresented amongst younger age groups (under 50) compared to the older age groups, with over 50s accounting 27% of claimants over 6 months compared to 30% of the total.

2.25 Since its introduction in 2011, the Government's Work Programme, which aims to support out-of-work people who are at risk of becoming long-term unemployed, has attached over 48,000 people in Lancashire to the scheme. Chorley performs well in terms of job outcomes as a percentage of attachments

obtained through the Work Programme, as a percentage of over 2,000 referrals in the borough. At over 29%, Chorley has the second highest proportion of job outcomes in Lancashire, and is 7 percentage points higher than the LEP average.



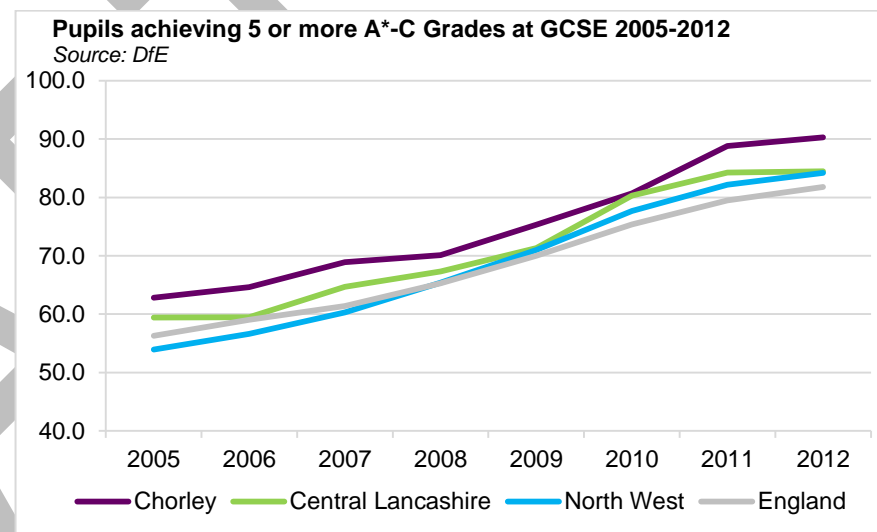
2.26 As would be expected, the main reason for leaving JSA in Chorley between 2005 and 2015 has been finding work³, which was the case for over 46% of reasons in 2015. This figure has increased from a low point of 34.5% in 2008, which was slightly higher than failing to sign at 32.8% in 2008. Chorley has outperformed the rest of Lancashire on this indicator, with 39% of claimants leaving JSA due to finding work in Lancashire, compared to 46% in Chorley. This may be a reflection of Chorley's better performance in job outcomes through the Work Programme.

Young People's Participation

GCSE Attainment

³ Other reasons include failing to sign (the second most common reason for leaving JSA), moving abroad and transferring onto government-supported training

2.27 The proportion of pupils achieving five or more A*-C Grades at GCSE level has been increasing gradually across the UK in recent years. Between 2005 and 2012, Chorley's GCSE attainment (based on learners at schools based in the Chorley borough) was consistently higher than regional and national averages. By 2012, Chorley's attainment rate was nearly 9 percentage points higher than the national average placing young people in a strong position to pursue continued education and careers of their choice.



NEETs

2.28 A NEET is a young person who is not in education, employment or training. In 2014 there were around 12,800 16-18 year olds recorded as being NEET in the Lancashire local authority, which was the equivalent of 2.1% of 16 year olds, 4.7% of 17 year olds and 8.3% of 18 year olds. The NEET figures in Lancashire were slightly lower than the North West for 16 and 17 year olds but slightly higher for 18 year olds. Due to Chorley's relative position in Lancashire in

terms of educational attainment and employment levels, it would be expected that Chorley as a borough would have a lower proportion of young people who are NEET than Lancashire although data does not go down to this level.

Participation at 16+

2.29 Participation rates of 16-17 year olds is also available at a local authority level. In 2014, 80.2% of 16-17 year olds in Lancashire were participating in full time education and training, which is slightly lower than the national figure of the North West figure of 81.5% and the national figure of 83.1%. However Lancashire had a higher proportion of 16-17 year olds participating in apprenticeships (6.7%) than England (4.9%), as well as a slightly higher proportion in work based learning (1.5% compared to 1.3%). A significant proportion of 16-17 year olds in Lancashire were also participating in part-time education (1.1%), compared to just 0.3% nationally.

2.30 Data for attainment of pupils at age 19 is available at local authority level.

Attainment at age 19, 2014				
	Achieved L2 inc. English & Maths	Achieved L2	Had not achieved L2	Total Cohort
Lancashire	9,080	2,280	1,575	12,935
Blackburn w. Darwen	1,170	425	235	1,830
Blackpool	865	430	265	1,560
Lancashire LEP area	11,115	3,135	2,075	16,325

Source: DfE Level 2 and 3 Attainment by Young People in England

School Leaver Destinations

2.31 The following table shows where Chorley students went after completing compulsory education. These figures are built up from an individual school level, and provide an average from the multiple secondary schools in the borough. In total, 90% of leavers in Chorley went on to further employment, education or

training. A relatively high proportion went on to a further education college (70%), with a small proportion (14%) going on to a Sixth form college.

2.32 This reflects the lack of school sixth from colleges available in the borough, and the presence of large further education colleges such as Runshaw College which has a base in Chorley. Chorley also has a relatively high proportion of leavers (6%) going on to do apprenticeships.

Leavers Destinations 2012/13 data based on 2011/12 cohort		
	Chorley	North West
Overall education/employment/training destination	90%	90%
Any education destination	87%	88%
Further education college	70%	38%
Independent school	0%	0%
Other FE provider	2%	4%
School sixth form - state funded	1%	25%
Sixth form college	14%	19%
Employment /w training qualification	1%	0%
Apprenticeships	6%	6%
Other employment	1%	0%
Destination not sustained	7%	6%
Destination not sustained/recorded NEET	2%	2%
Activity not captured in data	2%	1%

Source: DfE

Apprenticeships

2.33 In 2014/15 there were 770 Chorley residents enrolled on apprenticeships. This represents a slight decline in the total number of apprenticeships from the previous year, and follows the pattern across the UK, despite a number of initiatives to encourage take-up.

2.34 The number of residents overall taking apprenticeships in Chorley declined by 9.5% between 2013/14 and 2014/15. This was largely due to lower uptake of intermediate and advanced level apprenticeships, whilst those taking higher apprenticeships doubled, however this still only accounted for 5.3% of the total. The decline in advanced apprenticeships is associated with changes in funding, such as with the introduction (and subsequent withdrawal) of Advanced Learning Loans for learners aged 24+ for advanced apprenticeships. In terms of the age groups of residents taking apprenticeships, the number of people aged under 19 and between 19 and 24 declined by 15% and 16% respectively whilst the number of over 25s increased by 12%.

Chorley Apprenticeships by Level and Age					
Level	2013/14		2014/15		Change
	No.	%	No.	%	%
Intermediate	490	58.3	460	60.5	-6%
Advanced	330	39.3	260	34.2	-21%
Higher	20	2.4	40	5.3	100%
Total	840	100.0	760	100.0	-9.5%
Age	No.	%	No.	%	%
Under 19	260	31.3	220	28.6	-15%
19-24	310	37.3	260	33.8	-16%
25+	260	31.3	290	37.7	12%
Total	830	100.0	770	100.0	-7%

Source: Statistical First Release⁴

2.35 In 2014/15 the most common apprenticeships in Chorley were in business, administration and law (29.9%), retail and commercial enterprise (24.7%) and health, public services and care (22.1%). This reflects Chorley's sector strengths and current large employment bases in these areas. Whilst apprenticeships in business, administration and law and health, public services

and care declined between 2013/14 and 2014/15, those in retail and commercial enterprise grew by 36%.

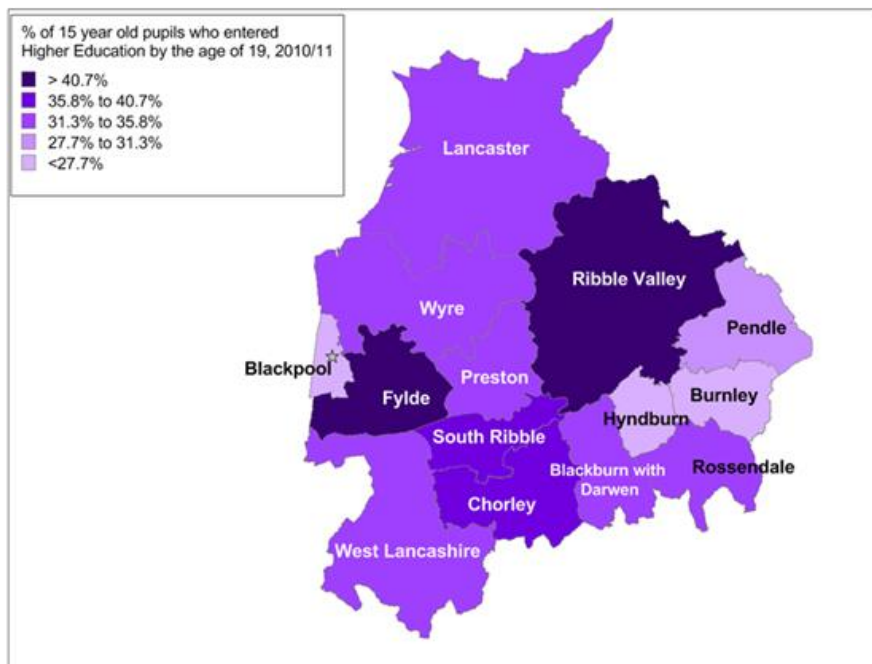
Chorley Apprenticeships by Subject				
Subject	2013/14		2014/15	
	No.	%	No.	%
Agriculture, Horticulture and Animal Care	10	1.2	10	1.3
Business, Administration and Law	260	31.3	230	29.9
Construction, Planning and the Built Environment	30	3.6	30	3.9
Education and Training	10	1.2	10	1.3
Engineering and Manufacturing Technologies	110	13.3	110	14.3
Health, Public Services and Care	210	25.3	170	22.1
Information and Communication Technology	20	2.4	20	2.6
Leisure, Travel and Tourism	20	2.4	10	2.6
Retail and Commercial Enterprise	140	16.9	190	24.7
Total	830	100.0	770	100.0

Source: Statistical First Release

⁴ Overall totals may vary due to rounding methodology.

Participation in Higher Education

2.36 As shown in the figure below, Chorley had a relatively high proportion of 15 year olds pupils who entered Higher Education by the age of 19, with 39% making it the third highest in the county, after Fylde and Ribble Valley. This reflects Chorley's strong academic attainment at lower levels, with residents going on to further study.

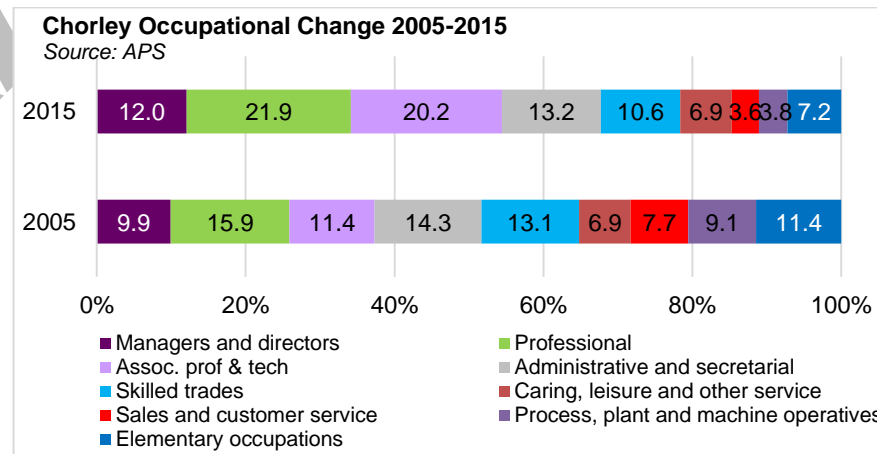


Occupational Profile of Residents

2.37 Chorley has a relatively high proportion of residents in higher tier occupations. In 2015, 6,600 residents (12%) categorised themselves as managers and directors, professionals or associate professionals and technical staff.

2.38 The representation of higher tier occupations has been growing over time. Between 2005 and 2015, the proportion of those in associate, professional and technical occupations increased by nearly 9 percentage points, and professional occupations by 5 percentage points. This corresponded with a decline in the proportion of residents in skilled trades (-3 percentage points), sales and customer service occupations (-4 percentage points), process, plant and machine operatives (-5 percentage points) and elementary occupations (-4 percentage points). This in part reflects changes in the sectoral structure of employment (see Section 3), including job losses in manufacturing and accommodation and food services.

2.39 This occupational profile differs to the Lancashire-wide distribution which has seen an increase in caring, leisure and other services, a slight increase in elementary occupations and only a small decline in process, plant and machine operatives between 2005 and 2015, the latter of which more than halved in Chorley. Lancashire's largest area of growth was also in professional occupations but to a lesser extent than Chorley (2 percentage points) and the largest area of decline was in administrative and secretarial occupations (-2 percentage points).



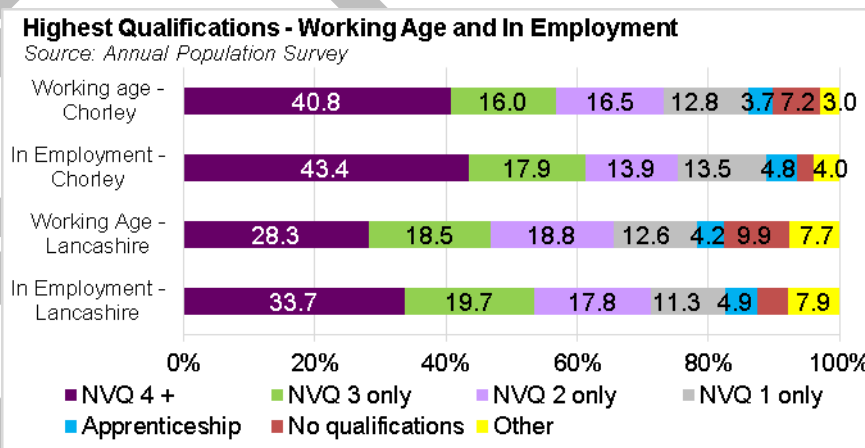
2.40 Chorley's over-representation of managers and directors, professional occupations and associate professional and technical occupations can be demonstrated by its location quotient relative to England. A location quotient indicates the relative concentration of employment in one location compared to the national average – a location quotient of more than one indicates a higher concentration of employment in a particular occupation. Whilst administrative and secretarial occupations proportionately declined by a percentage point between 2005 and 2015 they are still overrepresented in Chorley. In contrast, the typically lower skilled occupational categories are underrepresented.

Chorley Occupational Profile	
Occupation	LQ (England)
Managers and directors	1.1
Professional	1.1
Assoc. prof & tech	1.4
Administrative and secretarial	1.3
Skilled trades	1.0
Caring, leisure and other service	0.8
Sales and customer service	0.5
Process, plant and machine operatives	0.6
Elementary occupations	0.7

Source: Annual Population Survey 2015

Adult Skills Profile

2.41 Reflecting occupational structure, Chorley is home to a relatively highly skilled working age population. The Annual Population Survey 2014 showed that 41% of Chorley's working age population had a qualification equivalent to an NVQ Level 4 or above. This is around 13 percentage points higher than the Lancashire figure of 28%, equating to 8,800 more people than if the Lancashire average applied. Chorley had a lower representation than Lancashire in all other qualification levels, other than Level 1 only where it was equal. Only 7% of the working age population in Chorley had no qualifications, compared to 10% at a Lancashire level.



2.42 The proportion of those in employment educated to Level 4 and above was even greater at over 43%. However the difference between Chorley and Lancashire was slightly less defined at around 10 percentage points. Again, Chorley had a slightly higher proportion of residents with Level 1 qualifications only, with 13.5%, 2 percentage points higher than the Lancashire figure. Therefore residents with high level qualifications are overrepresented in the employed population in both Chorley and Lancashire, whilst those with no qualifications are under-represented. This suggests that skills development may be needed to support residents to access work.

A Connected Economy

Travel to Work Destinations

2.43 Data from the 2011 Census show that around 40% of Chorley’s residents worked within the borough. In total, two thirds (66%) worked within Central Lancashire, with South Ribble accounting for 15% of resident workplaces and Preston 11%. The next most common workplace destinations for Chorley residents were Bolton, Wigan, Blackburn with Darwen and Manchester. This generally reflects road links along the M61 and M6 corridors, with over two thirds of commuting in Chorley occurring by car. In total, 5,412 Chorley residents travelled to work in other Lancashire boroughs not specified above, with Fylde and Ribble Valley being the most popular destinations.

2.44 While Manchester is the most common destination for commuters by train and some 1,100 residents work in the city, Bolton and Wigan are a much more important source of employment for Chorley residents.

Travel to Work Areas		
Chorley Residents	Number	%
Within Chorley	17,280	40.1%
South Ribble	6,537	15.2%
Preston	4,770	11.1%
Bolton	2,453	5.7%
Wigan	1,912	4.4%
Blackburn with Darwen	1,328	3.1%
Central Lancs residents		
Within Central Lancashire	104,412	72.5%
Fylde	6,258	4.3%
Ribble Valley	3,831	2.7%
Bolton	3,599	2.5%
Blackburn with Darwen	3,551	2.5%
Wigan	2,809	2.0%

Source: Census, 2011

2.45 As developments are taken forward in other local authority areas, there is potential for the employment pull to increase. For example, as the Enterprise Zone and City Deal sites are built out, requiring both short to medium term construction workers and longer term the workforce to satisfy the needs of new occupiers. Understanding the aspirations of other local authorities alongside Chorley will therefore be important to allowing residents to fulfil their potential.

Distance Travelled by Occupation and Skills Profile

2.46 Chorley’s relatively high levels of out-commuting are demonstrated by the distances travelled to work by occupation. Around a quarter of Chorley residents in professional, associate professional and technical occupations travel over 20km to go to work, with over a fifth of managers and directors also doing so. Less than a fifth of professional, associate professional and technical occupations (3,096 people) work within 5km of their usual residences. This will in part reflect the availability of local employment opportunities, as considered in Section 3.

Distance travelled to work by Occupation (Chorley residents)				
Occupation	Less than 5km	5-20km	20+km	Work mainly at home/other
Managers and directors	22.7	34.1	22.2	21.0
Professional	18.9	42.5	24.6	14.0
Associate prof. and technical	18.7	38.7	23.0	19.6
Administrative and secretarial	34.3	45.0	10.6	10.0
Skilled trades	23.5	29.4	9.5	37.7
Caring, leisure, other services	49.7	31.5	6.1	12.6
Sales and customer service	49.7	35.0	8.0	7.2
Process, plant, machine operatives	29.9	39.2	12.0	18.8
Elementary occupations	48.5	27.7	6.2	17.5

Source: Census 2011

2.47 Commuting distances by skill level in Chorley show that residents with higher level qualifications commute further on average. Over 23% of those with a Level 4 qualification commute for 20km or more, compared to 10% with Level 1 qualifications only, and 6% with no qualifications.

Distance travelled to work by Highest Qualification (Chorley residents)

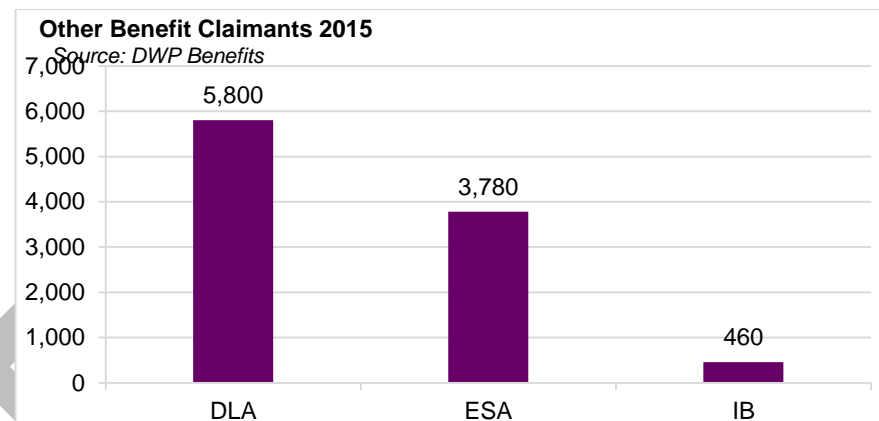
	Less than 5km	5-20km	20+km	Work mainly at home/other
Level 4	20.3	40.2	23.1	16.3
Level 3	33.9	37.7	12.7	15.7
Level 2	37.8	34.7	10.9	16.6
Level 1	36.8	34.6	10.4	18.2
Apprenticeships	27.8	34.8	10.9	26.5
Other	36.7	29.6	11.2	22.5
No qualifications	40.0	29.2	6.4	24.5

Source: Census 2011

2.48 Levels of home working have been increasing across the UK in recent years and are expected to continue to grow as people move to more flexible working. Home-working may also increase due to higher levels of self-employment, which has already increased significantly in Chorley in recent years, as noted earlier in this section.

Benefits Dependency

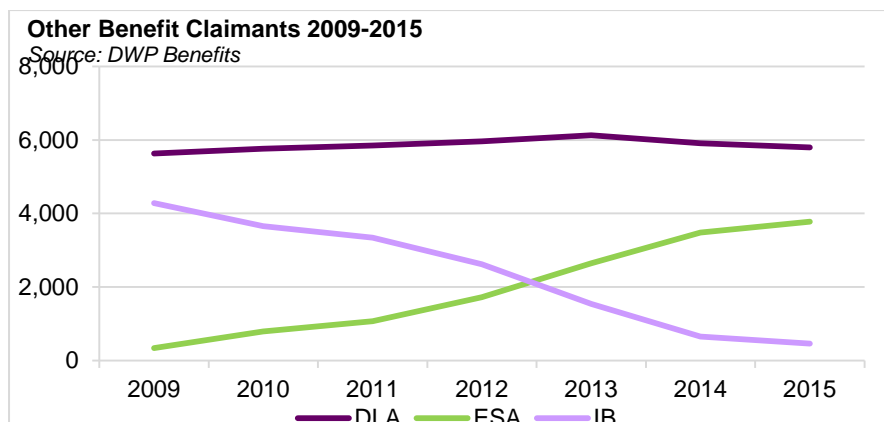
2.49 Statistics for 2015 show there were 7,400 working age residents claiming any type of benefit, around 11% of the working age population, which is a lower proportion than across Lancashire at 15%. More than three quarters (78%, 5,800 people) of benefit claimants in Chorley were claiming Disability Living Allowance (DLA), approximately half (3,780, 51%) were claiming Employment Support Allowance (ESA) and 6% (460 people) were claiming Incapacity Benefit (IB)⁵. While Chorley had a lower overall percentage of the population claiming benefits, it had more people claiming multiple benefits than across Lancashire, where 70% were claiming DLA, 50% ESA and 5% IB.



2.50 The number of residents claiming benefits in Chorley has stayed relatively stable between 2009 and 2015, with the number claiming DLA, ESA and IB going from 10,250 in 2009 to 10,040 in 2015. The composition has however changed with the number of residents claiming Employment Support Allowance increasing from 790 in 2009 to 3,780 in 2015 while the number of residents claiming Incapacity Benefit fell from 4,280 to 460. This change is due to a change in the way benefits are classified, with ESA replacing IB.

2.51 Consultations suggest that some employers are reluctant to employ people with health issues. In a tight labour market, this position (as well as the employment of older workers) may need to be re-considered to ensure demands can be satisfied and that all those looking to work are able to make their full contribution. JobCentre Plus initiated work trails are supporting a wide range of people to secure work experience and prove their abilities in a workplace, resulting in a high number of businesses offering employment at the end of the trial.

⁵ As people can claim multiple benefits, the individual total is higher than the overall claimant count



Workless Households

2.52 Workless households are defined as households where no adult residents are in work. Data from the Office for National Statistics (2012) shows that Chorley had a relatively low proportion of non-working households at 15%. This was 4 percentage points below the Lancashire average and 2 percentage points below the England average.

2.53 The proportion of children living in workless households in Chorley was also lower than regional and national comparators at 12%, being 2 percentage points lower than the national average and 6 percentage points lower than the Lancashire-wide average. However this figure is still higher than the 2005 figure when 8% of households were workless, and also shows an increase from the 2011 data where the figure was 10%.

Children living in workless households, 2012

Area	No.	%
Chorley	2,388	12.0
Lancashire	49,649	18.2
North West	236,325	17.9
England	1,406,108	14.1

Source: Workless households for regions across the UK, ONS

Conclusions

2.54 Although Chorley’s residents like those across the country were affected by the recession they have performed relatively well in a competitive labour market. The borough is home to a higher than average skilled population that occupies traditionally higher skilled and paid occupations. Differences between the skills profile of the employed and wider economically active population suggests that there is an impetus for residents who are out of work to upskill.

2.55 With over 27,000 of Chorley’s residents working outside the borough, it suggests that people are able to find and progress in work in both adjoining and further afield local authority areas. This suggests residents will benefit from growth both in Chorley and in other parts of the County, including through the City Deal investments due to be delivered in the adjoining Central Lancashire authorities.

2.56 However, the position also indicates that there are gaps in the local employment offer relative to resident skills and that there is scope to retain higher levels of economic activity within the borough. The longer distances commuted by the higher skilled and those in higher skilled occupations may reflect a financial ability but also a necessity to commute to access appropriate employment and career progression opportunities which are often more evident in large urban centres (considered further in Section 3).

2.57 As is evident across the UK, an ageing population presents both an opportunity and a challenge for Chorley’s economy. Understanding the ambitions of those residents approaching the end of their working life will be important to understand the potential scale of labour turnover and associated loss of skills to allow employers to begin to prepare.

2.58 There will be opportunities for older age groups to continue to play a role in the success of the Chorley economy (and surrounding areas reflecting out-commuting patterns) to help retain skills in the short to medium term and build the skills of younger members of the workforce to allow abilities that are in demand to be expanded. This will be particularly valuable in an area with relatively low unemployment rates and therefore limited surplus capacity in the labour market to satisfy growing demand. Supporting all those who wish to work to do so (regardless of their age, health, experience and so on) will be increasingly important going forward.

3 Demand Side Perspective – businesses and employment in Chorley

Key Findings

- Just over 40,000 people are employed in Chorley based businesses (6% of the Lancashire total) representing a significant shortfall against the level required to sustain the borough's full working age population (71,000 people) or numbers currently in work (55,000 Chorley residents).
- Between 2009 and 2014 Chorley lost 2% of its employment base. The borough was severely affected by public sector job cuts while private sector employment grew at the same rate as Lancashire wide.
- Chorley's employment base has strong representation of financial, professional and business services, predominantly public sector employment sectors (health and social care, education and public administrative and defence) and wholesale and retail but low representation in manufacturing. This includes strengths in sectors that are forecast to grow.
- Higher skilled occupations are under-represented in the employment base – in professional and associate professional occupations the number of residents working in these occupations is 11,000 higher than the number of roles offered in the borough.
- Relative to its share of total employment, Chorley is over-represented in the health and social care and creative and digital priority sectors and also has a high level of employment in financial and professional services providing opportunities for Chorley to contribute to Lancashire wide growth objectives.
- The business base is dominated by micro enterprises with only 55 businesses employing 50 or more staff in 2014. Research suggests this impacts on anticipation of skills issues and participation in skills development.
- A number of skills and recruitment challenges are already evident including high demand for health and social care professionals, engineers and managers, all of which mirror wider trends.
- Combining replacement demand with growth forecasts suggests demand in the region of 18,000 workers over 10 years with the highest requirements expected in professional, caring and elementary occupations with implications

for the skills system.

Introduction

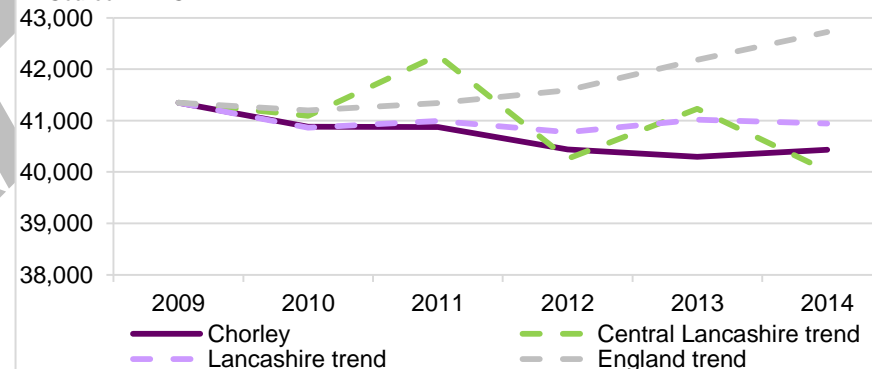
3.1 The demand side perspective focuses on the economic activity that occurs within the borough of Chorley, i.e. the local employment and business base. Due to Chorley's connectivity and exchanges of people with other nearby areas, analysing supply and demand considerations together is important to support the growth of Chorley based businesses and its residents, in some instances within the borough and in others beyond.

Employment Levels

3.2 Business Register and Employment Survey (BRES) 2014 data shows there were 40,434 people employed in Chorley in 2014. This figure is 3 percentage points lower than the 2009 figure of 41,349 (a loss of 915 jobs), showing that workplace employment in Chorley has undergone a gradual decline. Whilst employment in Lancashire has also declined over the period, as shown in the figure below, this has been less gradual than in Chorley.

Workplace Employment 2009-2014

Source: BRES



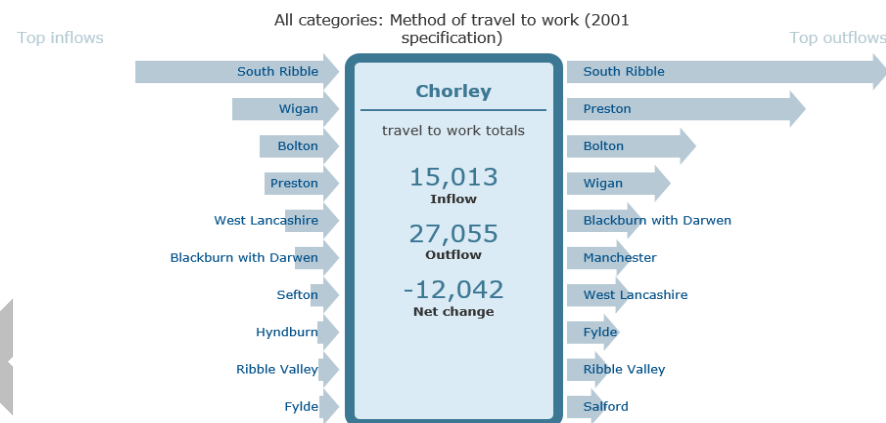
3.3 Chorley accounts for 23% of total employment in Central Lancashire, and 6% in Lancashire down from shares of 7% in Lancashire in 2009 and remaining the same in Central Lancashire due to its fluctuating employment levels. This will have contributed to the out-commuting of Chorley residents outlined in Section 2 as people will need to have looked further afield to secure employment in a competitive market.

3.4 If employment levels are viewed more historically through the Annual Business Inquiry, it shows that this decline in employment is a recent phenomenon, and follows a decade where employment grew by over a quarter between 1998 and 2008, peaking in 2007 at over 42,600 jobs. This suggests that like much of the country, Chorley's employment has been heavily affected by the global recession, and specifically (as considered later) Chorley has experienced a much higher proportion of job losses in the public sector than neighbouring regions.

Workforce Catchment

3.5 With approximately 71,000 working age residents (or even adjusted down to the employment rate of 55,000 Chorley residents in work), Chorley cannot offer full employment to its residents, as shown by the current level of 41,000 workplace based jobs. Out-commuting (as identified in Section 2) is therefore necessary and can be advantageous to support the economic success of the borough's residents by offering the required scale and breadth of opportunities that contribute to the borough's high residence based employment rate. This emphasises the importance of connections to other local authority areas to ensure residents have access to both the scale and variety (as illustrated by differences in employment structure between Chorley residence and workplace based figures considered later in this section) of employment opportunities they require.

3.6 Despite the shortfall in the scale of locally based employment, Chorley businesses rely on some workers travelling in from other local authority areas. Based on data from the 2011 census, overall commuting results in a net outflow of -12,042, with 27,055 residents commuting outside of the borough against 15,013 Chorley based workers commuting in. Chorley draws its incoming workforce predominantly from the other Central Lancashire authorities and the northern most Greater Manchester authorities, reflecting strong transport links to these areas.

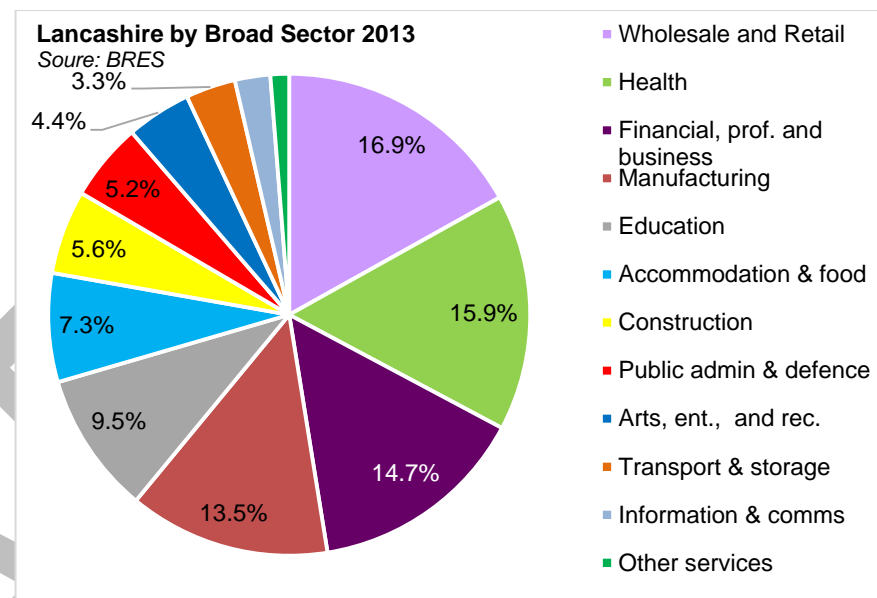
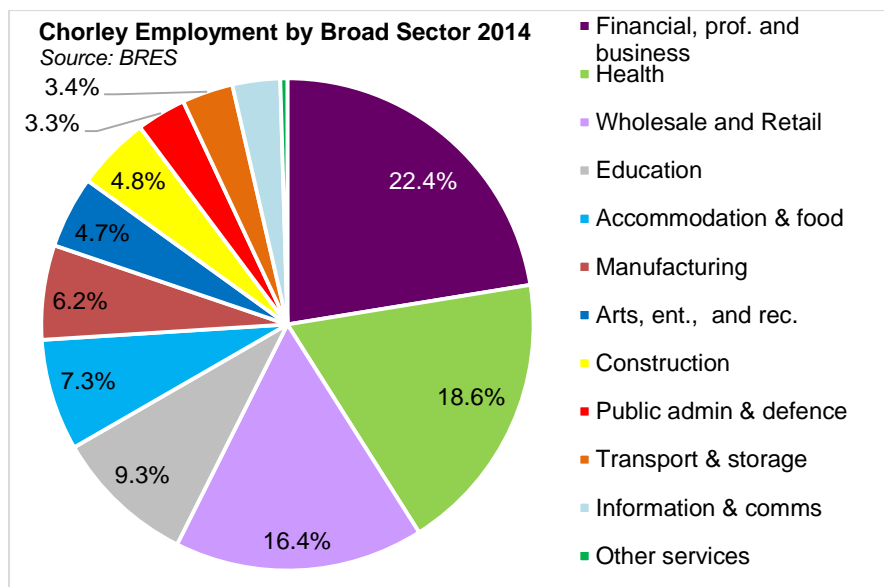


Source: Census 2011

Sectoral Structure of Employment

Broad Sectors

3.7 Chorley's largest employment sector is the financial, professional and business services, with almost a quarter (22%) of employment in these, reflecting the presence of employers such as Fairpoint Group Plc, First Investments and CSC. Almost a fifth (19%) of employment was in the health and social care sectors, with a further 9% in education and 3% in public admin and defence demonstrating the significant public sector, despite losses in recent years. Wholesale and retail trades also contribute a large share of employment at 16%.



3.8 As shown by comparing Chorley's statistics to the figure below, there are clear differences in the largest employment sectors in Chorley compared to Lancashire. Chorley has a significantly higher percentage of employment in financial, professional and business services sectors, with this being only the third largest in Lancashire. Chorley also has a much lower proportion of employment in manufacturing, with the sector in Lancashire accounting for more than double that in Chorley. These sectors illustrate Chorley's employment specialisms in relation to the rest of Lancashire.

3.9 Between 2009 and 2014, significant sectors that experienced the largest proportionate increases in employment were education, health and transport and storage, the latter of which increased by 39% compared to just a 1% increase in Lancashire.

3.10 Many sectors in the private sector experienced losses at a greater rate than Lancashire, such as arts, entertainment and recreation, construction, professional, scientific and technical and financial insurance. Business administration and support was the largest net decline in Chorley between 2009 and 2014 (-615), whereas the sector grew. Such changes will have altered the skills required by employers with initiatives to support people to assess their skills and re-train where necessary to reflect changing employment structures important to provide Chorley's employers with a supply of skilled workers.

Employment Change 2009-2014

	Change 2009-2014	% Change	Lancashire %
Education	683	22.3%	6.9%
Health	520	7.4%	9.0%
Transport & Storage	381	39.0%	0.8%
Motor trades	192	19.2%	7.1%
Information & communications	46	3.8%	5.7%
Property	12	2.7%	-5.3%
Retail	9	0.2%	-3.0%
Agriculture	3	8.1%	-33.8%
Accommodation & food	-72	-2.4%	2.8%
Mining and quarrying	-78	-34.4%	9.5%
Manufacturing	-143	-5.4%	-9.1%
Wholesale	-147	-9.3%	0.7%
Financial & Insurance	-191	-30.1%	-17.7%
Professional, scientific and technical.	-242	-9.4%	15.6%
Construction	-302	-13.4%	-4.0%
Public administration and defence	-427	-24.5%	-12.3%
Arts, entertainment & rec.	-544	-22.1%	-14.7%
Business admin. & support	-615	-9.5%	14.1%
Total	-915	-2.2%	0.1%

Source: BRES 2014

3.11 Looking at longer term trends, Annual Business Inquiry data shows that between 1998 and 2008 the biggest employment increases were in professional, financial and business services (+4,615 jobs) and the public administration, health and education (+3,899 jobs) sectors. At the same time, the manufacturing sector declined significantly, which has continued up to the most recent available data and mirrors national trends. This shows that declining jobs in public administration is a more recent factor whereas the decline of manufacturing has continued. As with the more recent trends, this will have had implications for skills requirements.

Sub-Sector Strengths

3.12 The table below shows the Location Quotient for the 10 largest employment sub-sectors in Chorley by 2 digit SIC code. A location quotient indicates the relative concentration of employment in one location compared to the national average – a location quotient of more than one indicates a higher concentration of employment, one means an equal concentration and less than one a lower concentration.

3.13 The most significant sub-sectors in terms of employment number and concentration are services to buildings and landscape activities with 4,553 employees and a location quotient of 4.9, and retail trade with 4,001 employers and a location quotient of 1.0. Human health and social work when combined make up 5,595 jobs, and are particularly large sub sectors.

Chorley Largest Sub-sectors

2 Digit SIC Code	Number	LQ
Services to buildings and landscape	4,553	4.9
Retail trade	4,001	1.0
Education	3,752	1.0
Human health activities	2,865	1.0
Social work activities	2,730	2.2
Food and beverage service activities	2,500	1.1
Residential care activities	1,919	1.9
Wholesale trade	1,431	0.9
Public administration and defence	1,317	0.8
Repair of motor vehicles	1,193	1.6

Source: BRES, 2013

3.14 Looking at the employment base by 4 digit SIC code gives a more detailed breakdown of employment specialisms in an area. The ten highest employment concentrations in Chorley are listed below (of sub-sectors with over 50 employees). Combined facilities support activities is the most notable sector in terms of size and concentration, with the next largest sectors being washing and (dry-) cleaning of textile and fur products, finishing of textiles and wholesale of sugar and chocolate and sugar confectionary, which all had around 200 employees. Other highly concentrated industries had low levels of employment.

Chorley Largest Location Quotients		
4 Digit SIC Code	Number	LQ
Combined facilities support activities	3,448	17.3
Repair of communication equipment	91	16.5
Finishing of textiles	186	15.3
Manufacture of electrical and electronic equipment for motor vehicles	61	15.1
Wholesale of sugar and chocolate and sugar confectionery	178	13.9
Repair of fabricated metal products	95	10.7
Sawmilling and planing of wood	77	8.7
Manufacture of lifting and handling equipment	157	6.3
Washing and (dry-)cleaning of textile and fur products	258	6.1
Research and experimental development on biotechnology	65	5.6

Source: BRES, 2014

3.15 Residential care activities experienced the largest net growth (+817) between 2009 and 2014, reflecting Chorley's strengths in health and social care. Scientific research and development and warehousing have also grown significantly from very low base levels of employment in the borough.

3.16 Whilst being the largest employment sub-sector, services to buildings and landscape activities has experienced the largest net decline in jobs (-757). Public administration and defence also declined significantly between 2009 and 2014, reflecting wider economic trends. The sectoral changes will mean requirements for vocational qualifications in the health and education sectors, such as large numbers of accredited staff in social care. The continued losses in public administration and defence may mean finding employment in other sectors, and sectors that have grown may not be suitable to replace these in the borough.

Chorley Net Growth and Decline (2 digit)		
Top 5 Net Growth	Number	Change 2009-2014
Residential care activities	1,919	827
Education	3,752	683
Scientific research and development	318	294
Warehousing and support activities for transportation	246	214
Wholesale and retail trade and repair of motor vehicles and motorcycles	1,193	192
Top 5 Net Decline		
Services to buildings and landscape activities	4,553	-757
Food and beverage service activities	1,317	-427
Other personal service activities	2,865	-408
Public administration and defence	724	-354
Activities of head offices; management consultancy activities	607	-268

Source: BRES, 2014

Public and Private Sector Breakdown

3.17 Around 18% of employment in Chorley is in the public sector compared to 20% in Lancashire. Data from the most recent annual population survey of residents shows that 19% (10,600 people) work in the public sector in Chorley and 81% (45,200 people) work in the private sector. This demonstrates that Chorley residents have to commute out of the borough for both public and private positions.

3.18 The reduction in workplace employment in Chorley has been due to a significant decline (-21% or 1,994 jobs) in public sector employment over this period. Although private sector employment growth was recorded (3% or 1,080 jobs), it was insufficient to counter the public sector losses.

Public/Private Sector Employment 2009-2014				
	2009	2014	Actual Change	% Change
Public sector	9,343	7,349	-1,994	-21%
Private sector	32,005	33,085	1,080	3%
Total	41,349	40,434	-915	-2%

Source: BRES 2014

3.19 The intensity of public sector job losses in Chorley has been much greater than across Lancashire. Between 2009 and 2014, Lancashire reported a net loss of 13,564 jobs in the public sector, which means Chorley accounted for 15% of these, despite accounting for only 7% of the county's overall employment in 2014 and 7% of Lancashire's public sector employment in 2009. At 3%, the private sector grew at the same rate as Lancashire between 2009 and 2014.

3.20 At a time of continued austerity measures, public sector employment will continue to decline. Further growth in the private sector will be required if Chorley is to re-bounce to and/or exceed previous employment levels and the former public sector workforce will need to respond to private sector skills requirements. Greater diversification of the employment offer will also make it less susceptible to future economic shocks.

3.21 Recent private sector growth trends do however provide a positive position for Chorley to build upon to re-balance its economy. Consultations with a sample of employers suggest that new businesses have been attracted into Chorley for reasons including the skills base of local residents, the ability to draw on the skills of a wider workforce catchment area and good transport links. The offer of quality sites and premises has also supported growth, for example attracting Parcelforce to Buckshaw Village and ensuring Utiligroup remained in the borough at their new site on Euxton Lane.

Contribution to Lancashire's Priority Sectors

3.22 The priority growth sectors outlined in the Lancashire SEP are advanced manufacturing, creative and digital, energy, financial and professional services, health and social care and the visitor economy. Representation is shown below.

Chorley Contribution to Priority Sectors 2014			
Area	Chorley	Lancashire	%
Manufacturing	2,509	84,286	3.0%
Creative and Digital	1,559	18,827	8.3%
Energy	2,804	52,851	5.3%
Financial and Professional Services	5,307	81,347	6.5%
Health and Social Care	7,514	99,080	7.6%
Visitor Economy	3,577	55,228	6.5%

Total Employment	40,434	623,503	6.5%
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Source: BRES 2014

3.23 Relative to Lancashire wide trends, Chorley is over-represented in two priority sectors – health and social care and creative and digital. The health and social care sector is currently Chorley's second largest employment sector, and is expected to contribute a significant proportion of future growth. Currently 7,514 people are employed in health and social care, which is 7.6% of the Lancashire total. There are also 180 businesses in health and social care (7.5% of Lancashire's) meaning that Chorley is overrepresented in this sector when compared to Lancashire. Significant employers include Synergy Health, Creative Support and Four Seasons Healthcare. Building on the strength of the sector and local skills base, there are plans for a digital health park in Chorley, with facilities to provide offices suitable for companies looking at how new technology can be used in healthcare.

3.24 Although the creative and digital sector accounts for a relatively small proportion of employment in both Chorley and Lancashire, with 1,559 people employed in the sector, Chorley accounts for 8.3% of Lancashire's creative and digital employment. Chorley also has an above average share of the business base, with 315 businesses (10%).

3.25 Whilst manufacturing continues to be a priority area for the Lancashire LEP, building on a traditionally large employment base in the sector, Chorley has been consistently underrepresented in this sector. In 2014 Chorley accounted for 3% of Lancashire's manufacturing employment with 2,509 people in the sector, and 6.9% of the business base (245 businesses).

3.26 The energy sector in Chorley accounts for 5.3% of Lancashire's employment with 2,804 jobs, meaning it is slightly underrepresented in terms of employment. Chorley has 575 businesses in the energy sector, so has a slightly higher proportion than its overall share in Lancashire with 9%. Chorley is home to some notable organisations in the energy sector, such as energy software developer Utilisoft.

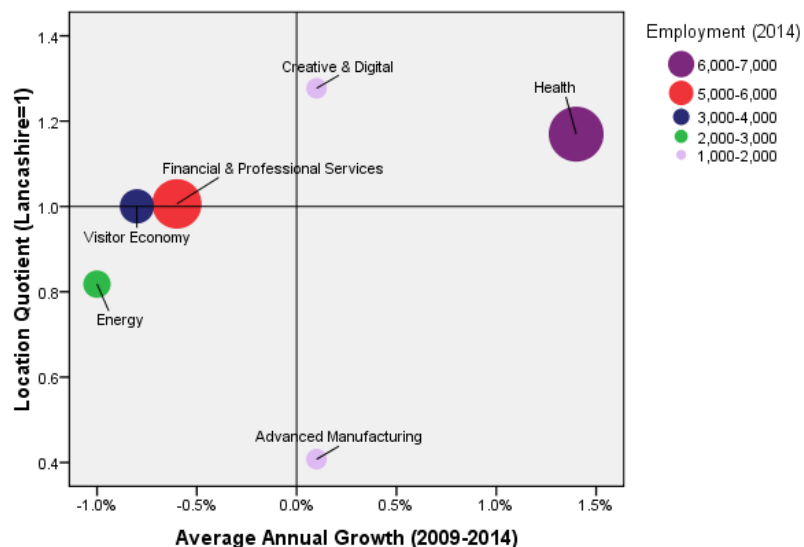
3.27 The financial, professional and business services sectors are Chorley's most significant areas of employment. Financial and professional services identified as a LEP priority growth sector which Chorley can make a substantial contribution to. With 5,307 jobs, Chorley accounts for 6.5% of Lancashire's financial and professional services employment base and 9.0% of the business base (1,085). Chorley's slightly lower proportion of employment may be due to the

dominance of Preston as the county's financial and professional services sector, however it does have a higher proportion of businesses. Major employers include Fairpoint, Synexus and the Chorley Building Society.

3.28 Whilst much of Lancashire's visitor economy is centred on Blackpool, Chorley's share of Lancashire's visitor economy employment is still equal to its overall share of employment at 6.5% or over 3,500 people.

3.29 The figure below shows the priority sectors in Chorley by annual growth and their concentration relative to Lancashire. The health and social care sector, as well as being Chorley's largest priority sector, is also highly concentrated and has experienced the largest amount of growth since 2009. The creative and digital sector is the most highly specialised sector and has experienced low levels of growth, but is less significant in size.

Chorley Priority Sectors - Employment Growth (2009-2014) and Specialisation (2014)

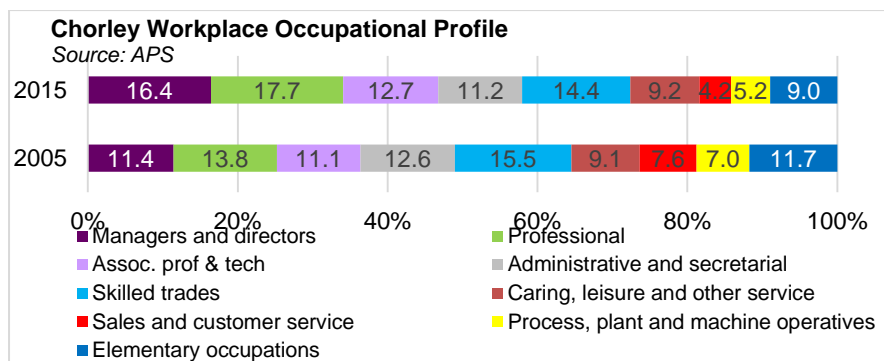


Occupational Structure of Employment

3.30 The workplace occupational profile in Chorley has seen the largest increases in managers and directors (5 percentage points), professional occupations (4 percentage points) and associate professional and technical occupations (1.5 percentage points) between 2005 and 2015. This has been countered by declines in sales and customer service occupations (3 percentage points), elementary occupations (3 percentage points) and process, plant and machine operatives (2 percentage points).

3.31 Chorley's workplace occupational profile differs from its resident occupational profile particularly in terms of the proportion of associate professional and technical occupations and to a lesser extent professional occupations, with these two being more present amongst residents. As shown in travel to work patterns, this deficit is likely to be caused by many people working in these occupations commuting outside of the borough to work, as there are not enough opportunities in Chorley. Chorley is home to 29,800 residents in managerial and director, professional and associate professional and technical occupations but offers only 14,800 jobs in these categories – a shortfall of 15,000. There are 6,600 Chorley residents employed as managers, directors and senior officials and 6,600 jobs available in the borough, so there is the provision for top occupations but limited choice for those looking for work. The biggest shortfall is amongst professional and associate professional occupations, with 23,200 residents employed compared to 12,200 jobs in the borough.

3.32 Retaining more of these skilled residents to work in Chorley based businesses could help to address some of the skills challenges faced by employers, outlined later in this section.



Characteristics of the Business Base

Total Business Stock

3.33 Data from the 2014 UK Business Count shows there were 3,725 businesses in Chorley. This represents a slight increase from 2010 levels, by around a half a percentage point. In 2014, Chorley accounted for 8% of all businesses in Lancashire against shares of 7% of employment and 8% of working age population.

Total Businesses			
Area	2010	2014	Change
Chorley	3,705	3,725	+0.5%
Central Lancashire	11,725	11,665	-0.5%
Lancashire	45,735	45,680	-0.1%
North West	204,990	216,665	+5.7%
England	1,797,910	1,950,030	+8.5%

Source: UK Business Counts 2014

3.34 Records from the Annual Business Inquiry show that this follows a period of significant growth in the number of businesses which increased by 919 between 1998 and 2008, followed by a sharp decline. The small increase observed recently represents the beginnings of recovery in the business base. Whilst Chorley is performing better than its neighbours in Central Lancashire and Lancashire where the number of businesses declined, it is still some way behind the increases observed in the North West and England over the same time period.

Business Size Profile

3.35 Chorley follows a similar pattern to Lancashire and the rest of the UK in that its business base mainly comprises small and micro businesses. Between 2010 and 2014 the proportion of micro businesses in Chorley and Lancashire decreased by around a percentage point, which was countered by an increase in the proportion of small businesses.

	Chorley			Lancashire	
	2014 Number	2010 %	2014 %	2010%	2014%
Micro (0 to 9)	3,325	90.6	89.3	88.1	87.0
Small (10 to 49)	345	7.8	9.3	9.9	10.9
Medium-sized (50 to 249)	45	1.2	1.2	1.7	1.8
Large (250+)	10	0.4	0.3	0.4	0.4
Total	3,725	100.0	100.0	100.0	100.0

Source: UK Business Counts 2014

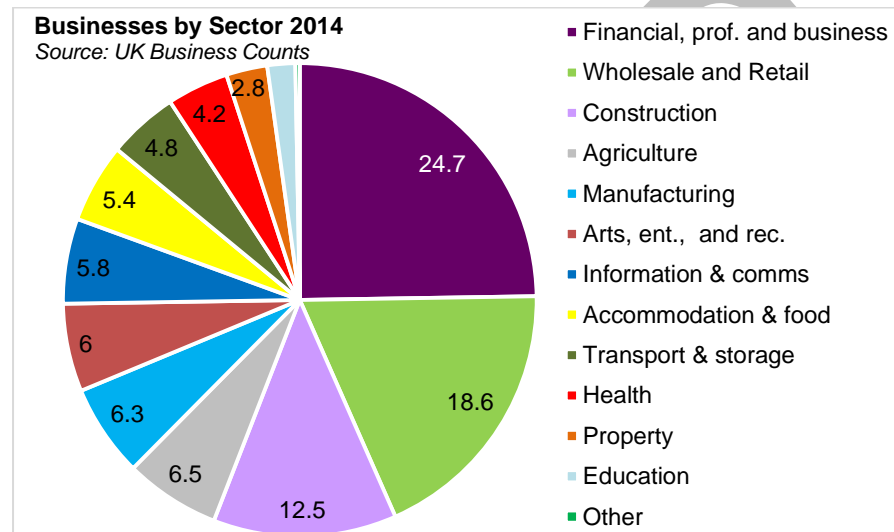
3.36 Only 55 Chorley businesses employed 50 or more staff in 2014 compared to 3,670 employing 49 or fewer. This will have implications for skills provision as medium and large businesses more commonly have training provision available in-house or have established relationships with skills providers whereas small and micro businesses can find it more challenging to access and

fund training that responds to their specific needs. The UKCES Survey (2013) found that the larger the establishment the more likely they are to anticipate an upskilling need over the next 12 months, rising from two-thirds (65%) of those with fewer than five staff to 90% of those with at least 250 employees.

3.38 Between 2010 and 2014, the largest proportional increases in businesses were in the education sector (+40%), information and communications (+19%), agriculture, forestry and fishing (+15%) and transport and storage (+13%). The largest proportionate decreases experienced over this time were in arts, entertainment and recreation (-15%), motor trades (-10%), and business administration and support (-8%).

Sectoral Profile of Businesses

3.37 Around a quarter (24.7%) of businesses in Chorley were in the financial, professional and business service in 2014. Just under a fifth (18.6%) were in the wholesale and retail sectors, with 12.5% being in construction.



Number of Businesses by Sector				
	2010	2014	Actual Change	% Change
Professional, scientific & technical	540	570	30	6%
Construction	495	465	-30	-6%
Retail	340	340	0	0%
Business administration & support	305	280	-25	-8%
Manufacturing	245	235	-10	-4%
Agriculture, forestry & fishing	200	230	30	15%
Arts, entertainment & recreation	265	225	-40	-15%
Information & communication	180	215	35	19%
Accommodation & food services	210	200	-10	-5%
Wholesale	175	180	5	3%
Transport & storage	160	180	20	13%
Motor trades	195	175	-20	-10%
Health	145	155	10	7%
Property	110	105	-5	-5%
Financial & insurance	70	70	0	0%
Education	50	70	20	40%
Mining, quarrying & utilities	0	10	10	-

Public administration & defence	10	10	0	0%
Total	3,705	3,725	20	1

Source: BRES, 2013

Business Density

3.39 In 2014 Chorley had 55.7 business per 1,000 working age population representing a small decline against 2010 figures. Chorley reports a higher density of businesses than local and regional comparators, reflecting the higher concentration of micro businesses, but continues to be behind the national average and the gap grew between 2010 and 2014. If Chorley recorded the national average business density in 2014, it would be home to 230 more businesses than the recorded level.

Business Densities			
Area	2010	2014	Change
Chorley	56.4	55.7	-0.7
Central Lancashire	53.0	52.9	-0.1
Lancashire	51.9	52.4	0.5
North West	47.5	50.3	2.8
England	55.3	59.1	3.8

Source: UK Business Counts and Mid-Year Population Estimates 2014

Workplace Training Provision

Approaches Taken

3.40 Workplace training is widely recognised as a key means to improve skills and maintain and improve competitiveness. Data on workplace training provision is available at LEP level in the 2013 UK Employer Skills Survey so is used as a proxy for Chorley. Across Lancashire, the proportion of businesses over staff training in the 12 months before the survey was equivalent to the national average with a higher proportion of staff benefiting from training and on average receiving a higher number of training days. Increasing training activity has been shown in the UKCES (2013) as the most common employer response to tackle skills gaps among their workforce.

Workplace Training Provision		
	Lancashire	England
% of establishments training staff over the last 12 months	66%	66%
% of establishments providing off-the-job training in the last 12 months	48%	50%
% of establishments providing on-the-job training in the last 12 months	52%	52%
Number trained as % of total staff	62.2	60.6
Training days per trainee	6.7	6.4
Training days per staff	4.2	3.9

Source: UKCES, 2013

3.41 A number of employers consulted during the development of this framework have embraced apprenticeships to help build required skills from within. Although this approach has been successful overall, employers did on occasion refer to challenges in identifying appropriate candidates and securing training provision that directly responded to their needs.

3.42 Consultations undertaken as part of this commission suggest that relationships between employers and training providers are mixed. Whilst some employers have established relationships and are satisfied with the service they received, others (particularly smaller businesses without in-house training capabilities and/or dedicated HR functions) are uncertain who can respond to their skills needs. Whilst some training needs can be easily satisfied, in many cases it

will take time for relationships to build and for supply and demand to work effectively together.

Recognised Skills Needs

3.43 The UK Employer Skills Survey provides information on the skills needs of local employers. Skills gaps within the existing workforce were found to be more prominent in Lancashire (the lowest level at which data is available) than nationally (minus London), with 17% of employers reporting that they have a skills gap within their organisation compared to 15% nationally.

3.44 The most common cause of skills gaps in Lancashire, as reported by employers, is staff training being only partially complete (63% of employers with skills gaps) and a high number of employers also reported that staff being new to the role causes skills gaps. Other causes include staff lacking motivation, performance not improving following training and staff not receiving the appropriate training.

3.45 Consultations (albeit with a limited sample of Chorley based businesses) identified challenges in:

- Securing experienced, skilled staff with a large catchment area often required to identify suitable candidates, particularly for senior and management positions.
- Competing on the basis of pay, access and the range of opportunities with employers based in larger employment centres such as Manchester and Liverpool.
- Overcoming out-dated and inaccurate perceptions of employment in some parts of the economy which can impact on career choices.
- Recruiting engineers across a range of disciplines including automotive and telecommunications. This reflects the acknowledged national shortage of engineers due to skills shortages and an ageing workforce.
- Investing in staff training (particularly in small and medium sized businesses) when there are concerns that staff may be poached by competitors, due to skills shortages.
- Building relationships with training providers to understand existing provision and where necessary influence provision to respond to business needs, within required timescales.

- Staff turnover, particularly in customer service and sales roles.

3.46 Consulted employers appear to be embracing apprenticeships as a way to build skills at entry level in response to specific business needs, with continued training to then support workers to progress. In-house training programmes (often delivered by managers and more experienced staff rather than external trainers, particularly in small businesses) is also supporting skills development across other elements of the workforce.

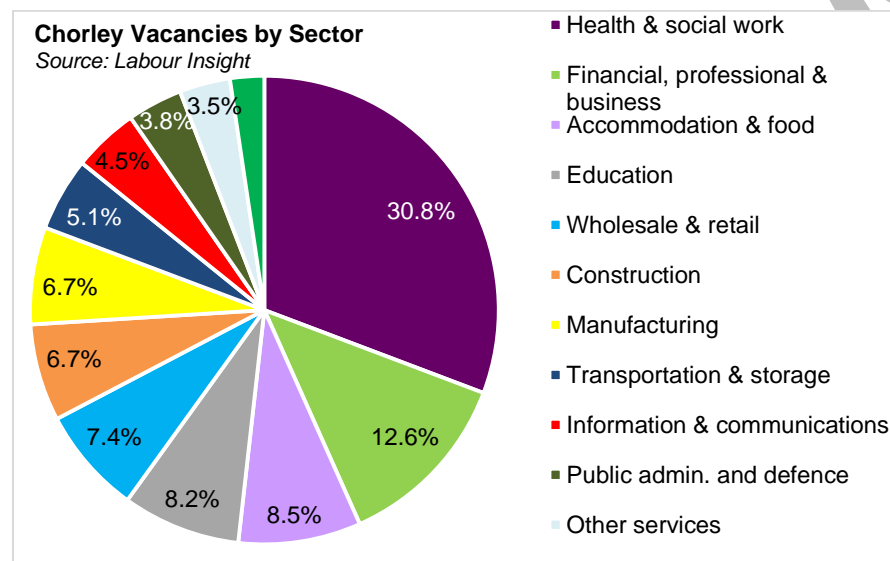
Employment Vacancies

3.47 Across the Lancashire LEP, a lower proportion of employers reported having at least one vacancy at the time of the survey (12%) than was the case nationally (14%). The highest proportion of vacancies were in associate professional, professional and caring, leisure and other services occupations, accounting for almost 60% of all vacancies in Lancashire (+11% points on the nationally average). Given Chorley's employment structure, these challenges are likely to apply locally.

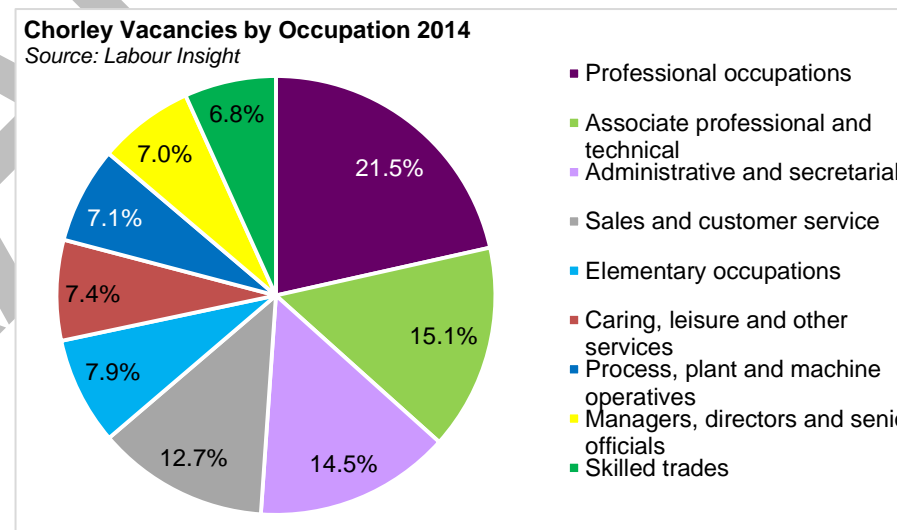
3.48 Of all establishments with vacancies, 31% had a vacancy which they classified as 'hard to fill', compared to 34% nationally. These vacancies were predominantly in highly skilled occupations, with 66% of hard to fill vacancies in associate professional, skilled trade and professional occupations. The main cause of hard to fill vacancies reported by employers in Lancashire was a low number of applicants with the required skills, which 45% of employers reported as a cause for these. This suggests that the skills held by highly skilled Chorley residents will be in high demand across Lancashire, supporting the reported levels of out-commuting in Section 2. Other common causes include a lack of work experience (31%), lack of applicants with the required attitude and motivation (28%), a lack of qualifications and not enough interest in the type of job (27% each).

3.49 Across Lancashire, technical, practical and job specific skills were most commonly reported as hard to obtain by employers. Further, planning and organisation skills, oral communication skills and customer handling skills were cited by a high proportion of employers as being difficult to obtain from applicants.

3.50 In 2014 over 3,000 vacancies in Chorley were captured by Labour Insight.⁶ Almost a third of all recorded vacancies were in the health and social care sector. A full breakdown of vacancies by sector is provided below.



3.51 The occupations with the most vacancies were in professional, associate professional and administrative and secretarial occupations, reflecting Chorley's significant financial, professional and business services sectors.



3.52 Labour insight data is also available for education requirements of vacancies. Of the 622 vacancies which identified a required qualification level, two thirds of these asked for GCSEs or NVQ level 2, 94 vacancies for a bachelor's degree or diploma, and 87 asked for A-levels or NVQ level 3.

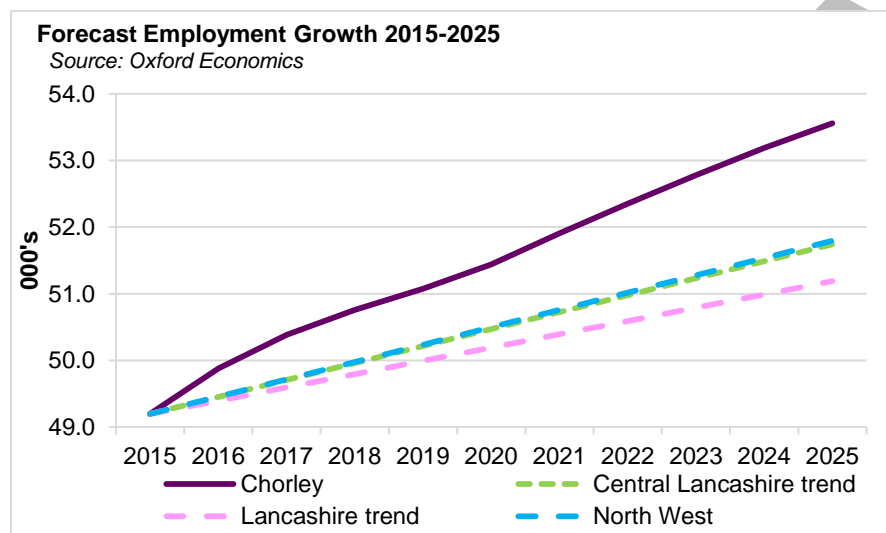
⁶ Labour Insight is an online labour market information system that gathers data on the job vacancies advertised online across the UK

Preparing for Forecast Growth

Total Change

3.53 Forecasts produced by Oxford Economics suggest that Chorley's economic recovery will continue, with a net increase of 4,400 jobs between 2015 and 2025 – a 9% growth rate. Chorley is not alone in forecasting growth, as illustrated by the chart below, however it is forecast to out-perform local comparators, increasing its contribution to the Lancashire economy.

3.54 Lancashire is forecast to gain 30,000 jobs between 2015 and 2025 – a growth rate of 4%. Chorley is therefore expected to account for 15% of Lancashire's net employment growth, despite accounting for only 7% of employment at present. If growth materialises as forecast, Chorley's contribution to total employment in Lancashire will be slightly higher by 2025, with around half a percentage point increase.



3.55 Whilst the chart above presents a policy off scenario, a series of initiatives (such as City Deal in neighbouring South Ribble and Preston) and build out of the Enterprise Zones presents an opportunity for Lancashire to out-perform current forecasts. This will be necessary to allow the LEP to realise its economic growth ambitions outlined in Section 1 of this framework.

3.56 With the North West economy forecast to grow by 195,000 jobs between 2015 and 2025 at a time when the working age population within the local authority is forecast to grow by just 1,700, employers in Chorley (as in all parts of the region) will experience higher levels of competition to secure and retain the scale and nature of workforce they need.

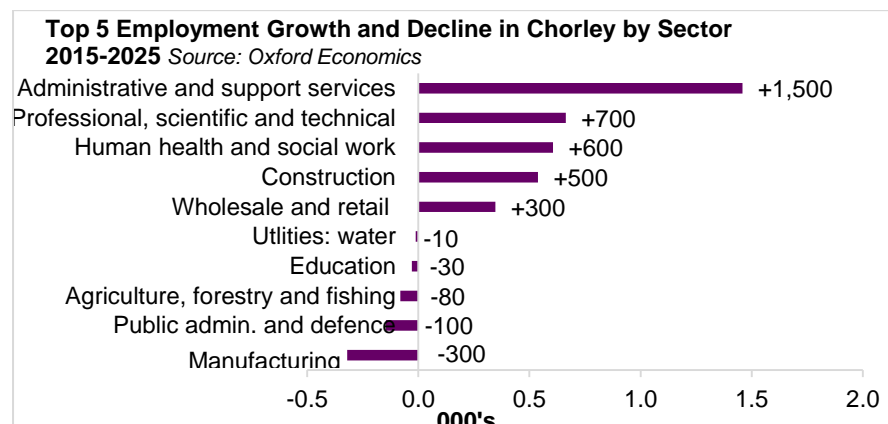
3.57 Despite challenges, Chorley has plans in place to secure both employment and population growth. Much of Chorley's future housing and employment growth is planned to be at Buckshaw Village, which is served by a train station, has already built out 4,000 homes and is intended to account for over a quarter of the sites outlined in Chorley's local plan, as well as 28ha of employment land.

3.58 Planning consent was also awarded in August 2015 to create a Digital Health Park for Chorley. Plans for the 24.7 acre site, opposite Chorley and South Ribble Hospital, will deliver 125 new homes, a care home, a retail unit and pub, and opportunities for industrial and commercial uses. The site will also house Chorley's proposed hub for businesses in the digital health sector, which will integrate new technology and healthcare to improve patient care and wellbeing. It is expected that approximately 700 new jobs could be created across site, contributing to Chorley's strong and growing health sector, as well as creative and digital, requiring highly qualified employees and showing the ability to support Lancashire's priority sectors.

Forecast Change by Sector

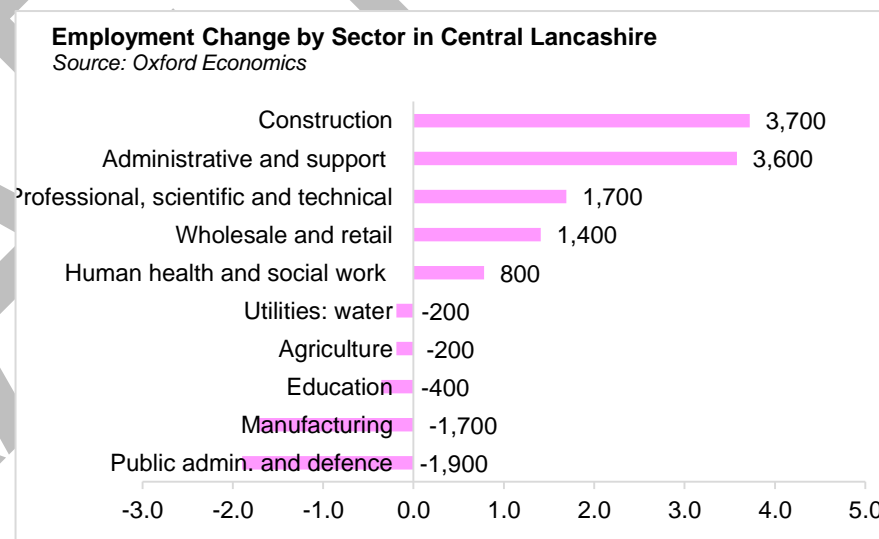
3.59 The private sector is forecast to play an important role in securing growth. This may take the form of growth within the current business base but also the attraction of new employers into the borough. Around a third of Chorley's net employment gain (1,500) is expected to be in the Administrative and Support services sector, with a further 700 in the Professional, scientific and technical services sector and 600 in health and social work. This builds on a substantial financial, professional and business services sector in Chorley, particularly when compared to the Lancashire average. Growth in administrative and support services and professional, scientific and technical indicate that these sectors are beginning to grow despite many job losses between 2009 and 2014.

3.60 The largest declines in employment are expected in manufacturing (-300 jobs) and public administration and defence (-100). Declining employment in these industries mirrors forecasts for Lancashire as a whole and the rest of the UK.

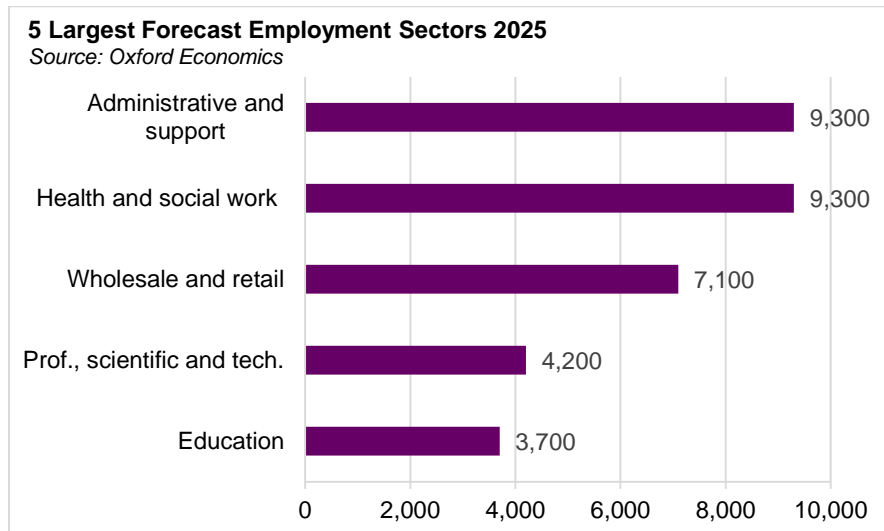


3.61 The largest employment growth in Central Lancashire is expected to be in construction, with an additional 3,700 jobs, followed by administrative and support services with 3,600 jobs, of which Chorley accounts for 42%. The sectors expected to experience the most significant declines in Central Lancashire are Public administration and defence with -1,900 jobs and manufacturing with -1,700 jobs.

3.62 Oxford Economics figures for 2015 show that Chorley accounts for 24% of employment in Central Lancashire. The chart below shows the sectoral make up of employment change at the Central Lancashire level. This shows that Chorley is expected to contribute over 40% of Lancashire's employment growth in administrative and support services and professional, scientific and technical services. Chorley is also expected to account for 75% of the county's growth in health and social care, a reflection on the strength of this sector in the borough. Despite having significant losses in manufacturing and the public sector in recent years, further losses are expected at a lesser degree, with Chorley forecast to account for only 5% of public administration and defence and 18% of manufacturing losses in Central Lancashire.

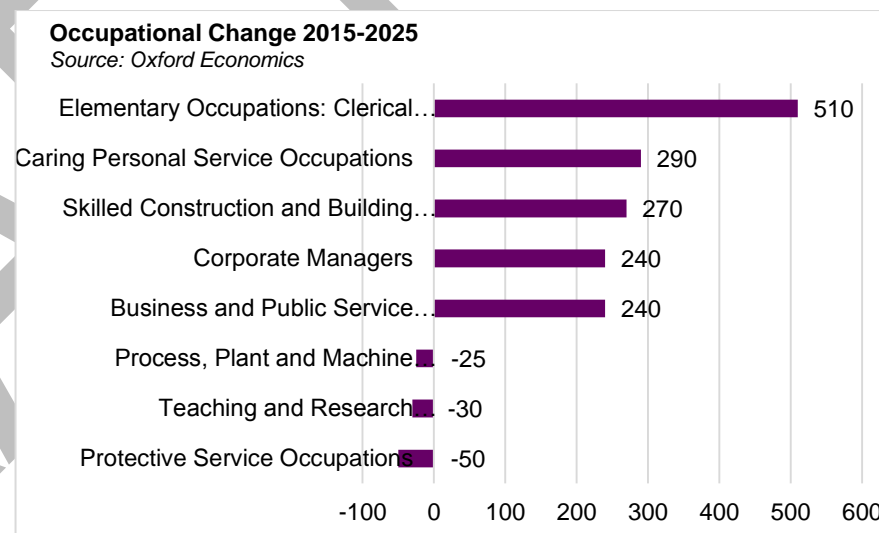


3.63 In 2025, forecasts suggest that the Administrative and Support and Health and Social Work sectors will continue to dominate the Chorley economy, with around 9,300 jobs in each. Wholesale and retail is expected to be the third largest sector with 7,100 jobs, followed by Professional, Scientific and Technical with 4,200 and Education with 3,700 making up the five largest employment sectors expected by 2025.



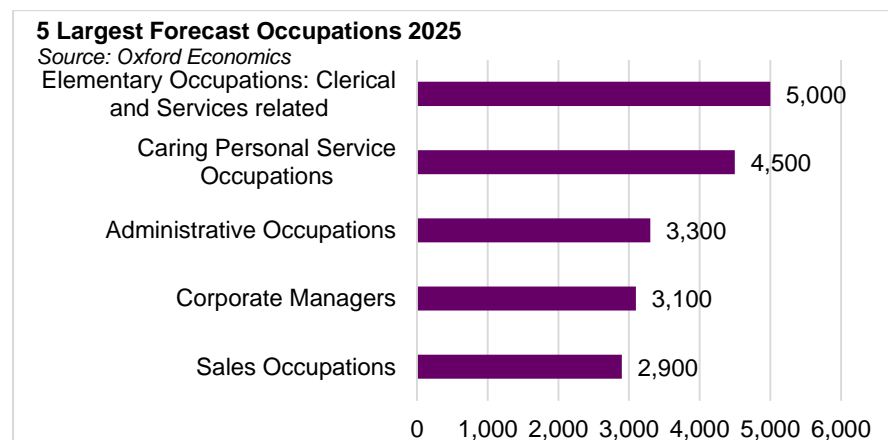
Forecast Occupational Change⁷

3.64 Forecast changes in sectoral structure also have implications for occupational demands. Reflecting strong growth forecasts in the administrative and support sector, the occupation expected to experience the most growth in Chorley are elementary occupations (clerical and services related) with a net increase of over 500 jobs. The next highest are caring personal service occupations (290), skilled construction and building trades (270), corporate managers (240) and business and public service associate professionals. This reflects Chorley's sectoral strengths in services to buildings and personal care, as well as having a growing number of professional occupations.



⁷ Please note, forecast occupational change is resident rather than workplace based due to the focus of forecasting.

3.65 Taking account of both the dominance of occupations at present and forecast change, the figure below shows the five largest occupational groups forecast by 2025.



Forecast Qualification Requirements⁸

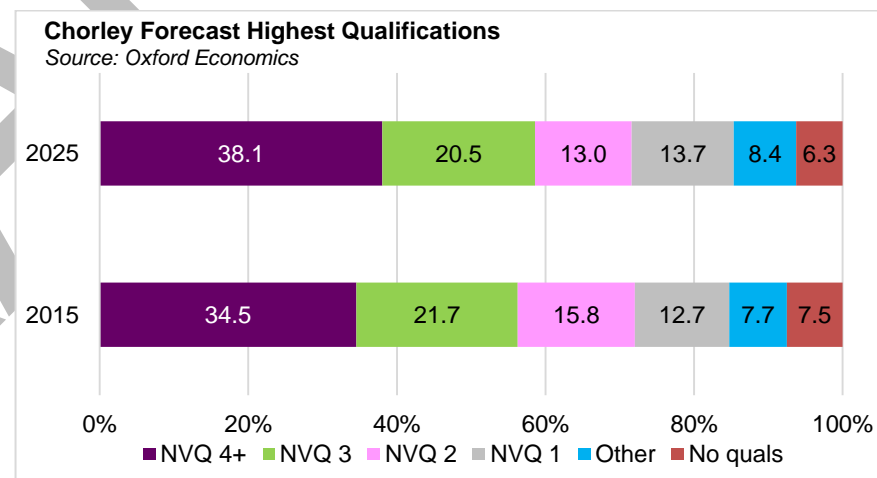
3.66 The proportion of the population with Level 4 qualifications and higher is expected to increase by 2,800 people between 2015 and 2025 in Chorley. This is accompanied by a slight decline in those possessing Level 2 and 3 qualifications only. Those with Level 1 and other qualifications are expected to increase by around a percentage point each, indicating a polarisation of the workforce, with greater proportions at either end of the scale. Those with no qualifications is expected to decline by 300, however this still leaves 6,300 people in the borough who will need to be supported to move on from having no qualifications.

3.67 Planning training provision from an early stage and to engage both young people and the existing workforce will be important to ensure that employers have access to the level and nature of qualifications they need to satisfy business requirements. Satisfying Level 4+ qualification requirements may require a phased programme of provision to allow workers to build up their skills.

⁸ Please note, the forecast change in qualification requirements is resident rather than workplace based reflecting restrictions in data availability.

3.68 The sectors forecast to experience the greatest change in their skills profiles are health and social care and education. The number of people requiring level 3 and 4 qualifications in health and social care is expected to increase by 1,700 people (76%) for level 4 and 1,200 people (92%) for level 3 between 2015 and 2025. In education, the number of people requiring level 4 qualifications is forecast to increase by 1,000 (73%). The next most significant increase is level 4 qualifications for professional, scientific and technical occupations, with an increase of 900 (61%). Other notable skills requirements by sector are 600 more people needing level 1 qualifications in wholesale and retail (49%) and 300 in transport and storage (112% increase from 2015).

3.69 Similar patterns can be observed in the forecast occupational structure, with occupations requiring higher skills. Managers and directors (+600 or 27.4%), associate professional and technical occupations (+600 or 20%), administrative and secretarial (400 or 31%) and caring, leisure and other service occupations (+400 or 27%) all require significant increases in people with level 4 qualifications.

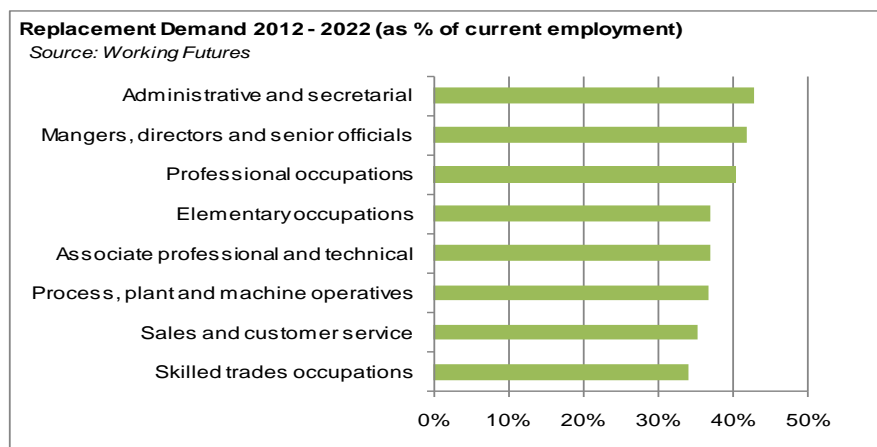


Planning for Replacement Demand

3.70 Replacement demand typically runs at circa 4% per annum, as employees retire, leave the workforce for other reasons and/or move to other jobs.

This can vary by sector, with some sectors affected by staff turnover driven by low wages and/or terms of service. The highest levels of replacement demand are in white collar jobs, including those requiring high and medium level skills. This includes administrative and secretarial managers and directors and professional occupations. While the overall replacement demand rates for process, plant and machine operatives, sales and customer service occupations, and skilled trade occupations are lower at 3% per annum, numbers are still significant.

3.71 The ageing workforce outlined in Section 2 will have implications for future labour demands as employers seek to replace retiring workers, as well as accommodating turnover across all age groups. The loss of older workers is expected to exacerbate existing challenges around the supply of skilled workers, particularly in technical disciplines such as engineering. Anticipated levels of replacement demand by occupation at a national level are shown below.



3.72 The table below applies the forecasts above to show the level of residence based forecast replacement demand alongside residence based employment growth over the next 10 years⁹. This shows that replacement demand is a significant source of employment opportunities, and in numbers terms, much

⁹ Due to data restrictions, this analysis can only be completed for Chorley residence rather than Chorley workplaces.

more important than net employment growth. Accommodating both the scale and nature of requirements will be a challenge for individuals, employers and the skills system with both increased awareness and planning needed to prepare for uplifts and turnover in the workforce.

Chorley Occupation Demand 2015-2025

	Employment Growth/Decline		Replacement Demand	
	Total Req.	Est. Annual Req.	Total Req.	Est. Annual Req.
Managers & directors	453	45	1,434	143
Professional occupations	455	45	2,930	293
Associate prof. and tech.	394	39	1,394	139
Admin. & secretarial	212	21	1,479	148
Skilled trades	474	47	1,645	165
Caring, leisure + other	441	44	1,889	189
Sales & customer serv.	201	20	619	62
Proc., plant & mach. Ops	173	17	677	68
Elementary occupations	520	52	1,820	182
All occupations	3,323 ¹⁰	332	13,887	1,389

Source: Oxford Economics; ekosgen estimates based on Working Futures

¹⁰ Please note, this figure differs from the net employment change referenced earlier in this section. The earlier figure relates to workplace requirements while the total shown here is residence based due to restrictions in the availability of data broken down by occupation.

Conclusions

3.73 Like much of the UK, Chorley has experienced change in the total scale and structure of its employment base. It has however shown resilience relative to Lancashire as a whole with growth in the private sector starting to compensate for the loss of public sector employment.

3.74 Over the next ten years, Chorley is forecast to experience a net addition of 4,400 jobs (+9%) at a time when the working age population is forecast to increase by just 1,700 people. Factoring in replacement demand on top of this, suggests total demand may be in the region of 18,000 workers over 10 years with the strongest demand forecast for professional occupations. Planning for labour turnover and satisfying the resulting scale and breadth of employer demands will therefore become increasingly challenging, requiring consideration of the role of older workers and those currently out of employment, as well as potential linkages to surrounding areas (although given the ageing population across the UK this is unlikely to provide a solution).

3.75 The detail of forecasts also suggests significant uplifts in demand for NVQ 4+ level qualifications and a need to grow the workforce in administrative and support services (as well as other sectors to a lesser extent) to satisfy demand. Ensuring individuals and training providers are alert to changing requirements and equipped to respond to them will be a priority, working with partners across Lancashire in cases where common challenges have been identified and support is available (for example to support the growth of priority sectors).

3.76 Despite strong trends and forecasts, development of this framework has suggested that there is still a need to build awareness of local employment opportunities to allow employers to secure the number of employees and skills they require. This is likely to require more open discussions about expected workforce requirements as early as possible and greater engagement between employers of all sizes and partners including schools, FE colleges, private training providers, Chorley Council and JobCentre Plus to allow people to be effectively matched with opportunities that suit their interests and employer requirements. While some initial work has been undertaken to progress this agenda (for example through Chorley Works and the JobCentre Plus Employer and Partnership Advisor role) more needs to be done to achieve alignment.

3.77 In a tight labour market, reflected by working residents exceeding the number of local employment opportunities, an ageing population and low levels of unemployment, it may be necessary for employers to revise their perceptions to secure a sufficient scale workforce. This may include changing perceptions of older workers (which JobCentre Plus has referred to anecdotal evidence of with some employers now approaching them to secure older workers due to the strength of their customer service skills), recruiting long term unemployed residents and training more workers on the job.

4 Challenges and Opportunities

4.1 Consultation findings alongside baseline statistics and economic forecasts raise a series of priorities to be addressed through the Chorley Skills Framework and the wider activities of partners. The primary challenges and priorities identified are summarised below which have then informed the actions that follow in Section 5.

Mismatches in Supply and Demand

4.2 The review has identified a series of mismatches between the local supply of labour and employers' demands, both at present and anticipated in future. The primary points to note are:

- The forecast workforce requirement in 2025 exceeds the forecast uplift in the number of working age residents¹¹ in Chorley by 2,700.
- Replacement demand (typically running at 4% which based on the Chorley employment base in 2014 represents approximately 1,600 jobs per year) will further exacerbate the challenge of satisfying total employer demand and providing the required mix of skills.
- Skills requirements are increasing with an estimated additional 2,800 people required to be qualified to NVQ4+ by 2025 with the health and care sector accounting for the largest additional requirement.
- The structure of the economy continues to change, including falling levels of public sector employment, requiring workers to be flexible in the development and application of their skills.
- There are already challenges to recruitment in some areas, including engineering and management, which are expected to grow over time.
- Strong employment growth is forecast in elementary, caring and skilled construction occupations at a time when the resident occupation structure suggests representation of these categories will reduce.

- With limited numbers of people looking for work, the pool of unemployed focuses on people who can be more difficult to place (e.g. older workers and people with health issues) but can make a valuable contribution, subject to overcoming employer perceptions.
- Many of the challenges above mirror those being experienced across Lancashire and nationally meaning that the ability to draw in workers from adjoining areas is unlikely to be sufficient to address the challenges.

The Role of Transport and Housing in Workforce Development

4.3 The underlying issue of an ageing workforce requires a long term solution for both Chorley and Lancashire. Its importance is already reflected in local skills recruitment issues and a two way flow of commuters, as local employers draw their skilled labour force from a wider geography.

4.4 There are three elements to ensuring that Chorley has the workforce available to support company growth and new inward investment. These are:

- Encouraging employers to recruit locally wherever possible, particularly young people.
- Making Chorley more accessible by road and rail to allow companies to recruit over a wider geography where necessary.
- Increasing the working age population through new housing development.

4.5 In essence, investment in transport and housing will play an important role in supporting employment and economic growth in Chorley over the next ten and twenty years.

4.6 The development of a high level of housing completions over a sustained period will enable Chorley to increase its local workforce and encourage those already working locally as in commuters, to live locally.

¹¹ Due to data restrictions, a band of 15-64 is used as a proxy for change in working age population. Changes to the pension age will mean that more people will be expected to fall into the working age band over time.

Chorley Skills Priorities

4.7 Addressing these and wider challenges identified through the supply and demand side assignment results in the identification of a number of priorities to steer activity in Chorley. The key points identified are summarised below.

Build Understanding of Employer Skills Requirements

4.8 Whilst important work has been progressed, there is recognition that employer engagement needs to be maintained and built upon to inform an effective skills system. To underpin delivery of all of the priorities below, there is a need to understand skills needs arising from employment growth, replacement demand and changing working practices (for example driven by technological advancements) and align employer needs and skills provision/employee skills in order to underpin all other elements of the framework.

4.9 On the flip side, employers need to build a better understanding of current skills provision (through sources including colleges and private training providers and linked funding opportunities). This will allow gaps in provision to be identified and demand for new provision to be tested and scoped by providers.

Support Residents Respond to Changing Skills Needs

4.10 In the context of a changing economic structure and increasing skills needs across all sectors and occupations, Chorley residents need to continue to develop their skills and apply them to changing requirements. For many people, both within and out of work, this will be a daunting prospect which will require support from employers and support providers to allow people to fully engage in skills development and tailor their learning to current and emerging needs. Levels of both replacement demand and employment growth do however suggest that opportunities will be plentiful for those who are willing and able to adapt their skills.

Focus on Local Priority Sectors

4.11 Chorley has a number of sectoral strengths to build on with growth forecasts suggesting strong opportunities in professional, scientific and technical and health to build on existing assets. Approaches need to be developed in response to local drivers to ensure Chorley maintains its local advantages whilst also supporting growth in Lancashire's priority sectors where appropriate, for example to build on existing strengths in financial and professional services and health and social care, as well as a small presence but high proportionate representation in Lancashire's creative and digital sector.

Recognise Links to Surrounding Areas

4.12 Data and consultation findings demonstrate that Chorley is not a self-contained economy. Both in- and out-commuting support the economic success of Chorley's businesses and residents, providing access to a wide range of skills and employment opportunities, subject to effective transport links.

4.13 Chorley's location presents opportunities for the workforce to access employment elsewhere in Lancashire, Greater Manchester and Merseyside, providing wider opportunities for access to employment and progression. Geography also offers potential business/supply chain opportunities (e.g. to support construction in surrounding local authorities). In contrast, if Chorley wishes to increase the proportion of residents working in the borough, growth in higher level occupations will be required, based on current patterns of out-commuting.

4.14 Future opportunities include linking to skills and workforce supply initiatives for City Deal and the Lancashire Enterprise Zone during both construction and operational phases, allowing both Chorley's residents to gain knowledge of and access opportunities in surrounding areas and businesses to build supply chains. For example, the recently produced Skills and Employment Strategy and Implementation Plan for Preston, South Ribble and Lancashire City Deal identifies an average annual requirement for over 4,000 construction workers between 2014/15 and 2018/19 rising to 6,300 workers per annum during the second half of the programme.

4.15 Forecasts also suggest that the growing Greater Manchester (employment growth of 110,000 2014-24) and Liverpool City Region (target to close the 90,000 jobs deficit) markets will have high demand for people qualified to Level 4+ (a strength of Chorley's resident base) with recognised skills gaps including leadership and management skills (which a growing proportion of residents in manager and director occupations suggest that Chorley residents could help to fill).

4.16 In addition, there is potential to accommodate 20,000 jobs over 10 years on unlocked sites, including opportunities associated with reversing decline in the manufacturing sector (a gain of 1,500 jobs) and growing employment in the professional, scientific and technical sector (+3,600). Occupations forecast to experience the highest growth across all sectors are professional (3,600) and associate professional and technical (4,000) roles with evidence of rising demand for high level qualifications across the economy. Supporting Chorley residents and businesses to prepare for such opportunities will be a priority.

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Support Private Sector Jobs Growth

4.17 Austerity measures and wider economic drivers are resulting in a re-balancing of employment from the public towards the private sector. Chorley already has a strong private sector employment base with recent growth marginally higher than the Lancashire average providing a base to build on. Chorley's strong rate of self-employment also demonstrates that enterprise will play an important role in supporting private sector jobs growth from the grass roots level.

4.18 Promoting the area as a strong location for new business investment (on the basis of factors including links to other economic centres, a skilled workforce, breadth of local skills provision, opportunities to use local supply chains) will play a further role in supporting this agenda, alongside growth of the existing business base.

4.19 The strengths of the Chorley offer has already been recognised by a number of incoming businesses in recent years, including Parcellforce and ServiceSport, as well as relocating businesses looking to grow their Chorley base, such as Utiligroup. Working with incoming businesses (as Chorley Council already has a track record of delivering) to understand workforce requirements and secure commitment to offering employment opportunities to local people during both construction (where appropriate) and operational phases will be important considerations.

Opportunities for Older Workers

4.20 In the context of an ageing workforce and the need to capture experience and skills within the workforce, older workers have an important role to play. This resource also provides the opportunity to support and train younger employees to address skills gaps.

4.21 Anecdotal evidence from JobCentre Plus suggests that employer interest in recruiting older workers in Chorley is growing, in recognition of the experience they offer and often the quality of customer service skills. In some instances (for example associated with the decline of the manufacturing industry) there are requirements for upskilling and retraining to allow older workers (as well those in younger age groups affected by redundancy) to meet employer skills needs. Challenging perceptions of people of all ages with health issues does however remain an issue. Ensuring that everyone can make a contribution will be important if Chorley is to deliver to its potential.

Equip Young People with the Skills Employers Need

4.22 Securing young people with the required attitudes and employability skills is a challenge across the UK. Part of the challenge is around increasing awareness of opportunities and employer expectations, in part due to limitations in the amount of resource that can be committed to information, advice and guidance. Word of mouth and the influence of friends and family can play a role in career decisions so all partners need to be alert to the reality of employment opportunities in Chorley at present and anticipated in future. Solutions may include the promotion of both vocational and academic training routes to access and progress in employment as well as greater opportunities to secure first hand work experience.

Think Chorley

4.23 A considerable number of people live in Chorley and work elsewhere. This is effectively a hidden pool of talent which could be recruited by local companies. Many commuters may prefer to work locally where possible, particularly where travel costs are high and/or where family commitments make local employment attractive.

4.24 There is a need to continue to work with local employers to find mechanisms for recruiting locally where possible, and to reduce high levels of dependence upon in-commuting. This is important for both private and public sector organisations (such as health services).

Encourage Employers to Invest in Skills Development

4.25 Attracting and retaining skilled and experienced staff is a challenge for many businesses. This includes the need to plan for the loss of workers as they approach retirement and how best to build skills within the existing workforce.

4.26 Many businesses are already building skills from within for entry level posts. This includes through the take up of Apprenticeships and internal training approaches. There are however perceived challenges, particularly to small businesses, of increasing training provision including that they will lose trained staff to other companies, they do not have strong relationships with training providers in order to identify appropriate provision and in some cases there is no dedicated HR function to commit time to the agenda and costs can be prohibitive.

Contribution to Lancashire’s Strategic Priorities

4.27 The evidence base and the local priorities outlined above demonstrate a strong fit with strategic objectives at the Lancashire level. There are also a series of challenges that are common across Lancashire where interventions can more appropriately be developed, funded and delivered at that level with partners in Chorley to effectively position themselves for support.

4.28 The following high level opportunities for Chorley to respond to wider policy objectives and therefore position itself for support through Lancashire wide initiatives are evident:

4.29 In addition, the Preston and South Ribble City Deal is based on a significant construction programme which will present employment opportunities for Chorley residents as well as business opportunities for Chorley’s construction businesses and supply chains.

Strategic Priority	Opportunity for Chorley
SEP	
Grow employment by 50,000	Forecasts suggest that Chorley will out-perform the Lancashire average making an important contribution to employment growth and strengthening the scale and breadth of the local economy
Expand employment in priority sectors	Chorley’s existing employment structure and growth forecasts suggest that the area will have an important role to play in the ongoing development of the health and social care and financial and professional services sectors and, to a lesser extent, the creative and digital sector. Chorley Council services should complement Lancashire wide business support services to make support available to all businesses and secure inward investment to support Chorley to achieve its growth forecasts
Lancashire ESIF - ESF	
Delivering the skills for growth	Chorley already has a relatively high skilled population with strong school performance suggesting that the skills profile will continue to build, including to support the growth of the priority sectors
Supporting disadvantaged groups	Although disadvantaged groups are relatively small in number in Chorley, there remain opportunities to support those who are outside the labour force, including those who are distant from it, to engage and be accepted by employers in support of both inclusion and growth objectives

5 Skills Strategy and Actions

Strategic Objectives

5.1 Three strategic objectives have been identified to sit at the core of the Chorley Skills Framework. They have been identified to respond to both opportunities and challenges identified through the consultation programme and ensure that Chorley's residents and businesses are positioned to benefit from growth. In broad terms, the objectives reflect activity to be taken forward by a) businesses, b) residents and c) the public sector.

Strategic objective 1: Continue to build and develop effective working relationships between employers, training providers and other service providers to ensure a responsive skills system that recognises business requirements

Continuing to build relationships between core partners in delivery of the skills agenda will be important to realising Chorley's aspirations. This will include:

- Formalising arrangements for the consideration of skills issues in Chorley in a way that brings together a range of interests.
- Supporting businesses and training providers to work together to explore what works well and areas for improvement within the skills system.
- Building relationships between employers and schools to improve awareness of local employment opportunities, learning routes into employment and career progression opportunities beyond this.
- Ensuring that sector and Lancashire wide initiatives address the skills and recruitment challenges facing Chorley businesses and are effectively promoted and marketed to local companies.

Strategic objective 2: Ensure that Chorley residents of all ages have the skills and qualifications to access and progress in employment

In a changing and growing economy, it is important that Chorley's residents remain informed of skills requirements and can access the support they need to respond. Achieving this will require:

- Increasing awareness amongst all residents, including school students and adults, of the range of employment opportunities available in Chorley

(by sector and occupation) to challenge outdated perceptions where necessary, and support appropriate skills development.

- Building on the skills of the current workforce to support workers to progress and new entrants to learn, particularly in areas of recruitment challenge and where there is an ageing workforce.
- Supporting those affected by redundancy and other barriers to employment to develop the skills needed for new employment opportunities, often in different sectors to where they have worked to date.

Strategic objective 3: Ensure local expenditure is used to support training, skills development and employment opportunities for local residents

A growing economy presents an important opportunity to place skills considerations and development at its core. A range of approaches should be taken to ensure that skills are incorporated in new investment proposals, through both areas within the Council's direct control and opportunities to inform private sector plans, including:

- Promoting and developing opportunities from Chorley Council and health service activities to secure employment and skills opportunities for local residents.
- Increasing the focus on employment and skills requirements through the planning system.
- Engaging incoming businesses to explore both the scale and breadth of their workforce requirements from an early stage.
- Providing the strategic context for employment and skills actions to be realised.

Action Plan

5.2 The actions overleaf recognise both Chorley specific opportunities and challenges and consider how the borough can align with wider skills actions, including those outlined in the recently produced Lancashire Skills and Employment Strategic Framework 2016-2021 (with references to actions included overleaf), Sector Skills Plans for Lancashire's priority sectors and the Employment and Skills Strategy for the adjoining Preston and South Ribble City Deal area.

5.3 In many instances, Chorley's skills ambitions will be secured through delivery of Lancashire wide initiatives. Positioning Chorley to be represented in programmes and negotiating for LEP wide initiatives to capture monitoring data by local authority (e.g. number of Chorley residents participating in Apprenticeships and the number of Chorley businesses offering them) will be important to secure change and allow progress to be monitored by the Chorley Skills Board.

DRAFT

Strategic Objective 1: Continue to build and develop effective working relationships between employers, training providers and other service providers to ensure a responsive skills system that recognises business requirement				
Action	Lead Partner	Supporting Partners	Lancashire Skills and Employment Strategic Framework Fit	Timing
Establish the Chorley Skills Board as soon as possible to provide local leadership in the skills agenda, cutting across the public and private sectors	Chorley Council Employment, Skills and Business Support Section	Representatives of local employers, training providers, schools, FE, HE	N/A	Year 1
Have an annual Chorley Skills Board meeting that looks back on achievements and forward to priorities for the coming year to ensure a strategic focus	Chorley Council Employment, Skills and Business Support Section	Local employers, training providers, schools, JobCentre Plus	FW3a	Year 2
Work with local training providers, including FE and HE, to shape the curriculum in response to growth/high replacement demand needs in: <ul style="list-style-type: none"> • Health and social care • Administrative and support roles • Professional, scientific and technical • Construction/engineering • Wholesale and retail 	Chorley Council Employment, Skills and Business Support Section	Employers, training providers, FE colleges and HE providers	FW3a	Year 1
Through the scheduled business rates mail out, invite businesses of all sizes in Chorley to complete an online survey to set out their skills challenges as well as future employment opportunities	Chorley Council Employment, Skills and Business Support Section	N/A	N/A	Year 2
Ensure employers play an active role in future information, advice and guidance (IAG) activity – see IAG action under Strategic Objective 2	Chorley Council Employment, Skills and Business Support Section	Local employers, schools, FE providers	FW2b	Year 1
Identify an Ambassador for the Chorley Skills Board to link in to the Lancashire Skills Board	Chorley Skills Board	-	N/A	Year 1
Support HR and skills planning in Chorley based businesses (particularly micros) through business advisers (start up and existing) to: <ul style="list-style-type: none"> • identify skills and employment needs; and • effectively link to existing support services (e.g. Boost Your Business seminars) and training providers to support the delivery of skills plans 	Chorley Council Employment, Skills and Business Support Section	Local employers, training providers, Lancashire Skills Hub	FW3a, 4a and 5a	Year 1

Strategic Objective 2: Ensure that Chorley residents of all ages have the skills and qualifications to access and progress in employment				
Action	Lead Partner	Supporting Partners	Lancashire Skills and Employment Strategic Framework Fit	Timing
Create a video and app that outlines Chorley's growth forecasts (and City Deal forecasts) by sector, occupation and skills level plus feedback from employers to support residents to position themselves for emerging employment opportunities, including reference to services available to support skills development. Material to be tailored for: <ul style="list-style-type: none"> Young people Older/retired workers The unemployed/those facing barriers to work 	Chorley Council Employment, Skills and Business Support Section	All partners to play a role in publicising/promotion, e.g. high schools, colleges, JobCentre Plus, training providers	N/A	Year 1
Ensure the Chorley Skills Board is represented on Lancashire-wide Sector Development Groups (particularly for health and social care and financial and professional services) and in the planning of ESF/wider investment priorities	Chorley Skills Board	Lancashire Skills Hub, Chorley Council Employment, Skills and Business Support Section	FW5a and SPW4a	Year 1
Establish a good practice model for careers information, advice and guidance (IAG), to include effective employer engagement by: <ul style="list-style-type: none"> Mapping out current provision across secondary schools Identifying good practice that can be built upon Developing new activity to plug gaps (including through Chorley specific and Lancashire wide initiatives) 	Chorley Council Employment, Skills and Business Support Section	Local secondary schools, employers, National Careers Service	FW2a and 2b	Year 1
Actively promote apprenticeships in administration, engineering, construction and financial and professional services linked subjects	Training providers	Chorley Council, local employers	SPW1a and 1b	Year 1
Continue the Employment Taskforce to respond to redundancy situations	Central Lancashire Employment Taskforce	Training providers, local employers	IW1b	Year 1
Build on Chorley Works and the Vulnerable Families Employment Scheme to support those with mental health barriers and ex-offenders to progress towards and access employment	Chorley Council Employment, Skills and Business Support Section	Training providers, JobCentre Plus	IW1d	Year 2
Prepare case studies and testimonials from Chorley businesses and individuals employed within these businesses in areas of recognised skills shortages (e.g. engineering) to raise awareness of opportunities and career development routes and thereby build knowledge and aspirations	Chorley Council Employment, Skills and Business Support Section	Local employers and employees	FW1a	Years 2 and 3

Strategic Objective 3: Ensure local expenditure is used to support training, skills development and employment opportunities for local residents				
Action	Lead Partner	Supporting Partners	Lancashire Skills and Employment Strategic Framework Fit	Timing
Monitor employment and skills achievements under the Council's social value policy	Chorley Council Procurement Team	Chorley Council Employment, Skills and Business Support Section	IW1e	Year 2
Discuss with NHS local services how recruitment policies could be adapted to increase local recruitment	Chorley Council Employment, Skills and Business Support Section	NHS	N/A	Year 2
Require developments approved through the planning system to prepare an Employment and Skills Plan as part of their Section 106 obligations to integrate skills in delivery and secure local benefits, with targets to be determined in accordance with agreed benchmark levels	Chorley Council Planning Team	Chorley Council Employment, Skills and Business Support Section, local training providers, developers	SPW1a	Years 2 and 3
Continue to promote the Chorley Employment Charter, work trials and sector based skills academies to boost local employment	Chorley Council Employment, Skills and Business Support Section (Chorley Employment Charter) and JobCentre Plus (work trials and academies)	Local employers, training providers	IW3a	Year 1
Revisit the Economic Development Strategy to support the attraction of businesses offering employment opportunities in occupations currently reporting high levels of out-commuting	Chorley Council Employment, Skills and Business Support Section	-	N/A	Year 2/3

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Report of	Meeting	Date
Chief Executive	Executive Cabinet	18 February 2016

CHORLEY PUBLIC SERVICE REFORM PROGRAMME – UPDATE REPORT

PURPOSE OF REPORT

1. To present an update on the Chorley Public Service Reform Partnership.

RECOMMENDATION

2. To note the update

EXECUTIVE SUMMARY OF REPORT

3. The challenges facing public services over the coming years are well known; all organisations will have less money to meet the needs of more people, particularly older people. Public services in Chorley need to ensure that they can continue to deliver the best outcomes for local residents and look after those who are most vulnerable.
4. The Chorley Public Service Reform Partnership brings together partner organisations from all sectors to deliver the Chorley Public Service Reform Strategy. The strategy was formally approved by the Chorley Public Service Reform Executive in June 2015, following a review of partnership working and to respond to the recommendations from the Commission on the Future of Public Services in Chorley.
5. The strategy identifies the purpose and vision for the Chorley Public Service Reform Partnership as:

Purpose
“we will work together to integrate and reconfigure public services in Chorley to provide the best outcomes for residents”
Vision
“by 2020, we will have high quality public services which provide value for money and the best outcomes for the residents of Chorley”

6. The programme of activity is ambitious and challenging for all organisations in the partnership with the intention being that we will work at pace, using our collective resources as part of a consistent approach to:
 - Improve health and wellbeing outcomes
 - Improve service delivery standards
 - Manage service demand to support financial sustainability
 - Support a wider programme of transformational change across the system

7. This report sets out the key elements of the strategy and work programme, including activity and progress to date. It also provides an update on funding secured under the Transformation Challenge Award (DCLG).

Confidential report Please bold as appropriate	Yes	No
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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 challenges facing public services over the coming years are widely recognised and acknowledged; reducing budgets and increasing demand for services mean that it will no longer be sufficient for individual organisations to manage their budget cuts within their own organisations.
10. The Chorley Public Service Reform Partnership brings together partner organisations from all sectors to deliver the Chorley Public Service Reform Strategy. Partners include Lancashire Care Foundation Trust; Lancashire Teaching Hospitals Trust; Lancashire Fire and Rescue Service; Chorley and South Ribble Clinical Commissioning Group; Primary Care; Lancashire Constabulary; Chorley VCFS Network; Department for Work and Pensions; Lancashire County Council and Runshaw College.
11. The Chorley Public Service Reform Strategy sets out how we will address the challenges together through a number of priorities, with a focus on working at a community level as a starting point for change. The aspiration is towards the ‘perfect locality’ as one where:
- communities are resilient
 - residents empowered, and
 - services meet needs in a sustainable way
12. There are three levels of accountability in the partnership: a Board to provide oversight and scrutiny, Executive to guide strategic direction, and Implementation Group as an operational delivery vehicle. The Executive and Implementation Group meet on a monthly basis to support strategic direction and operational delivery respectively; the Board meets twice a year.

The strategy and supporting partnership structure is included at Appendix A.

PROGRESS UPDATE

13. The focus of activity in year one has been around developing a shared understanding of communities in Chorley, as a basis for improving processes and behaviours within teams so that services are delivered as part of a coordinated, sustainable system. This will support improved health and wellbeing outcomes for local residents and reduced costs for organisations through addressing areas of high demand such as primary care (GP’s) and hospital accident and emergency.

14. Partner organisations agreed an area of focus as a starting point for implementing new approaches. The selected locality area within Chorley East Ward (to be known as Chorley inner-East) presents a range of opportunities to address key challenges and improve outcomes. A comprehensive profile for the area has been developed, bringing together data sets from all partners to build up a detailed picture of the population, demand for services and local assets.
15. In December 2015, the Chorley Public Service Reform Partnership agreed a set of proposals that will progress delivery of the strategy in 2016.
16. Proposals are grouped around 3 key themes and each includes a range of specific actions and initiatives that will be delivered in partnership as part of an integrated approach; the themes are :

Building community capacity
Better understanding the local communities needs and the potential for individuals and communities to help themselves by working with them to design better services, making better use of existing community buildings and facilities.
Establishing the single front line
Equipping front line teams and services with the knowledge, skills and tools to promote health and wellbeing at the first point of contact, so that residents receive the most appropriate support for their needs, either from within the community or through access to the right services.
Enhanced multi-agency teams
Sharing our collective intelligence effectively, safely and consistently to identify and put in place joined up support for vulnerable or high dependency individuals, ensuring early intervention and preventing more costly longer term problems.

17. The intention is that the proposed activity will be implemented in the Chorley inner-East area initially to monitor outcomes closely and understand the most effective approaches. This will then provide an evidence base to apply a similar way of working in another area, or to scale up successful interventions to support the wider community.
18. Delivery activity will commence in February 2016 to include further communication and engagement with local stakeholders including ward Members. An evaluation exercise will be carried out after the first 6 months to help inform the way forward.

FUNDING

19. Additional funding of £300,000 has been secured through the Transformation Challenge Award to deliver activity specifically in Chorley to embed the new Lancashire County Council Wellbeing Service and support a reduction or delay in admissions to high cost services, such as hospital and residential care.
20. This activity will form part of the wider programme of initiatives within the Public Service Reform Partnership work plan, and funding will help to accelerate delivery towards improved health and well being outcomes and service efficiencies.

IMPLICATIONS OF REPORT

21. 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	

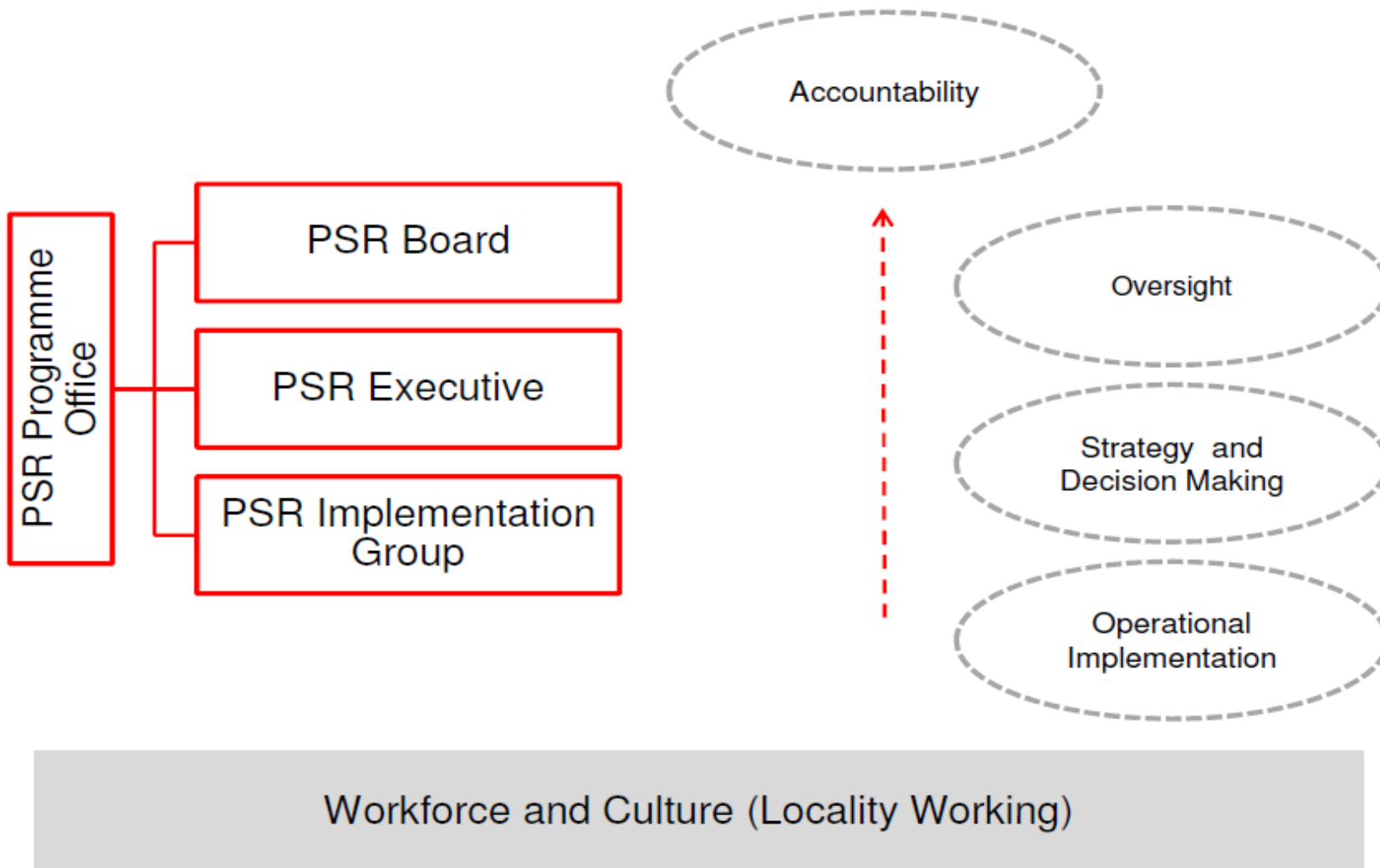
		required?	
No significant implications in this area	✓	Policy and Communications	

**GARY HALL
CHIEF EXECUTIVE**

The background paper to this report details information on the locality profiling.

Report Author	Ext	Date	Doc ID
Victoria Willett	5248	26.01.2016	CPSR-Reporting

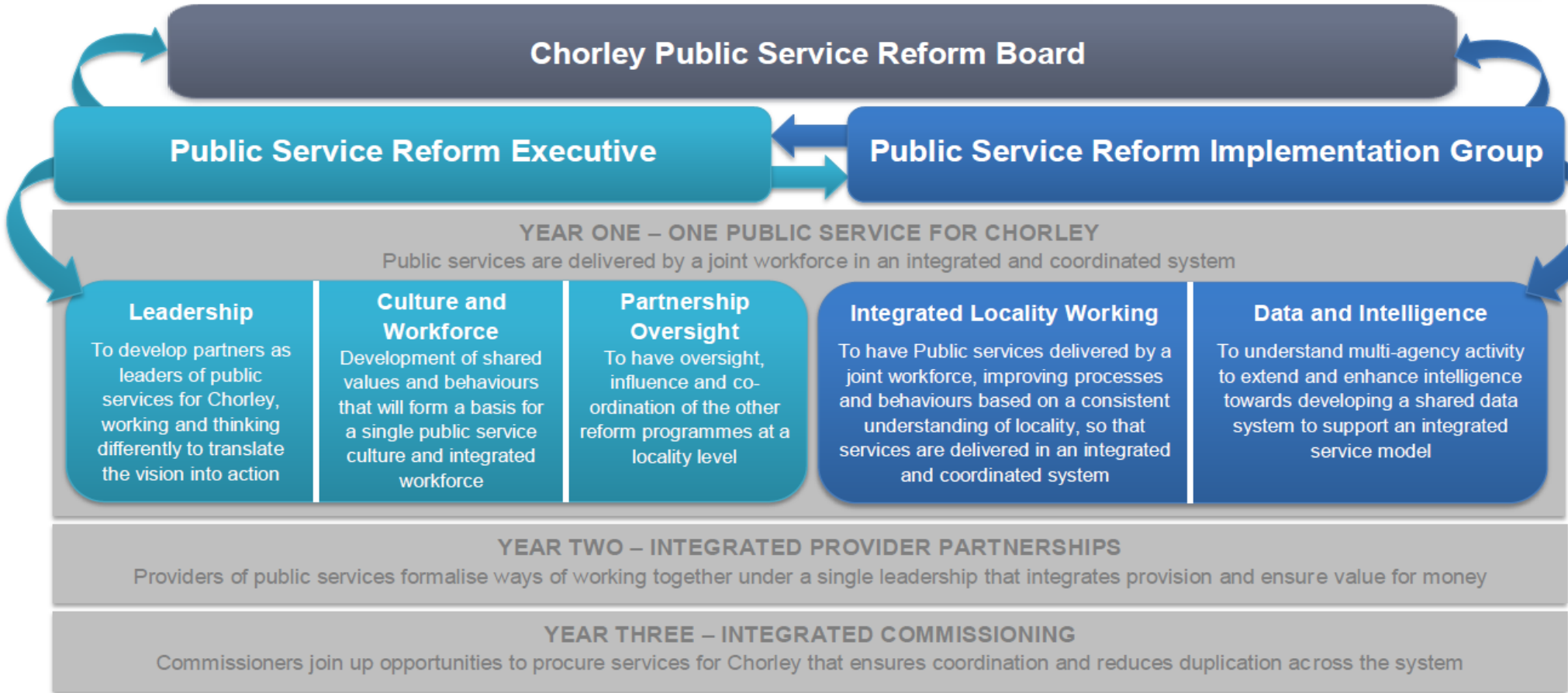
Structure, Accountability and Resource



Chorley Public Service Reform Partnership Strategy 2015-2020

PURPOSE: We will work together to integrate and reconfigure public services in Chorley to provide the best outcomes for residents

VISION: By 2020, we will have high quality public services which provide value for money and the best outcomes for the residents of Chorley



REFORM PRINCIPLES

- We will make every contact count, regardless of the organisation or team to who it is made
- We will focus on early intervention and prevention to reduce demand
- We will reduce demand across the system by creating coordinated public services and therefore not shifting demand elsewhere

CHORLEY PUBLIC SERVICE REFORM PROGRAMME

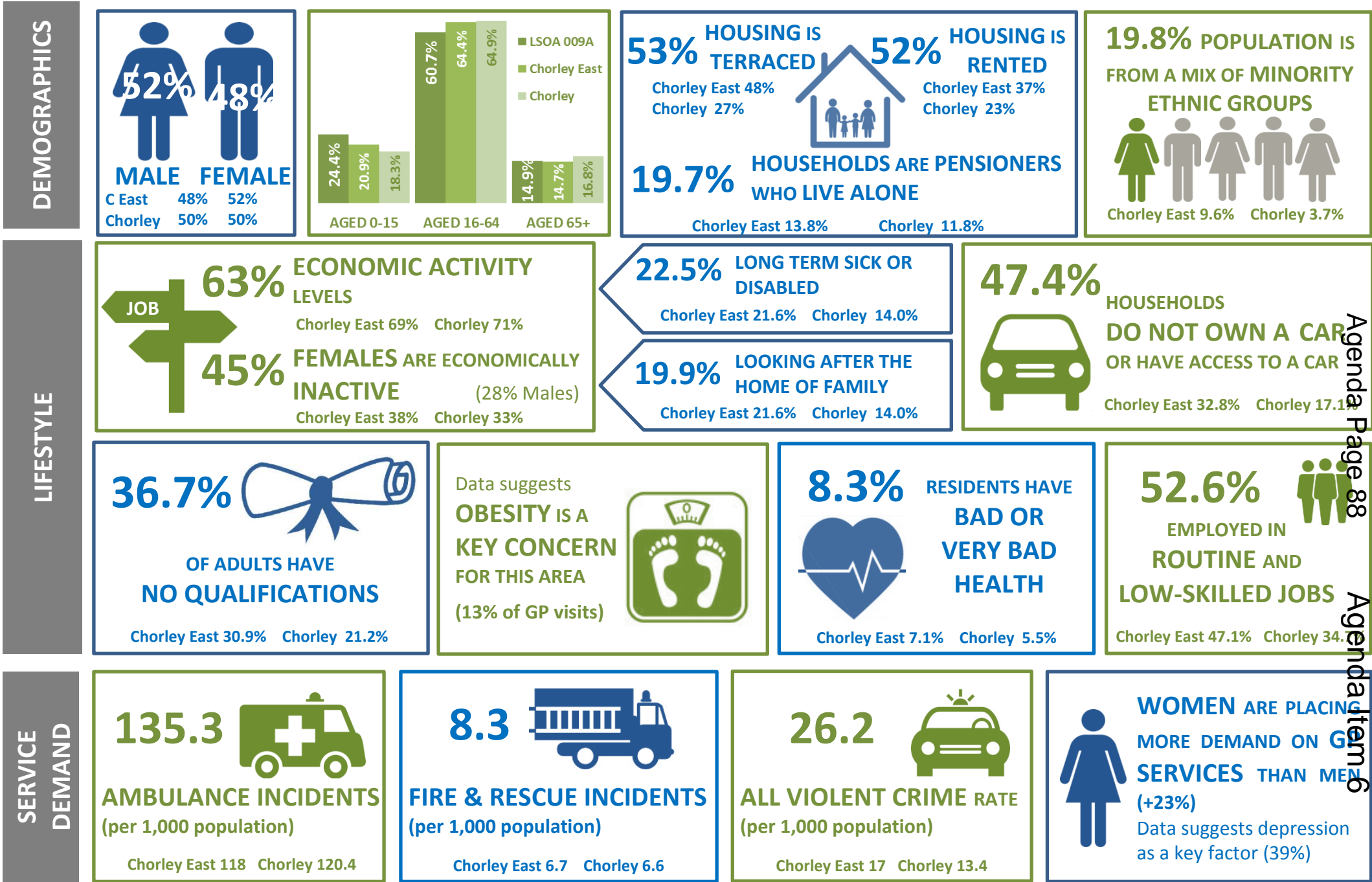
BACKGROUND PAPER FOR EXECUTIVE CABINET 18.02.2016

1. The focus of activity for the Chorley Public Service Reform Programme, in year one has been around developing a shared understanding of communities in Chorley, as a basis for improving processes and behaviours within teams so that services are delivered as part of a coordinated, sustainable system.
2. To support this activity, profiling across a number of datasets within Chorley has been completed. Partners contributed information ranging from volumetric service user data (e.g. number of calls to police; number of GP attendances) through to operational and anecdotal knowledge about the area and key assets.
3. The programme office collated information into a single profile and mapped the data wherever possible to support further analysis by the Implementation Group members. The full profile includes information on:
 - Demographics
 - Housing
 - Economic Activity
 - Deprivation
 - Health
 - Crime
 - Accessibility
 - Physical Assets
4. Members of the Implementation Group then evaluated a number of spatial geographies (ranging from street to neighbourhood, ward and borough) to identify a suitable locality area in Chorley as a focus around which to start sharing collective intelligence and trialling new ways of working.
5. Lower Super Output Area (LSOA) level was considered to be the most consistently recognisable and operationally viable geography given its statistical basis and manageable scale. There are 66 LSOA areas in Chorley which are smaller, sub areas of wards defined by the Office for National Statistics with an average of 1500 residents or 650 households.
6. LSOA 009, the area between Stump Lane and Lyons Lane (bordered by Eaves Lane and the railway line) was selected to be the focus area given the range of challenges and demand pressures for public services with issues linked to deprivation, vulnerable families and older people. For the purposes of the Public Service Reform work, the area will be known as Chorley inner-East.
7. The high level infographic below shows the key characteristics and demographic features of Chorley inner-East.
8. The Chorley Public Service Reform Partnership have established a programme of activity to include work to address key issues in this locality. A key part of this will be community engagement, and connecting people to services and support available in the locality.
9. Findings from the activity will be evaluated, and wider roll out will be considered. It would be a key part of this consideration to complete profiling in other areas to ensure the services being planned are meeting community needs.

Further information on the profiling can be attained from:

Vicky Willett
Performance and Partnerships Manager
Ext 5248

Chorley inner-East: Locality Area Profile





Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources)	Executive Cabinet	18 February 2016

CHORLEY COUNCIL PERFORMANCE MONITORING – THIRD QUARTER 2015/2016

PURPOSE OF REPORT

1. This monitoring report sets out the performance against the delivery of the Corporate Strategy, and key performance indicators during the third quarter of 2015/16, 1 October to 31 December 2015.

RECOMMENDATION(S)

2. That the report be noted.

EXECUTIVE SUMMARY OF REPORT

3. This report sets out performance against the Corporate Strategy, and key service delivery measures for the third quarter of 2015/16, 1 October to 31 December 2015. Performance is assessed based on the delivery of key projects and against the measures in the 2014/15 – 2016/17 Corporate Strategy along with key service delivery measures.
4. Overall performance of 2014/15 key projects is good, with 89% of the projects on track or complete. Two projects have been rated amber; 'Develop and agree plans for delivery of the Friday Street Health Centre', and 'Delivery of an improved CCTV provision'. These ratings are due to issues relating to funding and unforeseen delays, but in each case actions to address these issues have been identified and are being progressed.
5. Performance of the Corporate Strategy indicators and key service delivery measures is excellent. 100% of the Corporate Strategy indicators and 90% of the key service measures are performing above target or within the 5% tolerance
6. The key service delivery measure performing below target is: Average working days per employee per year lost through sickness absence. An action plan has been developed and is included within the report which outlines what actions are being taken to improve performance.

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)

7. To facilitate the on-going analysis and management of the Council’s performance in delivering the Corporate Strategy.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

8. None.

CORPORATE PRIORITIES

9. This report relates to the following Strategic Objectives:

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

BACKGROUND

10. The Corporate Strategy is the key strategic document for the authority and includes performance indicators and key projects which focus on delivering the Council’s four priorities.
11. The Corporate Strategy was refreshed and approved by Council in November 2015. The new strategy includes 16 key projects, with a particular focus on delivering some of the large scale, ambitious schemes that will have a significant impact on local provision. Key performance measures have also been updated so that where targets were being successfully achieved they have been amended to ensure that they remain challenging and reflective of the Council’s ambitions.
12. Performance of the projects from the new Corporate Strategy approved by the Council in November 2015 will be reported formally from the beginning of quarter 4. This is because the projects for the 2015/16 Corporate Strategy will, in the main, not have commenced within the third quarter (by the end of December) following the approval of the strategy in November.

PERFORMANCE OF KEY PROJECTS – 2014/15 CORPORATE STRATEGY

13. The 2014/15 Corporate Strategy included 18 key projects. At the end of the third quarter overall performance of key projects is good. 15 of the 18 projects (83%) are either complete or on track.
14. At the end of the third quarter, 11 projects (61%) were rated green, meaning that they are progressing according to timescale and plan:
 - Implement a working together with families employment scheme
 - Deliver the Chorley Public Service Reform Board work plan
 - Increase visitor numbers to Chorley
 - Digital access and inclusion
 - Explore alternative ways of providing home ownership

- Development and delivery of community action plans
- Deliver improvements to Rangleetts recreation ground
- Continue to explore options to deliver the Chorley Youth Zone
- Progress key employment sites

15. Two projects (11%) have been completed during the last quarter, and the key outcomes are detailed below:

Improve the functionality of online services
<p>This project was created to provide a refresh to the Council's website in order to improve the functionality for users and increase customer interaction by replacing the current text based page design with a more popular icon driven interface.</p> <p>The project has undertaken a two staged approach, firstly creating an icon based 'Do It Online' function and then merging the 'Do It Online' page and our previous homepage so that users of the website gain access to our services as quickly and easily as possible, as well as receive up to date information on news and events.</p> <p>The benefits will be realised by an increase in the number of customers contacting the Council through online channels, however this could take a number of months before performance shows a definite improvement while customers are made aware of the website enhancements.</p>

Investigate future business models for public services in Chorley
<p>The project aimed to test the viability of a unitary council for Chorley by investigating and developing options for future governance models for public services in the borough. The project was successful, gaining engagement from most partners, and developing a final report and recommendations with supporting evidence that had cross-party support.</p> <p>The project has provided the council with a strong foundation to lead the change needed in public services. The work has been useful in supporting the proposed changes to the council's management structure; in ensuring that Chorley is well-represented in discussions about the Combined Authority for Lancashire; and in changes to the delivery of healthcare.</p> <p>The delivery of the recommendations from the overview report will be managed through the newly-developed Transformation Strategy and the council's new management structure.</p>

16. One project (6%) to "Deliver improvements to Market Street" has been closed off during quarter three as progress has been made over the past year on the concept design for the town centre public realm to incorporate the Market Walk extension, Youth Zone and High Street projects.

The scope has now been widened beyond Market Street to include the whole of the town centre, with Market Street likely to accommodate the Flat Iron market during the redevelopment of the Flat Iron site. This has been incorporated into a new project to "Improve the look and feel of the town centre" which was considered and approved as part of the Corporate Strategy refresh in November.

17. Two projects (11%) are currently rated as 'amber', which is early warning that there may be a problem with the project:

Project Title		Project Status
Develop and agree plans for delivery of the Friday Street Health Centre		Amber
Explanation	<p>Board members from Lancashire Care Foundation Trust (Property Services) had been progressing the draft deal structure, and working with NHS England to establish the funding process relating to the Primary Care Infrastructure Fund (PCIF).</p> <p>The most recent development is that, further to the NHS England review of projects in the Property Infrastructure Transformation Fund, it has been agreed that the Clinical Commissioning Groups (CCGs) will take more of a role to manage and progress these types of projects.</p> <p>As a result of this, Chorley and South Ribble CCG are carrying out a review of their Primary Care Estates Strategy and Chorley East Health Centre will be considered as part of this review. Outcomes of the review are expected in early 2016.</p> <p>Therefore an amber rating has been given as finances cannot be confirmed until the review at the CCG is complete.</p>	
Action Required	<p>Project Team Meetings and Project Board meetings have been put in place to ensure regular discussion and confirmation of actions taken is established. The Project Team have met in November and December, and the Board has been updated with progress.</p> <p>A Project Board meeting has been set for early February 2016 where confirmation of how this project progresses will be made, subject to the publication of the Primary Care Estates review by the CCG.</p>	

Project Title		Project Status
Delivery of an improved CCTV provision		Amber
Explanation	<p>The contract evaluation and award has been completed. A contract has been signed with Technology Solutions Ltd and they commenced contract work on 1 October 2015. However, the upgrade programme has been temporarily delayed due to the requirement of the Police estates function to relocate the CCTV suite within the police station and agree a formal lease arrangement between the Council and Constabulary before work can progress.</p>	
Action Required	<p>The Constabulary requirement to relocate the site of the CCTV control suite has resulted in a delay to work commencing as the new space is vacated by the current operational team.</p> <p>It is anticipated that the control suite will be relocated imminently and the Council are working with the constabulary to draft and agree a formal lease agreement.</p> <p>The contractor is currently accommodating the delayed commencement of works, and it is anticipated that upgrade work will commence and make good progress in quarter four.</p>	

PERFORMANCE OF CORPORATE STRATEGY MEASURES

18. At the end of the third quarter, it is possible to report on 10 of the key performance indicators within the Corporate Strategy, and all 10 of these indicators (100%) were performing on or better than target. The full outturn information for the performance indicators is included at Appendix A.
19. The following indicators are performing better than target:
 - % increase in the number of volunteer hours earned
 - Overall employment rate
 - Number of projected jobs created through targeted interventions
 - Number of projected jobs created through inward investment
 - The % of 16-18 year olds who are not in education, employment or training (NEET)
 - The number of visits to Council's leisure centres
 - Number of young people taking part in 'Get Up and Go' activities
 - Number of Homelessness Preventions and Reliefs
 - Number of long term empty properties in the borough
 - % of customers dissatisfied with the service they have received from the council
20. It should be highlighted that the indicator; overall employment rate, is now performing above target.
21. A number of initiatives have taken place in 2015/16 for example the Corporate Strategy project to implement a working together with families employment scheme, as well as the budget growth projects to support the expansion of local businesses and the employment support fund with Runshaw College.
22. Whilst employment has seen an increase nationally, the Chorley employment rate is much higher than the North West (70.6%) and England (73.6%), and is a 10.1% increase since quarter three 2014/15, this equates to an additional 5,200 people in employment than the same time last year.

PERFORMANCE OF KEY SERVICE DELIVERY MEASURES

23. There are some important indicators that are not included within the Corporate Strategy, but are measured locally as indicators of service performance. There are ten indicators that can be reported at the end of the third quarter. The full outturn information for this is included at Appendix B: Key Service Delivery Measures.
24. Nine (90%) of the Key Service delivery measures are performing on or better than target:
 - Time take to process all new claims and change events for Housing Benefit and Council Tax Benefit
 - Processing of planning applications as measured against targets for 'major' application types
 - Processing of planning applications as measured against targets for 'minor' application types

- Processing of planning applications as measured against targets for 'other' application types
- Number of households living in Temporary Accommodation (NI 156)
- Number of missed collections per 100,000 collections of household waste
- Supplier Payment within 30 days
- Vacant town centre floor space
- Percentage of Council Tax collected

25. There is only one indicator (10%) that is performing below target; the average working days per employee per year lost through sickness absence. The table below gives the reasons for this worse than anticipated performance, and the steps that are being taken to improve performance:

Performance Indicator		Target	Performance
Average working days per employee per year lost through sickness absence		4.5 days	6.23 days
Reason below target	<p>There has been a large number of both short-term and long-term absences during the first and second quarter of 2015/16. This equates to a total of 171 occasions of short term absence and 14 long term. The highest number of occasions of short term sickness absence were in June (35) and September (29)</p> <p>The highest number of days lost over the last three quarters (138.91) is attributed to infections, mainly cold and flu symptoms. Stomach, Liver, Kidney & Digestion (127.27), is the second largest contributor to short-term absence occasions at 19.8%, with musculoskeletal issues being the third main contributor to short-term sickness absence at 18.3%.</p>		
Action required	<p>The welfare process for managing long-term absences will continue, including issuing notifications in a timely manner and referring to occupational health for further guidance and advice. Absence review meetings are held within 10 working days for employees triggering and offering support where possible; as well as the issuing of sanctions as necessary, and the communication of the annual flu vaccination service and physio provision.</p> <p>Human Resources have organised Health and Wellbeing days for individual services - e.g. Streetscene in September and Customer Services in January.</p> <p>Wellbeing initiatives for staff continue to be organised and promoted such as the Fit Camp and running club, as well as lunch time activities; aiming to help reduce stress.</p> <p>Sickness absence will form the subject of the Overview and Scrutiny task group in January.</p>		
Trend:	Performance at the end of quarter three 2014/15 was 4.4 days		

IMPLICATIONS OF REPORT

26. 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	

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Louise Wingfield	5061	28 January 2016	Third Quarter Performance Report 2015/16

Appendix A: Performance of Corporate Strategy Key Measures



Performance is better than target



Worse than target but within threshold




Worse than target, outside threshold

Indicator Name	Polarity	Target	Performance Quarter 3	Symbol	Trend*	% Change (year on year)
% increase in the number of volunteering hours earned	Bigger is better	35%	36%	★	N/A	N/A
Overall employment rate	Bigger is better	80%	84.2%	★	↑	+10.1%
Number of projected jobs created through targeted interventions	Bigger is better	75	137	★	↑	+57.5%
Number of projected jobs created through inward investment	Bigger is better	37	47	★	→	-24.2%
The % of 16-18 year olds who are not in education, employment or training (NEET)	Smaller is better	4.8%	4.4%	★	↓	+2.3%
The number of visits to Council's leisure centres	Bigger is better	750,000	824,033	★	↓	+0.3%
Number of young people taking part in 'Get Up and Go' activities	Bigger is better	11250	19833	★	↓	+28.6%
Number of Homelessness Preventions and Reliefs	Bigger is better	100	529	★	↓	-15.6%
Number of long term empty properties in the borough	Smaller is better	195	170	★	↑	-18.7%
% of customers dissatisfied with the service they have received from the council	Smaller is better	20%	18.67%	★	↑	-14.7%











**Trend shown is for change from quarter 2 2015/16*

Appendix B: Performance of key service delivery measures

 Performance is better than target

 Worse than target but within threshold

 Worse than target, outside threshold

Indicator Name	Polarity	Target	Performance Quarter 3	Symbol	Trend*	% Change (year on year)
Time taken to process all new claims and change events for Housing Benefit and Council Tax Benefit	Smaller is better	10 days	8.3 days		↓	-40.3%
Processing of planning applications as measured against targets for 'major' application types	Bigger is better	70%	95.8%		↓	+31.7%
Processing of planning applications as measured against targets for 'minor' application types	Bigger is better	65%	69.7%		↑	+3.9%
Processing of planning applications as measured against targets for 'other' application types	Bigger is better	80%	78.5%		↑	-4.5%
Number of households living in Temporary Accommodation (NI 156)	Smaller is better	15	12		↓	+200%
Number of missed collections per 100,000 collections of household waste	Smaller is better	49	49		↓	+19.5%
Supplier Payment within 30 days	Bigger is better	99%	99.47%		↓	+0.1%
Average working days per employee (FTE) per year lost through sickness absence	Smaller is better	4.5 days	6.23 days		↑	+41.6%
Vacant Town Centre Floor Space	Smaller is better	6%	4.13%		↑	-30.7%
% Council Tax collected	Bigger is better	83.67%	83.45%		↑	-0.26%

**Trend shown is for change from quarter 2 2015/16*

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Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources)	Executive Cabinet	18 February 2016

REVENUE AND CAPITAL BUDGET MONITORING 2015/16 REPORT 3 (END OF DECEMBER 2015)

PURPOSE OF REPORT

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2015/16.

RECOMMENDATION(S)

2. Note the full year forecast position for the 2015/16 revenue budget and capital investment programme.
3. Note the forecast position on the Council's reserves.
4. Request Council approve the budget virement of £30,000 from the budget provision for Business Start-up loans to finance the forecast take-up of Business Investment for Growth (BIG) grants.
5. Request Council approve the proposed additions, deletions and re-phasing of the Capital Programme to better reflect delivery in 2015/16. Further details are outlined in paragraphs 43 to 47.

EXECUTIVE SUMMARY OF REPORT

6. The projected revenue outturn currently shows a forecast underspend of £401k against budget (after deducting the use of in-year savings previously approved at Executive Cabinet).
7. The latest forecast excludes any variation to projected expenditure on investment items added to the budget in 2015/16. These projects are forecast to fully expend in 2015/16 and should there be any balances remaining at year end they will be transferred into specific reserves and matched to expenditure in future years.
8. In the 2015/16 budget the expected net income from Market Walk after deducting financing costs is £0.965m. The latest projection shows that the forecast outturn is £1.123m, the surplus being driven by lower than budgeted financing costs.
9. The forecast of capital expenditure in 2015/16 is £5.415m.
10. The Council set a savings target of £150k in 2015/16 from the management of the establishment. As previously reported, the full savings target for 2015/16 has been achieved.
11. The Council's Medium Term Financial Strategy proposed that working balances are to reach £3.0m over the 3 year lifespan of the MTFs to 2017/18 due to the financial risks facing the Council. A budgeted contribution into General Balances of £350k is contained within the new investment package for 2015/16. The current forecast to the end of December indicates that

the General Fund balance will be £2.741m by the end of the financial year.

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

REASONS FOR RECOMMENDATION(S)
(If the recommendations are accepted)

- 12. To ensure the Council’s budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 13. None.

CORPORATE PRIORITIES

- 14. 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	√

Ensuring cash targets are met maintains the Council's financial standing.

BACKGROUND

- 15. The latest revenue budget is £16.373m. This has been amended to include approved slippage from 2014/15 and any transfers to/from reserves.
- 16. A full schedule of the investment budgets carried forward from 2014/15 and the new (non-recurrent) investment budgets introduced in the 2015/16 budget are shown in Appendix 2 together with expenditure to date against these projects.
- 17. The Council’s approved revenue budget for 2015/16 included target savings of £150,000 from the management of the staffing establishment.
- 18. The following recommendations were made in the September monitoring report:
 - Use of £75,000 surplus generated from Market Walk to invest in the Retail Grants Programme.

- Use of £25,000 from the budget provision for Chorley Youth Zone to finance the Chorley Grand Prix cycling event in March 2016.
- Set aside of £70,000 additional revenue income from Council Tax Summons and Liability Order charges in 2015/16 to offset any future increased liability in bad debts as a result of these charges.

19. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first nine months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
20. The latest forecast of capital expenditure in 2015/16 is £5.415m. The latest capital forecast is detailed in Appendix 4 based upon actual and committed expenditure during the first nine months of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

SECTION A: CURRENT FORECAST POSITION – REVENUE

21. The projected outturn shown in Appendix 1 forecasts an underspend of £401,000. The significant variances from the last monitoring report to Executive are shown in the Table 1. Further details are contained in the service unit analysis available in the Members' room.

ANALYSIS OF MOVEMENTS

Table 1 – Significant Variations from the Cash Budget

Note: Savings/Underspends are shown as ()

	£'000	£'000
Expenditure:		
Staffing costs	(107)	
Elections (combined elections 2015)	(35)	
Computer Equipment/Software	(38)	
Core Funding Grants	(26)	
Gillibrand St Offices – fitting out costs	<u>70</u>	
		(136)
Income:		
Planning Fee Income	50	
Fraud & Error Reduction Incentive Scheme Grant	<u>(6)</u>	
		44
Other:		
Market Walk	(6)	
Other minor variances	<u>(20)</u>	
		(26)
Net Movement		(118)

22. The forecast saving of £107,000 on staffing costs shown in the table above are predominantly from the Chief Executive's Office and Public Protection, Streetscene & Community. These additional staffing savings are mainly as a result of vacant posts, some of which remain vacant in anticipation of the new management structure that will be introduced following the 2016/17 budget review.

23. In 2015, combined Borough and Parliamentary Elections were held with the costs of the Parliamentary Election being reimbursed to the Council by the Cabinet Office. With the elections being combined, a significant proportion of the costs were shared and as a result, a revenue budget saving is anticipated for 2015/16. The final claim for reimbursement of Parliamentary costs has now been agreed and the forecast saving for 2015/16 is around £35,000.
24. Further savings of around £38,000 are anticipated for Computer Equipment/Software in 2015/16, of which £12,500 is a result of savings achieved following commercial discussions on the Council's regulatory services software contract with IDOX Ltd. It should be noted that these savings were in relation to the implementation of the new contract and are therefore one-off savings for 2015/16 only.

The 2015/16 budget also included a provision of £45,000 for consolidation of existing Microsoft Licences under a new contract with Softcat Limited and to cover any costs in relation to the increase in the number of licences anticipated throughout the year. The actual costs for 2015/16 are around £18k realising a further one-off saving of around £27k. Further costs are expected in 2016/17 following the roll-out of Microsoft products but these should be maintained within the existing ICT budget resources.

25. Following a review of the Core Funding process in December 2013 the budget for Core Funding Grants from 2014/15 onwards has been allocated on a commissioning model, with around 85% allocated to specific service areas and 15% for both an annual commission and small community funding allocation for smaller groups. This allowed for some flexibility within the budget to supplement the main contracts if required and to set aside a portion of the budget for new or emerging needs.

At the end of 2014/15, this additional provision was not utilised and this contributed to a budget underspend of around £19k which was carried forward as slippage for potential use in 2015/16. It is now unlikely that either this sum or the full amount set aside in the 2015/16 budget for emerging needs will be required, resulting in a forecast underspend of around £26k in total for the end of the year.

26. Members will be aware of the recent agreement made with Cunliffe Medical Practice for the lease of the former Council Offices at 26 Gillibrand Street. As part of the terms of the lease, the Council agreed to carry out various works to fit out the premises with the costs to be initially borne by the Council and then recovered over the term of the lease. The cost of the works is estimated to be around £70,000 which will be incurred in the current year, with the costs being recovered as part of the rental agreement over the term of the 3 year lease to November 2018.
27. One area where forecast income levels have fallen in recent months is for Planning Application fees. Income received for the third quarter is lower than budgeted levels for 2015/16 and in addition, some of the large planning applications that were anticipated to be realised in quarter four are now expected to be received in the next financial year. This has resulted in a revised income forecast of around £550,000 for the year, £100,000 below budget. It should be noted however that income from planning fees can fluctuate greatly from month to month and the forecast position could still improve by the end of the year.
28. At the previous Executive Cabinet meeting in October, members were provided with an update on the Council's waste collection contract with Veolia. The report outlined the recommendation to cease the current contract on 31 March 2019 and repay the contract savings of £50,000 per annum for the years 2013/14 to 2018/19. It is still to be finalised with Veolia how and when this repayment will be made but it is anticipated that a payment of £150k will be made in 2015/16 followed by further payments of £50k per annum for the years 2016/17 to 2018/19.
29. The Council is currently incurring expenditure relating to the recent floods experienced around the borough over the Christmas period. The Department for Communities and

Local Government has recently announced that the Council's liability for these costs will be limited to £24,190 and any costs above this level will be reimbursed by the Government. There is no specific budget set aside for such costs and as a result the liability will need to be met from general balances.

30. The 2014/15 revenue budget included new investment of £44,000 for the Business Start-up Support Scheme which aims to deliver a more sustainable support mechanism for local businesses by providing small repayable loans via the Credit Union. The Council pays a small administration fee to the Credit Union for each loan issued and is also liable for any non-repayment of loans. There have been relatively few loan repayments throughout the course of 2014/15 and 2015/16 and although further costs are anticipated, it is assumed that at least £30,000 will be available from this budget. A recommendation is made to use this available resource to provide top-up funding to the Business Investment for Growth (BIG) grants programme. Demand continues to be high in this area and the majority of the original funding is already committed with a balance remaining of just over £4,000. The £30k would provide additional short term cover to meet demand for the remainder of the current financial year.

MARKET WALK

31. The budgeted net rental income from Market Walk after taking account of financing costs in 2015/16 is £0.965m. The latest forecast shows a saving of £0.157m and is detailed in Table 2 below. From this saving, a sum of £72k has been transferred to the Council's Change Management Reserve to finance some of the one-off redundancy and pension strain costs arising from the Management Structure Review as reported to Council on 19 January 2016.

Table 2: Market Walk Income Forecast (December 2015)

	2015/16 Budget £	2015/16 Forecast £	2015/16 Variance £
Income Budget			
Gross Income	(1,893,790)	(1,863,380)	30,410
Expenditure Budget			
Operational costs (excluding financing)	144,950	132,849	(12,101)
	(1,748,840)	(1,730,531)	18,309
Commitments			
Market Walk Extension costs	26,780	0	(26,780)
Net Income before Financing Costs	(1,722,060)	(1,730,531)	(8,471)
Financing Costs within Net Financing	756,880	607,800	(149,080)
Net Income after Financing Costs	(965,180)	(1,122,731)	(157,551)
Transfers to/(from) reserves			
Equalisation Reserve (annual contribution)	50,000	50,000	0
Asset Management re Market Walk	50,000	50,000	0
Market Walk Reserve re Extension costs	(26,780)	(26,780)	0
Total transfers to/(from) reserves	73,220	73,220	0
Revised Net Income	(891,960)	(1,049,511)	(157,551)

32. The 2015/16 income forecast has fallen by £9k since September this is due to lower than forecast concession and advertising income on market walk.
33. The 2015/16 operational costs forecast have remained at £132k however a £15k budget for the Christmas tree has been vired to the market walk budget leading to an increased underspend of £15k. The forecast includes £12k additional fees for special advice relating to tenant mix and future developments and £6k for valuations that are required as part of the financial statements. In addition there has been £4k expenditure for fitting a kitchen and toilet at the unit used for pop-up shops.
34. The approved budget made provision for a £50,000 transfer to reserve to fund asset maintenance costs outside of the service charge agreement and a £50,000 transfer to an equalisation account to build up a reserve to fund any future reduction to income levels.
35. The original 2015/16 budget included capital expenditure costs of £101,780 in respect of the Market Walk extension, these costs will now be charged to the market walk extension budget. The funds for these costs were to be vired from the Market Walk Reserve, £75,000 has instead been allocated to the extension of the Retail Grants Programme. The remaining £26k is assumed as unspent budget in the accounts.
36. The Council's budget for 2015/16 was prepared on the assumption that £5m extra 25-year PWLB borrowing would be taken to replace the use of internal cash balances by the end of 2014/15. The reason being to secure cash at a lower interest rate than might be available in the future. The extra borrowing was not taken, so this accounts for most of the one-off saving in Financing Costs in Table 2. Should the Council be advised that PWLB rates are due to rise, additional borrowing could be taken before year-end and the impact would be reflected in budget monitoring. Additional borrowing would be taken only when longer term budget savings could be achieved by avoiding interest rate increases.

GENERAL FUND RESOURCES AND BALANCES

37. With regard to working balances, and as per Appendix 1, the Council started the year with a balance of £2.288m. The approved MTFS proposes that working balances are to reach £3.0m over the 3 year lifespan of the MTFS to 2017/18 given the budgetary challenges facing the Council. The current forecast to the end of December shows that the General Fund closing balance could be around £2.741m as detailed in the table below.

Table 3 – Movement in General Fund Balance

General Balances	£m
Opening Balance 2015/16	2.288
Budgeted contribution to General Balances	0.350
Forecast revenue budget underspend	0.401
Veolia waste contract repayment	(0.150)
Flood related expenditure	(0.024)
Management Structure Review	(0.124)
Forecast General Fund Balance 2015/16	2.741

38. The recent Management Structure Review, reported to Council in January, outlined the one-off redundancy and pension strain costs to be financed from reserves. The final costs have now been determined at £620k with funding of around £496k currently available from the Change Management Reserve and other uncommitted reserves. Current accounting regulations stipulate that these one-off costs should be charged to the financial year in which the decision is made so the full £620k will be charged to 2015/16. This leaves a shortfall in the available funding of around £124k and this additional requirement will be met from in-year underspends in 2015/16.
39. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2015/16.

SECTION B: CURRENT FORECAST POSITION – CAPITAL

40. Table 4 summarises:
- Capital budget (1) – the capital budget agreed by Special Council in March 2015 taking into account amendments reported to the Executive in June and September.
 - Capital Budget (2) - the 3 year capital budget if all the recommendations described below are approved

Table 4: Profiling of the Capital Budget 2015/16 – 2017/18

Year	Capital Budget (1) £'000	Capital Budget (2) £'000	Changes £'000
15/16	6,502	5,415	(1,087)
16/17	8,224	21,900	13,676
17/18	2,149	2,149	0
Total	16,875	29,464	12,589

41. Capital expenditure and commitments raised as at 31st December 2015 were £2.716m. This represents 50% delivery against the latest forecast of £5.415m for 2015/16. Further details can be found in Appendix 4.
42. Market Walk Extension Update

The Market Walk extension budget approved in September Full Council was £12.9m. Since September more detailed plans for the extension have been developed and costed. A comparison of the original budget and current budget is provided below:

Development	Approved Budget £m	Forecast £m	Variance
Total Development Costs	7.644	7.322	(0.322)
Total Public Realm Costs	2.874	2.874	0
Total Other Costs	2.344	2.666	0.322
Total Costs	12.862	12.862	0

The forecast project expenditure remains within the approved budget. The reduction in the development costs is due to revised specifications including the removal of the plan to demolish the Union Street offices. The revised forecast for other costs is due to lower than forecast professional fees and the inclusion of enabling expenditure such as the purchase of the Stagecoach site.

Once details of new lettings are agreed the main build contract will be drawn up into a fixed price contract based on detailed costings and timings of the extension project.

Amendments

Phasing

43. Council is asked to approve the following changes to the phasing of the budget between financial years:

- That the £1m Market Street Redevelopment budget be re-phased from 15/16 into 16/17. Forecast expenditure against this budget relates to the Town Centre Public Realm works. Some of these works have now been costed including £125k costs of works to Fazarkerley St. These and future works will be carried out in 2016/17 onwards and so the budget is requested to be re-phased into 2016/17.
- Works to the access roads at Ranglett's Recreation Ground will not begin until early 2016/17. It is requested that £20k of 2015/16 budget, funded through Section 106 receipts, be re-phased into 2016/17 to meet these costs. This is in addition to the £50k re-phased in quarter 2 leaving a £70k budget in 2016/17.
- The Play Areas Growth programme received £200k from the 2013/14 investment programme to enhance four recreation grounds in the Borough. In conjunction with the Play, Open Space and Pitch Strategy, £100k budget has been committed to be spent in 2016/17. A request is made to re-phase the remaining £100k budget from 2015/16 into 2016/17 as the works to Tatton and Coronation Recreation Grounds will not begin until the new financial year. The budget also includes £9k of S106 funding that needs to be re-phased into 16/17.
- The Astley Hall budget for 15/16 is £676k and the forecast expenditure is £356k. It is requested that the £320k difference is re-phased to 16/17. This budget will fund £175k expenditure on events parking and £145k expenditure on Astley Hall including £100k match funding for a grant bid to the Heritage Lottery Fund.
- The works to Big Wood Reservoir are included in the 15/16 budget at £11k, to be funded from capital contributions already received. The total budget includes two further S106 contributions of £37k each. One of these receipts has still not been received and as such the project will not commence in 15/16. The remaining £37k receipt is being pursued and is expected to be received in 16/17. It is requested that the £11k budget is re-phased into 16/17 to create a £87k project budget to be delivered in 16/17.
- Play recreation projects were originally budgeted at £222k in 15/16 and are 100% S106 funded. The forecast for 15/16 is now £80k including works to Amber Drive, Abbey Village, Knowley Brow and Unions St recreation grounds. All of these projects are S106 funded. It is requested that £142k budget is re-profiled into 16/17 to fund projects with budgets that have been identified but whose S106 funding has not been fully identified or received.

Additions

44. Council is asked to approve the following additions to the capital budget

- The Market Walk extension budget approved in September Full Council was £12.9m. It is requested that the full £12.9m budget is added to the capital programme split £784k in 2015/16 & the remaining £12.077m in 2016/17.

In the September budget monitoring report £300k budget was requested for the first tranche of capital expenditure relating to the extension of market walk including the purchase of Apex House and £100k of professional fees. An additional £480k is requested in the 2015/16 Market Walk extension budget for the purchase of the Stagecoach depot. This will bring the total market walk extension budget in 2015/16 to £784k. As per the analysis in paragraph 42 this budget forms part of the overall £12.9m Market Walk extension budget.

Deletion

45. Council is asked to approve the following deletion from the capital budget:

- Deletion of the £35k budget for fit out works to 24-26 Gillibrand Street for the lease of the property to the Medical Practice. As per paragraph 26 of this report, the total value of these works is £70k and will be charged to the revenue budget.

Transfer from Revenue

46. Council is asked to approve the following transfers from the revenue budget to the capital budget to better reflect delivery:

- It is requested that £20k budget for charges to residents for the replacement of bins is transferred to the capital programme to fund the purchase of these bins. This transfer has been assumed in the revenue monitoring outturn. This will increase the capital budget from £85k to £105k and match the forecast expenditure in 15/16.
- The Disabled Facilities capital budget relates to adaptations to private and Housing Association properties. The total forecast expenditure for 15/16 is £417k of which £369k is funded from the Disabled Facilities Grant. It is requested that the balance of £47k is funded by private and housing association contributions that are currently coded to the revenue budget.

47. The final recommendation with regards to the capital programme is:

- Council is asked to approve a £12k virement from the Leisure Centre Improvement budget to the Recycling Receptacles budget. This budget had been identified for possible maintenance works that are no longer required. The budget will be used to meet the high demand for recycling receptacles in 2015/16 that is due to the large increase in new homes built this year.

Capital Financing

48. The capital programme is financed using different sources of funding. The table below shows the latest proposed financing based on the forecast of expenditure in 2015/16. This in line with budget and will be reviewed at year-end to best manage the Council's own resources.

Table 5: Capital Financing as at 31st December 2015

Fund	Quarter 1 2015/16 £'000	Quarter 2 2015/16 £'000	Quarter 3 2015/16 £'000	Variance Qtr 2 to Qtr 3 £'000
External Contributions	2,190	1,238	922	(316)
Grants	500	449	456	7
New Homes Bonus	637	637	322	(315)
Earmarked Reserves	1,862	1,942	842	(1,100)
Revenue	9	94	114	20
Capital Receipts	676	435	501	66
Borrowing	4,333	1,707	2,257	550
Capital Financing 2015/16	10,210	6,502	5,415	(1,087)

- The fall in earmarked reserves relates to the re-profiling of £1m public realm budget into 16/17 as described in paragraph 43. These funds will therefore be utilised in 2016/17.
- The fall in the use of New Homes Bonus funding is the result of the re-profiling of the works to Astley Hall into 16/17 as described in paragraph 43. These funds will therefore be utilised in 2016/17.
- There has been an increase in forecast borrowing required in 2015/16 when compared to quarter 2. This is due to the inclusion of Apex House and Stagecoach Depot purchases. These budgets for borrowing are managed within the £9.2m financing budget approved in the Market Walk extension report sent to September Full Council.

IMPLICATIONS OF REPORT

49. 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

50. The financial implications are detailed in the body of the report.

COMMENTS OF THE MONITORING OFFICER

51. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dave Bond/James Thomson	5488/5025	28/01/16	Revenue and Capital Budget Monitoring 2015-16 Report 3

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
General Fund Revenue Budget Monitoring 2015/16 Forecast to end of December 2015	Original Cash Budget	Impact of Council Restructure	Agreed Changes (Directorates)	Agreed Changes (Other)	Amended Cash Budget	Contribution to Corp. Savings (Staffing)	Contribution to Corp. Savings (Other)	Current Cash Budget	Forecast Outturn	Variance	Variance
	£	£	£	£	£	£	£	£	£	£	%
Chief Executive	4,628,940	(420,180)	(5,680)	1,017,870	5,220,950			5,220,950	5,144,770	(76,180)	-1.5%
Customer & Advice Services	2,221,980		9,050	(92,700)	2,138,330	(100,000)		2,038,330	1,828,470	(209,860)	-10.3%
Public Protection, Streetscene & Community	6,939,880	484,780	(3,370)	262,740	7,684,030	(50,000)		7,634,030	7,663,720	29,690	0.4%
Directorate Total	13,790,800	64,600	-	1,187,910	15,043,310	(150,000)	-	14,893,310	14,636,960	(256,350)	-1.7%
Budgets Excluded from Directorate Monitoring:											
Pensions Account	235,560				235,560			235,560	235,560	-	-
Pensions Deficit Recovery (Fixed Rate)	831,900				831,900			831,900	831,900	-	-
Benefit Payments	(33,470)			(61,000)	(94,470)			(94,470)	(111,760)	(17,290)	18.3%
Market Walk	(1,042,000)	(64,600)		(615,460)	(1,722,060)			(1,722,060)	(1,730,531)	(8,471)	0.5%
Corporate Savings Targets											
Management of Establishment	-			(150,000)	(150,000)	150,000		-	-	-	-
Total Service Expenditure	13,782,790	-	-	361,450	14,144,240	-	-	14,144,240	13,862,129	(282,111)	-2.0%
Non Service Expenditure											
Contingency - Management of Establishment	(150,000)			150,000	-			-	-	-	-
Revenue Contribution to Capital	557,820			94,000	651,820			651,820	817,820	166,000	
Net Financing Transactions (general capital expenditure)	464,410			(104,640)	359,770			359,770	344,190	(15,580)	
Net Financing Transactions (Market Walk)	-			684,160	684,160			684,160	607,800	(76,360)	
Parish Precepts	532,960				532,960			532,960	532,960	-	
Total Non Service Expenditure/Income	1,405,190	-	-	823,520	2,228,710	-	-	2,228,710	2,302,770	74,060	
Total Expenditure	15,187,980	-	-	1,184,970	16,372,950	-	-	16,372,950	16,164,899	(208,051)	-1.3%
Financed By											
Council Tax	(6,654,350)				(6,654,350)			(6,654,350)	(6,654,355)	(5)	
Grant for freezing Council Tax 2014/15	(65,000)				(65,000)			(65,000)	(68,069)	(3,069)	
Revenue Support Grant	(2,132,380)				(2,132,380)			(2,132,380)	(2,132,380)	-	
Retained Business Rates	(2,759,370)				(2,759,370)			(2,759,370)	(2,754,661)	4,709	
Government S31 Grants (Small Business Rate Relief)	(769,780)				(769,780)			(769,780)	(769,780)	-	
Business Rates Retention Reserve	(91,830)				(91,830)			(91,830)	(91,830)	-	
New Homes Bonus	(3,379,070)				(3,379,070)			(3,379,070)	(3,387,725)	(8,655)	
New Burdens Grant	-			(88,040)	(88,040)			(88,040)	(108,186)	(20,146)	
Collection Fund (Surplus)/Deficit	222,960				222,960			222,960	222,958	(2)	
Use of Earmarked Reserves - capital financing	-				-			-	(166,000)	(166,000)	
Use of Earmarked Reserves - revenue expenditure	90,840			(1,096,930)	(1,006,090)			(1,006,090)	(1,006,090)	-	
Budgeted Contribution to General Balances	350,000				350,000			350,000	350,000	-	
Total Financing	(15,187,980)	-	-	(1,184,970)	(16,372,950)	-	-	(16,372,950)	(16,566,118)	(193,168)	1.2%
Net Expenditure	-	-	-	-	-	-	-	-	(401,219)	(401,219)	
General Balances Summary Position											
				Target	Forecast			Veolia Contract	150,000		
				£	£			Flood related expenditure	24,190		
General Fund Balance at 1 April 2015				2,000,000	2,287,660			Management Structure Review	124,070		
Budgeted Contribution to General Balances					350,000						
Provisional (Over)/Under Spend					102,959			Forecast Underspend	(102,959)		
Forecast General Fund Balance at 31 March 2016				2,000,000	2,740,619						

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Investment Projects 2015/16

Investment Area (Revenue)	Investment Budgets c/fwd from 2014/15 to 2015/16	2015/16 New Investment	2015/16 Budget Virements	2015/16 Total Investment Budget	2015/16 Spend to Date	2015/16 Committed to Date	2015/16 Current Balance
Deliver Neighbourhood Priorities/Environmental Clean-ups	53,350	50,000		103,350	50,162	29,516	23,672
16/17 year old drop in scheme	2,000	19,000	(2,000)	19,000	19,000	-	-
Connecting Communities through food	10,260	-		10,260	836	278	9,146
Support to the VCFS Network	-	15,000		15,000	15,000	-	-
Extension & improvement of street furniture	3,950	-		3,950	-	-	3,950
Play and Open Space Strategy	10,930	-		10,930	10,930	-	-
Mediation service for Anti-Social Behaviour disputes	7,000	7,000		14,000	3,000	-	11,000
Chorley Council energy advice switching service	15,000	-		15,000	-	-	15,000
Inward investment delivery	244,500	50,000	9,960	304,460	109,766	84,332	110,362
Town Centre Masterplan	35,000	-		35,000	-	-	35,000
Support the expansion of local businesses (BIG grant)	79,100	40,000	30,000	149,100	12,826	99,600	36,674
Business Start-up (Grant and Loan)	49,680	-	(24,670)	25,010	19,071	-	5,939
Town Centre & Steeley Lane Pilot Action Plans	83,650	100,000		183,650	10,374	61,248	112,028
British Cycling tour of Lancashire	-	45,000		45,000	45,000	-	-
Unify Credit Union	9,000	50,000	(9,000)	50,000	28,583	-	21,417
Community development and volunteering	25,530	70,000		95,530	55,566	-	39,964
Employee Health scheme	-	20,000		20,000	16,542	-	3,458
Support the food bank	-	15,000		15,000	15,000	-	-
Free Swimming	-	8,000		8,000	7,500	-	500
Private Property Improvement Scheme	38,230	-		38,230	33,050	-	5,180
Joint employment initiative with Runshaw College	6,870	10,000		16,870	11,875	-	4,995
Digital access and inclusion	-	25,000		25,000	14,053	86	10,861
Investigate opportunities to expand Chorley Markets	-	30,000	(9,960)	20,040	20,040	-	-
Supporting communities to access grant funding	-	20,000		20,000	11,700	8,300	-
Increase visitor numbers to Chorley	-	35,000		35,000	-	-	35,000
Chorley Public Service Reform Board work plan	-	15,000		15,000	15,000	-	-
Campaigns and events	-	65,000	(3,640)	61,360	35,000	-	26,360
Disabled and dementia online venue access guides	-	20,000		20,000	5,139	-	14,861
Accommodation finding service	-	6,000		6,000	-	-	6,000
Development and delivery of community action plans	-	200,000		200,000	-	-	200,000
Chorley Flower Show	-	50,000	13,040	63,040	63,040	-	-
North West in Bloom	-	45,000		45,000	36,333	2,700	5,967
Town and Country Festival	-	10,000	(10,000)	-	-	-	-
Additional events in Astley Hall and Park	-	14,000	3,640	17,640	8,900	-	8,740
TOTALS	674,050	1,034,000	(2,630)	1,705,420	673,286	286,059	746,074

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Analysis of Reserves and Provisions 2015/16

Reserve or Provision	Purpose	Opening Balance 01/04/15 £	Other Transfers 2015/16 £	Forecast Use in 2015/16 £	Forecast Balance 31/03/16 £	Notes
Reserves						
General Fund Balance						
		2,287,660	751,219	(298,260)	2,740,619	(1)
Change Management Reserve	From Market Walk net income 2013/14	382,770	310,310	(693,080)	0	
VAT Shelter Income	Capital/revenue financing	91,510		(84,430)	7,080	
Provision for Pension Liabilities	Payment to Lancashire Pension Fund	1,750,000		(1,549,170)	200,830	
Non-Recurring Expenditure	Revenue resources for capital financing 2015/16	179,500	457,818	(322,033)	315,285	
Market Walk	Income Equalisation Reserve	150,370	50,000		200,370	
Market Walk	Asset Management	50,000	50,000	(22,140)	77,860	
Market Walk	Extension feasibility and planning	101,780		(101,780)	0	
Market Walk	Market Walk Project Work- Service Charge	0	115,830	0	115,830	
S31 Grant	Empty property/small business rate relief	146,670		(84,900)	61,770	
Business Rates Retention	Surplus on levy payment	383,600	350,260	(442,090)	291,770	
	Non-Directorate Reserves	3,236,200	1,334,218	(3,299,623)	1,270,795	
Chief Executive						
	Slippage from 2014/15	23,670	(23,670)	0	0	(2)
	Chief Executive's Office	23,670	(23,670)	0	0	
	Slippage from 2014/15	41,660		(41,660)	0	(2)
	PRG - uncommitted	29,350	(29,350)		0	
	Public Service Reform funding	36,430		(18,570)	17,860	
	2013/14 New Investment Projects	9,000	(9,000)	0	0	
	2014/15 New Investment Projects	10,260		(10,260)	0	
	2015/16 New Investment Projects	0	10,600		10,600	
	Policy & Performance	126,700	(27,750)	(70,490)	28,460	
	Retail Grants Programme	88,250		(88,250)	0	
	Town Centre Reserve (Revenue)	22,680		(22,680)	0	
	2013/14 New Investment Projects	498,800		(498,800)	0	(2)
	Slippage from 2014/15	2,070		(2,070)	0	
	2015/16 Investments	0	10,000		10,000	
	External Funding Officer budget for 2016/17	0	9,200		9,200	
	Economic Development	611,800	19,200	(611,800)	19,200	
	Legal Case Mgt System	1,520		(1,520)	0	
	Capital financing	69,380		(69,380)	0	
	2013/14 New Investment Projects	38,230		(33,050)	5,180	
	New Burdens Funding	32,500	(32,500)		0	
	Slippage from 2014/15	11,900		(11,900)	0	(2)
	Buildings Maintenance Fund	224,520		(224,520)	0	
	Elections	58,000		(29,000)	29,000	
	Governance	436,050	(32,500)	(369,370)	34,180	
	Slippage from 2014/15	15,000		(15,000)	0	(2)
	Shared Financial Services	15,000	0	(15,000)	0	
	Slippage from 2014/15	13,100		(13,100)	0	(2)
	HR Reserve for maternity cover	20,000	(20,000)		0	
	Impact of 2014/15 Pay Policy	10,000	10,000	(20,000)	0	
	Additional external NEETs (Econ Dev)	39,000		(39,000)	0	
	Human Resources & OD	82,100	(10,000)	(72,100)	0	
	Chief Executive	1,295,320	(74,720)	(1,138,760)	81,840	
Customer & Advice Services						
	Slippage from 2014/15	10,000		(10,000)	0	(2)
	Government Grants (Housing)	214,370	(87,780)	(100,500)	26,090	
	Handyperson Scheme	43,870		(2,480)	41,390	
	Employability Officer Funding	30,000		(30,000)	0	
	2014/15 New Investment Projects	17,000	(2,000)		15,000	
	2015/16 Investments	0	18,000		18,000	
	Housing	315,240	(71,780)	(142,980)	100,480	
	ICT Projects	146,880		(146,880)	0	
	Slippage from 2013/14	26,540		(26,540)	0	(2)
	Slippage from 2014/15	288,000		(132,000)	156,000	
	Single Front Office	40,000		(40,000)	0	
	2015/16 Investments	0	25,000		25,000	
	Council Tax Summons/Liability Order Bad Debts	116,000	53,000		169,000	
	ICT Contract Renewal Reserve	0	186,670	(100,000)	86,670	
	SFO Apprentices	0	104,220		104,220	
	Capital financing	8,450		(8,450)	0	
	ICT Services	625,870	368,890	(453,870)	540,890	
	Customer & Advice Services	941,110	297,110	(596,850)	641,370	

Analysis of Reserves and Provisions 2015/16

Reserve or Provision	Purpose	Opening Balance 01/04/15 £	Other Transfers 2015/16 £	Forecast Use in 2015/16 £	Forecast Balance 31/03/16 £	Notes
<u>Public Protection, Streetscene & Community</u>						
	Buckshaw Youth Development Grants	1,370		(1,370)	0	
	Neighbourhood Working (pump priming)	71,270		(71,270)	0	
	2014/15 New Investment Projects	85,880		(85,880)	0	
	Disability Shortbreaks Funding	10,580	(10,580)	0	0	
	Slippage from 2014/15	18,500		(9,500)	9,000	(2)
	S106 Contribution re: Carr Brook Trim Trail	15,000		(15,000)	0	
	Health, Environment & Neighbourhoods	202,600	(10,580)	(183,020)	9,000	
	2014/15 New Investment Projects	14,880		(14,880)	0	
	North West in Bloom	40,000		(40,000)	0	
	Redrow Funding for Gas Cowsls at Gillibrands	16,830	(16,830)	0	0	
	Astley Hall Works of Art	5,880	(5,880)		0	
	Maintenance of Grounds	72,200	10,000	(25,000)	57,200	
	Streetscene & Leisure Contracts	149,790	(12,710)	(79,880)	57,200	
	Planning Appeal Costs	39,130			39,130	
	Planning	39,130	0	0	39,130	
	Public Protection, Streetscene & Community	391,520	(23,290)	(262,900)	105,330	
	Directorate Reserves	2,627,950	199,100	(1,998,510)	828,540	
	Earmarked Reserves	5,864,150	1,533,318	(5,298,133)	2,099,335	
	Total Reserves - General and Earmarked	8,151,810	2,284,537	(5,596,393)	4,839,954	
<u>Provisions</u>						
Insurance Provision	Potential MMI clawback	19,540			19,540	
Other Provisions	Asda re: land at Bolton Street	10,000		(10,000)	0	
	Total Provisions	29,540	0	(10,000)	19,540	

Notes

(1) Provisional Outturn as at 31 March 2015.

(2) Use of these reserves outlined in revenue budget monitoring reports during 2015/16.

Appendix 4 - Capital Programme

	Budget as at Quarter 1	Budget Amendments Requested	Budget as at Quarter 2	Budget Amendments Requested	Current Budget	Actual	Commitment	Total Actual & Committed	Current Budget Remaining / (Over spent)	Forecast Q1	Forecast Q2	Forecast Q3
Asset Improvements Schemes												
Town Hall	161,000		161,000		161,000	156,518	12,009	168,527	(7,527)	227,500	161,000	161,000
	161,000	0	161,000	0	161,000	156,518	12,009	168,527	(7,527)	227,500	161,000	161,000
Regeneration Project Schemes												
Market Street Redevelopment Phase 1	69,570		69,570	(3,008)	66,562	(129,629)	81,014	(48,615)	115,177	1,069,570	1,059,972	66,562
Public Realm Works Phase 2	1,000,000		1,000,000	(1,000,000)	0	0	0	0	0	0	0	0
Market Walk Extension	0	298,026	298,026	486,620	784,646	26,500	9,500	36,000	748,646	0	298,026	784,646
	1,069,570	298,026	1,367,596	(516,388)	851,208	(103,129)	90,514	(12,615)	863,823	1,069,570	1,367,596	851,208
Disabled Facilities Grant	420,000	(50,439)	369,561	47,772	417,333	302,206	0	302,206	115,127	420,000	369,561	417,333
Climate Change Pot	6,680		6,680		6,680	3,000	0	3,000	3,680	6,680	6,680	6,680
Leisure Centres Improvements	245,950	(125,000)	120,950	(12,000)	108,950	70,000	37,987	107,987	963	245,950	120,950	108,950
Recycling receptacles	84,900		84,900	32,000	116,900	91,673	6,538	98,211	18,689	84,900	84,900	116,900
Thin Client Implementation	8,450		8,450		8,450	0	0	0	8,450	8,450	8,450	8,450
Cotswold House Improvements	24,910		24,910		24,910	(3,020)	479,365	476,345	(451,435)	7,243	24,910	24,910
Cotswold House Improvements - Final Phase	200,000		200,000		200,000	0	0	0	200,000	200,000	200,000	200,000
Buckshaw Village Rail Station	726,000	(696,000)	30,000		30,000	0	0	0	30,000	725,907	30,000	30,000
Eaves Green Play Development	106,060		106,060	(911)	105,149	49,064	8,115	57,179	47,970	105,349	106,060	105,149
Rangleys Recreation Ground	454,530	(50,000)	404,530	(19,751)	384,779	304,822	62,992	367,813	16,966	473,255	404,530	384,779
Yarrow Valley Car Park	225,000	(215,000)	10,000		10,000	1,745	2,635	4,380	5,620	225,000	10,000	10,000
Chorley East Health Centre	1,759,000	(1,659,000)	100,000		100,000	0	0	0	100,000	1,759,000	100,000	100,000
Puffin Crossing Collingwood Letchworth	47,820		47,820		47,820	0	0	0	47,820	47,820	47,820	47,820
Croston Flood Prevention Scheme	1,100,000		1,100,000		1,100,000	0	0	0	1,100,000	1,100,000	1,100,000	1,100,000
Chorley Youth Zone	1,118,000	(968,000)	150,000		150,000	0	0	0	150,000	1,118,000	150,000	150,000
Clayton Brook Village Hall Extension	196,000	34,308	230,308		230,308	168,323	61,138	229,460	848	227,667	230,308	230,308
Buckshaw Community Centre	600,000	(450,000)	150,000		150,000	150,000	750	150,750	(750)	600,000	150,000	150,000
Land Assembly Extra Care - Fleet St	250,000		250,000		250,000	0	0	0	250,000	250,000	250,000	250,000
24-26 Gillibrand St - Medical Practice	0	35,000	35,000	(35,000)	0	54,600	0	54,600	(54,600)	0	35,000	0
Play Recreation POS Projects S106 Funded	222,000		222,000	(141,600)	80,400	0	0	0	80,400	187,636	188,000	80,400
Play Areas Growth Programme	209,600	(100,000)	109,600	(109,600)	0	13,883	0	13,883	(13,883)	209,653	109,600	0
Big Wood Reservoir	11,520		11,520	(11,520)	0	0	0	0	0	11,520	11,520	0
Carr Brook Trim Trail	83,170		83,170		83,170	38,506	800	39,306	43,864	83,174	83,170	83,174
Recycling Lives - Depot Split	115,200	(115,200)	0		0	0	0	0	0	115,200	0	0
Electoral Management System	4,160		4,160		4,160	0	0	0	4,160	5,120	4,160	4,160
Delivery of CCTV 15/16 - 17/18	335,000	(71,534)	263,466		263,466	0	334,823	334,823	(71,357)	335,000	263,466	263,466
Astley Hall & Park Development	676,990		676,990	(320,059)	356,931	241,632	13,776	255,407	101,523	676,990	676,990	356,931
Recreation Strategy	170,000		170,000		170,000	65,000	0	65,000	105,000	170,000	170,000	170,000
	10,635,120	(4,132,839)	6,502,281	(1,087,057)	5,415,224	1,602,134	1,114,128	2,716,262	2,698,962	10,700,880	6,502,280	5,415,228

15/16 Budget Rephased to 16/17 & 17/18
0
0
1,000,000
0
1,000,000
50,439
0
125,000
0
0
0
0
0
696,000
0
69,751
215,000
1,659,000
0
968,000
0
450,000
0
0
141,600
209,600
11,520
0
0
71,534
320,059
0
5,987,503

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Report of	Meeting	Date
Director of Customer and Advice Services (Introduced by the Executive Member for Customer and Advice Services)	Executive Cabinet	18 th February 2016

SELECT MOVE – PILOTING THE PROPOSED AMENDMENTS TO THE SELECT MOVE ALLOCATION SCHEME

PURPOSE OF REPORT

1. To inform members of a number of proposed changes to the operation of the Select Move Allocation Policy received from the main Registered Providers (RPs) within the Select Move Partnership operating in the Chorley area.
2. To seek formal approval of the Council's consultation response as outlined in Para's 19-24.

RECOMMENDATION(S)

3. That the Executive Cabinet approves the consultation response relating to the policy amends that are being piloted.

EXECUTIVE SUMMARY OF REPORT

4. Each Local Authority is required to publish an allocations policy under Part VI of the Housing Act 1996, and the policy should demonstrate how the Local Authority will coordinate access to social housing in its area. Select Move is a partnership including the three Central Lancashire councils (Chorley, Preston and South Ribble) and nine housing associations which operate in the area. The Select Move Common Allocations Policy fulfils Chorley Council's Part VI obligation.
5. In conjunction with the agreement to pilot up to a 25% reduction of advertised properties within the Select Move Scheme. It has also been necessary to review the Allocations Policy to reflect the aims of RPs, which are, to modernise Select Move so that it continues to provide a CBL system that meets the requirements of partners and users.
6. Before permanently committing to the agreed changes all Partnership members have agreed to join Chorley in a 6 months pilot, which commenced on the 4th January 16 and will finish 30th June 16. Chorley Council's decision to enter in to a nine month pilot was made with the three RPs operating in Chorley via an EMD on the 15th October 2015. Full consultation on the policy changes will be conducted concurrently within the 6 month period January to June 16 by the Partnership Steering Group.
7. The report outlines the proposed changes to the Allocations Policy and the proposed formal response by the Council to the changes. The consultation response as approved by members will then be forwarded to the Selectmove Partnership for their consideration.

BACKGROUND

8. Each Local Authority is required to publish an allocations policy under Part VI of the Housing Act 1996, and the policy should demonstrate how the Local Authority will coordinate access to social housing in its area
9. Select Move allocates properties using Choice Based Letting methodology which replaced waiting on a housing list to be allocated a property. Properties are advertised on the Select Move website each week, and applicants can express interest on the homes in which they wish to live. Applicants are then short listed depending on need (determined by band) and time in the band.
10. In the last eighteen months there have been a number of changes introduced nationally which the RPs claim have impacted on their business models. In particular, the Welfare Reform changes which have been introduced with further changes expected, have impacted on the pattern of demand for properties and in some parts of the Select Move area namely Preston, they have seen tenancy terminations increase without tenants giving notice thereby increasing re-let times and incurring void losses. The impact the welfare reform changes are having on customers in receipt of benefits has also led to the RPs wanting to ensure there is greater diversity in the customer base.
11. The more recent announcement that social housing rents must be reduced by 1% per annum from April 16 for four years has led to RPs reaffirming their need to minimise re-let times, decrease void costs and maximise efficiencies.
12. Earlier this year, Select Move partners Community Gateway, Preston Council's LSVT partner, gave notice of their intention to withdraw from Select Move in April 2016 unless consideration could be given to introducing more flexibility within the Select Move Allocations Policy and procedures. The main change to the policy being the ability to advertise some of their properties outside of Select Move. The RPs within the partnerships were supportive of their proposal as were Preston and South Ribble Councils and agreed to change the current system; they have since agreed to make use of the pilot before making any firm decision to change the current scheme on a permanent basis.
13. The consultation exercise will be conducted using the Select Move website and other forums pertaining to Housing and Support. Therefore, it is necessary for the Council to respond to the consultation as a partner and a stakeholder.

Confidential report Please bold as appropriate	NO	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

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- 14. To accept and commit to the changes entered into by the Select Move Partnership which in the main mirrors those proposed and accepted by Preston and South Ribble Councils. However, to ensure Chorley residents are not disadvantaged the changes will be piloted by the whole partnership and include a quarterly review meetings between the Council and the RPs to review progress and monitor impact.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 15. To refuse to accept the proposed changes could likely result in the RPs giving their notice to withdraw from Select Move and the Council has no powers to prevent this or Chorley Council would operate on and assess households using a different policy. The demise of Select Move would result in the need for the Council to revert back to the old nominations system whereby RPs provide the Council with a proportion of their voids as nominations on some of their stock. To operate a different policy from RPs and our neighboring authorities within the Select Move scheme would not only be confusing for the applicant, but could prove to be a disadvantage for Chorley applicants in obtaining permanent housing.

CORPORATE PRIORITIES

- 16. 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	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	

17. THE PILOT SELECT MOVE COMMON ALLOCATIONS POLICY AMENDS

The current Select Move Common Allocations Policy was published in September 2013. The Select Move steering group has been conducting a mini review of the policy, in order to achieve the aims set out below:-

- Modernise Select Move so that it continues to provide a CBL system that meets the requirements of partners and users.
- Ensure there remains transparency in terms of policies and lettings outcomes.
- To attract a wider range of customers, including those in employment or on lower wages who are unable or unwilling to enter home ownership and for whom social housing is not a first choice.
- Meet housing need and assist the local authority to meet its statutory obligations will remain the main emphasis for Select Move and the most popular accommodation, for which there is proven demand will continue to be advertised via Select Move.

- Each RP would continue to advertise at least 75% of its vacancies via Select Move and a higher proportion if demand is there.

18. The key success factors for the pilot are:

- Lettings Performance - That the letting of hard to let properties improves and void times and costs are reduced.
- Inward Migration - That Inward migration remains very low including stock let by RPs outside Select Move.
- High demand properties - That high demand properties e.g. two bed houses continue to be advertised on Select Move and allocated to the reasonable preference categories.

Council's Statutory Obligations – The policy change does not affect the Council's ability to deliver its statutory obligations regarding the prevention of homelessness. At the end of the six months period in 2016, and providing the Council is satisfied that the success factors are met the council would seek Executive Cabinet approval for the changes to the policy to be made permanent.

19. THE INTERIM SELECT MOVE COMMON ALLOCATIONS POLICY CHANGES

20. Changes have been made to the policy to limit stock turnover, so current tenants will not be awarded a live application until they have been in a tenancy for 12 months; unless there are exceptional circumstances as such, that an urgent move is needed.

The Council has no objection to this change. The amend will support the RPs to limit stock turnover in the first year of a households tenancy, which should not affect the majority of tenants who consider one year a reasonable period of time to settle into a property, before seeking further accommodation. There are exceptional circumstances for example, Domestic Abuse, which would warrant an urgent move and this has been addressed.

21. Local connection has been expanded to include children as well as adult children. If applicants can demonstrate a Local connection by providing evidence to confirm they have children permanently residing in the area, continuously for at least 5 years, they will qualify for Select Move.

The Council is happy to support this amend as it will have limited impact on applications. It is a positive change for those individuals who have children living in the sub-region who want to move closer to offer support to their children.

22. The amended policy sets to formalise the financial/affordability tests, which is being used by RPs to establish whether an applicant can afford a certain type of property. It was agreed that the test will be done as part of the verification stage, so this does not prevent applicants from holding a live application on Select Move. The review has given the partnership the opportunity to amend the policy to reflect this practice.

Policy wording

"Affordability assessments will be undertaken on applicants and their households to determine ability to sustain a tenancy financially. If a tenancy is deemed to be unaffordable, alternative options and advice will be given to support the applicant/household to obtain

accommodation. The outcome of the affordability assessment will not prevent the application from being made active, however it may preclude an offer being made by one or more partners”.

Whilst the Council has had reservations previously in regard to affordability testing being used, and has had to carefully consider whether testing should be detailed in the policy. The view of the Council is that social housing should be affordable for all, particularly those on low incomes, however, we do understand the changes in benefit payments coupled with RPs constraints, so we have considered our position carefully.

The Council accepts that affordability/financial test should form part of the process. Therefore, agree it should be detailed in the policy. The Council has influenced the Partnership to ensure that affordability tests should only be used in support of a household, supporting them to make suitable choices and to avoid rent arrears and tenancy failure, but not to exclude households on low incomes; this is reflected in the policy wording. This will enable the Local Authorities Housing Options Team to support those households who are facing financial difficulty to access support. The Council has been clear that affordability tests should not prevent households holding a live application on Select Move. The Council will continue to monitor this aspect of change and the impacts of testing to ensure social housing is accessible to all.

23. The Select Move system assesses households on a needs basis and households are subject to the bedrooms standards, which will dictate how many bedrooms households, are eligible for; this is based on housing benefit regulations and housing benefit entitlement. This is in place to prevent financial shortfalls being created. Since 2013, the under-occupancy regulations have been in place, RPs have had difficulties in letting certain types of properties, which has affected their void figures.
24. In order to support RPs allocate their hard to let properties, particularly 3 bed and 2 bed upper flats, the Partnership has reviewed the policy to find a solution. The solution is to provide an option for those households who can afford larger properties, overriding the regulations. Therefore, properties will be allocated to households who can afford larger bedroom sizes, irrelevant of their bedroom needs assessment, for example, an applicant who is eligible for a 2 bed property, but is deemed to be able to afford a 3 bed property, dependent on income, will be considered for a 3 bed property. However, to avoid want overriding need, the system will assess household's ability to afford larger 3 bed properties and will only consider them for an offer or allocation, if no household are identified who need a 3 bed property in the shortlisting process.

The Council does not have any objection to this solution and accepts there has to be change to reduce voids and to offer applicants larger properties if they can afford to do so. Monitoring will be in place to ensure the system continues to allocate on a needs basis primarily, before consideration is given to a list of applicants who have been identified as being able to afford a larger property.

25. To address the need for, and the lack of four bed properties becoming available, RPs will consider some larger 3 bed parlour house type properties to fulfil households 4 bedroom need.

The Council does not consider this as a negative and supports this change. The Council is regularly challenged by families who are waiting for a 4 bed properties, but would be happy to move into a large 3 bed property in order to reduce waiting time. This change would prevent these challenges and offer larger families more choice.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

27. There are no financial implications within the report.

COMMENTS OF THE MONITORING OFFICER

28. The proposed changes do not undermine the Council's duty to have a compliant policy for allocations.

LESLEY-ANN FENTON
DIRECTOR OF CUSTOMER AND ADVICE SERVICES

Report Author	Ext	Date	Doc ID
Fiona Daniels	5706	24.1.16	

Background Papers			
Document	Date	File	Place of Inspection
Piloting proposed amendment to the policy and procedures	22.10.2015		https://democracy.chorley.gov.uk/ieDecisionDetails.aspx?ID=5509
Select Move Sub Regional Allocation Policy	17.9.2013	***	https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=31958&Opt=0
Draft Select Move Common Allocation Policy	22.3.2013	***	https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=29956