Chorley Council

SPECIAL COUNCIL

TUESDAY, 24TH NOVEMBER 2015, 6.30 PM
COUNCIL CHAMBER, TOWN HALL, CHORLEY

AGENDA

APOLOGIES

1   **MINUTES OF MEETING TUESDAY, 22 SEPTEMBER 2015 OF COUNCIL**   (Pages 5 - 14)

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   **RESULTS OF THE EUXTON NORTH BY - ELECTION**

The Returning Officer to report that Councillor Tommy Gray has been elected to the Euxton North ward following the recent by – election.

4   **MAYORAL ANNOUNCEMENTS**

5   **PUBLIC QUESTIONS**

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

6   **CORPORATE STRATEGY 2015/16 TO 2017/18**   (Pages 15 - 42)

To consider the attached report of the Chief Executive.

   6A   ALTERNATIVE CORPORATE STRATEGY

        To consider a report of the Conservative Group (to follow).

7	**FUTURE GOVERNANCE MODELS: FINAL REPORT**	(Pages 43 - 106)

To consider the attached report of the Project Director.

8	**MANAGEMENT STRUCTURE REVIEW**	(Pages 107 - 112)

To consider the attached report of the Chief Executive.

9	**DEVELOPMENT OF A COMBINED AUTHORITY FOR LANCASHIRE**	(Pages 113 - 156)

To consider the attached report of the Leader of the Council.

10   **ELECTORAL REVIEW OF LANCASHIRE**

The Local Government Boundary Commission is due to consult on the next stage proposals for the Electoral Review of Lancashire. This information will be issued as soon as it becomes available. The consultation period commences 17 November and runs until 11 January 2016.

11	**REVIEW OF MEMBERS ALLOWANCES SCHEME 2015/16**	(Pages 157 - 160)

To consider the attached report on the findings of the Independent Remuneration Panel.

12   **COUNCIL APPOINTMENTS**

To nominate newly elected Councillor Tommy Gray to the following two committees:

- Councillor Gray to fill the vacancy on General Purposes Committee
- Councillor Gray to replace Councillor Margaret Lees on Licensing and Public Safety Committee.

13   **EXCLUSION OF THE PUBLIC AND PRESS**

To consider the exclusion of the press and public for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 4 of Part 3 of Schedule 12A to the Local Government Act 1972.

14   **FLEET STREET EXTRA CARE SCHEME**

To consider a report of the Director of Customer and Advice Services (to follow).

15   **ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE MAYOR**

GARY HALL
CHIEF EXECUTIVE

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Chorley Council

MINUTES OF	**COUNCIL**
MEETING DATE	**Tuesday, 22 September 2015**
MEMBERS PRESENT:	Councillor Marion Lowe (Mayor), Councillor David Dickinson (Deputy Mayor) and Councillors Aaron Beaver, Eric Bell, Julia Berry, Martin Boardman, Alistair Bradley, Charlie Bromilow, Terry Brown, Paul Clark, Jean Cronshaw, Alan Cullens, John Dalton, Doreen Dickinson, Robert Finnamore, Christopher France, Anthony Gee, Danny Gee, Keith Iddon, Mark Jarnell, Hasina Khan, Paul Leadbetter, Margaret Lees, Roy Lees, Adrian Lowe, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Mick Muncaster, Steve Murfitt, Beverley Murray, Debra Platt, Joyce Snape, Kim Snape, Ralph Snape, Richard Toon, John Walker, Paul Walmsley, Alan Whittaker and Peter Wilson
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) and Carol Russell (Democratic Services Manager)
APOLOGIES:	Councillors Henry Caunce, Graham Dunn, Gordon France, Margaret France and Mark Perks

15.C.266 Minutes of meeting Tuesday, 21 July 2015 of Council

RESOLVED – That the minutes of the last meeting of the Council held on 21 July 2015 be approved as a correct record for signature by the Mayor.

15.C.267 Declarations of Any Interests

There were no declarations of interest received.

15.C.268 Deputy Mayor

The Mayor reported that Councillor David Dickinson was stepping down from the role of Deputy Mayor due to his ongoing ill health and therefore Members were being asked to nominate another Councillor to take on the role. Political group leaders expressed their disappointment that David Dickinson felt unable to continue as Deputy Mayor.

Councillor Paul Leadbetter nominated Councillor Doreen Dickinson as Deputy Mayor for the remainder of 2015/15 and this was seconded by Councillor John Dalton. Councillors Alistair Bradley and Ralph Snape also gave their support to the nomination.

RESOLVED – that Councillor Doreen Dickinson be elected to the role of Deputy Mayor for the remainder of the 2015/16 Council year.

Councillor Doreen Dickinson, Deputy Mayor, received her badge of office and signed the declaration of acceptance of office. She thanked all present for her election to the role and introduced her son, Peter Vickers, as her Deputy Consort.

15.C.269 Mayoral Announcements

The Mayor thanked those who had attended the Macmillan Coffee Morning earlier in the day and also those who had supported her recent Charity Golf Day and Charity Lunch at Camerons.

Forthcoming charity events included Soul Nights in the Lancastrian in October and December plus a Black and White themed Charity Ball in February at Shaw Hill Golf and Hotel Spa.

The Mayor also reported that this was the last Council meeting before Remembrance Sunday on 8 November and she invited Members to join the parade from the Town Hall which would be followed by a Church service at St Laurence's and a service at the Cenotaph in Astley Park.

15.C.270 Public Questions

There were no public questions for consideration.

15.C.271 Planning Policy for Traveller Sites - August 2015

Councillor Alistair Bradley, Leader of the Council presented a report on Planning Policy for Traveller Sites. This item had been deferred at the last meeting of the Council in July, pending the receipt of further guidance from Central Government and the impact this could have on the Council's position.

Since then, revised guidance had been issued by the Government and the report set out its main changes; the potential implications for the GTAA; and the further progression of the Central Lancashire Gypsy, Traveller and Travelling Showpeople Local Plan.

The Leader reported that the Council needed time to study the guidance in detail and ascertain the direct implications for Chorley and the GTAA. A new definition of gypsy and traveller gave a degree of uncertainty to the current GTAA and an issues and options paper was being drafted. In response to a question from Councillor Paul Leadbetter, the Leader indicated that there was now no immediate pressure on timescale following the issue of the new national guidance. The Council did need to have a plan but the timescale was likely to be extended for another two years.

Councillor Alistair Bradley, Leader of the Council proposed, Councillor Paul Walmsley, Executive Member for Public Protection seconded and it was:

RESOLVED – that Members endorse officer advice to seek further expert and legal advice on the implications of the new guidance on the assessment of the Gypsy, Traveller and Travelling Showpeople's housing needs in the Central Lancashire area and the progression of the Traveller Local Plan.

15.C.272   **Executive Cabinet**

Members considered a general report of a meeting of the Executive Cabinet held on 27 August 2015.

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

15.C.273   **Revenue and Capital Budget Monitoring 2015/16 Report 1 (End of June 2015)**

Members considered a report of the Chief Executive on 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. The report had been agreed at Executive Cabinet in August but a number of the recommendations required Council approval.

The projected revenue outturn currently showed a forecast underspend of £444,000 against the budget, including savings made in Market Walk financing costs. The report sought approval to the use of the forecasted underspend for service improvements and also a contribution to general balances.

In response to a question from Councillor Paul Leadbetter, on the use of underspend on the NEETs programme, being utilised in the youth sector, Councillor Wilson said it was a question of re-profiling spending to meet current needs.

Councillor Peter Wilson, Executive Member for Resources proposed, Councillor Alistair Bradley, Executive Leader seconded and it was

RESOLVED – that

1. **Approval be given to £100,000 from in-year revenue underspends being set aside to fund one-off capital payments to secure recurrent revenue savings on ICT contracts.**

2. **Approval be given to the use of £39,000 held in reserves for the former NEETs programme to invest in the Town Centre Grants Programme and a further sum of £61,000 be funded from in-year savings.**

3. **Approval be given to the use of £36,000 from in-year revenue underspends for capital investment in Christmas lighting for the town centre and Market Walk.**

4. **Approval be given to the Single Front Office Apprenticeships scheme at an estimated cost of £56,000 for two years, and that the unspent budget at 2015/16 year-end be carried forward in an earmarked reserve; and**

5. **Approval be given to the proposed additions and re-profiling of the Capital Programme to better reflect delivery in 2015/16. This requires £166,000 revenue financing of the CCTV Programme to be brought forward from 2016/17 and 2017/18, to be financed from a reserve earmarked for capital financing. In addition the budget for revenue financing of CCTV should be increased by £85,000, to be met from the forecast underspend.**

15.C.274 Overview and Scrutiny Committee and Task and Finish Groups

Members considered a general report of a meeting of the Overview and Scrutiny Committee held on 16 July including an update on the Scrutiny Task Group reviewing the Single Front Office project.

Councillor John Walker, Chair of the Committee proposed, Councillor Hasina Khan, Vice Chair seconded and it was **RESOLVED – that the report be noted.**

15.C.275 Amendment to the Scheme of Delegation for Licensing

The Director of Public Protection, Streetscene and Community submitted a report seeking Council approval to a decision of the Licensing and Public Safety Committee to revise the scheme of delegation within the Council's Constitution to allow officer authority to refuse both hackney carriage and private hire vehicle renewals and also to refuse new applications for vehicle licences where appropriate standards have not been met. This would be undertaken in consultation with the Chair or Vice Chair of the Committee.

The cut off point for the receipt of applications to renew vehicle licences was also proposed and further delegation relating to the revocation of gaming premises and gaming machine permits.

Councillor Roy Lees, Chair of the Licensing and Public Safety Committee proposed and Councillor Anthony Gee, Vice Chair seconded it and it was **RESOLVED –**

1. **That the Council authorises the Head of Governance and Property Services to amend the current scheme of delegation contained in the Constitution to allow the Director of Public Protection, Streetscene and Community to make the decision to refuse private hire and hackney carriage vehicle renewals and to refuse to grant applications for new licences in consultation with the Chair or Vice Chair of Licensing and Public Safety Committee. Refusal by delegated authority would be used where the applicant has failed to meet all the application requirements, such as the vehicle not meeting the Council's vehicle conditions or failure of the taxi test or another aspect of the application is incomplete.**

2.   That the cut-off point for receipt of an application to renew a taxi vehicle licence will be at close of business on the date that the licence expires.

3.   That the Council authorises the Head of Governance and Property Services to amend the Council's Scheme of Delegation to allow officers to revoke a Gambling Premises Licence and cancel licensed premises gaming machine permits issued under the Gambling Act 2005 in respect of the non-payment of an annual fee.

15.C.276 Questions Asked under Council Procedure Rule 8

There were no questions received under Procedure Rule 8.

15.C.277 To consider the Notices of Motion given in accordance with Council procedure Rule 10

There were no notices of motion received under Procedure Rule 10.

15.C.278 Market Walk Extension

The Mayor announced that the item on the Market Walk Extension would be discussed initially in the public part of the meeting, including an opportunity for any members of the public to ask questions. The press and public would then be excluded to allow wider discussion by Members, at which point any decisions on this matter would be taken.

Councillor Alistair Bradley presented a proposal drawn up with the Market Walk Steering Group to develop seven new retail and leisure units on the Flat Iron as an extension to Market Walk shopping centre. The proposal was subject to planning approval and would cost an estimated £12.9m.

The report contained the background leading to the current proposal for development and this included:
- the key objectives of the Council in purchasing Market Walk in 2013;
- the findings of the town centre masterplan and a number of consultation exercises which demonstrated a high level of support for the proposals with clear demand for a wider range of shops, restaurants and leisure facilities in the town centre;
- a feasibility study undertaken by Deloitte in 2014 with options for extending Market Walk;
- changes from the earlier planning application submitted in April 2015 which including new proposals for car parking behind Oak House and adjacent to Gala Bingo; a new Shopmobility base on Fleet St car park; an alternative location for the Flat Iron market; and the relocation of the PALS memorial being no longer a requirement.

The Council was working with Mason Partners and Lambert Smith to secure lettings for the new units with a proposal that 65% of the development should have pre-let agreements before the work is started.

In terms of the procurement of construction services it was proposed that the Council should use the Property Regeneration Partnership to procure a main contractor for the construction work with proposals included in the report for phasing the work.

The report included detailed proposals for delivering additional car parking in the town centre including any necessary land acquisition. No development work would start on the Flat Iron until additional car parking had been delivered. Councillor Bradley indicated that in undertaking consultation, Booths supermarket had raised objections, particularly around the loss of car parking.

Councillor Ralph Snape expressed his support for the project in principle but wanted to be sure that adequate investigation of the ground conditions had been undertaken in the area covered by the development. Councillor Bradley assured him that site investigation work had been undertaken and that the project would be fully indemnified.

The Mayor indicated that as there were no questions form the public present, then discussion on this item would continue after the exclusion of press and public.

15.C.279 Exclusion of the Public and Press

Councillor Alistair Bradley, Executive Leader proposed, Councillor Peter Wilson, Executive Member for Resources seconded and it was **RESOLVED – that the press and public be excluded from the meeting for the following item of business on the grounds that it involves the disclosure of exempt information as defined by paragraph 3 of Part 1 of schedule 12A to the Local Government Act.**

15.C.280 Market Walk Extension

Councillor Alistair Bradley, Executive Leader introduced a second report on Market Walk which included a detailed analysis of the financial implications of the proposed development both in terms of financing the development costs of the project and the likely revenue from rental income and business rates. Also included was a breakdown of funding for associated public realm works.

The report further contained commercial information on interest from major retailers, restaurant and leisure providers in being part of the new development in Chorley town centre.

Councillor Paul Leadbetter, Leader of the Opposition, accepted that the town centre was thriving and that additional investment was needed but expressed concern about the level of debt the Council would need to support in undertaking the development; also the loss of car parking and the potential impact in car parking revenue; and the impact on existing traders in the town.

Councillor Peter Wilson, Executive Member for Resources stated that detailed risk assessments had been undertaken and the risks would be well managed. The development would only commence once 65% of the units had pre-let contracts in place. As with the purchase of Market Walk, the Council would look at different ways of borrowing and the most preferential interest rates to minimise the impact of the debt.

Councillor Greg Morgan thought that the procurement route being recommended for the construction work would not necessarily be the most competitive.

Councillor Martin Boardman indicated support for the type of development being proposed but raised a number of concerns, namely:

- that the town centre masterplan did not mention the development of the Flat Iron with large units and questioned the choice of site. In response the Leader said it was about utilising land already in the Council's ownership.
- a query about reducing the scale of the development by having just one flagship retailer to bring in others. The Leader said the aim was to bring in retail, restaurant and leisure outlets to complement the existing town centre offer.
- Concerns that the contemporary design of the new development may not blend in with the existing Market Walk shopping centre. The Leader welcomed views on the design aspects which had been subject to significant change and he welcomed any further comments.

Councillor Eric Bell commented that the Flat Iron market was a true asset for the town and that this proposal had too great an impact on that asset.

Councillor Danny Gee spoke in favour of the development and the Council's proactive approach to investing in the town centre.

In concluding comments from the opposition, Councillor Paul Leadbetter indicated that there had been good debate and whilst his Group were supportive they were proposing an amendment to the recommendations in the report and this was seconded by Councillor Greg Morgan, as follows:

Amendment
- **Revised 2b) Pre-let contract agreements being signed for 65% or more of the new units including all three of the units 1, 2 and 3, Plus additional points as follows**

- **2d) Before work commences, the contract with the prime contractor is to be based on a Firm Fixed Price Contract (Traditional Form of Contract) to minimise the risk of cost escalation to the Council. This will require some effort in defining the scheme in some detail before work commences, it will however reduce the risk to the Council of future overspend.**

- **2e) Contractual break clauses, if they are to exist, are not to be within the time period over which any incentive fee would be paid through rental income, to ensure incentive payments are recovered from the tenant.**

- **2f) Production of a revised Town Centre Masterplan detailing how this development contributes to the overall strategic direction and vision for the Town Centre.**

- **2g) Production of a detailed Car Parking Masterplan, strategically linked to the Town Centre development and Masterplan, detailing the location of the proposed car parks, their connectivity, how those using the Town Centre will be encouraged to change their parking habits and the marketing required, in each case.**

Following further discussion on the recommendations contained in the report, Councillor Alistair Bradley, Executive Leader proposed, Councillor Peter Wilson, Executive Member for Resources seconded and it was unanimously

RESOLVED - that subject to:

a)   **Planning approval (due be determined at Development Control Committee on 29th September 2015);**

b)   **Pre-let contract agreements being signed for 75% or more of the new units; and**

c)   **The conclusion of any planning or legal challenges in favour of the scheme;**

Members agree to:

1. **Proceed with the development of a new retail and leisure extension to Market Walk, delivery of associated highways improvements and public realm works, at a cost of up to £12.9m excluding VAT.**

2.   **Use the Lancashire Regeneration Property Partnerships as the procurement route for the main contractor to develop the Market Walk extension.**

3.   **The future appropriation of the Council owned development land identified within the planning application for planning purposes (retail) with delegated power to the Head of Governance and Property Services to authorise the appropriation at the opportune time once the area is no longer required for car parking.**

4. **Authorise the use of the statutory process under section 237 of the Town and Country Planning Act 1990 in the event a negotiated settlement with AXA/ Booths cannot be reached.**

Members require that:

5. **Prior to the appointment of any contractor the proposed terms and form of the contract be brought to the General Purposes Committee of the Council for notification and consideration.**

6.   **Leases should seek to ensure that any tenant break clause cannot operate prior to the effective repayment through rental income of the incentive paid to that tenant. In the event of a departure from this requirement the proposed lease terms should be brought to the General Purposes Committee of the Council with an explanation for the departure, for notification and consideration.**

7. **The Council prepare an updated Town Centre Masterplan incorporating how the development specifically contributes to the Council's strategic direction and vision for Chorley Town Centre.**

8. **The Council prepare a detailed Car Parking Masterplan, strategically linked to Town Centre development and Masterplan, detailing the location**

of the proposed car parks, their connectivity, how those using the Town Centre will be encouraged to change their parking habits and the marketing required, in each case.

The press and public were eligible to join the meeting again at this point.

15.C.281 Any urgent business previously agreed with the Mayor

The Mayor announced that she had agreed to two items of urgent business

1. Council Appointments

There was a request for a change to a Council appointment which was to add the Executive Member for Public Protection to the membership of the Licensing Liaison Committee, in addition to the Chair and Vice Chair of the Licensing and Public Safety Committee.

Councillor Alistair Bradley, Executive Leader proposed, Councillor Peter Wilson, Executive Member for Resources seconded and it was **RESOLVED – that the Executive Member for Public Protection be also appointed to the membership of the Licensing Liaison Committee, in addition to the Chair and Vice Chair of the Licensing and Public Safety Committee.**

2. Councillor Mike Handley – Euxton North Ward

The Mayor announced that Councillor Mike Handley had now been absent from meetings of the Council due to ill health for a period of 6 months. As he had not sought an extension to this period of time from the Council, under Section 85 of the Local Government Act, he was now no longer a serving Elected Member of Chorley Council.

As a result, a by-election would be called in the Euxton North ward of the Borough to fill the vacant Council seat.

The Mayor expressed her best wishes to Mike Handley for his recovery to better health.

Mayor   Date

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Chorley Council

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources, Policy and Performance)	Full Council	24 November 2015

CORPORATE STRATEGY 2015/16 TO 2017/18

PURPOSE OF REPORT

1.   To seek approval for the refresh of the Corporate Strategy 2015/16 to 2017/18.

RECOMMENDATION(S)

2.   That the Corporate Strategy 2015/16 to 2017/18 be approved.

EXECUTIVE SUMMARY OF REPORT

3.   The report provides a summary of the performance of the Corporate Strategy in 2014/15 and the changes proposed as part of the Corporate Strategy refresh for 2015/16.

4.   Performance of the Corporate Strategy in 2014/15 is strong. A number of substantially large projects have been progressed over the last year which have and continue to have a significant and sustained impact on the council's key priorities.

5.   The projects have performed well delivering tangible benefits for residents across the borough. Visible improvements have been delivered in the town centre through the improvements to Market Street and across the borough through the development of flagship play spaces in Astley Park and Rangletts Recreation Ground. The first Chorley Flower Show took place attracting significant visitor numbers to Chorley as well as the development of existing events such as Chorley Live, What's Your Story Chorley and the recent bonfire. A number of large schemes have been progressed with planning permission and Council approval granted for a scheme to extend Market Walk, completion of a business case for the Extra Care Scheme and investigation of future business models for public services in Chorley. More people have been encouraged to go online through work to support digital access and a refresh of the council's website to improve functionality and increase customer interaction.

6.   The Corporate Strategy in its current format has now been in place for 3 years and a refresh has been undertaken to ensure that it remains relevant given the current context and challenges for public services. In line with work to review the role and purpose of the council, the vision will be refreshed to reflect a shift in emphasis towards the council as a community leader, working in partnership with local communities and other public service providers. The current priorities and long term outcomes will be retained based on the findings of the recent resident satisfaction survey which demonstrate high levels of satisfaction with the way the council runs things.   A new look and feel has also been introduced.

7.   The refreshed Corporate Strategy includes 16 projects with a focus on delivering some of the large scale ambitious schemes developed over the last 12 months that will have a significant impact on local provision. In addition, a number of new projects have been identified to support key priorities and deliver improvements across all areas of the borough.

8.   The performance measures which help us to know how we are getting better have also been reviewed and updated. Targets have been amended so that they remain challenging in the light of positive performance, particularly in relation to the recent resident satisfaction survey.

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

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

Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	**4, Significant impact in environmental, social or physical terms in two or more wards**

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

9.   The Corporate Strategy is the main document within the council's corporate business planning process and is a key driver for delivering the council's long-term vision, priorities, strategic outcomes and targets. To ensure the document remains relevant, the Corporate Strategy is reviewed and refreshed on an annual basis and where appropriate changes are recommended, including the introduction of new key projects to support delivery of the strategy and deliver real improvements for the community we serve.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.   None.

CORPORATE PRIORITIES

11.   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

12.   The Corporate Strategy provides a clear statement of what the council aims to achieve over the next three years. The strategy sets out not only the council's vision, priorities, and long term outcomes for the period 2015/16 to 2017/18 but also how we will measure our achievements and the key projects to be delivered over the year ahead. The Corporate Strategy identifies the following key priorities:

13.

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

PERFORMANCE OF THE CORPORATE STRATEGY IN 2014/15

14.   A full review of the performance of the Corporate Strategy (including measures) has been completed and overall performance of the Corporate Strategy in 2014/15 has been very good.

15. The council has demonstrated its commitment to economic development with the delivery of visible improvements to the town centre, as well as achieving planning permission and council approval for a scheme to extend the Market Walk shopping mall. Through a number of campaigns and events including the successful first Chorley Flower Show in Astley Park on the 1st and 2nd August 2015, as well as the planned launch of a tourism based website, visitors have and will continue to be encouraged to come to Chorley, contributing to a strong local economy. Improvements to local neighbourhood areas and parks and open spaces have seen an allotment site, footpath works, a lighting scheme and a MUGA ball court at Rangletts recreation ground, with a new skate park nearing completion, as well as the installation of a new destination play area in Astley Park. The Chorley council website was refreshed to improve the functionality for users and increase digital customer interaction; this has contributed to a significant decrease in the number of customers dissatisfied with the service they have received from the council.

16. The Corporate Strategy for 2014/15 initiated a number of significant, large budget projects to be delivered over multiple years. Performance is strong with ten projects (56%) to progress to the next stages of delivery as part of the refresh of the 2015/16 Corporate Strategy; these are the

    a. Community Action Plans,
    b. Friday Street Health Centre,
    c. The Extra Care Scheme,
    d. Provision of improved CCTV,
    e. Improvements to Market Street,
    f. Increasing visitor numbers to Chorley,
    g. The Market Walk Extension,
    h. The Chorley Public Service Reform Board Work plan,
    i. The review of Public Services, and
    j. The Chorley Youth Zone.

17. Five projects (28%) have been completed or are on track to deliver outcomes by the end of April 2016; these are:
    a. Alternative ways of Providing Home Ownership,
    b. Chorley Flower Show,
    c. Astley Park Destination Play Area,
    d. Rangletts Recreation Ground and
    e. Improve Functionality of Digital Services.

18. Three projects (16%) are programmes of work with delivery scheduled over a number of years and will continue to be delivered and monitored through the delivery of the organisational plan.
    a. the Working Together with Families Employment Scheme;
    b. Digital Access and Inclusion and
    c. Progress Key Employment sites (The Botany Bay element of the project to Progress Key Employment Sites will be taken forward as a project within the 2015/16 Corporate Strategy).

19. The projects that are yet to be completed have identified clear timescales for delivery and will continue to be monitored through to their completion alongside the new Corporate Strategy projects, and reported through quarterly monitoring reports. A full list of projects along with a current position statement is available in appendix A.

20. The strategy also included 31 key measures to make it possible to monitor progress towards achieving the priorities and long term outcomes. The measures were selected to demonstrate the ambitions of the council and aim to target areas of underperformance. At quarter two 90% of these indicators are performing above target or within the 5% tolerance. Further details are available in the quarter 2 monitoring report which was presented to Executive Cabinet in November.

DEVELOPMENT OF THE CORPORATE STRATEGY 2015/16 – 2017/17

Vision and priorities

21. The current priorities have now been in place for three years since their approval in 2012/13 during which time, significant progress has been achieved towards delivering outcomes in each of these areas

22. The priorities and long term outcomes identified on approval of the Corporate Strategy have been retained for 2015/16 to reflect a continued commitment to the priorities under which the administration were elected, ensuring the long term impact of strategic activity and investment.

23. The recent resident satisfaction survey provides assurance that these continue to be the key priorities for improvement, with findings showing an increase in the number of residents satisfied with the way the council runs things compared to 2013, from 73.2% to 77%.This is further reinforced by a substantial 11% increase in the number of residents who feel that the council provides value for money.

24. The vision for the council has been amended to reflect the future challenges facing public services and the need to work differently to ensure the best outcomes for the people of Chorley.   The vision recognises the changing role of the council and the need to demonstrate leadership in delivering positive outcomes.

    The vision:

    'A proactive community leader, supporting the borough and all its residents to reach their full potential through working in partnership to deliver services that achieve the best outcomes and protect vulnerable people.'

Projects

25. The refreshed Corporate Strategy includes 16 projects with a focus on delivering some of the large scale ambitious schemes developed over the last 12 months that will have a significant impact on local provision; this includes the Market Walk Extension, delivery of the Extra Care Scheme and Youth Zone. In addition, a number of new projects have been identified to support key priorities and deliver improvements across all areas of the borough.

26. Economic development will remain a top priority with proposed projects to deliver improvements in the town centre and across the wider borough through the Botany Master Plan, work to develop a skills framework and increase connectivity of rural areas. This will be further supplemented by additional activity to highlight Chorley as a great place to live, work and invest with a specific project to deliver initiatives to attract more visitors to the borough.

27. Given the challenges ahead for public services, project activity will also focus on addressing future organisational sustainability and embedding the role of the Council as a community leader. This is being considered directly through the project to review and implement governance models and also the progression of work streams within the Chorley Public Service Reform Strategy which support a radical approach to working in new and different ways with our partners.

28. A key ambition reflected in the new vision for the Corporate Strategy is to work differently with our communities by taking an intelligence-led approach to understanding the needs of local residents. This will be a cross cutting theme for all project activity, particularly the implementation of Community Action Plans. Residents will be supported to take an active part

in delivery to ensure sustained improvement and initiatives such as time credits will continue to be at the forefront of driving this approach.

29. An important consideration in developing the projects has been ensuring that all areas of the borough will see a positive impact through the delivery of the projects. The aim is not to specifically focus on either the town centre or rural communities, but to ensure that wherever possible, all projects have the potential to have a positive impact on any community within the borough. Projects which support this aim include the delivery of Community Action Plans; Develop Chorley's town and rural tourism economy; Increase connectivity of rural areas and; Delivery of improved CCTV provision.

30. A copy of the refreshed Corporate Strategy is attached as appendix B. It should be noted that the projects will be delivered within existing resources where possible, however the scope and scale of some will be determined based on the availability of additional funding. Any proposals for additional budget investment will be presented to full council as part of the budget setting process in March 2016.

31. The key proposed projects and an overview of what they will deliver is shown below:

Involving residents in improving their local area and equality of access for all		
1	**Develop a new Buckshaw Community Centre** **(NEW)**	This project will progress the design and build of a new community centre for Buckshaw Village to be sited on Ordnance Road. Work is expected to commence in early 2016 with completion and opening of the facility by December 2016. Once complete it will be the Council's intention to transfer the management of this facility into a community management arrangement, as per the Council's policy.
2	**Delivery of Community Action Plans**	Community Action Plans (CAP) have now been developed for each of the Community Action Plan areas; Chorley East, Clayton Brook, Astley and rural. This project will support the delivery of the plans, working with partners to deliver intelligence based activity to improve outcomes for the local area. The level and type of activity will vary depending on local needs but may include initiatives to support access to employment, community cohesiveness or environmental improvements. The plans should be delivered in partnership with other organisations (statutory and third sector) and community members to create local capacity, ensuring sustained benefits.
3	**Deliver the Westway integrated sports offer** **(NEW)**	This project will explore options to enhance sport and recreational facilities in the WestWay area. This will include assessment of existing provision and potential for further development to support all members of the community.
4	**Increase connectivity with rural areas** **(NEW)**	This project will support the delivery of activity to ensure that rural areas are connected to wider activity across the borough focusing on digital and physical accessibility (transport). It will also give consideration to future initiatives and developments (such as the Youth Zone) to ensure that all communities are able to access provision and facilities.

A strong local economy		
1	**Deliver the Market Walk Extension**	Following agreement to the continuation of Market Walk Extension project and successful planning application, the project will now be taken forward to include: • building the extension • relocating the flat iron market • creating new car parks • relocating shop mobility The build is expected to take approximately 12 months therefore the aim would be to have the development ready for opening for Easter 2017.
2	**Develop a Botany Masterplan (NEW)**	The Botany Masterplan is one site within a wider piece of work to bring forward key employment sites to promote inward investment and provide a mix of employment opportunities. Work will start in September/October 2015 drawing up a masterplan for the site in consultation with residents and businesses, with an aim to complete the plans by January 2016. The site has potential for retail, leisure, employment and housing and could also open up access to the canal and create a waterfront development. The authority will be working closely with four of the landowners who have put themselves forward to be part of a reference group in order to make sure that the masterplan is deliverable. The masterplan will establish key design principles, which will be used to determine future planning applications.
3	**Town Centre Public Realm Improvements (NEW)**	This project will undertake public realm improvements in line with the town centre masterplan and Market Walk Extension.
4	**Develop Chorley's town and rural tourism economy (NEW)**	This is a continuation and extension of the existing project and tourism campaign which aims to deliver bigger and better events, promote Chorley's assets and visitor attractions locally and wider within the region and to attract more people into the borough for short visits.

Clean, safe and healthy communities		
1	**Deliver Improvements to the Astley Walled Garden (NEW)**	The improvements to the Walled Garden in Astley Park were approved in September 2015 with plans to install a Green Stage and a Glass House within the walls of the Walled Garden. The Green Stage will be a dedicated space for small outdoor concerts and theatrical productions, and the Glass House will enhance the visitor offer, supporting the work of the Astley Walled Gardeners in order to provide more opportunities for visitors to get involved with the experience of growing food and plants.

2	**Deliver improved CCTV provision**	In August 2015 Executive Member approval was granted to upgrade CCTV equipment including servicing and maintenance. This is a three year fixed term contract to upgrade the councils CCTV infrastructure, while providing equipment servicing and maintenance service. This project will deliver the new CCTV infrastructure with completion anticipated within an 18 month period (April 2017) with the contract to include maintenance and support.
3	**Progress the delivery of Friday Street Health Centre**	The Council will continue to facilitate the development of the Friday Street Health Centre. The commissioning of a feasibility study has been completed during 2015, as have the health impact assessments on the centre. Further actions in 2015/16 will include: establishing funding arrangements, impact assessments to agree the services that the centre will provide and progression towards a full planning application.
4	**Deliver the Extra Care Scheme**	Following the initial project in 2015/2016 to establish a business case, model and design an extra care scheme in Chorley, this follow on project will look to deliver this purpose built housing scheme for the over 55's with community facilities and flexible 24hr domiciliary care while promoting independence and social integration for the residents. On completion this facility will provide the area with increased housing provision supporting outcomes from the Lancashire Extra Care & Specialised Housing Strategy and the Chorley Town Centre Masterplan. It will also become a long-term asset for the council, reducing costs to social care budgets, meeting health and wellbeing outcomes while providing long term revenue income for the council.

An ambitious council that does more to meet the needs of residents and the local area		
1	**Reform public services in Chorley**	The three year programme supports delivery of the Chorley Public Service Reform Strategy which aims to integrate and reconfigure public services in Chorley to provide the best outcomes for residents. The Public Service Reform Implementation Group will deliver two work streams: data, intelligence and sharing; and integrated locality working which will develop a new model for partnership delivery in Chorley. The Chorley Public Service Reform Executive will deliver work streams linked to partnership oversight, systems leadership, and culture and values. The completion of the above work streams will position the partnership to progress the development of integrated provider partnerships and ultimately integrated commissioning.
2	**Progress delivery of the Chorley Youth Zone**	This project is now in its second year. Work completed to date includes specifying what facilities, services and partners will operate from the Youth Zone, and this year's focus has been on the location of the Youth Zone, exploring alternative sites and different delivery models with partners. The operation of the Chorley Youth Zone will be undertaken by a new charitable organisation, Chorley Youth Zone Charitable Trust. The Trust would involve Chorley Council, Lancashire County Council, Onside Youth Zones and The Arts Partnership. The Youth Zone will be leased to the Trust, by Chorley Council, on a long term basis.

		Planning permission for the delivery of the facility is expected to be presented in November 2015 with building work to commence in April 2016. It is envisaged that there will be an 18 month building project completing in September 2017.
3	**Review the way the Council operates and implement changes**	This project will develop the council's transformation strategy to ensure it is best placed to meet future financial and organisational challenges, including effective leadership and governance structures.
4	**Develop a skills framework (NEW)**	A review will be undertaken to understand gaps in skills provision within Chorley. This will support the development of a skills framework to outline how these gaps will be addressed which may include working with local school to promote and encourage education and career choices.

MEASURING PROGRESS

27. The strategy includes 32 performance measures that will be measured and reported against in order to demonstrate success against achieving the priorities and long term outcomes. All of the measures have been reviewed and updated to ensure that they remain challenging to reflect council ambition. No indicators have been removed and one new measure has been included to supplement monitoring of volunteering, this is the % increase in the number of volunteering hours earned.

28. Targets have been amended for 17 measures and the definition for one measure has been amended which is the number of Super Output Areas in the bottom 10% nationally. The proposed changes to the measures are either because the targets were being easily achieved or the factors determining performance have changed. This applies to a number of indicators measured through the resident satisfaction survey.

29. The measures which are subject to change are set out in the table below with full list of final indicators to support the monitoring of the 2015 Corporate Strategy included at Appendix B:

Indicator Name	Current Target Value	Current Performance Value	Proposed new target	Comment
Involving residents in improving their local area and equality of access for all				
NEW INDICATOR % increase in the number of volunteering hours earned	5400 (Actual year to date at Sept 15) Annual target 10,800 (Actual)	9164 (Actual Sept 15)	**35%**	New indicator to supplement existing volunteering measurements for % increase based on actual performance at 2014/15
% of people who feel they cannot influence decision making in their local area	50%	26%	**25%**	Measured using the 2015 resident's survey. Previous performance 31% in (2013)

Indicator Name	Current Target Value	Current Performance Value	Proposed new target	Comment
The number of SOA's in the worst 20% to be amended to – The number SOA's in the worst 10%	8	8 (2015)	**3**	The Indices of Multiple Deprivation for 2015 shows Chorley now has 8 LSOA's in the bottom 20% for multiple deprivation, with only 4 of these in the bottom 10%, compared with 10 and 6 respectively in 2010. The definition will be amended to number of areas in the worst 10% with a target of 3 given that future activity is likely to have the biggest impact on these areas.
% increase in digital access points for residents across the borough	Base line	9	**40% increase**	A 40% increase would equate to 4 additional access points.
A strong local economy				
Town Centre Visits	37,500	31,037 Annual Indicator Reported 31/03/2015	**32,588**	Current performance is an increase on the previous year's value 29,846 in March 2014. While footfall should increase in the long term given the Market Walk development, it is unlikely to reach target level given construction activity in the short term. Target reduced for the next year to outturn plus 5% as a more realistic aim.
Number of projected jobs created through targeted interventions	Q2 Target 50 Annual Target 100	Quarter 2 2015/2016 91	**128**	Target amended to reflect positive performance
% of working age people on out of work benefits	9.6%	8.3% Annual Indicator Reported 31/03/2015	**9.0%**	Annual measurement demonstrating positive performance and target amended accordingly
% increase in visitor numbers	Base line	Annual Measurement available in Q2 2014/2015 0.8%	**2%**	Based on the annual STEAM Tourism Economic Impact Annual Report for Chorley produced by Marketing Lancashire. A 2% increase equates to 69,780.
Clean, safe and healthy communities				
Satisfaction with street cleanliness	65%	71%	**70%**	Measured using the resident's survey and target amended to reflect recent performance
Number of young people taking part in 'Get Up and Go' activities	Q2 target is 7,500. Annual target is 15,000	15,282 (Q2 2015)	**20,000**	Target amended to reflect positive performance
% of population satisfied with parks and open spaces	75%	80%	**80%**	Target amended to reflect positive performance
Number of affordable homes delivered	Q2 target of 250 3 year target of 300	347 (Q2 2015)	**2 year target of 200 for 2016/18**	This target is the 3rd year of a three year target. New 2 year target of 200 for 2016/2018 based on forecasts and taking account of the introduction of "Starter Homes" and the current

Indicator Name	Current Target Value	Current Performance Value	Proposed new target	Comment
				uncertainty of suitable sites.
Number of Homelessness Preventions and Reliefs	50 (target of 200 per annum)	(Q1 2015) 192 (Q2 2015) 363	**600**	The more residents helped to access accommodation the better. 701 interventions delivered in 2013/2014 and 810 in 2014/2015 against a target of 200.
Number of long term empty properties in the borough	195	(Q1 2015) 202 (Q2 2015) 182	**190**	Performance is positive and showing improvement although it can take time to bring properties back into use; investigating ownership is timely and enforcement can take up to 3 years. The target may only be impacted by a small number of properties during 12 month and has been amended accordingly.
An ambitious council that does more to meet the needs of residents and the local area				
% residents satisfied with the way the council runs things	65%	77%	**70%**	Measured using the resident's survey. Target amended to 70% given strong performance but taking into account future challenges that may impact on resident satisfaction.
% residents who feel that Chorley Council provide value for money	55%	60%	**60%**	Measured using the resident's survey and target amended to reflect positive performance.
% of service requests received online	Baseline	(Q1 2015) 13.34% (Q2 2015) 14.72%	**18%**	Measure to be monitored on a quarterly basis delivering robust data to provide an indication of any customer shifts in service requests from face to face options to contacts received online.

IMPLICATIONS OF REPORT

30. 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

31. The report sets out the administration's proposals for future years. In terms of resourcing, many of the projects will be delivered using existing resources, any additional resourcing requirements will be addressed during the 2016/17 budget process and adjustments made to the projects as required.

COMMENTS OF THE MONITORING OFFICER

32. No comments

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

33. An Integrated Impact Assessment has been undertaken on the overall Corporate Strategy, and individual impact assessments will be completed for each key project. The strategy itself

includes a number of projects and long term outcomes that focus on improving outcomes and ease of access to services, which will particularly help people with protected characteristics.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Victoria Willett	5248	November 2015	Corporate Strategy Council Report

Appendix A – 2014/15 Corporate Strategy projects position statement

Project	Position
Digital access and inclusion	Supported digital sessions have taken place with 56 individuals attending sessions across the borough to date and more planned. Agreement has been reached to fund a Digital Inclusion Officer (18 hours) to support the project going forwards. There are currently 9 digital access points in the borough, and one strand of the project is designed to increase the number available. This project will continue into 2016/17 as an organisational plan project.
Development and Delivery of Community Action Plans	Lead officers and Members have been assigned to each of the four CAP areas and draft plans have been prepared for each priority area based on local intelligence. Delivery of the plans will be taken forward as part of 2015 Corporate Strategy project.
Implement a Working Together with Families Employment Scheme	In autumn 2014, approximately 140 families in Chorley had been identified as meeting the worklessness criteria. The scheme's soft launch took place in August 2015. There have been Initial delays in WTWF phase two gaining formal approval at county level. Currently no referrals received from LCC. Interim measures are in place locally via an informal arrangement with Integrated Action Team and other partners to establish referrals. Lead professional currently working with two families with a target of 14 families for 2015/2016. Project due to complete by 31/08/2016.
Chorley Flower Show	Project Completed - The successful inaugural show attracted 10,000 people establishing the event within Chorley with plans to make it an annual event.
Destination Play Area Astley Park	Project Completed - The new destination play area has been delivered within Astley Park. An attractive development which provides further play provision and increases the range of equipment available for all age groups. It enhances the current facilities in the park, supports the publics satisfaction with parks and open spaces while attracting increased numbers of people to both the park and to Astley Hall.
Deliver Improvements to Rangletts Recreation Ground	This project is due to complete by 30/11/2015. Completed development areas include the Allotment site, footpath works, lighting scheme and MUGA Ball Court. Play Area is near completion with the last phase of works ongoing to finalise the new BMX/Skate Park.
Develop and Agree Plans for Delivery of the Friday Street Health Centre	Project team meetings and project board meetings are in place. Discussions taking place with NHS to establish funding process are ongoing with a decision expected in November. Project to go forward as a 2015 Corporate Strategy project.
Establish a business case and model for an Extra Care scheme including Land Assembly	Business case is complete and four options produced by the commissioned architects. A HCA bid for £2,868,750 was submitted on 29/5/15, and is awaiting a response. Delivery of the Extra Care Scheme is to be taken forward through 2015 Corporate Strategy Project.
Explore Alternative Ways of Providing Home Ownership	Due to complete by 31/03/2016. Alternative models have been investigated and report has been produced. The preferred option the "Gentoo Genie" model has been identified as an affordable option for the borough. Model uses Home Purchase Plans to purchase shares on the property owned by Gentoo. Affordable Housing SPD currently being redrafted to allow other intermediate tenures, such as Genie.
Delivery of an Improved CCTV Provision	Procurement has been undertaken and contract awarded. Works include the control room refit and a review and upgrade of control zones and cameras. It is anticipated that the full infrastructure will be in place within 2015 months and seen through to completion through the 2015 Corporate Strategy Project.

Deliver Improvements to Market Street	The scope of this project has been extended beyond Market Street to consider improvements to the wider town centre areas. Progress is being made on the concept design for the town centre public realm to incorporate the Market Walk extension, Youth Zone and High Street projects. Surveys and initial design work on track for completion by January 2016. This project will be carried forward in the refreshed Corporate Strategy under the new title of 'Town Centre Public Realm Improvements'.
Progress Key Employment Sites	Preparation of work packages and site scopes for key sites continuing. Botany Bay element to be taken forward as Corporate Project in 2015
Increase Visitor Numbers to Chorley	A number of successful major events have taken place this year which have been supported by detailed promotional plans and have attracted significant visitor and local attendances. A partnership has been created and is developing with Marketing Lancashire with a tourism based website is due to go live in March 2016. Work to be extended and taken forward through a 2015 Corporate Strategy project.
Progress Plans to Extend Market Walk	Plans to extend Market Walk and to develop a seven unit retail and leisure development have been approved by DC committee and Full Council in September 2015. The delivery of the extension will be carried out as a 2015 Corporate Strategy project.
Improve the Functionality of Online Services	Project is complete. The newly designed website was launched on 26/10/15. The project first developed and delivered changes to the "Do It Online" section of the website before transferring the similar icon developed design to the general homepage of the website. These developments support changing user habits towards tablets and mobile based devices while improving the customer experience and continuing to increase the use of our online channels for service requests by the public.
Investigate Future Business Models for Public Services in Chorley	A draft governance review has been completed and future options will be reported to Full Council in November. Following this, the next steps will be taken forward as part of 2015 Corporate Strategy project to review and implement governance models
Deliver the Chorley Public Service Reform Board Work Plan	Currently in year one of a three year programme. The Executive and Implementation Groups have been established and are delivering the year one work programme with year two to form part of the 2015 Corporate Strategy project to 'Integrate partner services through the Chorley Public Service Reform Partnership'.
Continue to Explore Options to Deliver the Chorley Youth Zone	The proposed location has been agreed as the site on Railway Street, where The Arts Partnership and Leigh Arms stand. A Planning application is currently being developed. Local youngsters have agreed and launched their new brand 'Inspire – Do Your Thing' as the name for the new Youth Zone. Delivery of the Youth Zone will be taken forward as a 2015 Corporate Strategy project.

Appendix B – Corporate Strategy 2015

Indicator Name	Target Value
Involving residents in improving their local area and equality of access for all	
% people satisfied with their neighbourhood as a place to live	85%
% of people who regularly participate in volunteering	25%
% increase in number of volunteering hours earned	35%
% of people who feel they cannot influence decision making in their local area	25%
The number of SOA's in the worst 10%	3
% population with NVQ level 3 or above	57%
% increase in digital access points for residents across the borough	Baseline
A strong local economy	
Town centre visits	32, 588
Median workplace earnings in the borough	£482.5 NW Average
Overall employment rate	80%
Number of projected jobs created through targeted interventions	128
Number of projected jobs created through inward investment	50
% of working age people on out of work benefits	9.0%
The % of 16-18 year olds who are not in education, employment or training (NEET)	4.80%
Growth in business rate base	2%
The number of employment sites being brought forward.	2
% increase in visitor numbers	2%
% of businesses ceasing to trade	10.05%
Clean, safe and healthy communities	
Satisfaction with street cleanliness	70%
% of the population feeling safe during the day	90%
% of the population feeling safe at night	70%
The number of visits to Council's leisure centres	1,000,000
Number of young people taking part in 'Get Up and Go' activities	20,000
% of population satisfied with parks and open spaces	80%
Number of affordable homes delivered	200 for 2 years
Number of Homelessness Preventions and Reliefs	800
Number of long term empty properties in the borough	190
An ambitious council that does more to meet the needs of residents and the local area.	
% Households living in fuel poverty	12.5%
% residents satisfied with the way the council runs things	70%
% residents who feel that Chorley Council provide value for money	60%
% of service requests received online	18%
% of customers dissatisfied with the service they have received from the council	20%

Chorley Council

Making it Happen in Chorley

Our vision:

A proactive community leader, supporting the borough and all its residents to reach their full potential through working in partnership to deliver services that achieve the best outcomes and protect vulnerable people

Corporate Strategy

Challenges
- Finance
- Changing population
- Changing legislation

Our response
- Early intervention
- Partnership Working
- Value for money

	Involving residents in improving their local area and equality of access for all	Clean, safe and healthy communities	A strong local economy	An ambitious council that does more to meet the needs of residents and the local area
Chorley will have	- Residents who take pride in where they live and their achievements - All residents are able to take an active part in their community - Easy access to high quality public services	- Clean and safe streets - Reduced health inequalities - A wide range of quality recreational activities - High quality, affordable and suitable housing - High quality play areas, parks and open spaces	- A vibrant town centre and villages - A strong and expanding business sector - Access to high quality employment and education opportunities	- A council that consults and engages with residents - An ambitious council that continually strives to improve - Cohesive communities in and around outlying areas
We will deliver	- Develop a new community centre for Buckshaw Village - Working with communities to deliver improved outcomes - Explore and deliver an integrated sports offer for the Westway area - Improve connectivity in rural areas	- Deliver improvements to the Astley Walled Garden - Deliver improved CCTV provision - Progress the delivery of Friday Street Health Centre - Deliver the Extra Care facility for Chorley	- Deliver the Market Walk Extension - Develop an economic masterplan for the Botany Bay area - Improve the look and feel of the town centre - Develop Chorley's town and rural tourism economy	- Reform public services in Chorley - Progress delivery of the Chorley Youth Zone - Review the way the Council operates and implement changes - Develop a skills framework for Chorley

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Integrated Impact Assessment

Name of the service, policy, strategy or project being assessed	Chorley Council Corporate Strategy 2015/16 – 2017/18

What does the service, policy, strategy or project do?	The Corporate Strategy provides a clear statement of what the council aims to achieve over the next three years. The Corporate Strategy sets out not only the Council's vision, priorities, and long term outcomes for the period 2015/16 to 2017/18 but also how we will measure our achievements and those key projects which will be delivered over the year ahead.

Who is it intended to benefit and how?	The strategy affects all of those living in, working in and visiting the borough.

Officer responsible for completing the assessment	Victoria Willett, Performance and Partnerships Manager

Date of Assessment	10/11/2015	Date of Review	10/12/2016

Introduction

What is an Integrated Impact Assessment?

The integrated impact assessment is a tool to ensure that any policy, project or service is assessed to consider any positive or negative impacts for Chorley residents with regards to equalities, health or sustainability. It is important that this is done in a timely manner and ideally it should precede the start of the project, policy or strategy concerned.

Why do we need to do Impact Assessments?

Chorley Council is committed as a community leader, service provider and employer that we will work to ensure that everybody is afforded equality of opportunity and good life chances.   The Impact Assessment is a tool we use to ensure that we fulfil these commitments, and thus meet our legal duties.

Quick Steps for Completion

1. There are four sections;
   - Equality – This section considers the impact on our 7 equality strands, which are; race, age, gender, sexuality, faith, disability and rurality. When completing this section, reference should be made to the Council's Equality Scheme
   - Health – the impact on potential health impacts. There is a link in the section to the current public health observatory information
   - Reputation – the impact on the Council's reputation and our ability to deliver our key priorities. Reference should be made to the Council's Corporate Strategy
   - Sustainability – the impact on environmental and sustainability issues. Reference should be to the Climate Change Strategy

   Each section has a number of questions which should be given a rating, and evidence given for why the rating has been selected.

Code	Description
P	Positive beneficial impact
N	Negative undesirable impact
U	Uncertainty over impact
NI	No specific impact/neutral impact

2. Actions – Once a rating is given, actions should be identified to mitigate any negative impacts or maximise any positive impacts of the policy/project/strategy that is being assessed.

3. Once the toolkit has been completed, changes should be made to the policy/project/service to respond to any actions identified.

Equality Impact Assessment	Yes	No	Evidence	Further action required
1. Have consultations with relevant groups, organisations or individuals indicated that this particular activity will create problems which are specific to them?		✓		The resident survey undertaken in August 2015 informs the themes and priorities within the strategy. Consultation will need to take place as appropriate on individual projects to ensure that the needs of residents are considered in relation to specific activity. Consultation and engagement with residents is a key theme of the strategy.

What potential impact does this activity make to:

	P	N	U	NI	Evidence	Further action required
1. Equality of opportunity amongst customers of different ages (Age)	✓				There are various outcomes and associated projects within the strategy which specifically look at the equality strand 'age' Specific projects that will deliver opportunities for different ages are: • Progress delivery of the Chorley Youth Zone • Deliver the Extra Care Scheme Specific measures of success related to age include: • The % of 16-18 year olds who are not in education, employment or training (NEET) • Number of young people taking part in 'Get up and Go' activities.	

2. Equality of opportunity amongst individuals with or without a physical or mental disability (Disability)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all with a specific long term outcome to ensure that all residents are able to take an active part in their community. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues.
3. Equality of opportunity amongst customers of different gender backgrounds (Gender Reassignment)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all with a specific long term outcome to ensure that all residents are able to take an active part in their community. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues
4. Equality of opportunity amongst customers who are pregnant or parents (Pregnancy and Maternity)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues
5. Equality of opportunity amongst customer groups of different racial backgrounds (Race)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all with a specific long term outcome to ensure that all residents are able to take an active part in their community. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues
6. Equality of opportunity amongst customers of different religions (Religion or Belief)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues

7. Equality of opportunity amongst customers that live in different parts of Chorley (Rurality)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all. A number of projects will improve services and facilities for all residents across the borough. Specific projects that target Rurality include – • Delivery of community action plan activity • Increase connectivity of rural areas • Develop Chorley's town and rural tourism economy'	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues
8. Equality of opportunity amongst male and female customers (Sex)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues
9. Equality of opportunity amongst customers of different sexual orientations (Sexual Orientation)	✓				A key priority of the strategy is to involve residents in improving their local area and equality of access for all. A number of projects will improve services and facilities for all residents across the borough.	The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues

Health Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
1. Promoting healthy lifestyles for Chorley residents. For the latest Health Observatory information please see the data on this link http://www.apho.org.uk/resource/item.aspx?RID=126958	✓				A key priority of the strategy is to promote clean, safe and healthy communities. A number of projects will promote healthy lifestyles for Chorley residents. Specific projects that support healthy lifestyles include: • Development and delivery of community action plans • Progress the delivery of Friday St health centre • Deliver the Extra Care Scheme • Delivery the Westway integrated sports offer Specific measures of success related to promoting healthy lifestyles for Chorley residents include: • Number of visits to leisure centres • Number of young people taking part in 'Get up and Go' activities	
2. Enabling residents to Start Well (pre birth – 19) Possible issues to consider are; • Promoting healthy pregnancy • Reducing infant mortality • Reducing childhood obesity • Supporting children with long term conditions • Supporting vulnerable families and children	✓				A key priority of the strategy is to promote clean, safe and healthy communities. This priority enables residents to Start Well by delivering outcomes such as reductions in health inequalities and the provision of a wide range of quality recreational activities. Specific projects that enable residents to start well include: • Progress the delivery of the Friday Street Health Centre • Deliver the Chorley Youth Zone • Develop a skills framework for Chorley	

Health Impact Assessment	P	N	U	NI	Evidence	Further action required
3. Enabling residents to Live well (16 -75 years) Possible issues to consider are; - Promoting healthy settings, healthy workforce and economic development - Promoting mental wellbeing and healthy lifestyles - Reducing avoidable deaths - Improving outcomes for people with learning disabilities	✓				A number of the corporate strategy priorities promote easy access to high quality public services and access to high quality employment and education opportunities enabling residents to Live well. Specific projects that enable residents to Live Well include - Development and delivery of community action plans - Deliver the Westway integrated sports offer Specific measures of success related to enabling residents to Live Well include: - Overall employment rate - The % of 16-18 year olds not in education, employment or training	
4. Enabling residents to Age Well (over 65 years) Possible issues to consider are; - Promoting independence - Reducing social isolation - Managing long term conditions and dementia - Reducing emergency admissions and direct admissions to residential care settings - Supporting carers and families	✓				A number of the corporate strategy priorities support the provision of high quality and suitable housing, reduced health inequalities and easy access to high quality public services, Specific projects that enable residents to Age Well include - Deliver the Extra Care scheme - Development and delivery of community action plans	

Reputational Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
1. Chorley Council's reputation. Possible issues to consider are; • Proving to local residents that we provide value for money • Informing and engaging with local residents • Building trust and confidence in Chorley Council • Improving customer satisfaction with council services • Chorley Council's role as a community leader	✓				A key priority of the strategy is to be an ambitious council that does more to meet the needs of residents and the local area. The vision for the strategy has also been amended this year to emphasise the role of the Council as a community leader. Outcomes related to this priority include • A council that consults and engages with residents • An ambitious council that continually strives to improve Specific measures of success include: • % of customers dissatisfied with the service they have received from the council • % of residents satisfied with the way the council runs things • % of residents who feel the council provides value for money	
2. Our ability to deliver the Corporate Strategy. Issues to consider are; ▪ A council that consults and engages with residents ▪ An ambitious council that continually strives to improve	✓				A key priority of the strategy is to be an ambitious council that does more to meet the needs of residents and the local area. Specific projects that enable the council to deliver the Corporate Strategy include: • Integrate partners services through the Chorley Public Service Reform Partnership • Review and implement governance models	

Sustainability Impact Assessment	P	N	U	NI	Evidence	Further action required
What potential impact does this activity make upon:						
1. The effective protection of Chorley's environment. Possible issues to consider are; • Limiting waste generation & encouraging recycling • Limiting factors that contribute to climate change • Protection of and improving access to the natural environment	✓				One of the key strategic priorities is directly related to the effective protection of Chorley's environment: • Clean, safe and healthy communities Specific outcomes include: • High quality play areas, parks and open spaces Measures of success include: % of the population satisfied with parks and open spaces Specific projects exist within the strategy to improve open spaces including improvements to Astley Walled Garden	
2. Prudent usage of natural resources. Possible issues to consider are; • Limiting use of non sustainable energy, water, minerals and materials • Reducing the need to travel and encouraging walking, cycling and low carbon modes of travel	✓				A key measure of success is - % of households living in fuel poverty.	Services should consider use of natural resources when delivering services in line with existing policies and processes e.g. procurement.

Sustainability Impact Assessment	P	N	U	NI	Evidence	Further action required
3. Social progress amongst all of Chorley's communities. Possible issues to consider are; • Opportunities for education and information • Provision of appropriate and sustainable housing • Reduced fear of crime and community safety • Access to cultural and leisure facilities • Encouraging engagement and supporting volunteering	✓				The strategy has a strong focus on social progress with key outcomes including: • High quality affordable housing • Clean and safe streets • Reduced health inequalities • A wide range of quality recreational activities • High quality play areas, parks and open spaces • Residents who take price in where they live and their achievements • All residents are able to take an active part in their community • Access to high quality employment and education opportunities. Key projects include: • Develop a skills framework for Chorley • Progress delivery of the Chorley Youth Zone • Deliver the Extra Care Scheme The strategy includes range of measures linked to volunteering to ensure that outcomes are achieved.	
4. A vibrant local economy in Chorley. Possible issues to consider are; • Supporting better quality jobs and developing the skills of local residents • Supporting local business by procuring goods and services locally • Strengthening links with public, private and third sector partners	✓				The strategy identifies 'A strong local economy' as a priority with key outcomes including: • A vibrant town centre and villages • A strong and expanding business sector • Access to high quality employment and education opportunities. Projects include: • Town centre public realm improvements • Deliver the Market Walk extension • Develop Chorley's town and rural tourism economy' • Deliver the Botany Masterplan • Develop a skills framework for Chorley There are a range of key success measures related to this priority.	

Integrated Impact Assessment Action Plan

If any further actions were identified through the Integrated Impact Assessment then these should be listed in the table below. These should be added to the relevant business/service plan to ensure that any actions are carried out.

Actions needed following Integrated Impact Assessment	Start Date	End Date	Lead Officer
The resident survey undertaken in August 2015 informs the themes and priorities within the strategy. Consultation will need to take place as appropriate on individual projects to ensure that the needs of residents are considered in relation to specific activity.	As per individual project plans		Project manager
The refresh of the Equality Scheme will update the Council's approach and set new objectives to ensure the effective monitoring of equality issues	Ongoing		Policy and Communications
Services should consider use of natural resources when delivering services in line with existing policies and processes e.g. procurement.	As per individual project plans		Project manager

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Chorley Council

Report of	Meeting	Date
Project Director	Council	24 November 2015

FUTURE GOVERNANCE MODELS: FINAL REPORT

PURPOSE OF REPORT

1. To present the final report into the future governance models for the council and public services in Chorley.

RECOMMENDATION(S)

2. That the council adopts the clear statement of purpose set out at paragraph 18.

3. That the council states a clear ambition to achieve the integrated public services governance model for Chorley, using the integrated district model as a foundation for change

4. That the council should adopt the principles set out at paragraph 24 in reshaping the organisation and the development of new services and governance models.

5. That approval is given to the development of an integrated community wellbeing service for Chorley, as described in the outline business case.

6. That, subject to final council approval once a detailed scheme and service model for the integrated community wellbeing service is developed, the council agree:
    a. To establish a special purpose vehicle jointly between Chorley Council and LCFT to manage and deliver an integrated community wellbeing service
    b. To transfer the management and delivery of identified services to the special purpose vehicle
    c. To adopting joint management and oversight arrangements for the new service
    d. To contract with the new special purpose vehicle for the resourcing, delivery and performance management of services.

7. That work is undertaken to engage with neighbouring areas to explore the development of opportunities for radical public service reform.

8. That the council should work with partners, including schools, to create a vision for education in the borough.

9. That the Chief Executive be asked to make arrangements for the resourcing of the required work, making use of up to £70k.

EXECUTIVE SUMMARY OF REPORT

10. The report summarises the final report on future governance models for public services in Chorley and sets out the recommendations. It proposes a statement of purpose for the

council, and that the council should seek to develop a model of integrated public services in the coming years, using the integrated district model as a foundation for change.

11. The report proposes that the next steps in public service reform should include the development of proposals for an integrated community wellbeing service, and a combined authority for Lancashire. A transformation strategy will be developed and presented to the Executive Cabinet for approval to set out the plan for implementing the future governance models.

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

CORPORATE PRIORITIES

12. 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

13. At its meeting on the 4 September 2014, the council considered a report on a proposal to investigate the business case and viability of developing a unitary authority for the borough. The council agreed to the establishment of a nine-member working group to oversee the work, with membership open to all the political groups.

14. The future governance viability working group has met regularly over the last 12 months to consider a developing evidence base and consider options for alternative ways of working with other partners and future governance models. The group has overseen the development of the final report and recommendations on future governance models that is attached as an appendix to this report.

15. This report sets out an overview of the final report and its recommendations.

CONTEXT AND CASE FOR CHANGE

16. The report sets out the challenges facing Chorley in the coming years. They include:
   - An increasing and ageing population
   - Pockets of deprivation in the borough
   - The economic footprint of the borough spanning different administrative areas
   - A changing legislative and policy context

17. A critical driver for change is identified as the budgetary pressures faced by all public services in the coming years. The report identifies potential impacts of the changes forecast. They include:
   - An ageing population will lead to a change and likely increase in demand for public services. People aged over 85 are more likely to live with multiple and complex conditions, which require support from public services
   - Economic links to neighbouring areas, particularly those outside Lancashire, need to be considered to ensure that administrative boundaries do not constrain Chorley's future economic growth by making other areas more attractive because of policy differences between areas.

- Services will be prioritised on the basis of need. As Chorley is relatively affluent compared to other areas of the county, resources may be focussed elsewhere in Lancashire. Chorley's relative affluence may mean that its more deprived areas are 'hidden' and may be significantly more adversely affected.

- As individual organisations take decisions to meet budget pressures, the reductions or changes in some services are likely to lead to increased costs elsewhere; cost shunting one other parts of the system

- Services will become more fragmented. As organisations focus on their core purpose, service provide will become more fragmented and separated with less common-ground between public services, and more gaps in services

PURPOSE OF CHORLEY COUNCIL

18. The final report argues that in considering future governance models, the council needs to understand its purpose. The proposed purpose of the council is:

Chorley Council will provide leadership and services which protect vulnerable people and are focussed on preventing the need for a reliance on more expensive service provision. The council will:

- deliver high quality services that meet the needs of its residents and communities
- work with its partners to integrate services regardless of existing organisational boundaries
- focus on preventative services, and services which support communities and individuals to remain independent and self-sufficient
- promote Chorley as a great place to live, work and do business.

EVIDENCE AND SUPPORTING INFORMATION

19. A summary of the background evidence and supporting information is presented in the final report, and the full documents have been published as background papers.

20. Councillors were given the opportunity to receive a briefing on the evidence in sessions held on 5 and 10 October. 34 Members attended the sessions. In addition, the full reports were then published to all Members on 13 October.

OPTIONS FOR FUTURE GOVERNANCE MODELS

21. Five high-level governance models were identified and assessed as part of the final report. They are:

	Option title	Option summary
1	Status quo	No significant change to governance models. A continuation of partnership working through the public service reform partnership, with functional responsibilities remaining with current organisations.
2	'Traditional' unitary authority	A unitary authority created for Chorley, a local authority that has responsibility for all local government functions, with a continuation of existing partnership arrangements, but which does not integrate working with other public services either in commissioning or provision.
3	Integrated district council	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service).
4	Integrated district councils across wider geography	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service), with a network of integrated districts across a wider geography to provide greater scope for service reform.
5	Integrated public services	Local government functions are brought together through a unitary authority, but the establishment of a new organisation is based on integrating commissioning and provision of services with other public service organisations.

22. The conclusion of the options-appraisal undertaken is that the integrated public services model is the most likely governance model to achieve the objectives and vision of the council in public service reform.

23. Consideration is also given in the report to the how deliverable each of the options are. That section of the report concludes that, while the integrated public services model best achieves the aims of the work, it will face considerable challenges in its implementation. The models identified as being the most deliverable are to maintain the status quo or develop an integrated district council model.

SERVICE DESIGN PRINCIPLES

24. Based on the supporting information and the work undertaken, the final report outlines principles that the council should use across the services it provides or commissions, and new services it develops. The principles are:
    a. Services, however complex, should be dealt with as far as possible at the first point of contact
    b. Customers who can should prefer to use digital channels as a straightforward and efficient way of managing services
    c. The management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
    d. Management information should be actively used to target resources
    e. Customers should be able to access information and manage their service requests without having to interact with the council
    f. Everyone involved in delivering public services in Chorley should recognise people as assets.
    g. Every service should provide opportunities for people to contribute and add value in their lives and local area.
    h. Public services in Chorley should invest in building social networks and community capability

i. Services being reformed or redesigned should be designed with coproduction and community action as a central aim
j. Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
k. Issues and problems faced by individuals, families or communities will be dealt with as far as possible without the need for a formal referral process
l. Self-management and peer support will be promoted and supported
m. Services will be codesigned and coproduced
n. There will be a focus on prevention and early intervention across all public services

RECOMMENDATIONS OF THE FUTURE GOVERNANCE VIABILITY WORKING GROUP

25. The Future Governance Viability Working Group unanimously agreed the recommendations in the final report they are:
    a. Chorley Council should adopt a clear statement of purpose that it sees itself as a community leader that will work across organisational boundaries to improve and protect public services.
    b. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation
    c. Chorley Council should reshape its structure and organisation to enable and support change
    d. Chorley Council should use the principles outlined in this report in its service delivery and to guide the development of new services and governance models
    e. The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service
    f. Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level
    g. Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area
    h. Chorley Council should work with others to create a vision for education in the borough

26. These recommendations have been used as the basis for the recommendations in this report, and the other reports elsewhere on the agenda concerning the combined authority for Lancashire and review of the council's senior management structure.

LOCAL POLL

27. In the report presented to council last year, there was a proposal to hold a local poll to seek the views of local residents if the council decided to seek unitary status. Given the recommendations made in the final report, it is not appropriate at this point to hold a local poll, as the council is not seeking unitary status to start the process.

NEXT STEPS

28. In agreeing to the recommendations in this report, the council will set a clear ambition for how it believes public services should be managed and delivered in the future. It also agrees to further work with partners in developing a combined authority and an integrated community wellbeing service.

29. To ensure that the full recommendations of the final report are implemented and properly coordinated, a transformation strategy will be developed and considered by the Executive Cabinet in January. The strategy will work to:
    - develop an organisational culture which is able to meet the challenges ahead and changed ways of working
    - support councillors in changing roles and a changed decision making environment

- implement the service design principles identified in this report and supporting evidence
- make best use of technology and information management
- implement a changed management structure and new business models.

30. There are likely to be costs (both staffing and in external support) to implement the recommendations of the report. For example, in developing the integrated community wellbeing service, work required will include:

- Engagement with public service providers (including, for example, GPs) in the service design
- Engagement with service users and residents in service design
- Establishment and agreement of a special purpose vehicle between LCFT and Chorley Council, including
    - governance structures and arrangements,
    - purpose and scope of the service,
    - staffing arrangements (including how staff would be employed)
    - operational and strategic management arrangements
    - an exit strategy
    - reporting arrangements.

31. The resources that will be required over the medium term will be considered as part of the council's budget setting process and in the review of the senior management structure. However, in the interim, it is proposed to make use of up to £70k to continue the work undertaken over the last year.

IMPLICATIONS OF REPORT

32. 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

33. The immediate financial implications of this report is the resource required to continue the delivery of the work proposed pending the completion of the restructure of the council's management structure. The £70,000 proposed can be met through changing the use of the money set aside to pay for the local poll or in-year underspend on staffing budgets.

34. Further costs that may be incurred in the implementation of the recommendations will be subject to further reports to Council or Executive Cabinet, where consideration of financial implications will be made.

COMMENTS OF THE MONITORING OFFICER

35. The adoption of the recommendations do not have in themselves legal implications, however there are clear legal implications in the consequences of the future implementation of the recommendations. These implications will need to be considered as the development of the proposals progresses and will be reported to the Council at the appropriate time.

CHRIS SINNOTT
PROJECT DIRECTOR

Background Papers			
Document	**Date**	**File**	**Place of Inspection**
The report of the commission on the future of public services in Chorley	10 May 2015	Commission final report	http://chorley.gov.uk/Pages/Public-Service-Reform.aspx
Chorley unitary council financial viability report	13 November 2015	Chorley unitary council financial viability report	Can be found in the mod.gov library: https://democracy.chorley.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13424&path=0%2c326
The final report of the Chorley Conversation		The final report of the Chorley Conversation	
Paper on the principles and benefits of coproduction and community action		Paper on the principles and benefits of coproduction and community action	
Chorley functional economic area analysis		Chorley functional economic area analysis	
Paper on approach to customer services		Paper on approach to customer services	
Outline business case for an integrated community wellbeing service for Chorley		Outline business case for an integrated community wellbeing service for Chorley	
Report of the Lancashire authorities' statutory governance review	2 November 2015	Governance Review	Appendix to combined authority report on council agenda

Report Author	**Ext**	**Date**	**Doc ID**
Chris Sinnott	5337	5 November 2015	Council covering report – final report

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Chorley
Council

> FUTURE
GOVERNANCE
MODELS
FOR CHORLEY

Executive Summary

Public services must change. Decreasing public resources, coupled with changing and increasing demand for services give an immediate need for reform.

However, in planning and implementing reform of public services, there is significant evidence that a radically different approach to the way in which services are managed and delivered would provide a basis for public services that are sustainable and able to meet the long term needs of the borough and its residents.

This report is based on a year's work in generating an evidence base that examines the challenges facing public services, the context for Chorley and proposals for the future. The existing governance models and structures do not lend themselves easily to transformation, and so it has been necessary to examine a series of potential governance models for public services, assessing them against their ability to deliver against identified objectives.

The report concludes with a series of recommendations for the council. They are:

1. Chorley Council should adopt a clear statement of purpose that it sees itself as a community leader that will work across organisational boundaries to improve and protect public services.

2. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation

3. Chorley Council should reshape its structure and organisation to enable and support change

4. Chorley Council should use the principles outlined in this report in its service delivery and to guide the development of new services and governance models

5. The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service

6. Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level

7. Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area

8. Chorley Council should work with others to create a vision for education in the borough

Structure of the report

This report is split into the following key sections:
- The challenges for Chorley
- Evidence and supporting information
- Options-appraisal of future governance models
- Service design principles, business models and scale
- Recommendations and next steps

In addition to the information presented in this report, each of the elements summarised and discussed in the evidence and supporting information section is supported by full reports and associated documents. These are available as background papers.

Background and context

In September 2014, Chorley Council decided to investigate possible future governance models for the council and public services in the borough. This decision was taken in response to the pressures faced by public services, and the opportunities and risks posed by those pressures, in terms of the changing nature and scope of services available to residents and the local area.

Public services need to change. The challenges presented by reducing budgets and increasing and changing demand are widely acknowledged; it is important to recognise that if public services are to continue to meet the needs of Chorley residents, a fundamental shift in thinking about how services are managed and delivered is required.

In starting this work, the council took the view that a unique opportunity was available to radically change the way public services operate, working in partnership to explore new ways to deliver outcomes for local residents by overcoming organisational barriers to achieve improved health outcomes, sustained economic growth and stronger, more resilient local communities.

The council established a working group of councillors to oversee the work, and to guide and challenge the process. The working group agreed a vision that set out what the council was seeking to achieve:

To identify and establish realistic options for the delivery of public services in the borough in the future that are; sustainable, accountable, properly integrated and targeted towards early intervention.

The work that has been undertaken over the last year has aimed to:
- examine the challenges facing public services;
- establish an evidence base for taking decisions about the future;
- engage the council's public service partners; and,
- identify and assess potential future governance models.

This report provides an overview of the context and evidence base, and then examines potential future governance models available before making recommendations to the council with an aim of making public services sustainable and fit for purpose into the future.

The council's purpose and vision

In considering the future governance models that the council would like to pursue and adopt for public services in Chorley, a critical step is to clearly identify and articulate the council's vision for the borough, and what the purpose of Chorley Council is.

The council's corporate strategy sets out the organisation's vision:

Vision – our ambition for the future
A proactive community leader, supporting the borough and all its residents to reach their full potential through working in partnership to deliver services that achieve the best outcomes and protect vulnerable people.

In addition to the council's vision, in considering potential future governance models, the council needs to understand and agree its purpose. That is, what role Chorley Council should play in controlling, delivering and shaping public services for the borough. The proposed purpose of the council is:

Purpose - the role of the council in achieving the vision
Chorley Council will provide leadership and services which protect vulnerable people and are focussed on preventing the need for a reliance on more expensive service provision. The council will: • deliver high quality services that meet the needs of its residents and communities • work with its partners to integrate services regardless of existing organisational boundaries • focus on preventative services, and services which support communities and individuals to remain independent and self-sufficient • promote Chorley as a great place to live, work and do business.

> **THE CHALLENGES
> FOR CHORLEY**

> SECTION
01

Given that this work has been undertaken as part of the council's response to a changing public service environment, it is important to set out the context in which services will operate within. This section sets out this context and challenges, and is split into the following areas:

1. A brief profile of Chorley
2. Legislative and policy context
3. Budgetary pressures

A brief profile of Chorley

Population

Chorley's population is 111,400[1], and is projected to continue to increase over the coming decades to reach 125,400 by 2037, as illustrated in the following graph[2].
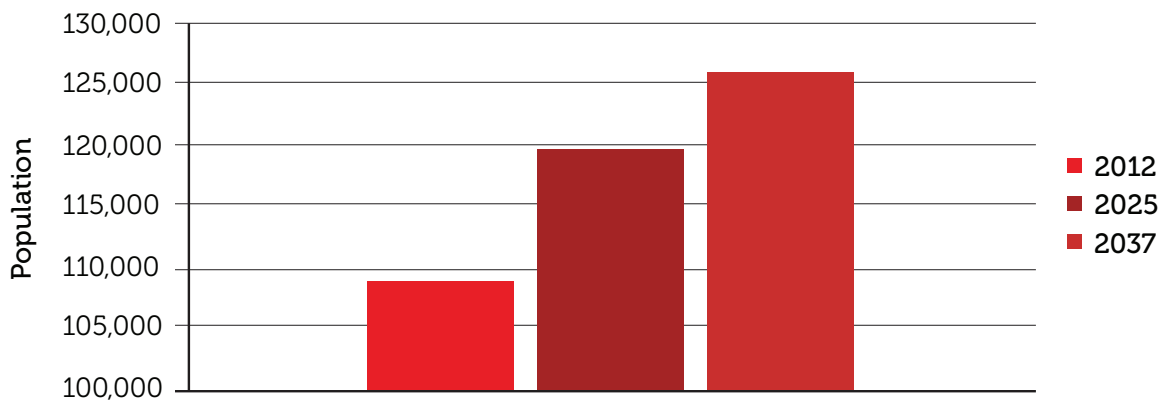
This projected growth represents the fastest rate of population growth of any Lancashire district, as is demonstrated by the graph below[3]:
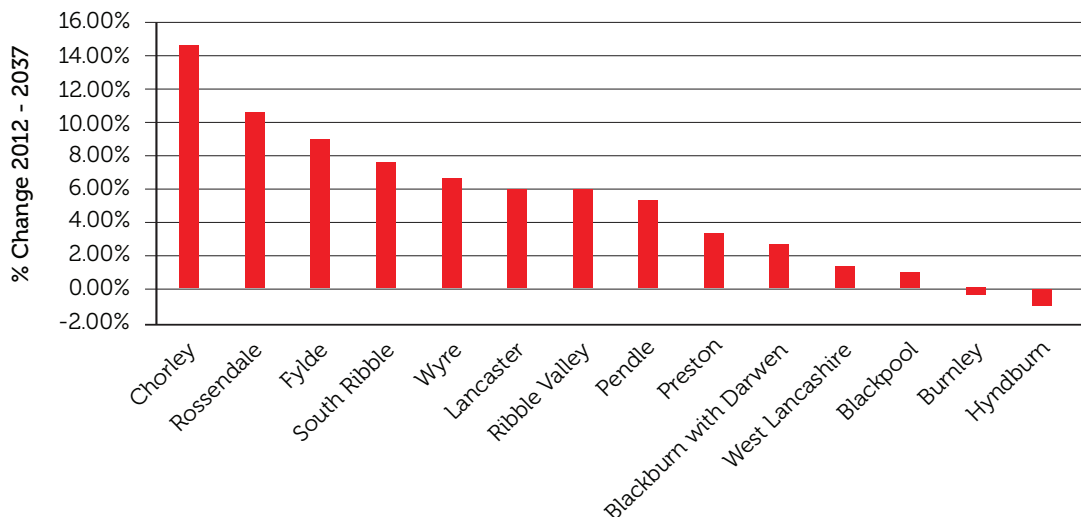
In addition to a growing population, Chorley's population will grow older, with the percentage of the population aged 75 years and older increasing from 7.2% in 2012 to 14.4% in 2037, and those aged over 85 increasing to 5.6% of the population[4].
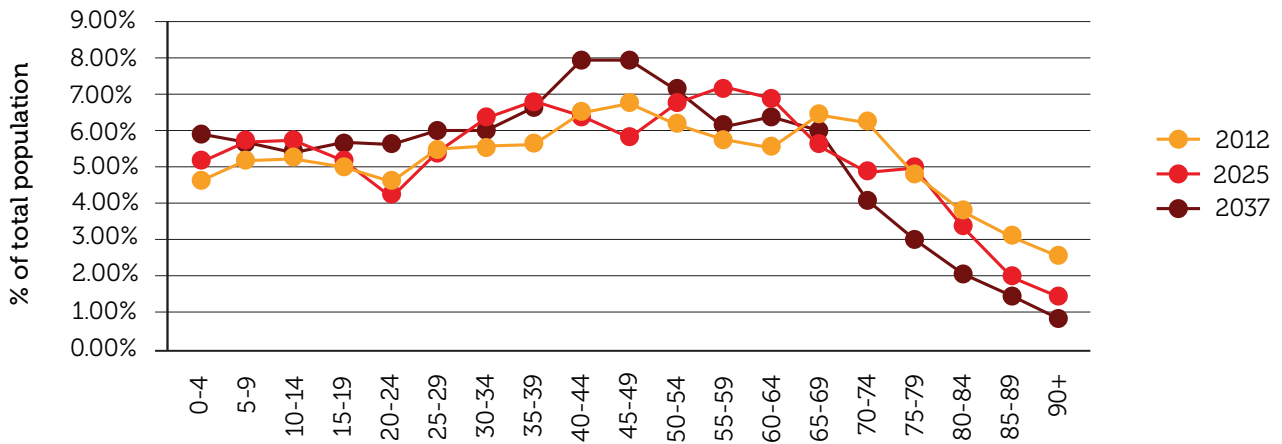
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[1]ONS2014 mid-year estimate
[2]ONS sub-national population projections, 2012 based projections
[3]ONS sub-national population projections, 2012 based projections
[4]Source: ONS sub-national population projections, 2012 based projections

The number of households in the borough will also increase in the coming years at a faster rate than other Lancashire district. Between 2012 and 2021, there is a projected increase in household number of 8.07% in Chorley.[5]

Deprivation in Chorley[6]

In the Indices of Multiple Deprivation, the borough ranks as 156th out of 326 authorities in terms of levels of deprivation (where a rank of 1 is the most deprived area of the country). In relation to the 12 district councils in Lancashire, Chorley is the eighth most deprived.

There are 8 lower super output areas (areas of around 650 households) in the borough within the 20% most deprived in the country, with four of those in the 10% most deprived.

The areas of the borough that are in the 20% most deprived in the country are in the following wards:
• Clayton-le-Woods North
• Chorley East
• Chorley South East
• Chorley North East

Jobs, economy and business

Chorley's employment and skills rates generally perform better than the regional and sub-regional average. Its economy is robust, although it could contribute more to the regional and national economy.
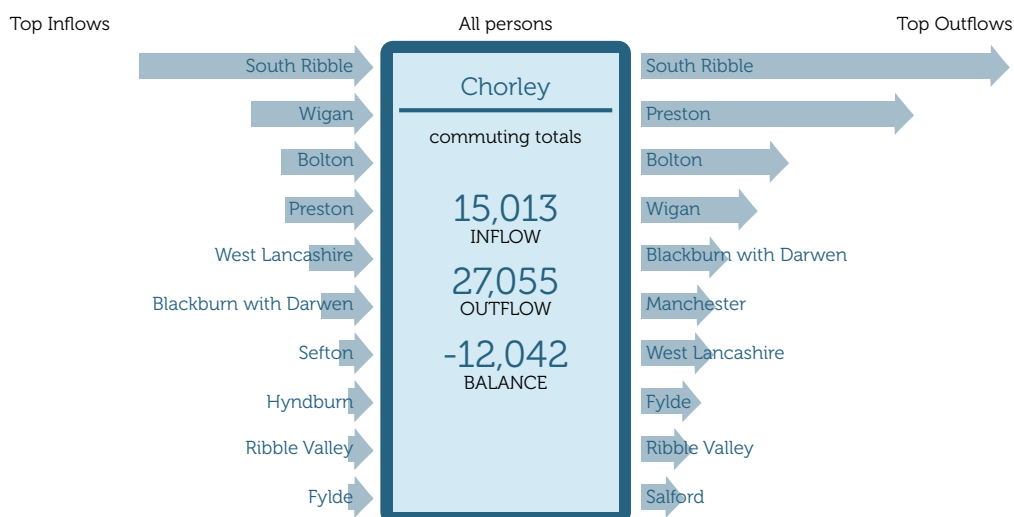
Links to other areas

Chorley's economy is not matched to administrative boundaries. This is covered in more detail in the background evidence section of the report, although the key context is outlined below.

Chorley's economic area extends to surrounding areas. 60% of the borough's working residents commute out of the borough to work, with South Ribble, Preston, Wigan and Bolton being the top destinations, as illustrated in the following diagram.

Top Inflows	All persons	Top Outflows
South Ribble	Chorley	South Ribble
Wigan	commuting totals	Preston
Bolton		Bolton
Preston	15,013 INFLOW	Wigan
West Lancashire		Blackburn with Darwen
Blackburn with Darwen	27,055 OUTFLOW	Manchester
Sefton		West Lancashire
Hyndburn	-12,042 BALANCE	Fylde
Ribble Valley		Ribble Valley
Fylde		Salford

Inflow and outflow of workers for Chorley, at the 2011 Census[7]

Employment

Chorley is projected to continue to have an unemployment rate that is lower than national and regional averages, and that trend will continue to follow that of the national economy, as shown in the graph below:

Unemployment, claimant count (% of working age)

Legend:
- Chorley
- Lancashire LEP
- North West
- UK

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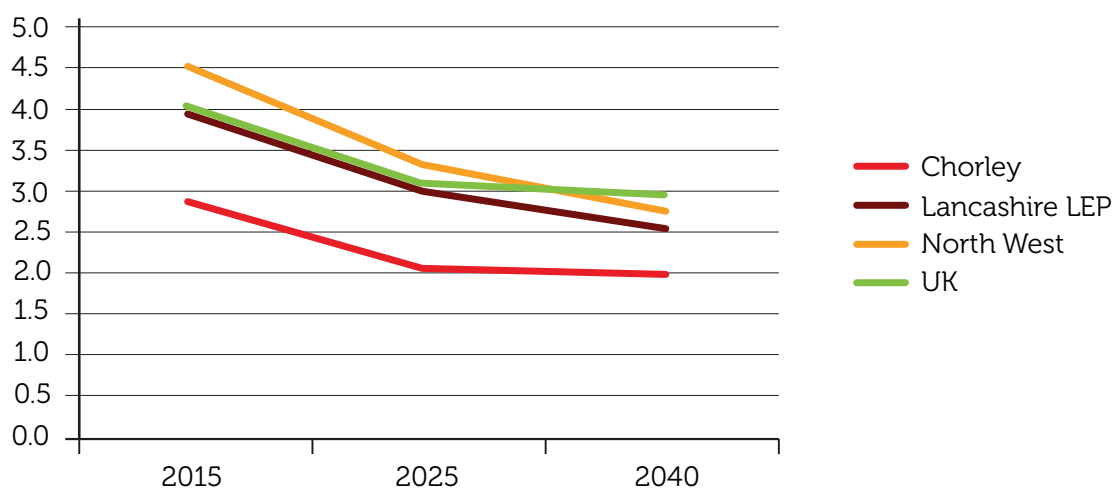
[7]SQW (2015) 'An analysis of Chorley's functional economic area: A report to Chorley Borough Council', published as part of the background evidence base to the future governance models work.

Education and skills

Education in Chorley is strong. Chorley has a well-qualified workforce: 35.9% of the population are qualified to Level 4 (Higher Education) or above (compared with 31% regionally and 35.2% nationally). Only 6.9% of the population has no qualifications (compared with 11% regionally and 9.3% nationally). In 2012/13 66.8% of pupils achieved five or more GCSE A*-C (including English and Maths), ahead of the Lancashire average of 60.4%.

Employment and business sectors
Business administration and support services are particularly important in Chorley compared to other areas of the North West, employing over 6,000 people in 2013. The health sector is also more prominent in Chorley employing more than 7,000 people in 2013.

The concentration of managers, directors and senior officials in Chorley is notable and this category of occupations achieved the strongest growth during the period 2010 to 2014, rising from 3,600 to 6,200 workers. In absolute terms, professional occupations accounted for the largest cohort of workers in Chorley in 2014, with more than 7,000 people.

Earnings
Residency-based earnings are projected to continue to be higher than workplace earnings. Residency based earnings are projected to remain the same as the north-west average; while workplace based earnings will continue to be below the Lancashire, North West and national averages.

	2015	2025	2040
Workplace based earnings	£431.8	£662.1	£1,216.1
Residency based earnings	£482.9	£736.5	£1,346.4

Health

The health of Chorley's population is generally better than the Lancashire average, and similar or slightly worse than the national average. There are, however, areas and conditions where Chorley's health is an outlier.

Life expectancy
Overall, life expectancy in Chorley is similar to the rest of Lancashire and England. However, life expectancy is 9.6 years lower for men and 6.7 years lower for women in the most deprived areas of the borough compared to the least deprived areas.[8]

	Chorley	Lancashire	England
	Life expectancy (years)		
Males	79.3	78.3	79.4
Females	82.2	82.0	80.0

[8]Public Health England, Local Health Profiles 2015: http://www.apho.org.uk/default. aspx?QN=HP_FINDSEARCH2012
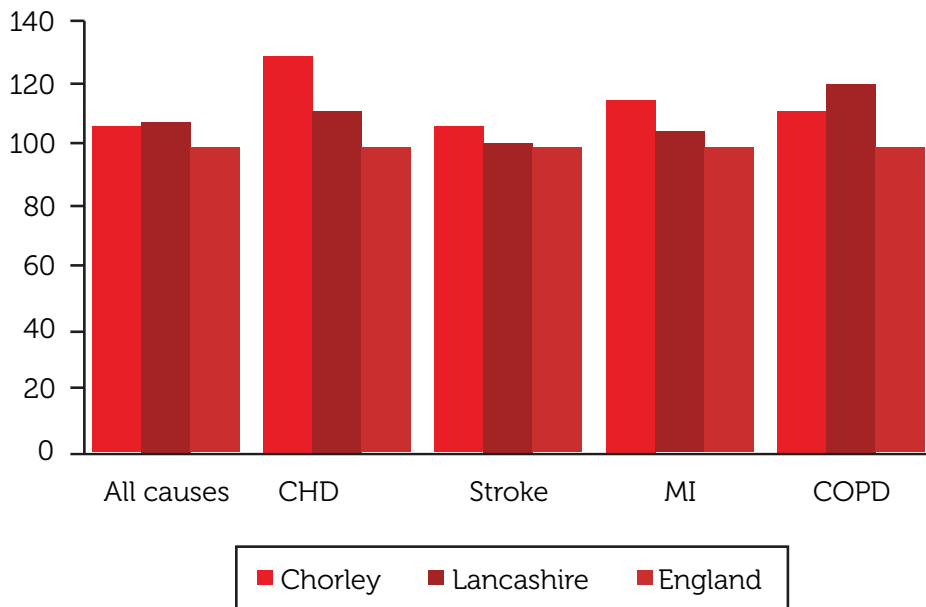
General health

According to the 2011 census results, 5.5% of the population in Chorley have bad or very bad health, and 18.4% have a long term illness or disability. In addition 11.5% of the population provide one hour or more unpaid care per week, with 2.5% providing 50 hours or more.[9]
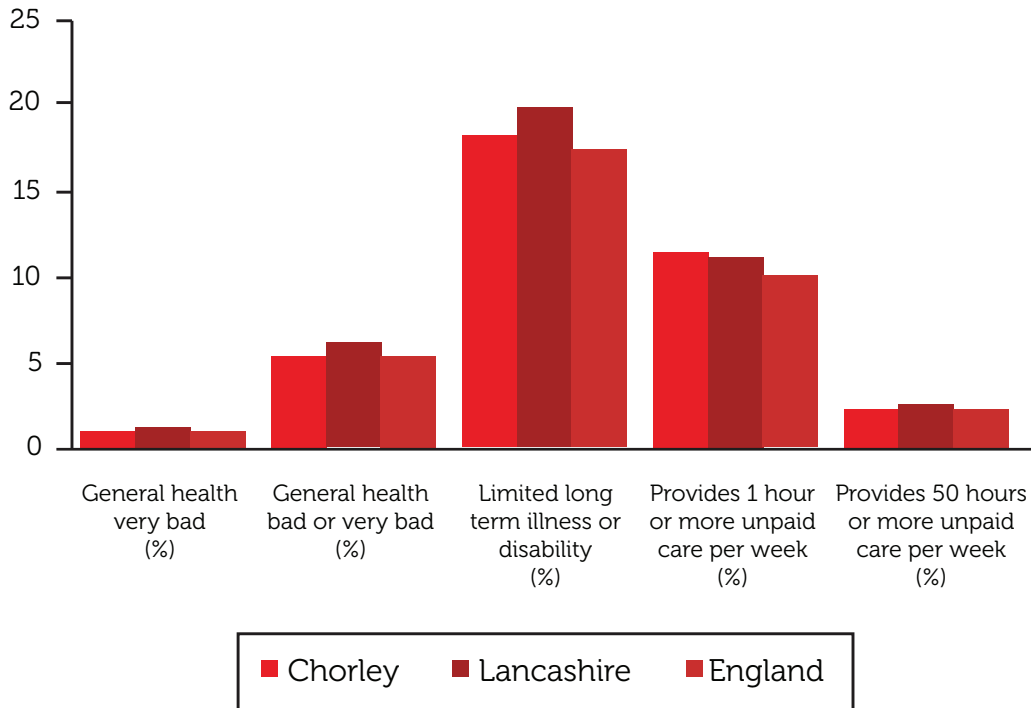
Emergency hospital admissions

The emergency hospital admissions rates in Chorley are higher than the all-England rate. As can be seen from the graph, COPD (Chronic Obstructive Pulmonary Disease) is 13.2% higher, MI (Myocardial Infarction (heart attack)) is 17.1% higher and CHD (Coronary Heart Disease) is 31% higher.

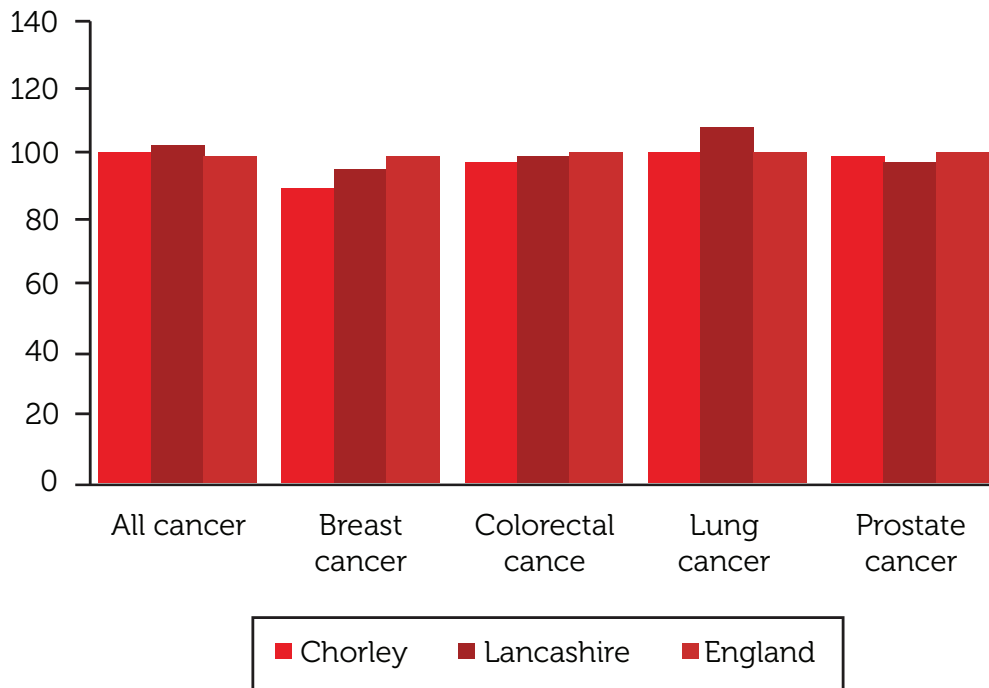[9]ONS, 2011 Census, http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-286348
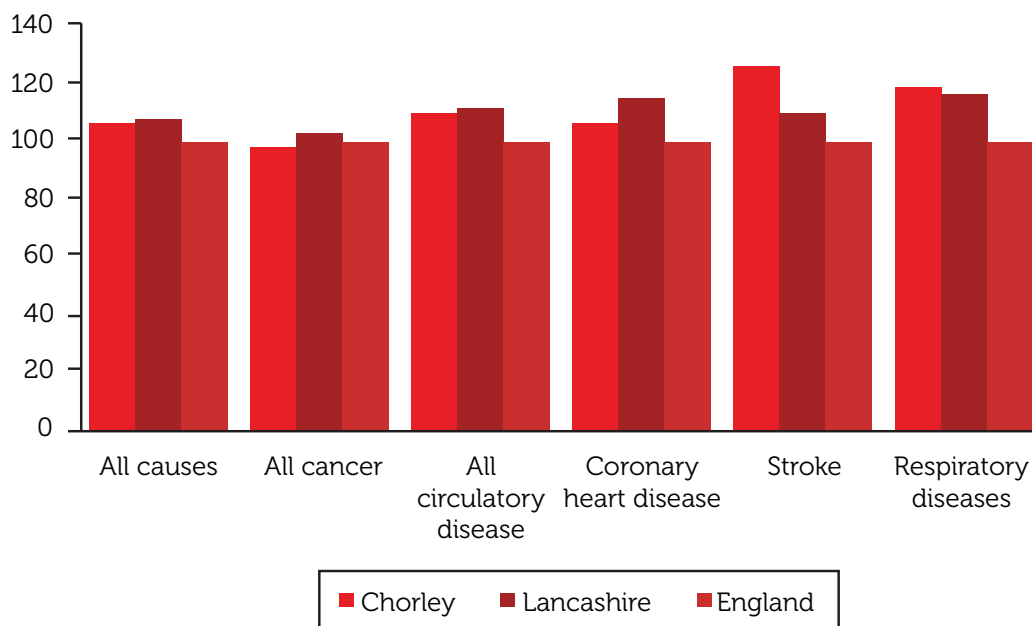
Incidences of Cancer

The incidences of cancer rates in Chorley are very similar to Lancashire and lower than all England.


Cause of Death

The rate of deaths from stroke in Chorley is significantly higher than both Lancashire and all of England, followed closely by respiratory diseases.

Hospital Admissions – Harm and Injury

The rate of hospital stays for self-harm and alcohol related harm in Chorley is significantly higher than All England. Although emergency admissions for hip fracture aged 65+ are similar to Lancashire and England, the rate of elective hospital admissions for hip replacement are significantly higher.
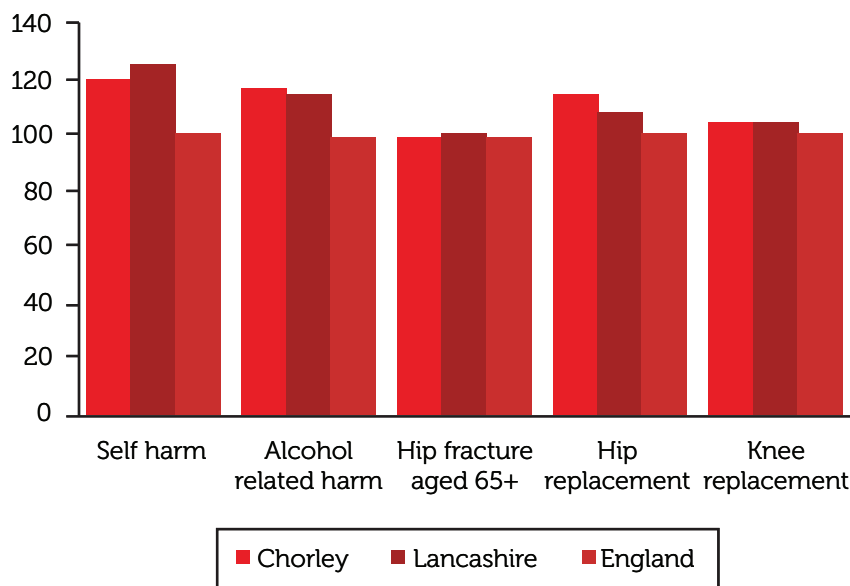
Impact on the case for change
The demographic, health and economic background set out above provides an important context in terms of the future demands for public services. This includes: • An ageing population will lead to a change and likely increase in demand for public services. People aged over 85 are more likely to live with multiple and complex conditions, which require support from services.[10] • While Chorley overall is relatively affluent, particularly in relation to the rest of Lancashire, there are pockets of significant deprivation. Changes in the way that public services are delivered, particularly if there are restrictions and a greater degree of targeting of resources may mean that Chorley receives significantly less service that it currently does as resources are targeted elsewhere • Economic links to neighbouring areas, particularly those outside Lancashire, need to be considered to ensure that administrative boundaries do not constrain Chorley's future economic growth by making other areas more attractive because of policy differences between areas.

Legislative and policy context

The legislative and policy context in which the council and public services operate is important in considering future governance models. Whatever approach is pursued will need to fit with the external policy and legislative environment. This section provides an overview of some of the relevant developments.

Health and Social Care Integration and Reform
The Health and Social Care Act 2012 - introduced a number of key changes to the NHS in England which came into effect in 2013. The changes included:
• giving groups of GP practices and other professionals – clinical commissioning groups (CCGs) – 'real' budgets to buy care on behalf of their local communities;
• shifting many of the responsibilities historically located in the Department of Health to NHS England

[10]Oliver, D; Foot, C and Humphries, R (2014), Making our health and care systems fit for an ageing population', The King's Fund' http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/making-health-care-systems-fit-ageing-population-oliver-foot-humphries-mar14.pdf

The Act aimed to improve the quality of services provided for individuals and their experience of the services they access. It outlined the duty of bodies such as NHS England, clinical commissioning groups, Monitor and health and wellbeing boards with an aim of making it easier for health and social care services to work together. The Act saw the transfer of responsibility for public health from the NHS to local government – allowing local authorities to both commission and provide public health services.

The Care Act 2014 - provides the legal framework for changes to the social care system. The legislation sets out how people's care and support needs should be met and introduces the right to an assessment for anyone, including carers and self-funders, in need of support.[11] The Act's wellbeing principle spells out a local authorities' duty to promote wellbeing and there is more emphasis on helping people to connect to their local community. Eligibility for services will now be the same across England rather than each authority having their own assessment of need. Councils are now able to contract out social work functions such as assessment.

NHS 5 year forward view[12] - The Forward View argues that if the NHS received flat real terms funding over the next five years, and made no further efficiency savings, then growing demand for healthcare would lead to a national NHS shortfall of £30bn a year by 2020/21, (The Lancashire share of this shortfall would be in the order of £830m)[13].

The review outlines seven models of care:[14]
- Multi-specialty community providers (MCP)
- Primary and acute care systems
- Urgent and emergency care networks
- Viable Smaller Hospitals
- Specialised Care
- Modern maternity services
- Enhanced health in care homes

In response to this, Healthier Lancashire produced their purpose document. The report outlines Lancashire's direction of travel for the health and social care changes in the county with emerging themes such as working together, social movement and change should be revolutionary not evolutionary.[15]

Healthier Lancashire – The Healthier Lancashire programme has been established to support the health economy in Lancashire to better understand and tackle the collective challenges it faces. As part of the programme, work has been undertaken to draw both on existing information and new analysis, with the following aims:
- Articulate key population needs, workforce and estates challenges
- Identify the size of the financial challenge over the next five years under existing service models.
- Consolidate a Lancashire wide view of the current plans in place and how far they go to addressing the challenges faced.
- Develop possible options that the Lancashire health and care system could explore further to close remaining service, financial and quality gaps.

The findings in the work identified issues in terms of population, workforce and financial challenges. The key drivers of heath and care needs that were identified included:
- Lancashire has an ageing population, proportionally age categories over 50 are growing at a faster rate than nationally, with complex and multiple long term conditions
- Lancashire has a high prevalence of damaging behaviours, such as smoking, poor diet and increased alcohol use
- There are a number of services, such as mental health, neurological, cancer and respiratory services, which across Lancashire deliver below average outcomes and below average value for money against national benchmarks

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[11]LGA, Guide to the Care Act 2014 and the implications for providers, http://www.local.gov.uk/documents/10180/6869714/L14_767+
Summary+Guide+to+the+Care+Act+2014+and+implications+for+providers.pdf/2d618a16-19e5-44fe-8833-8bcd57bd7ec4
[12]NHS England [Accessed Sept 2015] http://www.england.nhs.uk/ourwork/futurenhs/5yfv-exec-sum/
[13]Healthier Lancashire programme (2014), Purpose document
[14]The Kings Fund [Accessed Sept 2015] http://www.kingsfund.org.uk/projects/nhs-five-year-forward-view
[15]Healthier Lancashire Programme (2014), Purpose Document

Key workforce challenges across Lancashire relate to skills shortages, recruitment and retention and investment in training and education to both create new roles and redistribute the existing workforce across all sectors.

Finally, the study concluded that the Healthier Lancashire organisations face a collective financial challenge of £804.8m over five years, which represents 23% of the forecast funding for health and adult social care in Lancashire in 2020.

Better Care Fund (BCF) - The £5.3 billion fund was established "to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people." The BCF aims to create a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their wellbeing as the focus of health and care services, shifting resources into social care and community services for the benefit of the people, communities and health and care systems.[16] The BCF should form an important part of NHS two year operational plans and the five year strategic view alongside local government planning.

Combined authorities

A Combined Authority is a formal legal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth. It supports increased democratic accountability and transparency to a major area of local government policy making.

Creation of Local Enterprise Partnerships and combined authorities has changed the focus of strategic economic development work. The Devo Manc deal between the Greater Manchester Combined Authority and central government and other devolution deals that have followed in other areas provide a potential example of how further devolution and freedoms for local areas may take place in the future.

A combined authority has been proposed for Lancashire, involving the two unitary councils, county council and district councils. The proposal for a combined authority will be discussed by each of the Lancashire council at meetings in November and December with a view to undertaking a consultation exercise in January 2016, and an aim to establish a combined authority by spring 2016.

Impact on the case for change
All of the above policy changes will continue to have a huge impact on the way that public services are delivered, and the way in which local government must work in close collaboration with its public sector partners to meet future demands. For instance, • the NHS five year forward view sets out opportunities and options for change in health care, with new models that would change the way in which the NHS works • the creation of combined authorities also provide opportunities and challenges – with opportunities to better influence decisions across the sub-region, and a need to ensure that new structural arrangements recognise that Chorley's economic area spans Lancashire and Greater Manchester. • The legislation and policies identified, including for example the Care Act, recognise the importance of better integrating public services and prioritising overall wellbeing of individuals and communities.

Budgetary pressures

While the population change and policy context should provide impetus for public services in Chorley to change over time, a key immediate driver to change are the budgetary challenges that are faced across all of the public service organisations serving Chorley. These are caused by two key factors:
• reductions to funding
• increasing demand for services

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[16] LGA, Better Care Fund [Accessed Sept 2015] http://www.local.gov.uk/web/guest/health/-/journal_content/56/10180/4096799/ARTICLE

Public finances have reduced significantly over the past few years and will continue to do so for coming years. At the same time, costs of delivering services and the demand for them continues to increase.

This pressure is expected to increase in future years, with public sector organisations anticipating significant budget gaps. The table below sets out the likely budget saving requirements that are faced by organisations. It is based on the available information. This is not always consistent as organisations do not publish plans to the same timescales or level of detail. It does, however, give a clear indication of the level of challenge and change that will be needed over the medium term.

Organisation	Budget projection	Planned approach
Chorley Council	Needs to make savings of £2.5 million by 2017/18, and £3.4 million by 2018/19	The council's medium term financial strategy identifies a range of options to meet the identified budget gap, from increasing income generation to making staffing savings.
Lancashire County Council	The county council's most recently published forecast projects that the county council needs to make savings of £223 million by 2020/21.	The council has commenced a base budget review to identify statutory services against a narrow definition. It is likely that county council services will be scaled-back considerably in the coming years.
Health services	The Healthier Lancashire work has identified a budget gap of £455.8 million for NHS providers in the health economy across Lancashire by 2019/20.	Each of the individual organisations involved in the Healthier Lancashire programme have individual plans for achieving their savings. The Healthier Lancashire programme aims to develop collective responses across Lancashire over the medium term that would see services reconfigured and transformed.
Lancashire Fire and Rescue	A budget gap of £6.7 million by 2018/19	The Fire Service has financial plans that will see changes in the way services (such as the prevention and protection teams) are delivered.
Lancashire Police	£20 million by 2017/18, and potentially a further £87 million by 2020/21.	Lancashire Police have already reduced their staffing by 16%. If the budget reduces by £87 million by 2020/21, the constabulary have stated that the impact would include moving to being a reactive force dealing with emergency and priority call, with no neighbourhood policing or public enquiry desks at police stations.

Impact on the case for change

Reductions to budgets across public services, coupled with increasing demand, is a primary driver for examining future governance models for services in Chorley. The potential impact cannot be exactly identified, but is likely to include:

- services will be prioritised on the basis of need. As Chorley is relatively affluent, compared to other areas of the county, resources may be focussed elsewhere in Lancashire. Chorley's relative affluence may mean that its more deprived areas are 'hidden' by the surrounding affluence and may be significantly more adversely affected

- as individual organisations take decisions to meet budget pressures, the reductions or changes in some services are likely to lead to increased costs elsewhere; cost shunting on to other parts of the system

- services focussed on prevention and early intervention will reduce or disappear. As organisations focus on core and statutory services, those which are non-statutory (such as many prevention and early intervention) will reduce. This will lead to significant issues over the medium and long term as the lack of those services are likely to lead to increased demand for statutory, demand-led services

- services will become more fragmented. As organisations focus on their core purpose, service provision will become more fragmented and separated with less common-ground between public services, and more gaps in services.

> **EVIDENCE AND SUPPORTING INFORMATION**

> SECTION
> **02**

The council and partners have produced and commissioned a significant amount of work to support decision making around the future governance arrangements for the council and public services in Chorley more generally. All of the information, documents and data is available as background evidence and has been drawn upon in the options-appraisal section. However, a summary of each of the key elements of the evidence base is presented below.

Commission on the future of public services in Chorley

The independent commission, established by Chorley Council and supported by most public service partners, consisted of seven senior figures drawn from around the country with expertise in public services. They received evidence from over 20 organisations and heard evidence in open sessions over two days.

The terms of reference set out the key questions for the commission to consider. These were:
- What are the key challenges facing public services in Chorley over the medium to long term?
- How should public services be delivered in Chorley to make them sustainable and to meet the future needs of the borough? Particular reference could be given to:
  - the needs of older people
  - individuals and families with complex needs
  - supporting people to stay healthy, have the right skills and find the right job
  - economic development and business growth
- What are the key enablers that will make radical change in the delivery of public services in Chorley possible?
- What are the barriers to reaching the vision for this work?

The commission used the information and evidence that was presented to them, and their own experiences and knowledge to develop a final report with key findings and recommendations. The key messages from the commission to public services in Chorley were:
- Change in public services is coming. All public services must swiftly innovate and change. Without action, a decline in service quality and outcomes is inevitable
- The current system is fragmented, cumbersome and clunky. It does not work well for service users
- Partnerships will need real commitment to deliver the change that is needed
- There is a need to act now, to develop new and deeper relationships, between public service organisations and different geographies
- There needs to be a clear vision for change
- Coproduction and codesign of services need to become central in services to engage service users and residents
- Public services need to work for Chorley, not individual organisations
- Services need to focus on early intervention and be centred around individuals and communities
- Decision making and service delivery should be based at the lowest possible level – not on organisational boundaries
- Chorley is well-placed to respond, in terms of acumen and drive, but there are significant barriers to change
- A step change is needed to deliver the change required

The commission made ten recommendations to public services:
1. Articulate a new collective vision for public services in Chorley
2. Strengthen and empower partnership working to act collectively
3. Hold a 'Chorley conversation' to talk about the future with residents and service users
4. Information and intelligence should be freely shared
5. 'Test-beds' for action and transformation should be identified
6. Public services should agree a model of locality-based working

7. Discuss and decide which neighbouring areas to work with to benefit Chorley
8. Embed a single culture across public services
9. Focus on early intervention and prevention
10. All partners must fully engage

Chorley conversation

The Chorley Conversation followed the recommendation from the commission on the future of public services in Chorley. The aim was to hold a 'conversation' with individuals and service users so that their lived experiences could be used to redesign public services. The Chorley conversation was undertaken by Spice on behalf of the council, to provide a degree of independence and encourage people to provide open accounts of their experiences.

The conversation has consisted of three elements. The first was a survey sent to a large sample of residents to gauge general views and levels of satisfaction. The second and third elements were much more focussed and consisted on a series of workshops with groups and in-depth interviews with individuals. These workshops and interviews were planned around four thematic areas: people who regularly use services, young people, people from rural areas and people who live in low income areas.

The full report details the findings of the conversation, and makes a series of recommendations to public services in Chorley. They are:
*   People with complex lives need whole person support to enable them to deal with immediate needs but also to live well, reducing the need to access services with multiple and complex issues as they get older
*   There is a community development gap in Chorley and local people want to have increased power and control over local decision making especially around provision in their neighbourhood
*   Chorley Council needs to exert its influence across housing providers to standardise how they work with local people.
*   There is potential for the Council to provide increased leadership with large services and to advocate for local people with LCC and the NHS.
*   The Council needs to target funding at key issues which are both evidence based and decided with local people. Elements of current provision do not match what people need and want
*   Clayton Brook and other areas of the borough, needs a root and branch process of listening and community building, starting with local people not services.

Financial modelling to test the viability of a unitary authority for Chorley

To investigate the viability of a unitary authority as a potential future governance model, a financial model was created to estimate the resources and expenditure of a unitary authority in Chorley. The modelling is based on building the likely resourcing base for a unitary, and the likely costs of delivering services that are currently split between the borough and county councils for the borough. This gives an overall view of whether a unitary authority may be a viable option, but does not take into consideration how services would be provided or how they may integrate with other public services.

To establish the costs of delivering services, the modelling was based on the RA form published in November 2014[17], which was the most recently published when the work was undertaken. A series of factors were then used to disaggregate service budgets and apportion the relevant amount of service costs to the borough. For example, where 10% of service users for a service provided across the county come from Chorley, 10% of the costs of delivering that service were apportioned in the model to a Chorley unitary.

[17]The RA form is the revenue budget form all local authorities have to complete that sets out each authority's budget against set service categories

The results of the modelling indicate that a Chorley unitary authority would have a surplus of £5.8 million, which is equivalent to 7.5% of the overall budget requirement. The impact on the residual Lancashire would be a £5.8 million deficit, or 0.8% of the overall budget requirement for the remaining county council.

The full report then examines breakeven scenarios, to test how much the resourcing or expenditure position would need to deteriorate by before there would be no surplus.

For expenditure, an increase in demand for the two key demand-led service areas of Children's Services and Adult Social Care was modelled. Both services would need to see an increase in demand of 14% to use the full surplus. An increase in spend to this degree would mean that Chorley's expenditure per head would increase above the rest of the county per head spend. Needs in Chorley are lower than the county average (as demonstrated in all the available data such as the Census and service use information), and so this scenario was deemed to be unlikely.

In an alternative analysis, modelling reduced the resources available to the unitary by reducing the Settlement Funding Assessment. This would need to reduce from £362 per head to £308 per head, which would mean that Chorley's funding position would need to deteriorate significantly more quickly than its statistical nearest neighbours.

The financial modelling also projects the likely financial positions of a Chorley unitary and the residual Lancashire to 2017/18. Based on the information available, the modelling suggests that the Chorley unitary would remain in surplus, albeit reduced to £1.5 million. The modelling suggests that both of the organisations would remain viable. However, the report does note that it is inevitable that there will be some concern about whether proposed financial plans and service proposals are viable in the medium and long term.

The report concludes that a Chorley unitary authority is a viable option, but also that further work will be required to ensure that public services are sustainable in the future.

It is important to note that the aim of the financial modelling was to assess whether a unitary authority for the borough is viable, but also to assess whether it would put the borough in a worse position than remaining in the status quo. It does not assess the medium or long term viability of local government as a sector or public services as a whole. The modelling indicates that a unitary authority would be viable in Chorley. The potential options for protecting and sustaining public services over the long term are discussed elsewhere in the evidence base and the options-appraisal.

Chorley's functional economic area

In considering future governance models for the borough, it was important that the council developed a clear understanding of Chorley's economy so that it is able to take decisions around how it should engage with sub-regional partnerships, such as Greater Manchester and Lancashire combined authorities, and where links need to be made across administrative boundaries.

The whole of the borough of Chorley was within the Preston Travel to Work Area (TTWA). However, although Chorley forms part of the Preston TTWA, the borough directly borders the Bolton, and Warrington & Wigan TTWAs, and it is evident from the 2011 Census data that significant commuting takes place across these boundaries.

2001 Travel to Work Areas

40% of Chorley residents work within the borough, and 54% of Chorley's workers live there. For those residents of Chorley who work outside of the borough, South Ribble and Preston are the two most significant locations.

There is a distinct pattern of commuting along the M61 corridor. This includes Preston and South Ribble in the north with by far the largest net outflows, but also substantial net outflows of workers to local authority areas to the south east, predominantly Wigan, Bolton and Manchester, as demonstrated in the maps below

Destination of residents from Chorley   Origin of workers in Chorley
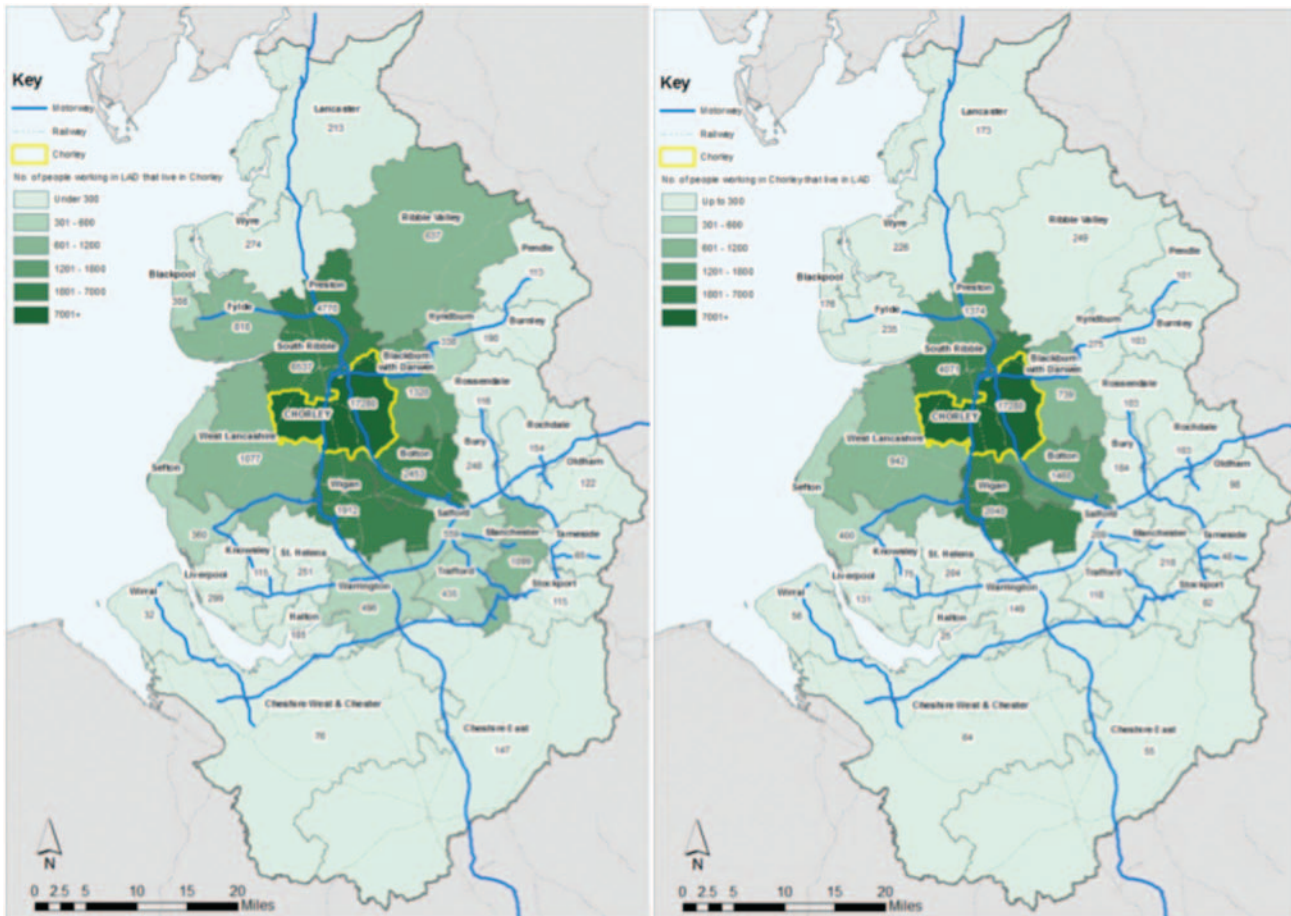
The report on Chorley's functional economic area highlights a series of conclusions and potential implications for Chorley. They include:

- The most important single direct local influence on the functional economic area of Chorley is what happens in Chorley itself.
- It is along the north-south axis in particular that Chorley has its strongest economic linkages. Preston and South Ribble in Lancashire are particularly important. As a result, outside of the borough itself, these are the local areas where economic growth or contraction would potentially have the greatest impact on Chorley.
- Bolton and Wigan are also important, with significant commuter flows notable. It is therefore also important that the potential implications for Chorley of economic change in these places are also fully understood
- Chorley is well-positioned to exploit the economic opportunities presented by its proximity to two Core Cities of Manchester and Liverpool
- Given the prominent role that the M62/M56 corridor(s) has played in recent years in growth terms, it is important that Chorley is able to maximise local benefits from this activity. This calls for an increasingly outward facing approach, supporting an economic development agenda that embraces the concept of porous borders – particularly to the south.

Review of the council's approach to customer-related functions

The council has had a consistent strategy to migrate customer contact to the front office for a number of years. The rationale behind this approach has been to ensure that customer requests are handled more effectively and efficiently, to improve the customer experience and to improve productivity for the organisation.

The full report includes a review of the current approach to managing customer-related functions, and tests whether the benefits that were anticipated have been achieved. Those benefits included:

- To increase productivity in the front office
- To use information effectively to anticipate and better manage peaks and troughs in workload
- To increase the digital take-up of services
- To reduce demand, and particularly failure demand for services

The review defines the characteristics of customer functions using the definitions developed in the establishment of the single front office:

	Characteristics
Customer Processes	Those customer driven processes which are; • capable of being dealt with at first point of contact • high volume of demand
Transactional Processes	Those processes which are driven by customer demand, • which cannot be dealt on first point of contact, • which can be dealt with in a short period of time and limited number of interactions with the customer.

In addition to these functions, there are other functions delivered by the council which are closely associated with customer demand and requests, particularly those which are regulatory and asset-based in nature. The following broad characteristics have been developed to define the functions:

	Characteristics
Regulatory Processes	Those processes which may have contact with the customer, but which are driven by statutory duties or powers. • More likely to involve case management • Interaction with large number of customers or stakeholders
Assets and infrastructure processes	Processes which are delivered to the benefit of the community, rather than a particular customer or customer group. Often related to land or assets

These processes are closely linked to customer functions, either because they have high levels of customer contact, or because they have the potential to produce high levels of failure demand[18] if they are not delivered effectively.

The review of the council's approach to customer services indicates that levels of customer satisfaction are generally higher in services that are delivered through the front office and that productivity has improved in services migrated into the single front office.

[18]Failure demand is a demand for services or a response caused by the organisation's (or public service's) failure to do something right for the customer, meaning that further demand for response or action is caused.

It also identifies evidence from elsewhere that indicates that the experience that residents and customers have when they request a service from the council is important in the overall view they form of the organisation. The approach that the council has taken to customer functions has strong links with principles that are advocated by various business improvement techniques, such as Lean. There is extensive research that Lean can bring significant benefits to organisations including; a reduction in processing or waiting times, a reduction in costs, increases in customer satisfaction and increased staff engagement.

Based on the learning and experience gained from the development of the single front office, and the evidence from elsewhere, the following principles should guide the council's approach to managing customer-related services:

- that services, however complex, should be dealt with as far as possible at the first point of contact
- that customers who can should prefer to use digital channels as an straightforward and efficient way of managing services
- that the management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
- that management information should be actively used to target resources
- that customers should be able to access information and manage their service requests without having to interact with the council

The case for coproduction and community action

Evidence from the Commission on the Future of Public Services in Chorley, the Chorley Conversation and elsewhere strongly suggests that the relationship between public services and communities and services users needs to be reshaped. Too often, service users feel that they have no control or power in the services they receive and communities feel that they do not have a role to play.

It is useful to define what is meant by coproduction and community action and the distinction between the two. Coproduction has been given the following definition:

"Coproduction means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours."[19]

Community action has less of a focus on the joint delivery of services and a wider aim of encouraging individuals to be more involved in their communities, using the assets that everyone has to be more active participants in their local area.

A central idea in coproduction is that everyone holds assets (for example, in skills, time, experience or enthusiasm) that could be used in delivering services and improved outcomes. If services are truly efficient, they should be making use of these assets rather than ignoring them.

Within Chorley, a key programme for encouraging greater involvement in community is the Time Credits programme. The programme has been in place since 2011. It had an initial focus on health and social care, but was widened in 2013 to provide a testbed for how volunteering and community activity could provide a basis for improved outcomes and better public services. A recent independent evaluation[20] has concluded:

- Greater involvement in the community and volunteering through Time Credits has a positive impact on health and wellbeing and is a key tool for prevention and enabling people to live healthier lives in the community.
- Time Credits are supporting the development of stronger communities, creating networks and enabling people to form new groups to meet local needs.

[19]Boyle, D and Harris, M (2009) ' The Challenge of Coproduction: How equal partnerships between professionals and the public are crucial to improving public services', NESTA, p 11
[20]Apteligen (2015) 'Spice Time Credits: Impact Summer 2015 findings, Chorley Impact'

The full report proposes that in the considering how coproduction may fit with the future governance models for Chorley, the focus should be on how a greater involvement in services and communities could benefit individuals and communities, rather than how the activity could replace public services.

The following principles should be used to promote and encourage coproduction and community action in Chorley:

1. Everyone involved in delivering public services in Chorley should recognise people as assets. Everyone has something to contribute, rather than being a drain or demand on services.
2. Every service should provide opportunities for people to contribute and add value in their lives and local area. This could range from individuals having the opportunity to control care packages to communities being able to manage land and assets.
3. Public services in Chorley should invest in building social networks and community capability to promote greater coproduction and involvement in the community.
4. Services being reformed or redesigned should be designed with coproduction and community action as a central aim.

Challenges for public services in education

As part of the work to examine the challenges facing public services and the future potential governance models for the borough, the council asked Professor John Diamond (Director of the Institute of Public Policy and Professional Practice, Edge Hill University) to provide

- a precis of changes in the management of education over the past two decades,
- a view of the challenges facing education in the context of wider challenges to public services
- suggestions for how the local area could respond collectively to those challenges.

The context within which education policy and practice is shaped by locally determined needs has undergone profound change over the last 25 years. Schools have much more independence and autonomy than was the case in the 1980s, and the FE sector has experienced a number of reforms. The cumulative effect of the changes over the past few decades has been to develop a more fragmented local system and a weakened role of the local education authority. Local authorities now have a very limited role in the day-to-day management of schools. The role will continue to change in the coming years as reducing budgets and the continuation of education changes (such as the academy programme) mean that councils will no longer have the scale or capacity to fulfil the role in the same way as they did in the past.

The education system has similar challenges to the rest of public services. Schools are affected by demographic change, and by changes to the services provided by other organisations. For example, when families struggle to access support that they need, it is often at school where issues are first identified.

In addition, schools and education play an important part in the wider system of public services – in ensuring that people are ready for employment, in promoting health and wellbeing and in providing a focus for the community.

The report makes a recommendation that Chorley should seek to ensure that education is involved in public service reform, and define a vision for education provision within the locality and aims for how the vision could be made real. This could include:

- Engaging and involving schools in public service reform
- Developing a partnership to link schools and further education into wider employment and economic development
- Supporting school networks and educations institutions in developing peer support and improvement

The governance model that is in place for the council and public services in the borough plays a key role in enabling or constraining the transformation of the way in which services are managed and delivered.

Developing an integrated community wellbeing service

An outline business case has been developed that sets out a proposal to create a service that integrates functions that are focussed on prevention and early intervention. The case details the strategic rationale, an economic assessment of the potential benefits it could realise and outlines potential operating models.

There is a significant body of evidence that services focusing on prevention and early intervention have a beneficial impact on individuals, communities and public services. This is because individuals and communities experience better outcomes by receiving appropriate support, and the delivery of these services generally tend to be less expensive than services provided in crisis situations or over a long period.

The proposal examined in the business case is to integrate public services that:
- relate to promoting the health and wellbeing of individuals and communities, or
- that are aimed towards early intervention and prevention, managing future demand on the system caused by ill-health, anti-social behaviour or crises

The service will work under a single identity and management and work to the following principles:
- Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
- Issues and problems faced by individuals, families or communities will be dealt with as far as possible without the need for a formal referral process
- Self-management and peer support will be promoted and supported
- Services will be codesigned and coproduced
- A focus on prevention and early intervention across all public services

The service will initially include functions currently delivered by Chorley Council and LCFT. The services in the way they are currently delivered account for around 390 FTE, and £15.8 million budget. While the business case is based on functions from two organisations, the premise of the proposal, and the operating models are designed to be able to work across more organisations and services.

By integrating and reshaping services already provided by Lancashire Care Foundation Trust and Chorley Council to focus more on prevention and early intervention, there is potential to save the 'system' of public services 10% over 15 years.

This provides an opportunity to make public services more sustainable and better at meeting the needs of our residents.

To achieve true integration and a change in the way that services are delivered, the business case proposes developing a prime provider model for the management and delivery of services. This would then have the potential to provide the base for the development of an accountable care system that could truly transform the way that public services are sustained and improved in the long term.

> **OPTIONS-APPRAISAL OF FUTURE GOVERNANCE MODELS**

> SECTION
> **03**
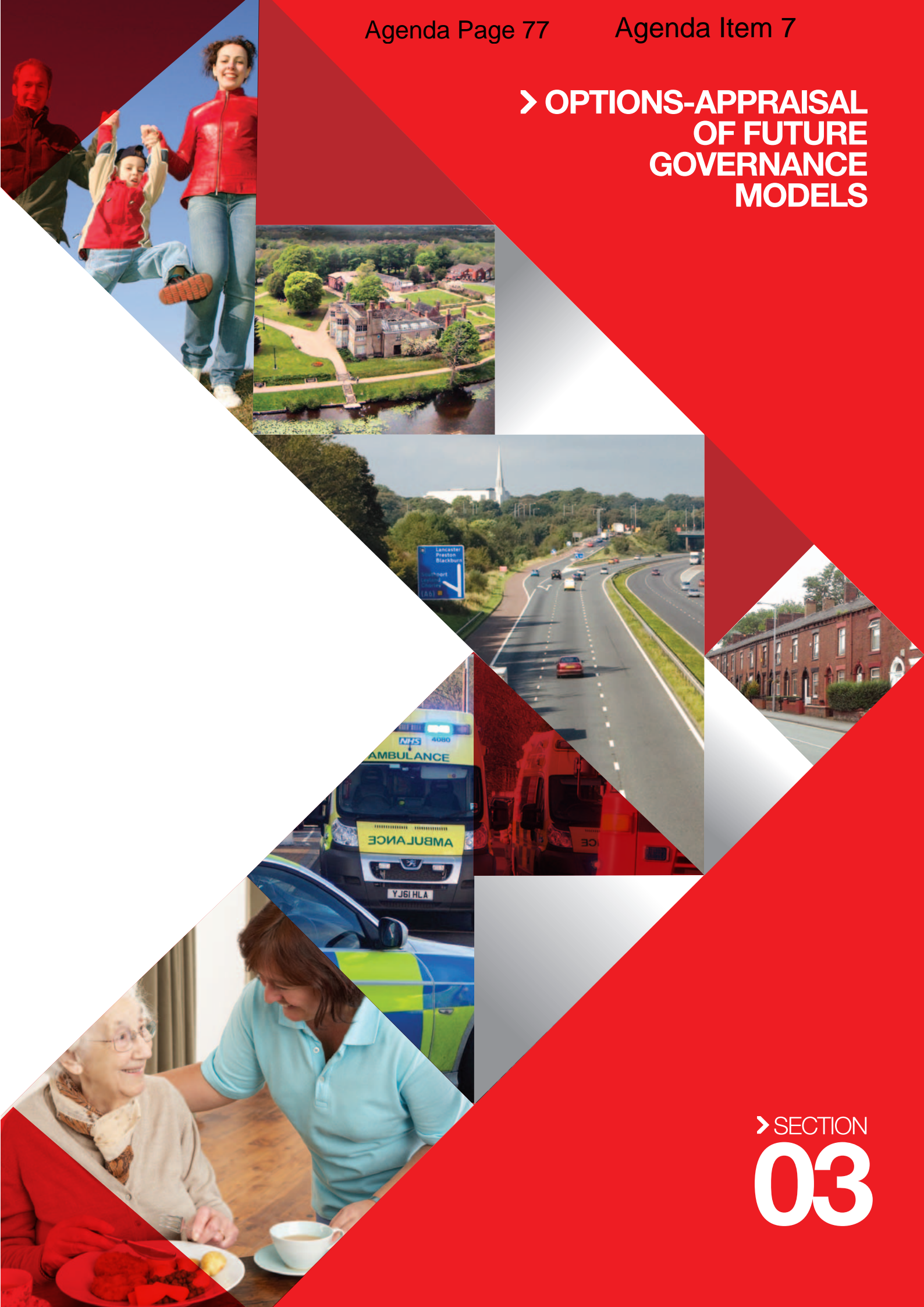
Five broad governance models that could be pursued to achieve the council's ambitions for public service reform in the borough have been considered through an options-appraisal. The governance models are:

	Option title	Option summary
1	Status quo	No significant change to governance models. A continuation of partnership working through the public service reform partnership, with functional responsibilities remaining with current organisations.
2	'Traditional' unitary authority	A unitary authority created for Chorley, a local authority that has responsibility for all local government functions, with a continuation of existing partnership arrangements, but which does not integrate working with other public services either in commissioning or provision.
3	Integrated district council	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service).
4	Integrated district councils across wider geography	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service), with a network of integrated districts across a wider geography to provide greater scope for service reform.
5	Integrated public services	Local government functions are brought together through a unitary authority, but the establishment of a new organisation is based on integrating commissioning and provision of services with other public service organisations.

The diagrams at appendix A set out to illustrate how the different models would lead to new organisational arrangements and changing responsibility for the management and delivery of functions.

The approach to the appraisal

The options-appraisal is based on a qualitative approach that examines the advantages and disadvantages of each model and the likelihood of it enabling the achievement of the following criteria, which have been developed from the original vision agreed by the working group and the recommendations from the independent commission on the future of public services:

- To make public services less fragmented to customers, residents and service users
- The model is capable of delivering sustainable public services in the short and long term
- The leadership of public services will be strengthened
- Public accountability will be maintained or strengthened
- The model will support public services to meet future needs and demands

Although the options appraisal is primarily a qualitative approach, to aid some differentiation of the models, the following scoring matrix has been applied to each against the criteria above:

Score	Criteria
4	Option would strongly support achieving the objective
3	Option would support achieving the objective
2	Option would partially support achieving the objective
1	Option would not support achieving the objective

The assessment of each of the governance models is set out in the following tables.

Option 1: Status quo

Summary

No significant change to governance models. A continuation of partnership working through the public service reform partnership, with functional responsibilities remaining with current organisations.

Advantages	Disadvantages
• No disruption caused by reorganisation of services • No need to seek permission of central government or support of partners • Organisations work within established and recognised boundaries.	• Disruption is likely to occur anyway with financial gaps faced by public services • Continued fragmentation of local government – lacking clear leadership to other public services. • Continued inability of Chorley Council to drive and influence decision making at a local level because of split decision making • Chorley is likely to be adversely affected by public services 'rationing' services and prioritising other areas of the county • Joined up and integrated approaches to working is likely to be ad-hoc and inconsistent

Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Unlikely to deliver against this objective – the existing structures would continue the existing fragmentation. Fragmentation likely to increase in time as service provision is reduced or rationed.	Little impact in the short term, although individual organisations are increasingly having to take more fundamental decisions to meet financial challenges. Long term sustainability of public services not supported by this option	Refocussed public service reform partnership may provide some degree of improved leadership, as might the combined authority.	Public accountability for district council services will be maintained. Similarly with county council services. No promotion of accountability in other public services	Unlikely to support the delivery of this objective – current plans across public service partners focus on meeting financial challenges, not reshaping to meet future demands
1	**1**	**2**	**1**	**1**

Option 2: 'Traditional' unitary authority

Summary

A unitary authority created for Chorley, a local authority that has responsibility for local government functions, with a continuation of existing partnership arrangements, but which does not integrate working with other public services either in commissioning or provision.

Advantages	Disadvantages
• Decision making and community leadership would be simplified and strengthened • Financial modelling demonstrates that it is a viable option and does not significantly impact on the viability of the residual county area. • An established model of governance for local government, with examples of public service reform elsewhere.	• Likely to cause significant disruption to public services, particularly local government in the short and medium term • Model does not address the fragmentation of public services • Authority would be sustainable in the short to medium term, but may be less sustainable in the long term as a small authority • Some services (particularly specialist services) would better delivered at a scale larger than the borough, although the combined authority would provide some mechanism for this.

Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses fragmentation of local government, however the model on its own would not address the fragmentation of public services (for example, across health and social care)	This model is likely to be able to provide an opportunity for sustainable local government (through a redesign of services, and based on financial modelling). However, does not address long term sustainability of wider public services and in small in absolute terms	The unification of local government would provide an opportunity to strengthen local government leadership. However, it does not address system-wide leadership	Public accountability for local government would potentially be increased with more straightforward structures. However, it does not address other parts of public services	The model may support the development different local government services, but not addressing the need for integration of health and social care and other public services would make it more difficult to meet future needs.
2	**2**	**3**	**3**	**2**

Option 3: Integrated district council

Summary

Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service).

Advantages	Disadvantages
• No need to seek permission of central government • Addresses long term issues in managing demand for services through demographic change. • Addresses some of the issues of fragmentation in public services • Builds on current partnership working through the public service reform partnership	• Continued fragmentation of local government – lacking clear leadership to other public services. • Risk of commissioning and service provision decisions undermining public service reform. • Proposals would be limited to on certain parts of the public service system, and changes to services or systems would not include all relevant services.

Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses some fragmentation issues, but not local government or health and social care.	Would promote Chorley Council's sustainability in the medium term by increasing remit, and would support longer term sustainability of public services. Unclear on the short term how it would support short term sustainability	Will provide some strengthened leadership through creation of integrated services and combined authority, but does not address the fragmentation of local government or health and social care commissioning	Public accountability is likely to be more complex as services are integrated across different sectors without addressing the fragmentation of key elements of the system	The approach will support a reshaping of services to meet future needs in terms of an ageing population with increasing complex and multiple needs through prevention and early intervention. It will not address issues in the management of health and social care
3	3	3	3	3

Option 4: Integrated district councils across a wider geography

Summary

Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an community wellbeing service), with a network of integrated districts across a wider geography to provide opportunities for wider service reform.

Advantages	Disadvantages
• No need to seek permission of central government • Addresses long term issues in managing demand for services through demographic change. • Addresses some of the issues of fragmentation in public services • Builds on current partnership working through the public service reform partnership • Network of integrated districts could enable greater change and sustainability, and provide a scale to deliver a wider range of integrated services across a larger population	• Continued fragmentation of local overnment – lacking clear leadership to other public services. • Risk of commissioning and service provision decisions undermining public service reform. • Proposals would be limited to on certain parts of the public service system, and changes to services or systems would not include all relevant services.

Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses some fragmentation issues, but not local government or health and social care.	Would promote involved district councils' sustainability in the medium term by increasing remit, and would support longer term sustainability of public services.	Will provide some strengthened leadership through creation of integrated services and combined authority, but does not address the fragmentation of local government or health and social care commissioning	Public accountability is likely to be more complex as services are integrated across different sectors without addressing the fragmentation of key elements of the system	The approach will support a reshaping of services to meet future needs in terms of an ageing population with increasing complex and multiple needs through prevention and early intervention. It will not address issues in the management of health and social care
3	**3.5**	**3.5**	**3**	**3**

Option 5: Integrated public services

Summary

Local government functions are brought together through a unitary authority, but the establishment of a new organisation is based on integrating commissioning and provision of services with other public service organisations.

Advantages	Disadvantages
- Decision making and community leadership would be simplified and strengthened. - Could potentially work across a wider geographic area - Would make public services more sustainable by building an integrated model public services instead of adding them on to existing organisational structures - Would provide an opportunity to better manage the disruption in public services that is already being caused by budget gaps.	- Would take time to develop and deliver - Would cause disruption within public services and need permission from others (such as central government)

Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Should promote integrated public services – from commissioning to provision, and enable redesign of service provision around the needs of individuals and communities	Model is capable of delivering sustainable services in the long term, by better managing demand across the system and over time, and by tailoring services to needs.	Public services should be promoted through the integration of local government, and the creation of integrated approaches to commissioning and service provision	Public accountability should be maintained or strengthened in the development of new services, but it is likely to be different and more complex as services are integrated across different sectors	The model would support public services in meeting future needs and demands by shifting emphasis on prevention and early intervention, and on the management of demand across the system rather than within organisations
4	4	4	3	4

Summary of the scoring

A summary of the scoring applied in the options-appraisal is set out in the table below. This provides some level of indication about the potential for each of the models to reach the objectives and vision that the council has set out to achieve.

Objective	Status quo	Traditional unitary	Integrated district council	Integrated district councils on wider area	Integrated public services
To make public services less fragmented to customers, residents and service users	1	2	3	3	4
The model is capable of delivering sustainable public services in the short and long term	1	2	3	3.5	4
The leadership of public services will be strengthened	2	3	3	3.5	4
Public accountability will be maintained or strengthened	1	3	3	3	3
The model will support public services to meet future needs and demands	1	2	3	3	4
Total	**6**	**13**	**15**	**16**	**19**

The options appraisal indicates that the integrated public services model is the most likely governance model to achieve the objectives and vision of the work. The model which is least likely to achieve the council's aims is to remain with the status quo.

Deliverability of the models

The options-appraisal examines each of the models against the identified objectives. However, a separate issue is how possible it is to deliver the governance models when external factors, such as other organisations' decision making is taken into account. In this section, consideration is given to how deliverable each of the models are.

	Option title	Issues for delivery
1	Status quo	No real issues in potential to deliver this model, as the existing arrangements continue. The only new arrangement is the development of a combined authority for Lancashire. Although this will pose some issues for the Lancashire local authorities, it should be relatively straightforward to develop and deliver and similar models are in place in other areas of the country.
2	'Traditional' unitary authority	The government would need to agree to the reorganisation of local government arrangements for Chorley to create a single tier authority. At present, the government's stated approach is that they will consider this when there is a unanimous agreement among local partners. For Chorley, this would mean that the agreement of Lancashire County Council would need to be secured. At this point, this would seem unlikely. An alternative approach would be to secure a mandate from local residents to further lobby the government and county council.
3	Integrated district council	This option would require formal transfers of the management of functions to new organisations, but the relevant decisions could be made by the council and its partners and would not require legislation or permission from government or others. In addition, the extent of the integrated working, for example through the integrated community wellbeing service, could take a narrow or wide approach depending upon the level of engagement from partners. Similar approaches (albeit generally not with district councils) are developing across the country to better integrate health and social care.
4	Integrated district councils across wider geography	This option would have similar challenges in terms of deliverability to option 3, but would need to develop agreement across multiple areas, including governance arrangements although it would still not require legislation or permission from others.
5	Integrated public services	The delivery of this option would be challenging. One approach to delivering this would be to secure local government reorganisation to start the process. This would encounter the same issues that are identified for option 2 above. In addition, the opportunity would need to be taken to deliver different governance models across local government and the health sector – meaning that multiple partners would need to engaged and actively involved. This would be easier to undertake during the reorganisation of local government, but would still be challenging. An alternative approach would be to develop some of the foundations to this approach through before reorganisation, by developing the model described in option 3 before reorganising local government as described in option 5.

The most deliverable options are either continuing with the status quo, or to develop the integrated district council model.

Conclusion

The future governance model that is most likely to support the council and public services to achieve the vision and objectives is the integrated public services model; utilising the opportunity of reorganisation of local government to drive change through the system of public services and create new and sustainable models.

However, there would be significant challenges in implementing that model, so it would take time to deliver.

The integrated district model provides an opportunity to achieve much of the vision for public service reform, and is achievable. In a similar way, working to extend the model across multiple districts may present further opportunities. However, as identified in the options appraisal, the model carries risks in terms of long term sustainability as commissioning functions would not be included within integrated governance structures.

> SERVICE DESIGN
PRINCIPLES,
BUSINESS
MODELS AND
SCALE

> SECTION
04

Across all of the services the council provides or commissions, or new services that the council develops with public service partners, the following principles should apply.

Providing excellent customer services

1. Services, however complex, should be dealt with as far as possible at the first point of contact
2. Customers who can should prefer to use digital channels as a straightforward and efficient way of managing services
3. The management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
4. Management information should be actively used to target resources
5. Customers should be able to access information and manage their service requests without having to interact with the council

Encouraging community action and coproduction

6. Everyone involved in delivering public services in Chorley should recognise people as assets.
7. Every service should provide opportunities for people to contribute and add value in their lives and local area.
8. Public services in Chorley should invest in building social networks and community capability
9. Services being reformed or redesigned should be designed with coproduction and community action as a central aim

Prevention and early intervention

10. Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
11. Issues and problems faced by individuals, families or communities will be dealt with as far as possible without the need for a formal referral process
12. Self-management and peer support will be promoted and supported
13. Services will be codesigned and coproduced
14. There will be a focus on prevention and early intervention across all public services

Council organisational business models

Chorley Council has utilised functional analysis over a number of years to support its work in reshaping and transforming the organisation. For example, in the business process architecture work undertaken as part of the National Process Improvement Project in 2007 identified a blueprint for a district council based around key customer groups. More recently, the council has identified functional groups based on processes identified in rough-cut activity based costing exercises to drive change, for example through the development of a single front office.

Alongside the overall governance models outlined and assessed in earlier sections, it is important to consider how the council's current core functions may be delivered in the future; what business models will best support the organisation in delivering its core services and purpose, and in leading public service reform.

Using the principles and background evidence in the report, the following table sets out functional groupings for the services provided by the council. It also does not suggest a structure for the council. It is a way to identify and distinguish processes.

Function	Characteristics
Strategic	Those processes which are central to the decision making of the organisation; • closely linked to the decision making core; • involved in long term organisational planning.
Resourcing	Those processes which provide support to the running of the organisation through support services.
Customer	Those customer driven processes which are; • capable of being dealt with at first point of contact • high volume of demand or • cannot be dealt with at first point of contact, but can be dealt with in a short period of time and limited number of interactions with the customer
Regulatory	Those processes which may have contact with the customer, but which are driven by statutory duties or powers. • More likely to involve case management • Interaction with large number of customers or stakeholders
Early intervention and well-being	These processes may provide universal services that promote better living and community involvement. They may also be targeted at vulnerable people who are at risk of becoming more dependent if there is no intervention.
Economic development	Processes which: • drive economic growth • related to business growth • related to long-term spatial planning
Community assets and infrastructure	Processes which are delivered to the benefit of the community, rather than a particular customer or customer group. Often related to land or assets

The table below shows the business models that will be associated with each of the functional groupings. It is important to note that these demonstrate the key business model approaches for each, but they will need to continue to develop and respond to the external and internal context

Function	Business model
Strategic	Delivered by the organisation, with some scope for shared services if an opportunity arises. Provides strategic direction to the organisation, and forms the policy making and democratic core. Also development of collective capacity with partners for reform work.
Resourcing	Consider shared services, use of technology and potentially outsourcing to reduce costs.
Customer	Consolidation of functions into the front office. Delivery of digital strategy should provide scope to refocus services and reduce costs.
Regulatory	Linked closely to customer services function. Consider shared services and outsourcing on a business case basis.
Early intervention and well-being	Full integration with public service providers –through an integrated community wellbeing organisation. Delivered with coproduction and volunteering at its heart, encouraging community involvement.
Economic development	Close / joint working with sub-regional partners. Potential outsourcing of some work with those partners.
Community assets and infrastructure	Close links with customer services. Work with volunteers / community groups / parish council to encourage coproduction and community action.

These business models should be used in developing a reshaped organisation and in developing a transformation strategy. The business models identified in the table above fit with the service principles identified in the earlier section. In addition, they fit and support the governance models identified around an integrated district council and integrated public services. For example, the model for early intervention and well-being is supported by an integrated community wellbeing service, the model for economic development links with a combined authority and customer, regulatory and community assets are supported by the background evidence for customer principles, coproduction and community action.

A note on geographies

The focus of this report is on creating sustainable public services for Chorley and the potential role of Chorley Council. However, the principles outlined in the previous section, as well as the proposal for an integrated community wellbeing service would be suitable to fit within a system of transformed public services across a wider geographic area.

The report from the commission argued that there is no single right spatial level to deliver all public services, that some are best suited to large populations and spatial areas, whereas others are suited to smaller areas. An example used in the commission report is that the integration of health and social care works best at populations of 20,000 to 70,000.

Set out below is a broad illustration for how different public services could be suited to different population sizes and geographic areas

Impact on the case for change	
Regional – 5 million +	• Specialised services • Strategic transport and infrastructure planning
Pan Lancashire – 1 million	• Tertiary services • Strategic economic growth planning • Transport planning and infrastructure • Serious and organised crime • Regional trauma centres • Regional specialised services • Support for education
Clustered district – 200,000 to 300,000	• Type One and Type Two urgent care services • Emergency service response • Health and social care commissioning • Planned healthcare
District level and smaller – 100,000 and smaller	• Design and provision of community services – including prevention and early intervention • Community health and primary care services • Community and asset-based services

A key issue in identifying future governance models for public services is to ensure that local accountability is maintain and strengthened, so that residents can clearly influence the management and delivery lf services, and hold their representatives to account. It is likely that this is best achieved by maintaining links to community identify and links to the delivery of frontline services. Within the proposals outlined above, this would appear to be best served through democratic arrangements at a district level, with a population of around 100,000.

> RECOMMENDATIONS
AND NEXT STEPS

> SECTION
05

1. Chorley Council should adopt a clear statement of purpose that it sees itself as a community leader that will work across organisational boundaries to improve and protect public services.

   The purpose set out in the earlier section of this report should be used as a basis for future decision making.

2. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation for change

   The council should continue to work towards, and press for, fundamental change in public services for Chorley over the medium term. This will need support from others, particularly central government and the NHS. However, it would be significantly more secure and more sustainable if all parts of public services are involved rather than leaving elements fragmented and unconnected.

   Rather than waiting for enormous disruption to be caused as local public service organisations take individual decisions to manage their budget challenges, the unification of local government for Chorley would provide an opportunity to reshape and redefine services that are sustainable and fit for the future.

   The integrated district council model provides an opportunity to build strong foundations relatively quickly by concentrating on developing models that do not need external support or permission to implement. However, a key issue in this approach is that it does not address fundamental weaknesses in the existing public service governance models.

3. Chorley Council should reshape its structure and organisation to enable and support change

   The council should ensure that its structure supports the principles set out in this report and the adoption of future governance models, and should commence the process by reshaping itself, using the business models outlined in this report.

4. Chorley Council should use the principles outlined in this report in its service delivery and to guide the development of new services and governance models

   In reshaping itself and developing new services and governance models, the council should use the principles around customer services, coproduction and prevention and early intervention to guide its work. A transformation plan should be developed in the coming months to support this change.

5. **The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service**

As a potential key foundation in the development of integrated public services, the council should develop an integrated community wellbeing service.

6. **Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level**

A combined authority for Lancashire provides potential opportunities for Chorley in terms of greater influence and accountability over economic development, and to strengthen Lancashire as a whole in sub-regional, regional and national discussions.

7. **Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area**

Sustainable public services need to be based on full system public service reform. This will be more achievable over the medium and long term if reform can include neighbouring areas which receive services from the same organisations (such as in the NHS) as Chorley.

8. **Chorley Council should work with others to create a vision for education in the borough**

The council should ensure that education organisations are recognised for the role they play in public services and the community. They should be involved in work around public service reform, particularly in developing links between schools and further education into wider employment and economic development issues.

Pathways for change

The diagram below illustrates the likely path from the current position to a new model of integrated public services by 2018/19.

Chorley Council reshapes and restructures Establishment of Lancashire Combined Authority	Development of and integrated district model through the implementation of an integrated community wellbeing service	Unification of local government functions	Integrated public services model through the expansion of integrated community wellbeing service and development of joint commissioning
2015/16	**2016/17**	**2017/18**	**2018/19**

As outlined in the recommendations, the aim is to use the integrated district model as a foundation for change. The diagram below illustrates some of the key aspects of the model.

In the model opposite, the local government structures remain unchanged, with the creation of a combined authority for collective pan-Lancashire decision making. Some borough council services, with a focus on prevention and early intervention, are transferred to an integrated service with LCFT and other willing partners.

The council will also have a series of identified business models for its service delivery.

These include:
• Developing shared back office services
• Integrating coproduction and community action into service design and delivery
• Migrating the management of customer-related functions to the front office

As discussed in the earlier section, other areas could move towards a similar integrated district model, which would provide opportunities to increase scale and sustainability.

Integrated district council

Fire and Rescue

Community and mental health trust

Police

Acute hospital trust

Integrated community wellbeing service

Integrated community wellbeing services are legal entities shared by partners with responsibility for delivery of:

- District council functions
  - Housing advice and homelessness
  - Environmental health
  - Community development
  - Sports and physical activity
  - Leisure centres
  - Neighbourhood officers

- LCFT functions
  - Community and mental health teams (including integrated neighbourhood teams, IAPT, CMHTs)

- Other partners' prevention and early intervention services

Borough Council

District council business models

- Shared back office services
- Customer functions migrated to the front office
- Coproduction and community action integrated service delivery

Schools and education

Combined Authority

County Council

Combined authority takes responsibility for decisions/ functions relating to:

- Economic growth
- Transport
- Skills and education

The ambition is to create a model of integrated public services, which are illustrated in the diagram below.

Integrated public services

Fire and Rescue

Community and mental health trust

Police

Acute hospital trust

Integrated community wellbeing service

Integrated community wellbeing services are legal entities shared by partners with responsibility for delivery of:

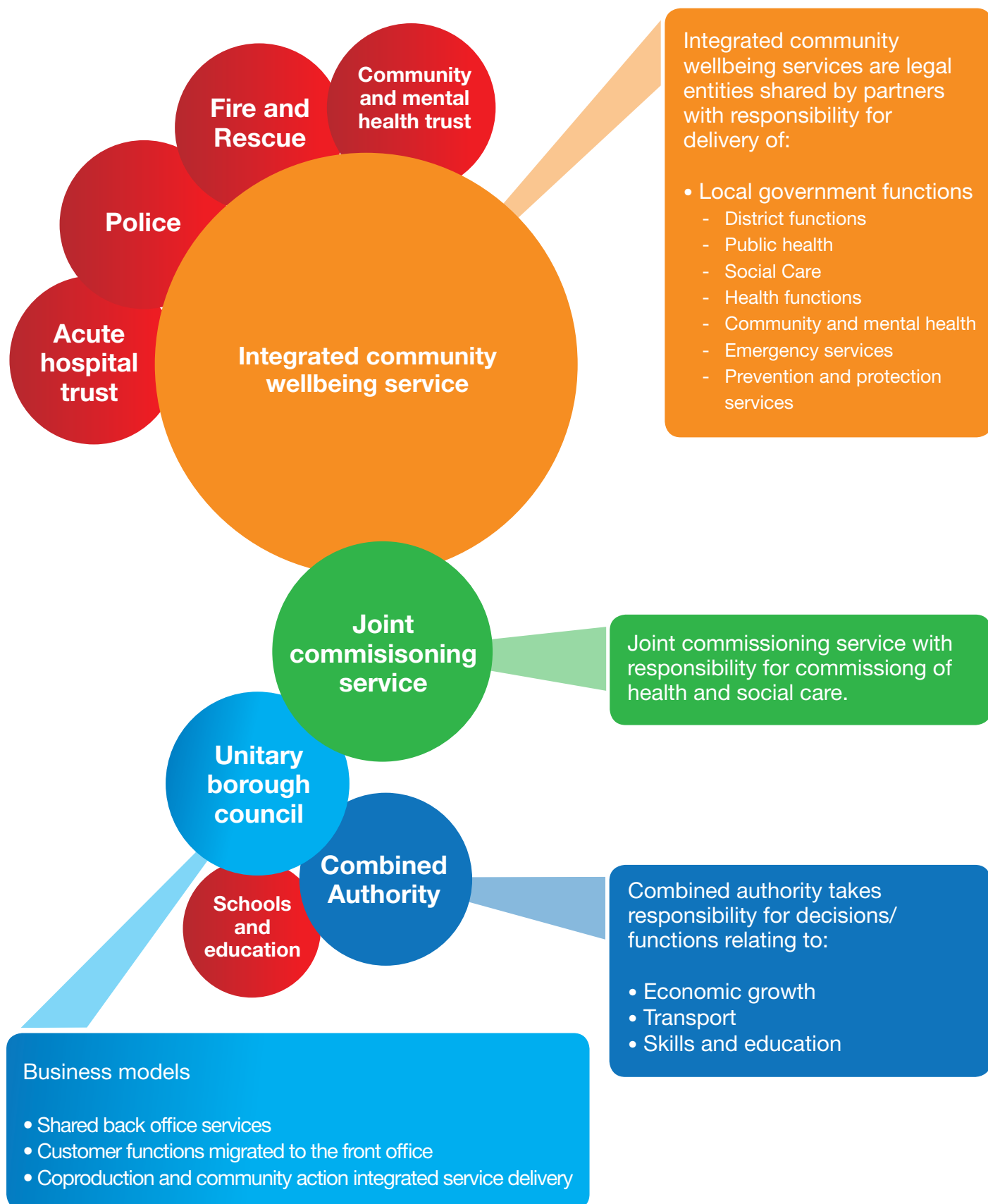- Local government functions
  - District functions
  - Public health
  - Social Care
  - Health functions
  - Community and mental health
  - Emergency services
  - Prevention and protection services

Joint commisisoning service

Joint commissioning service with responsibility for commissiong of health and social care.

Unitary borough council

Schools and education

Combined Authority

Combined authority takes responsibility for decisions/ functions relating to:

- Economic growth
- Transport
- Skills and education

Business models

- Shared back office services
- Customer functions migrated to the front office
- Coproduction and community action integrated service delivery

Local government functions are unified through the creation of a unitary authority for the borough. This enables the creation of integrated public services by expanding the integrated community wellbeing services and creating a joint commissioning service for the boroughs.

Next steps

In reshaping and preparing to transform public services in the borough, the council will need to ensure that it has in place a plan for change that will support the organisation in leading the change in public services. A transformation strategy will be developed and presented to Executive Cabinet in January 2016 for approval. It will work to:
- develop an organisational culture which is able to meet the challenges ahead and changed ways of working
- support councillors in changing roles and a changed decision making environment
- implement the service design principles identified in this report and supporting evidence
- make best use of technology and information management
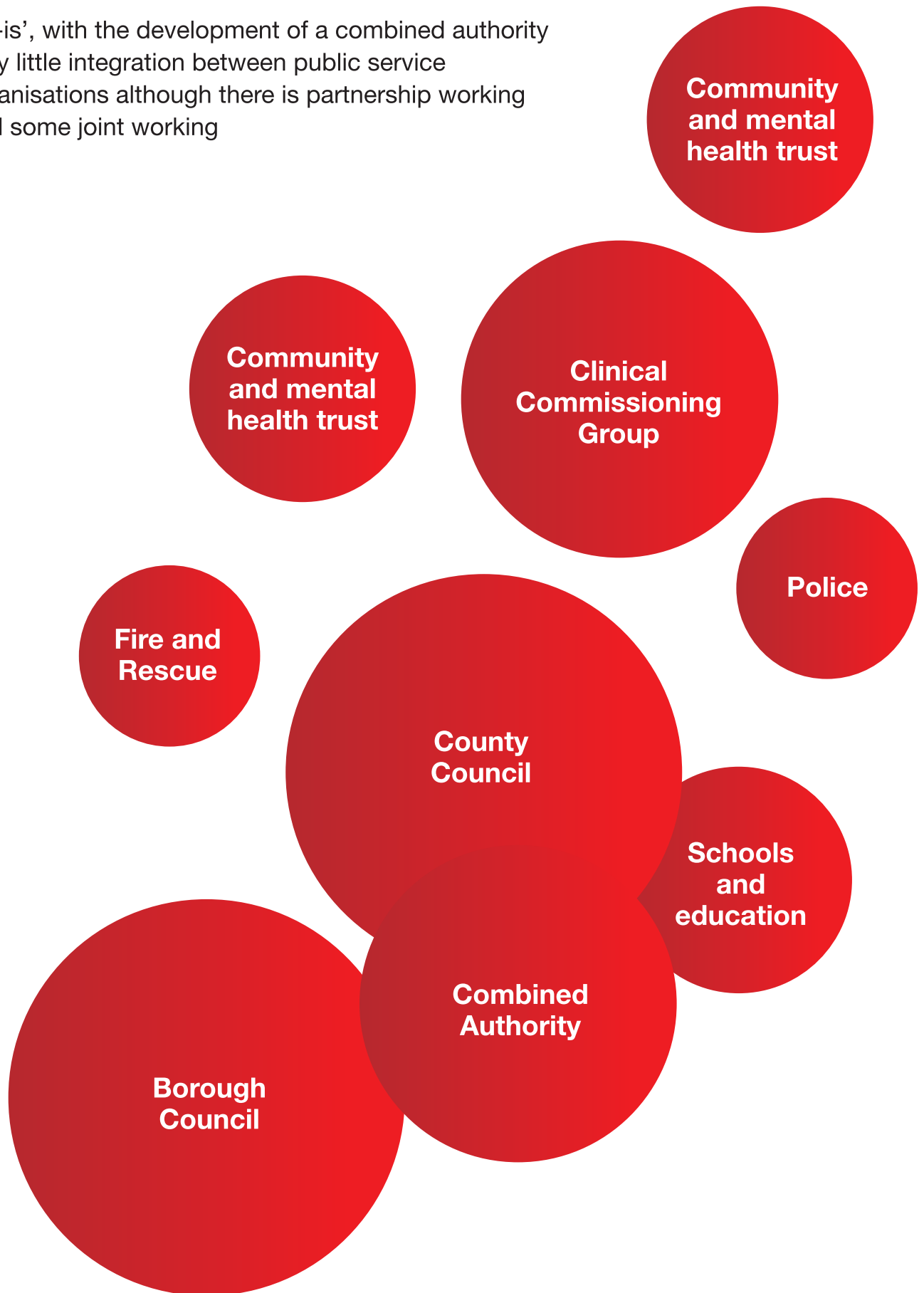- implement a changed management structure and new business models.

> **APPENDIX A**

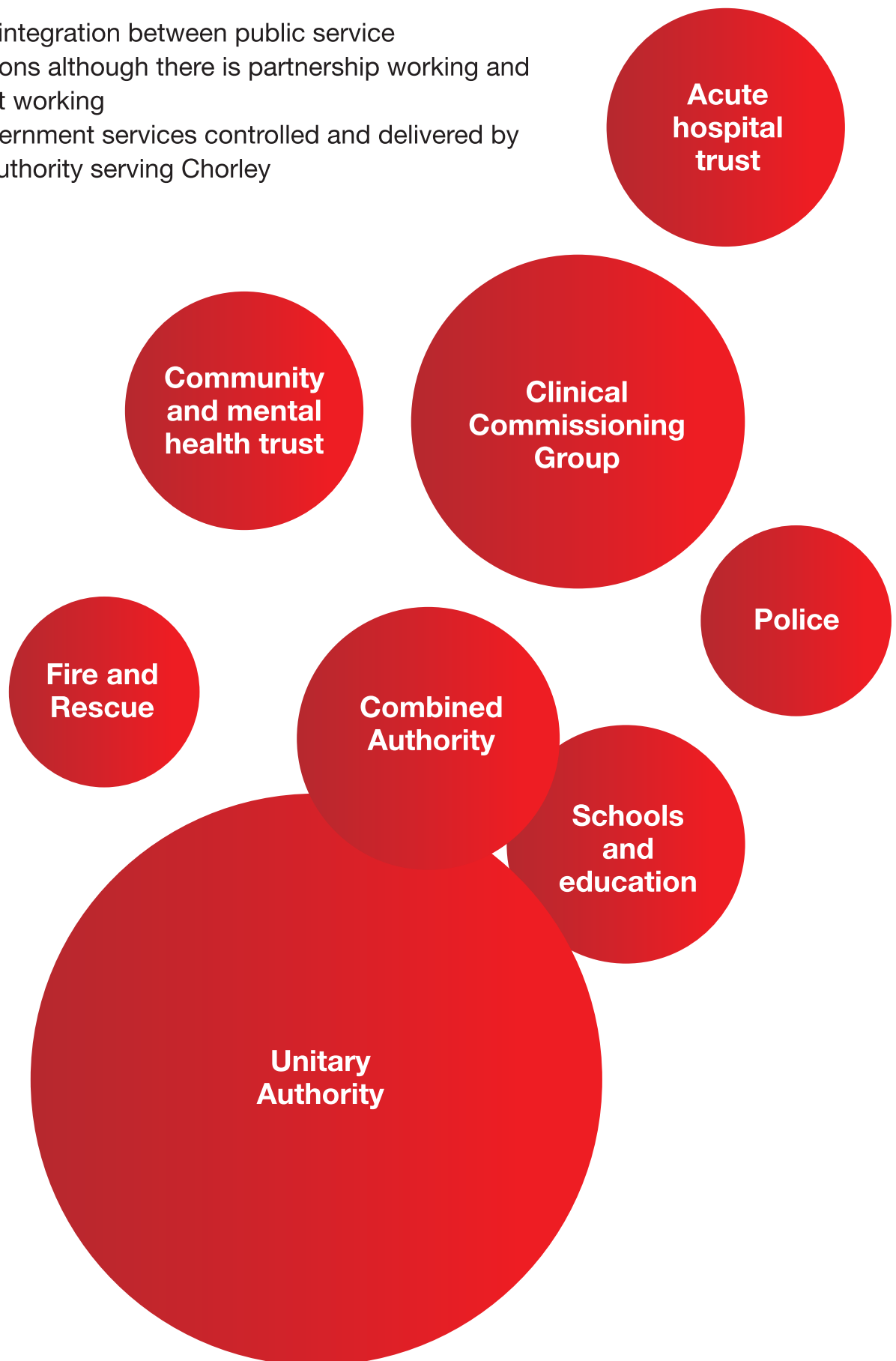# Option 1: **Status quo**

- 'as-is', with the development of a combined authority
- Very little integration between public service organisations although there is partnership working and some joint working
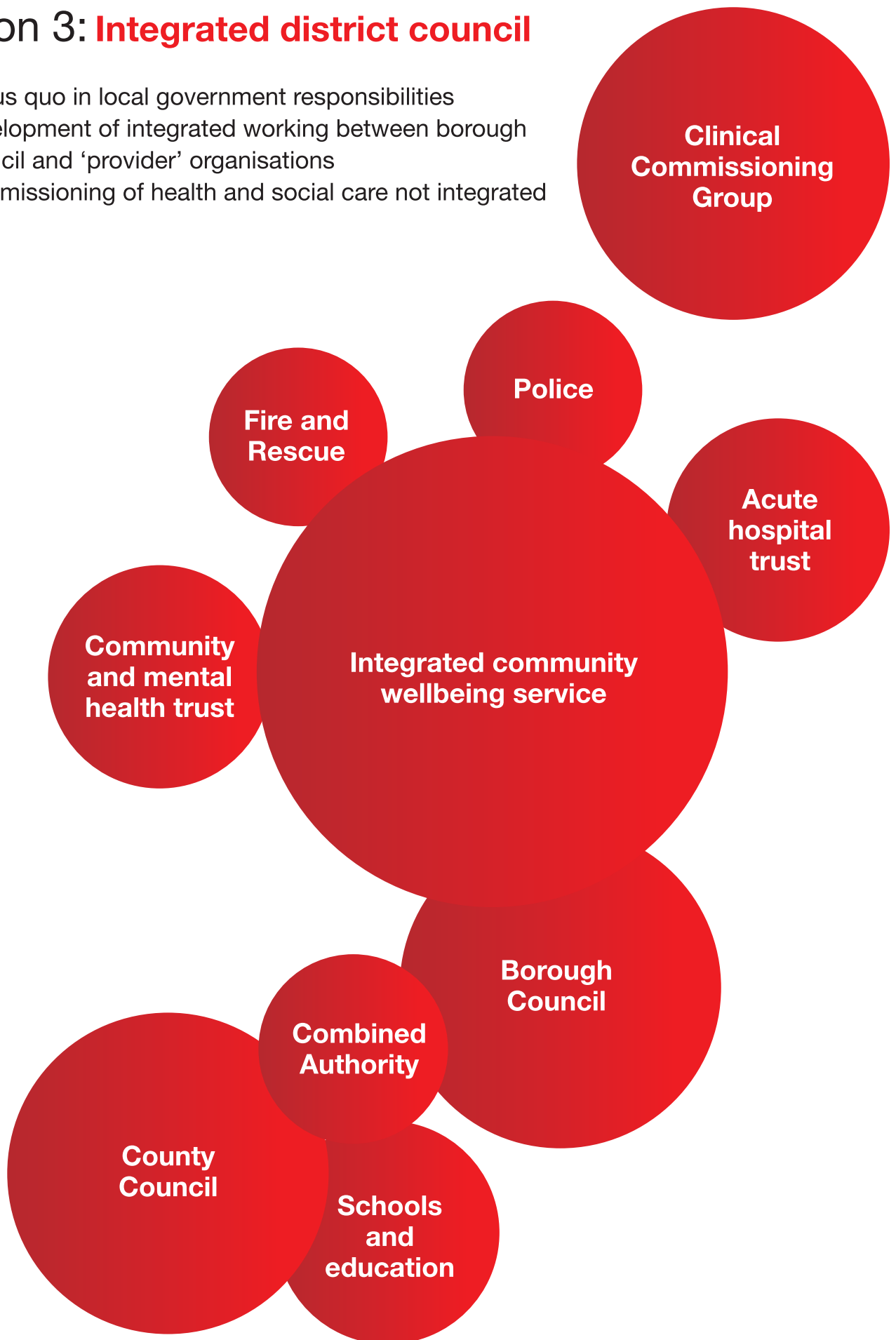
Community and mental health trust

Community and mental health trust

Clinical Commissioning Group

Police

Fire and Rescue

County Council

Schools and education

Combined Authority

Borough Council

Option 2: 'Traditional' unitary

- Very little integration between public service organisations although there is partnership working and some joint working
- Local government services controlled and delivered by a single authority serving Chorley

Acute hospital trust

Community and mental health trust

Clinical Commissioning Group

Police

Fire and Rescue

Combined Authority

Schools and education

Unitary Authority

Option 3: **Integrated district council**

- Status quo in local government responsibilities
- Development of integrated working between borough council and 'provider' organisations
- Commissioning of health and social care not integrated

Clinical Commissioning Group

Fire and Rescue

Police

Acute hospital trust

Community and mental health trust

Integrated community wellbeing service

Borough Council

Combined Authority

County Council

Schools and education

Option 4: Integrated district councils

- Status quo in local government responsibilities
- Development of integrated working between borough council and 'provider' organisations
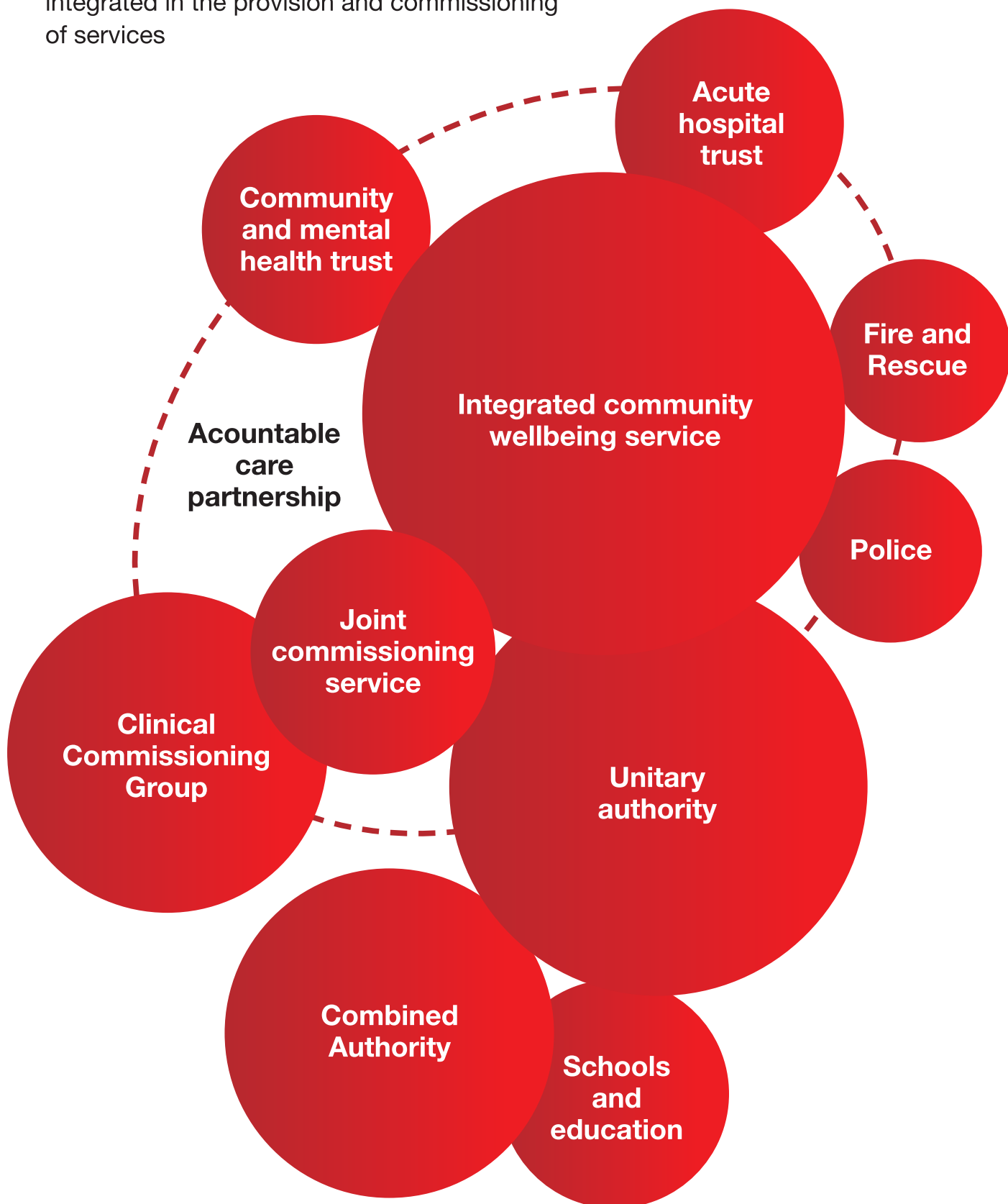- Commissioning of health and social care not integrated
- A network of districts provides opportunities for greater integration of services
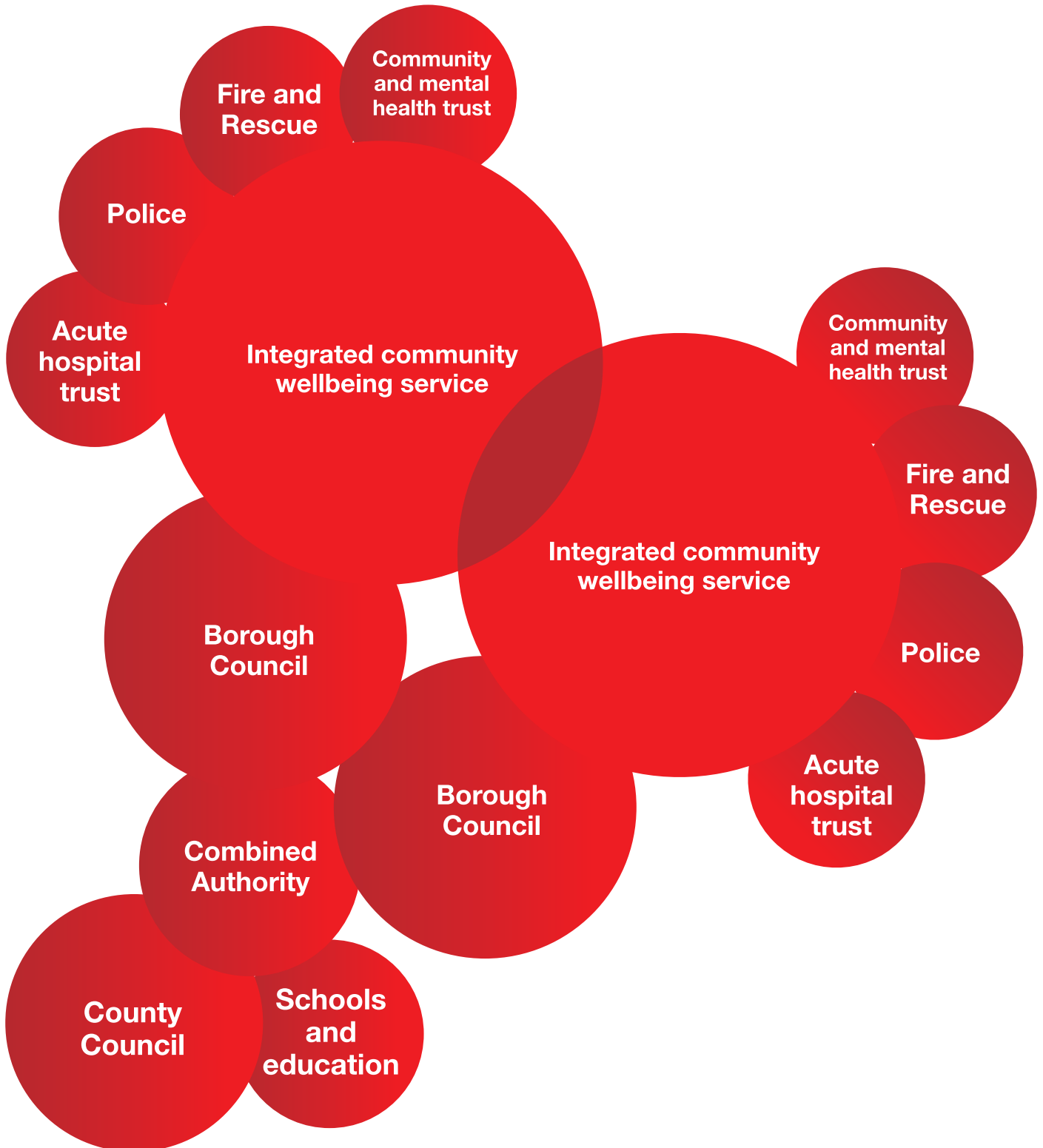
Option 5:
Integrated public services

- Development of a unitary authority which is integrated in the provision and commissioning of services

Acute hospital trust

Community and mental health trust

Fire and Rescue

Acountable care partnership

Integrated community wellbeing service

Police

Joint commissioning service

Clinical Commissioning Group

Unitary authority

Combined Authority

Schools and education

Chorley
Council

Chorley Council

Report of	Meeting	Date
Chief Executive	Council	24 November 2015

MANAGEMENT STRUCTURE REVIEW

PURPOSE OF REPORT

1.   To present the scope and principles of a review of the council's management structure, prior to informal consultation with members of staff.

RECOMMENDATION(S)

2.   That council approves the commencement of a review of the council's management structure and agrees to the timescales set out in the report.

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

CORPORATE PRIORITIES

3.   This report relates to the following Strategic Objectives:

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

BACKGROUND

4.   In beginning to implement the future governance models for the council and public services in Chorley, it is important that the council has in place a management structure that is fit for purpose and able to accommodate public service reform. The report on future governance models makes a recommendation to this end.

5.   The council's management structure has been in place for a number of years and it has supported the Council to continue to perform highly and to make significant achievements for the borough. For example:

- Continuing to achieve savings targets, and not increasing council tax for a number of years
- Being recognised in an independent peer challenge as high performing: "The Chorley Council brand is trusted – it is a 'can-do' council"
- Undertaking innovative initiatives, such as the purchase of Market Walk
- Investing and delivering in priority areas, such as:
  - Establishing a Credit Union in the town centre
  - Helping to deliver almost 500 new affordable homes
  - Supporting the establishment of 230 new businesses since 2013
- 77% of residents satisfied with the council, and 84% of staff satisfied in their job

6.   However, to ensure that the council remains high performing and can achieve its ambitions for the future, the senior management structure needs to be reviewed to ensure that it continues to provide a strong base. There remains continued financial pressure on local government funding, but spending on priorities and achieving corporate objectives will remain a priority.

RESHAPING THE ORGANISATION

7.   As the council pursues its ambition set out the future governance models work, it is a good opportunity to review and reshape the organisation's structure to:

- achieve savings in management costs and ensure the maximum amount is available to spend on priority services
- ensure that public service reform and integration is more straightforward
- align functions to fit with the future governance models and approaches to service delivery
- target and embed resources to priority areas

8.   The council's policy on restructures provides for a short period of informal consultation before a restructure is finalised and presented for formal consultation. This provides staff the opportunity to provide comments and suggestions based on broad principles around the scope and scale of a restructure. This report sets out the initial stage of the informal consultation process, as well as a timetable for the rest of the process.

SCOPE THE REVIEW

9.   The scope of the review of the management structure will include the Directors, Heads of Service and posts that report directly into a Head of Service. This refers to the established structure, rather than to arrangements that are temporarily in place to resource priority areas. The review and subsequent restructures will need to align services with the new governance model for the Council, so I am anticipating this may lead to changes within the third tier management within the organisation. This for the most part is likely to be changes to job descriptions and reporting lines, but for some it may involve more fundamental changes to posts.

10.   Because of the partnership arrangements that are in place, this review does not include posts that are Financial Shared Services or Shared Assurance Services. In addition, it does not include posts that are funded through temporary funding.

11.   The scope of the review will affect the posts set out in the chart at appendix A, which are summary:

Post	Directors	Heads of Service	Direct Reports	Total
Number FTE	2	9	32	**43**

PRINCIPLES OF THE REVIEW

12.   Based on work that has been undertaken previously, the functions that the council delivers can be broadly split into the following functional groupings:

Function	Characteristics
Strategic	Those processes which are central to the decision making of the organisation; ▪ closely linked to the decision making core; ▪ involved in long term organisational planning.
Resourcing	Those processes which provide support to the running of the organisation through support services.
Customer	Those customer driven processes which are; ▪ capable of being dealt with at first point of contact ▪ high volume of demand or ▪ cannot be dealt with at first point of contact, but can be dealt with in a short period of time and limited number of interactions with the customer
Regulatory	Those processes which may have contact with the customer, but which are driven by statutory duties or powers. ▪ More likely to involve case management ▪ Interaction with large number of customers or stakeholders
Early intervention and well-being	These processes may provide universal services that promote better living and community involvement. They may also be targeted at vulnerable people who are at risk of becoming more dependent if there is no intervention.
Economic development	Processes which: ▪ drive economic growth ▪ related to business growth ▪ related to long-term spatial planning
Community assets and infrastructure	Processes which are delivered to the benefit of the community, rather than a particular customer or customer group. Often related to land or assets

13.   These functional groupings may give an opportunity to shape the organisation broadly around themes (although not necessarily specifically around the groupings identified). It may also provide an option to pursue opportunities within the overall future governance model work such as shared services or integration with other public services.

14.   The review of the council's management structure will broadly seek to:
- Reduce the cost of the council's management team
- Promote the implementation of the service delivery principles contained the final report on future governance models
- Develop a flatter management structure, with reduced reporting lines to the Chief Executive
- Target resources to priority areas, such as frontline service delivery and public service reform
- Group functions with similar characteristics to promote an organisation-wide approach to service delivery.

15.   To support staff in responding to the informal consultation stage, the following questions will be used to prompt discussion:

- What skills, capacity and resources might the council's management team need in the coming years to achieve the ambition and recommendations from the future governance model report?
- What potential improvements or efficiencies could be made in the current management establishment?
- What groupings of services provided by the council might promote public service reform and the achievement of the recommendations in the future governance model report?

16.   All staff directly affected by the scope of the review will have the opportunity to meet with their manager or senior manager to discuss the changes and briefings will be given to all staff on the scope of the review.

17.   The feedback received during the informal consultation stage will used to inform the development of a new structure and will be included in the report to present the proposed restructure.

TIMESCALES

18.   The table below sets out the indicative timescales for the review.

Stage	Starts	Finishes
Informal consultation	25 November	9 December
Consideration of responses	14 December	23 December
Report to full Council	19 January	
Formal staff consultation	22 January	22 February
Consideration of responses	22 February	4 March
Report to Executive Cabinet	18 March	
Recruitment Process	28 March	15 April

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

20.   The report sets out the principles for pre-consultation and as such, at this stage, there are no financial implications associated with the report.

COMMENTS OF THE MONITORING OFFICER

21.   This report is part of the informal consultation process and is in line with the Council's agreed Restructure Policy.

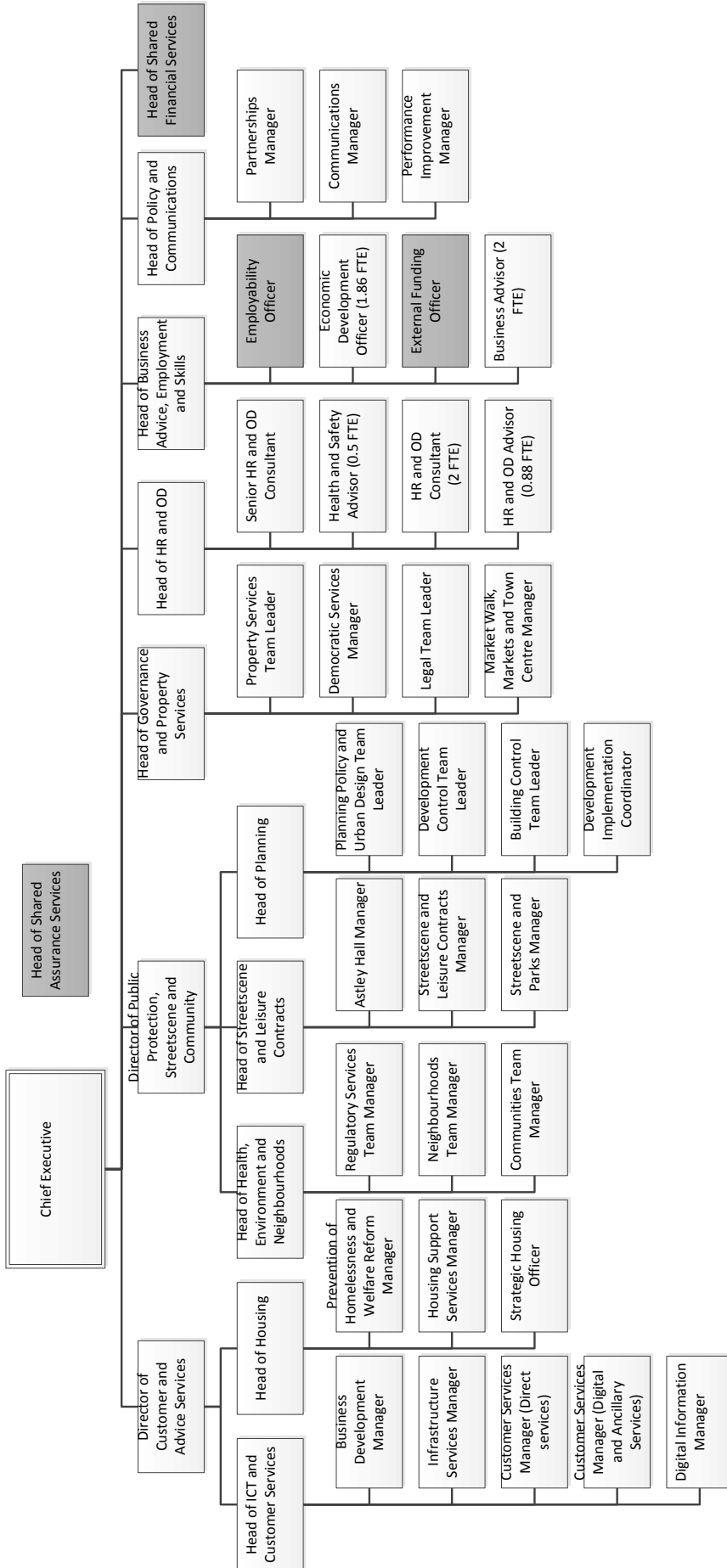**COMMENTS OF THE HEAD OF HR AND OD**

22.   This report is part of the informal consultation process and is in line with the Council's agreed Restructure Policy.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5104	13 November 2015	***

Appendix A: Structure in scope

Chief Executive

Director of Customer and Advice Services

Director of Public Protection, Streetscene and Community

Head of Shared Assurance Services

Head of Governance and Property Services

Head of HR and OD

Head of Business Advice, Employment and Skills

Head of Policy and Communications

Head of Shared Financial Services

Head of ICT and Customer Services

Head of Housing

Head of Health, Environment and Neighbourhoods

Head of Streetscene and Leisure Contracts

Head of Planning

Head of ICT and Customer Services
- Business Development Manager
- Infrastructure Services Manager
- Customer Services Manager (Direct services)
- Customer Services Manager (Digital and Ancillary Services)
- Digital Information Manager

Head of Housing
- Prevention of Homelessness and Welfare Reform Manager
- Housing Support Services Manager
- Strategic Housing Officer

Head of Health, Environment and Neighbourhoods
- Regulatory Services Team Manager
- Neighbourhoods Team Manager
- Communities Team Manager

Head of Streetscene and Leisure Contracts
- Astley Hall Manager
- Streetscene and Leisure Contracts Manager
- Streetscene and Parks Manager

Head of Planning
- Planning Policy and Urban Design Team Leader
- Development Control Team Leader
- Building Control Team Leader
- Development Implementation Coordinator

Head of Governance and Property Services
- Property Services Team Leader
- Democratic Services Manager
- Legal Team Leader
- Market Walk, Markets and Town Centre Manager

Head of HR and OD
- Senior HR and OD Consultant
- Health and Safety Advisor (0.5 FTE)
- HR and OD Consultant (2 FTE)
- HR and OD Advisor (0.88 FTE)

Head of Business Advice, Employment and Skills
- Employability Officer
- Economic Development Officer (1.86 FTE)
- External Funding Officer
- Business Advisor (2 FTE)

Head of Policy and Communications
- Partnerships Manager
- Communications Manager
- Performance Improvement Manager

Posts out of scope

Chorley Council

Report of	Meeting	Date
Executive Leader	Council	24 November 2015

DEVELOPMENT OF A COMBINED AUTHORITY FOR LANCASHIRE

PURPOSE OF REPORT

1. The purpose of this report is to outline the findings of the Governance Review undertaken for Lancashire and set out the next steps and recommendations.

RECOMMENDATION(S)

2. The contents of this report be noted

3. The contents of the Lancashire Governance Review and recommendation therein be noted

4. The contents of the draft Scheme for a Combined Authority be noted

5. The council agrees to take part in the public consultation in January/February which will seek views on the formation of a Combined Authority for Lancashire

6. The council agrees to consider the feedback from the public consultation and note that following this, those authorities who wish to form a Lancashire Combined Authority will submit a proposal to the Secretary of State for consideration.

7. The council agrees in principle to becoming a constituent member of the combined authority for Lancashire

8. Delegated authority be given to the Executive Cabinet to give due consideration to the public consultation and commit the council to become a constituent member of a Lancashire Combined Authority, subject to final sign-off of full council.

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

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. A Combined Authority is a formal legal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth as well as skills, housing and employment. The Cities and Local Government Devolution Bill currently going through parliament provides legislation to broaden the scope of functions and powers that it is possible to confer on a Combined Authority. It supports increased democratic accountability and transparency complementary to that provided by the LEPs to a major area of local government policy making. Each of the councils who are members of a combined authority remain separate authorities; the combined authority is a mechanism to work more effectively and formally in partnership.

11. Five Combined Authorities across England have been established, all of which cover the five key cities across the Northern Powerhouse (Liverpool, Manchester, Leeds, Sheffield, Hull). A number of devolution proposals and deals are starting to emerge across the country. The Government have been clear that they will devolve powers and flexibilities to areas with robust governance structures in place.

12. Members will be aware that in October 2014 Council Leaders indicated their wish to develop closer collaborative working across Lancashire on economic related matters and to explore the options in this regard.

13. In order to determine whether the existing arrangements are effective or would benefit from change the Leaders asked that a Governance Review be undertaken.

GOVERNANCE REVIEW

14. The Governance Review attached as Appendix A is the culmination of considerable collective work by the Lancashire Councils to understand the best way forward for joint working. The review explores three questions: Where are we now? Where do we want to be? How will we get there?

15. As part of this review Leaders developed ambitions for Lancashire, as set out in the document. These are:
   - Prosperous Lancashire – a Lancashire that is recognised as a destination of choice, to invest in, do business in, live or visit;
   - Connected Lancashire – digital and transport connectivity to promote inclusive growth;
   - Skilled Lancashire – a skilled workforce to meet the demands of employers and future business growth;
   - Better Homes for Lancashire – better living standards for residents with good quality homes and a wide housing offer;
   - Public services working together for Lancashire – integrated public services at the heart of local communities given everyone the opportunity for a healthier life.

16. In addition with a population of 1.5 million, Lancashire should be a key contributor to the Northern Powerhouse and UK plc.

17. An options appraisal was undertaken and consideration was given to arrangements including – enhanced status quo, Joint Committee, Economic Prosperity Board, Integrated Transport Authority, Combined Authority.

18. Some of the ambitions set out above can be achieved through existing partnerships and better joint working. However, in order to attract and maintain economic growth and achieve a prosperous Lancashire we need to create the right conditions for growth and provide reassurance to investors, partners and government departments that we have strong, robust governance arrangements in place that are working for Lancashire.

19. A Combined Authority offers the strongest governance model to attract freedoms and flexibilities from the Government and will enable a cohesive approach across Lancashire to a range of issues including developing better and broader skills provision, including entry level skills; more co-ordinated infrastructure planning with improved use of resources; more co-ordinated approach to housing provision; more co-ordinated approach to business growth. Given Lancashire's diversity, it's recognised that a 'one size fits all' approach is unsuitable and it's recognised that some issues are best tackled on a sub-level footprint or themes relevant to a cluster of authorities across Lancashire.

20. Having considered the economic evidence, the ambitions for Lancashire and the current decision making arrangements, the Governance Review concludes that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

21. The Lancashire Leaders, at their meeting on 1st September 2015 accepted, in principle, the recommendations of the Governance Review to form a Combined Authority.

DRAFT SCHEME

22. In order to establish a Combined Authority a scheme must be prepared which sets out the membership, decision making arrangements, scrutiny arrangements etc.   The draft scheme is appended to this report as appendix B.

23. In summary the arrangements suggested are as follows:

Membership	Those Lancashire authorities who form a combined authority, represented by the Leader. Chair and vice-Chair to be appointed annually. LEP Chair will be invited but with no voting rights.
Voting arrangements	One vote per local authority (excl transport)
Decision making	Unanimous agreement on strategic plans, investment strategy, annual budget, borrowing limits, adoption of freedoms and flexibilities, any change to combined authority arrangements. All other decision by two thirds majority. Transport planning and investment would be subject to unanimous agreement by the three existing Transport Authorities (Blackburn with Darwen, Blackpool, Lancashire County Council).
Overview and Scrutiny	A Scrutiny Committee with representation from authorities would be established.
Finance	No member allowances will be payable. Council will meet the core costs (kept to a minimum).
Potential powers and functions	Include setting economic strategy and investment strategy for Lancashire, powers relating to transport, regeneration, economic development, General Power of Competence

DEVOLUTION DEAL

24. Some of the existing Combined Authorities have also negotiated further devolution deals with government to gain additional and greater powers and devolved funding for their area. While there is a close link between combined authorities and greater transfer of powers, functions and funding, it is important to note that they are separate issues and subject to negotiation. The Government will not impose arrangements in any form.

25. A devolution deal, and any freedoms or associated responsibilities would need the agreement of the constituent members of the combined authority.

NEXT STEPS

26.   The Governance Review and this report seek to agree the establishment of a Combined Authority, which would bring benefits to Lancashire as outlined in the Review by strengthening the partnership working across the county.

27.   A six week public consultation will be undertaken in January/February 2016 with stakeholders, residents, businesses, community groups, neighbouring areas etc invited to put forward their views on the proposals.

28.   Having given consideration to the outcome of the public consultation, those authorities who wish to form a Combined Authority will submit a proposal to the Secretary of State for consideration which may include devolution proposals for freedoms, flexibilities and powers to help the Combined Authority drive forward Lancashire's ambitions alongside demonstrating the robust governance structures to be put in place outlined in the draft scheme.

IMPLICATIONS OF REPORT

29.   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

30.   There are no significant financial implications of this report. There may be some small costs to cover the council's contribution to the consultation exercise, but these will be met through existing resources.

COMMENTS OF THE MONITORING OFFICER

31.   There are clear legal consequences from adopting the recommendations however, they do not have at the moment legal effects. Each step in implementing the in principle decision to pursue membership of a combined authority will need careful consideration and further approvals. The adoption of this recommendation however will allow the investigatory works to proceed and mean a better informed decision can be made at a later date.

CHRIS SINNOTT
PROJECT DIRECTOR

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Lancashire Officer Working Group / Chris Sinnott	5337	7 November 2015	Combined authority report

DRAFT REPORT OF THE LANCASHIRE AUTHORITIES' STATUTORY GOVERNANCE REVIEW
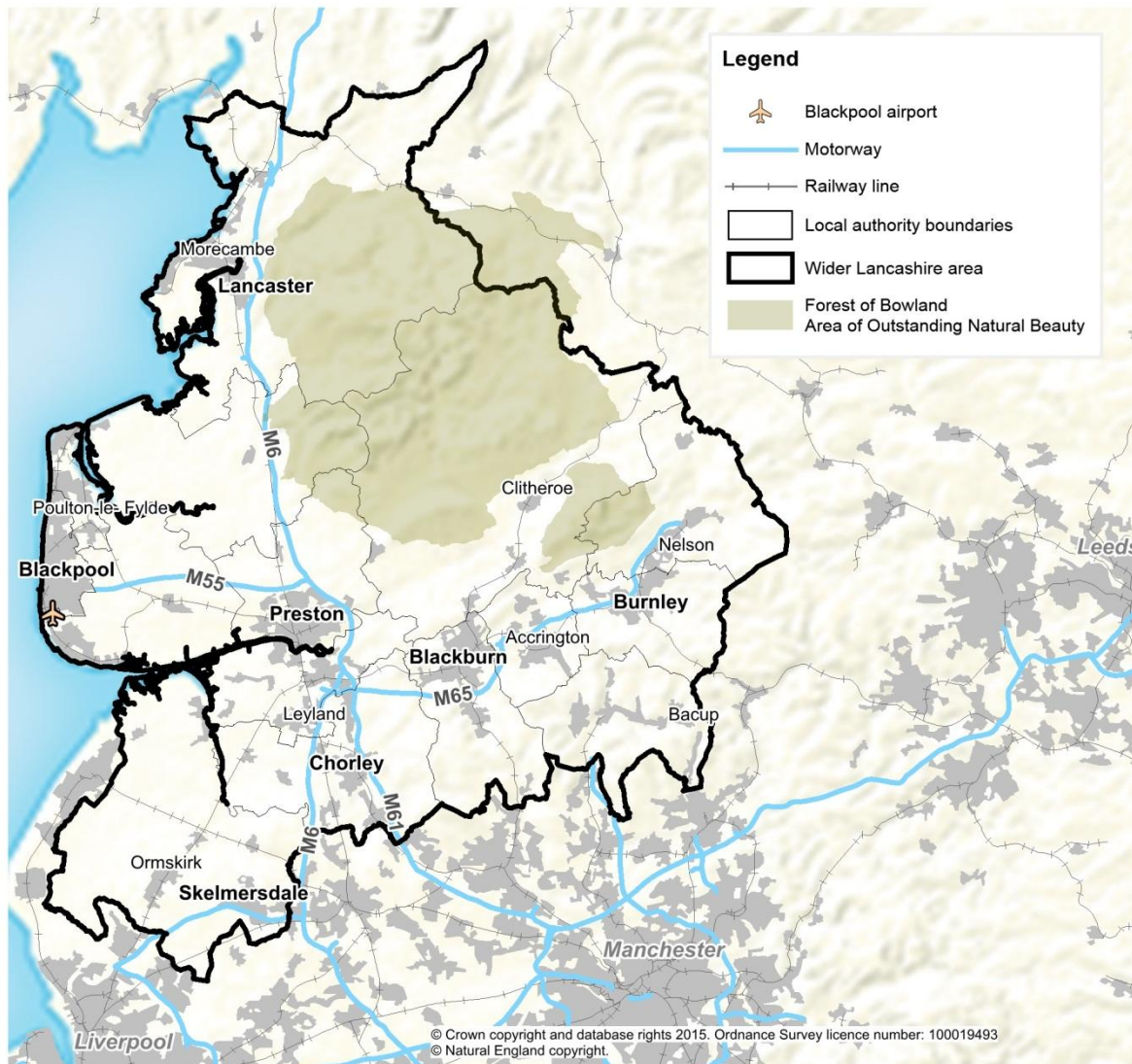
August 2015

CONTENTS

ABOUT THIS REPORT

This report has been prepared and agreed by the Lancashire Authorities:

Blackburn with Darwen
Blackpool
Burnley
Chorley
Fylde
Hyndburn
Lancashire County Council
Lancaster City Council
Pendle
Preston
Ribble Valley
Rossendale
South Ribble
West Lancashire
Wyre

EXECUTIVE SUMMARY

Background
In October 2014 Council Leaders started to explore options for closer collaborative working across Lancashire. Some governance arrangements are already in place including the Lancashire LEP, a range of shared services, County wide member and officer meetings, sub-level working arrangements including a City Deal Executive and Pennine Lancashire partnership as well as representation on Northern and North West bodies.

Lancashire is a diverse area with pockets of benefit dependent communities alongside thriving and affluent areas. It has one of the largest local economies in the North of England generating over £25 billion GVA with over 45,000 businesses, supporting 700,000 jobs. In addition to major international companies including BAe Systems and Rolls Royce, it has significant groups of dynamic and innovative SMEs. Lancashire's economy is predicted to grow by 27% over the next ten years, however this is slightly lower than the UK average. There are geographical differences however with areas such as Chorley, West Lancashire and Lancaster predicted to outperform national growth trends.

Ambition
There is a long term vision for Lancashire which sees the County as a thriving and more balanced economy that can contribute to increasing national productivity thereby having positive health and wellbeing benefits locally.

We want to achieve
- 'Prosperous Lancashire' that's recognised as a destination of choice, to do business in, live or visit
- 'Connected Lancashire' with digital and transport connectivity across the county and to neighbouring city regions
- 'Skilled Lancashire' which can meet the demands of employers and future business growth
- 'Better Homes for Lancashire' where residents have better living standards with good quality homes and a wide housing offer
- 'Public Services Working Together for Lancashire' with integrated public services at the heart of local communities giving everyone the opportunity for a healthier life

Opportunities
Lancashire already has a range of initiatives and opportunities to build on which support economic growth including:
- one of the largest Growth Deal allocations to the Lancashire LEP totalling £250 million and a notional allocation of £232 million of European Structural and Investment funds
- strong links to neighbouring city regions and opportunity to benefit from Liverpool's Super port plans and the significant jobs growth in Manchester
- £130 million investment in Superfast Broadband
- £340 million investment and delivery programme for the Preston, South Ribble and Lancashire City Deal
- Investment in digital health, recognised as an important growth area for the UK economy
- Lancashire Business Growth Hub delivering £40 million programmes of support to high growth companies and start ups
- Key role in the Northern Powerhouse as one of the largest economies in the North of England

Recommendation
Lancashire has different challenges and opportunities across the county and as part of this review Leaders have recognised that there cannot be a 'one size fits all' approach to realising potential and ambitions. The mechanisms for delivering economic growth across the area will differ and it's recognised that achieving a prosperous Lancashire may be done on a county footprint, a sub-level footprint or on a 'theme' footprint where a cluster of authorities may need to work together to tackle specific issues.

The strategic opportunities that could deliver step change for Lancashire have been identified as devolved funding; greater influence and flexibility of national, regional and local programmes; longer term and more co-ordinated infrastructure planning; spatial planning; public sector integration; inward investment and an improved profile for Lancashire.

Lancashire has some excellent partnership arrangements in place across the county engaging with partners in both the public and private sector.

However, the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambition for Lancashire.

This Governance Review therefore recommends that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

INTRODUCTION

In October 2014 Council Leaders in Lancashire indicated their wish to develop closer collaborative working across Lancashire, on economic related matters and to explore the options in this regard.

In order to determine whether the existing governance arrangements for economic development, regeneration and transport in Lancashire are effective, or would benefit from change, specifically a Combined Authority, a governance review needs to be carried out. This review explores three questions: Where are we now? Where do we want to be? How will we get there?

In order to do this we need to understand in more detail the economic base for Lancashire, the current working arrangements, the aspirations and the most suitable governance model for these aspirations to be realised.

This draft governance review is the culmination of considerable work by the Lancashire Councils to understand the best way forward for joint working and the opportunities a Combined Authority would present for Lancashire.

Legal Context

The Local Democracy, Economic Development and Construction Act 2009 enables the creation of economic prosperity boards (EPB) or combined authorities (CA). These structures have separate legal personality to the Local Authorities who come together to create them. The new bodies are available to support the effective delivery of sustainable economic development and regeneration and, in the case of combined authorities, transport.

The process for creating an EPB or CA involves three main steps:

- a review of existing governance arrangements and consideration that there is a case for changing these arrangements to bring real improvements

- draw up a scheme for the new body. All councils who wish to be part of the EPB or CA are required to approve the scheme for submission to the Secretary of State for Communities and Local Government

- the Secretary of State will consider the scheme and undertake formal consultation. If the Secretary of State is satisfied that improvements are likely if the scheme is adopted then a draft order will be laid before Parliament for adoption

This report will be used to inform a consultation exercise with the area's residents, businesses and other stakeholders.

6

SECTION ONE - WHERE ARE WE NOW?

CURRENT GOVERNANCE ARRANGEMENTS

Lancashire has two unitary authorities, 12 district councils and a County Council. The County and District Council area contains 207 Parish and Town Councils.

Within these councils, decision making processes differ from Leader and Cabinet to committee models and from overall majority to 'no overall control' councils.

There are a number of shared service arrangements working across local authorities. Whilst not an exhaustive list these include building control, museums, revenues and benefits, financial and assurances services, central Lancashire LDF Joint Committee, as well as joint procurement frameworks.

There are a number of cross authority officer groups operating in Lancashire, such as Chief Finance Officers, Chief Leisure Officers, however these have no formal or legal status.

Lancashire authorities are committed to working together and with other partners across the public sector. The Lancashire Leaders and Chief Executives have invited the Police service and Fire and Rescue service to join their county wide meetings. Partnership arrangements with Health are already in place with three Health and Wellbeing Boards, a Healthier Lancashire group and pilot initiatives aimed at health and social care integration such as Fylde Coast's trailblazer for new Models of Healthcare and North Lancashire's Vanguard site.

The private sector led Lancashire Enterprise Partnership (LEP) operates across the county geography with political representation from the three upper tier authorities and two district authorities. Board Directors include representation from the FE/HE institutes - University of Central Lancashire (UCLAN) and Lancaster University and both national and local private sector representation from employers such as Booths, BAE, Euravia, Maple Grove, Nuclear AMRC, BT and local Chambers of Commerce.

The LEP has a number of sub-groups including Transport for Lancashire and Lancashire Skills Board. Further details are provided on page 10.

The City Deal Executive is a sub-group of the Lancashire LEP bringing together the Leaders of Lancashire County Council, Preston City and South Ribble to deliver the City Deal. Further details are outlined later in this review.

The European Structural and Investment Funds (ESIF) Partnership oversees the delivery of the Lancashire's ESIF programme and is directly accountable to the National Growth Board. The Growth Deal Management Board reports directly to the LEP to manage delivery of the Growth Deal programme.

There are also a number of sub-level arrangements including PLACE which is a partnership between the Leaders and Chief Executives of Blackburn with Darwen, Burnley, Hyndburn, Lancashire, Pendle and Rossendale councils. Regenerate, the Chamber of Commerce and health partners also contribute to the partnership working together to boost economic performance and enhance the offer and opportunities available in Pennine Lancashire. They also commit to supporting growth across the area irrespective of borough boundaries.

Regenerate Pennine Lancashire is a private sector led economic development company wholly owned by the PLACE authorities which delivers business support and growth programmes, such as Lancashire BOOST (business growth hub) both within Pennine Lancashire and the wider county area.

Lancashire County Developments Limited (LCDL) is the County's wholly owned economic development company operating across the County Council area.

The County manages three LEADER Rural Development partnerships operating across the LEP area and in the north of Greater Manchester. The partnerships deliver rural development funding and comprise a range of public, third and private sector partners.

West Lancashire is also part of the Liverpool City Region Combined Authority and both Blackburn with Darwen and Blackpool unitary authorities are associate members of AGMA.

Lancashire is also represented on the North West Regional Leaders Board by the Leaders of Lancashire County Council, Blackburn with Darwen and Rossendale.

The Leader of Lancashire County Council also represents Lancashire, Blackpool, Blackburn with Darwen and Cumbria on the Transport for the North Partnership Board.

Lancashire has some excellent partnership arrangements in place across the county engaging with partners in both the public and private sector, however this is not a consistent approach across the county area and the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambition for Lancashire.

The illustration overleaf provides an overview of some of the key partnership arrangements.

SHARED SERVICE

Blackburn with Darwen and Burnley Building Control Joint Comittee

Blackpool and Fylde Revenue and benefits

Chorley and South Ribble shared financial and assurance service

Pennine Lancashire Museum Consortium

Preston and Lancaster Revenue and benefits

HEALTH

Blackburn with Darwen Health and Wellbeing Board

Blackpool Health and Wellbeng Board

Lancashire County Council Health and Wellbeing Board

Pennine Lancashire Health Partnership

Healthier Lancashire

LANCASHIRE GOVERNANCE

Lancashire Leaders (extended to include Police and Fire)

Lancashire Chief Executives (extended to include Police and Fire)

LANCASHIRE ENTERPRISE PARTNERSHIP (LEP)

Transport for Lancashire

Lancashire Skills Board

Enterprise Zone Governance Committee

Performance Committee

Executive Committee

Preston, South Ribble and Lancashire City Deal Executive and City Deal Stewardship Board

ECONOMIC DEVELOPMENT AND GROWTH

Lancashire Enterprise Partnership

Regenerate Pennine Lancashire

Blackpool, Fylde and Wyre EDC

PLACE - Pennine Lancashire Leaders

Preston, South Ribble and Lancashire City Deal

Lancashire County Developments Limited (LCDL)

RELATIONSHIP WITH NEIGHBOURS

In order to understand the changing governance landscape surrounding Lancashire, Leaders considered their relationship with neighbouring areas and also with other existing Combined Authorities. The map below shows Lancashire's geographical position in relation to the existing Combined Authorities. There are five existing Combined Authorities in England, all of which are in the North.

Lancashire is comparable in population size (1.4m) to Liverpool City Region Combined Authority (1.5m) and Sheffield City Region Combined Authority (1.7m). Greater Manchester is the largest Combined Authority at 2.7m population.

Many of our district areas border the major city regions – Rossendale, Chorley and Blackburn with Darwen border Greater Manchester City Region, and West Lancashire borders both the Greater Manchester City Region and the Liverpool City Region, they are an associate member of the Liverpool City Region Combined Authority.

Lancashire is represented on the North West Regional Leaders Board and Transport for the North (also representing Cumbria).

Lancaster shares a border with Cumbria offering the gateway to the Lake District


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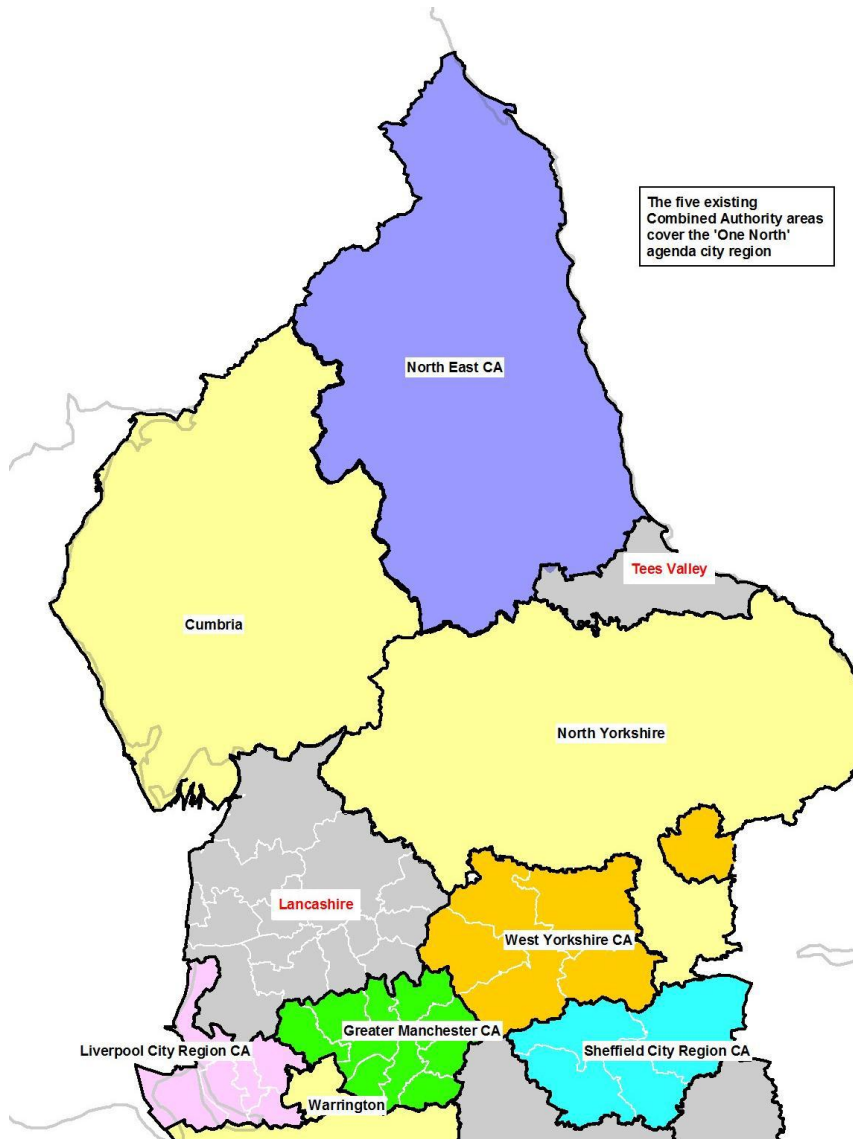
SOCIO ECONOMIC PROFILE

Lancashire has been at the forefront of economic change since the first Industrial Revolution. Today a strong combination of high-growth companies and innovation in growth sectors, improving national and global connectivity, as well as the county's renowned quality and variety of life, provide a platform for Lancashire to build upon this economic strength through the twenty-first century.

Lancashire is one of the largest local economies in the North of England. It is an area with significant economic strengths and challenges; it has the potential to accelerate sustainable economic growth and generate employment.

1. Population Profile

The 2014 mid-year population estimates that there were 1,471,979 people resident in Lancashire. The 2014 figures by gender, and by five-year age-groups are shown in table 1 below.

Lancashire LEP area Population Profile by Age
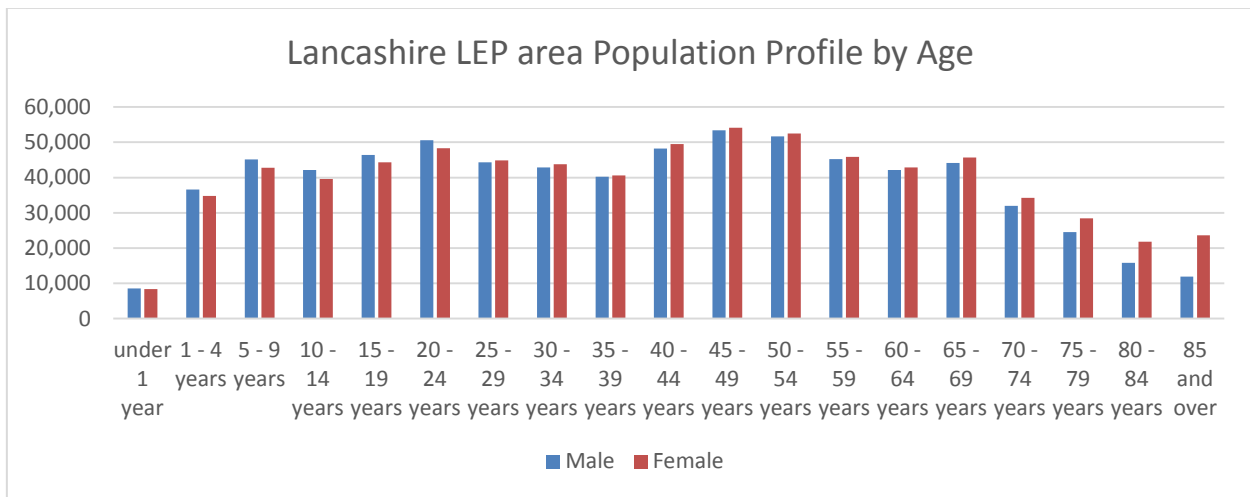
Overall, in Lancashire the population is expected to grow by around 5.8%, well below the national growth rate of 16.2%. There are projected increases for those aged 65 years and over, whilst there are reductions for those aged 15-24 years. Table 2 emphasises the substantial projected increases in the older age-groups between 2012 and 2037.

Lancashire LEP area Population Projections
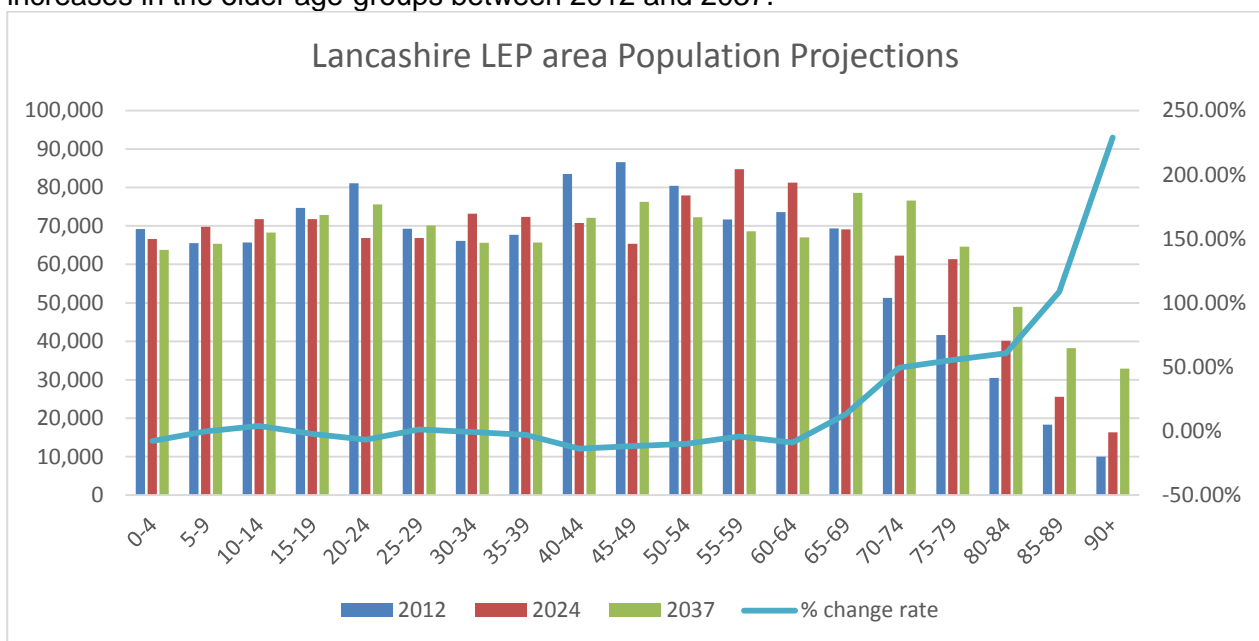
The increasing number of more elderly dependents is an issue that is reflected across the UK and amplified in Lancashire by the number of coastal areas attracting the older generation looking for a good quality of life. An ageing population brings a range of considerations for health and social care services as well as housing provision and a higher proportion of economically inactive households.

Mid-year population estimates for 2014 show the areas with the greatest numbers of young people aged 0-25 are Blackburn with Darwen, Preston and Lancaster. These areas also have the highest number of young people as a proportion of the area's total population with Hyndburn, Burnley and Pendle the next highest districts. In terms of population projections only two areas are set to see increases in the 0-25 age range between 2012 and 2037; Rossendale and Chorley.

2. Economic Performance

Lancashire's economy currently generates over £25 billion in Gross Value Added (GVA), with over 45,000 businesses (the vast majority of which are SMEs), supporting 700,000 jobs. In addition to major international companies; including BAe Systems, Rolls Royce, Toshiba-Westinghouse and Safran Aircelle, it has significant grouping of dynamic and innovative SMEs. These businesses support a range of supply chain activity and contribute substantially to Lancashire and UK productivity.

Although Lancashire had experienced sustained economic growth over the last decade, with readily identifiable 'hotspots' such as Preston and Lancaster, the area's average economic performance still consistently lags behind that of UK and neighbouring areas. Lancashire's GVA gap with the UK as a whole is projected to increase as, although Lancashire's economy is predicted to grow by 27% over the next ten years, it will not be as strong as that for the UK as a whole, where the average growth is expected to be in the region of 30%.   This will exacerbate the existing long term trends and deepen productivity and income gaps.

Table 3 sets out the growth position, and selected constituent authorities, compared to the UK average.

Table 3
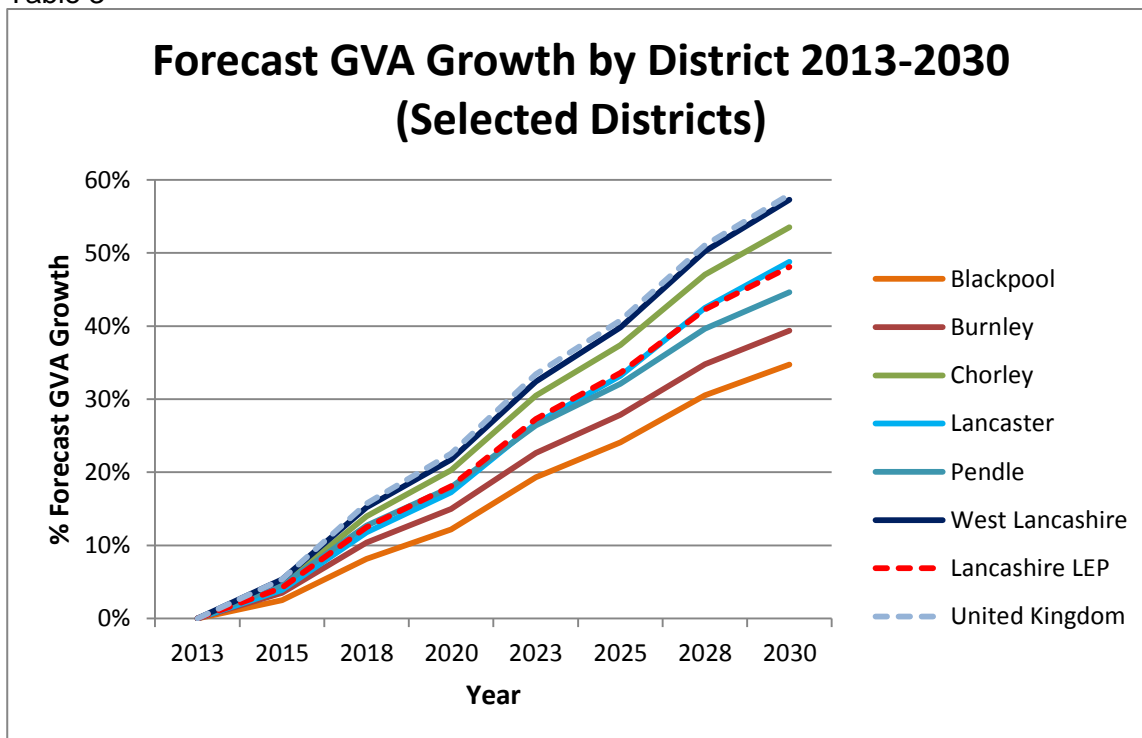
Source: Lancashire Economic Forecasts, Oxford Economics, 2013

Clearly within Lancashire there are geographic differences, with some areas, such as West Lancashire, Chorley and Lancaster predicted to outperform Lancashire and track national growth trends, whilst others, such as Blackpool, Burnley and Pendle, are predicted to underperform significantly.

Based upon GVA growth predictions, Preston is forecast to continue to be the largest contributor to Lancashire's GVA in the longer term, with the Lancashire Enterprise Zone Districts (Fylde, South Ribble and Ribble Valley) forecast to contribute over 36% of Lancashire's GVA up to 2030. The City Deal districts (Preston and South Ribble) are predicted to contribute 27% and the unitary authorities of Blackpool and Blackburn contributing 7% and 9%, respectively.

3. Growth Sectors

With an international reputation, and key competitive advantages in Advanced Engineering and Manufacturing and a nationally significant role to play in energy generation, Lancashire can match and outperform competitor locations by enhancing the environment for business growth.

Although a growing economy from 1997 to 2007, Lancashire's growth was generally based upon service industries, although with a lower presence than other parts of the UK, as well as the expansion of the public sector. For example, manufacturing, the main contributor to the economy, accounted for 31.2% of the Lancashire economy in 1997, only grew by 3% between 1997 and 2007 and decreased to just 15.8% by 2012, almost halving in importance.   By comparison, service sectors such as real estate, which accounted for just 4.2% of the Lancashire economy in 1997, showed growth in GVA of 162.5% between 1997 and 2007 and 7.1% of the Lancashire economy by 2007 (and 8.7% by 2012).

Table 4 sets out the growth performance of different sectors in the period prior to the 2008 contraction in the UK economy.

Table 4
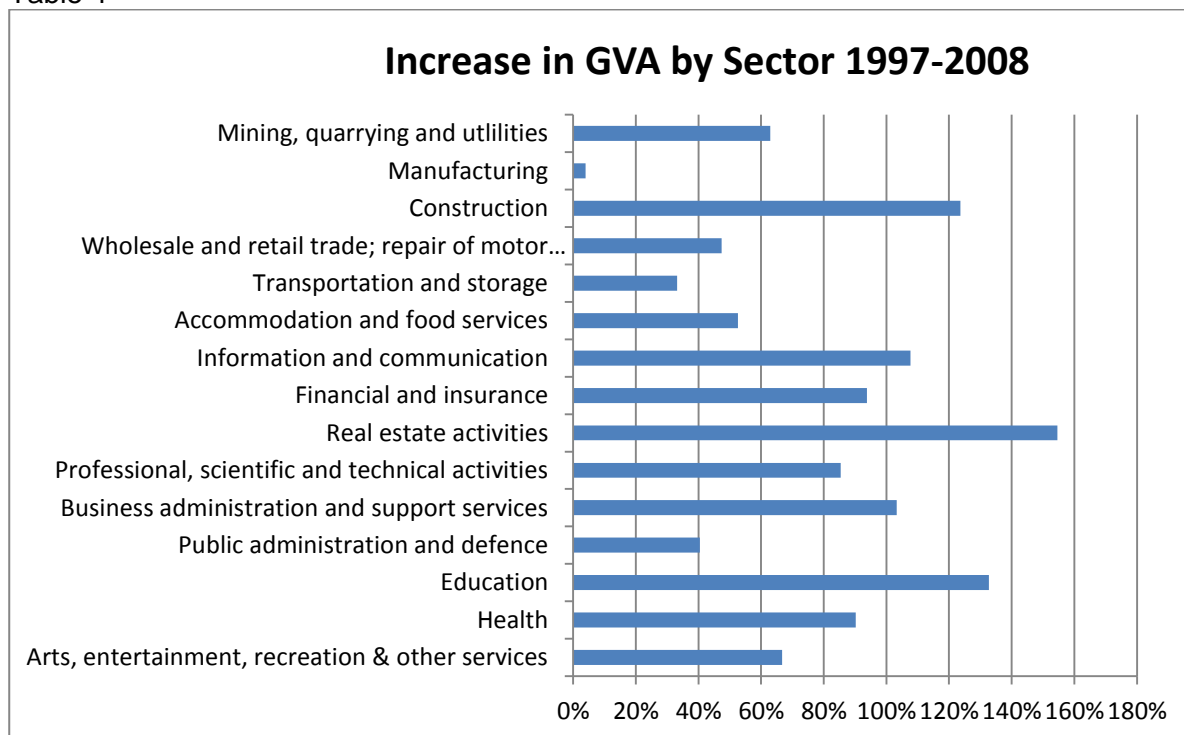
Source: ONS Business Register and Employment Survey, 2012

Within the public sector, education, which accounted for 4.8% of the Lancashire economy in 1997, grew by 124.2% between 1997 and 2007 and 8.5% of the Lancashire economy by 2012. The health and social work sector, which accounted for 7.5% of the Lancashire economy in 1997, grew by 103.1% between 1997 and 2007 and accounted for 10.1% of the Lancashire economy by 2012.

Lancashire has key competitive advantages that can be developed to become drivers of sustainable growth and the area's key sectors – Advanced Engineering and Manufacturing (Aerospace & Automotive) and Energy – are expected to exceed national trends. These sectors, amongst others, are central to Lancashire's and the UK's economic success.

Table 5 sets out predictions by industrial sector for GVA to 2030.

Table 5
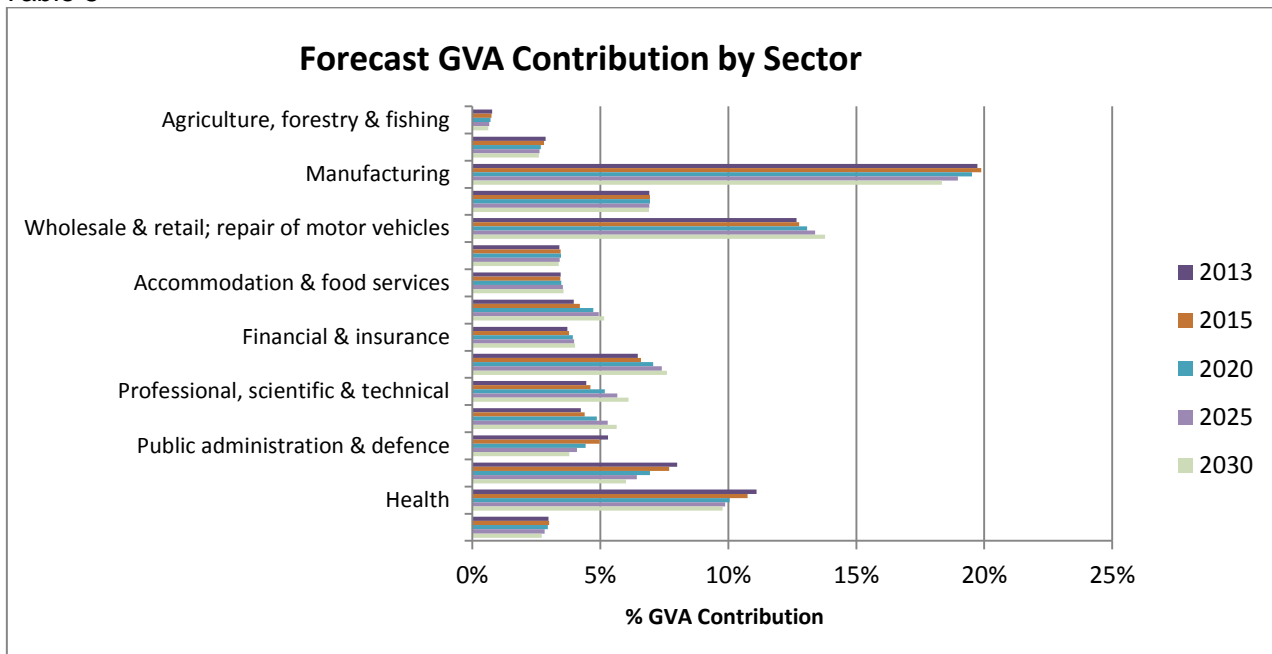
Source: Lancashire Economic Forecasts

Advanced Engineering and Manufacturing (Aerospace and Automotive)
This is the key sector for Lancashire with over 3,600 manufacturing businesses, the majority of which are SMEs, operating in Lancashire, with a deep and broad manufacturing base employing over 80,000 people.

The UK's Aerospace industry has one of the largest concentrations in Lancashire, directly employing 12,400 people in 120 companies**,** and is part of a wider world class cluster accounting for more than a quarter of national production. Lancashire has a diverse automotive industry which employs over 4,100 people, ranging from the manufacturing of vehicles to the design and manufacture of parts and components for the industry, including research and development. The sector is supported by an extensive local supply chain offering advanced engineering and specialist automotive capabilities.

A third of all advanced manufacturing employment is located in the east Lancashire districts of Blackburn with Darwen, Burnley, Pendle and Rossendale, reflecting a strong manufacturing supply chain in these areas as well as major aerospace employers.

Energy, Renewables and Low Carbon
These industries represent a key growth sector for both the UK and Lancashire, where it employs over 36,000 people. The growing oil and gas sectors will provide Lancashire with additional opportunities to develop nationally and internationally important expertise and capacity. This is in addition to the Government decision to build a new nuclear power station in Lancashire. The completion of the M6 Link Road to Heysham will open up a range of development and employment opportunities. The Chemicals industry has a strong history in Lancashire and remains a large sector, employing 4,300 people with twice the employment density than the UK average.

Food and Drink
Food and Drink production is a major manufacturing sector (13,500 people) in Lancashire representing over 15% of all manufacturing employment in Lancashire and presents a specific opportunities for business and employment growth in rural areas

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Service Sector
Almost 80% of employment is in service related activities, and Lancashire is forecast to see substantial growth in employment in key higher value service sectors such as information and communication, professional, scientific and technical activities, with an increase of nearly 29% in employment by 2023. However, to support the transition through to higher growth Lancashire needs to become home to more high-growth services business.

Visitor Economy
Lancashire's Visitor Economy attracts 62m visitors a year, contributing £3.4 billion to the economy and supporting over 57,000 jobs (nearly 10% of total employment). Visitor numbers have increased by 4.5% since 2010 demonstrating Lancashire's continuing attractiveness as a visitor destination. Lancashire has 137 miles of coastline seaside heritage such as Blackpool and Morecambe and beautiful countryside such as Forest of Bowland AONB, Pendle Hill.

The quality and variety of the natural and built environment, landscape and heritage in Lancashire and its close proximity and accessibility to the urban areas of Lancashire and city regions of Manchester, Liverpool and Leeds presents a huge opportunity.

Creative and Digital
Creative and Digital technologies and businesses are central to Lancashire's future success as a place to live, trade and invest employing over 23,000 people. The roll out of superfast broadband across Lancashire, development of ultra-fast broadband connectivity and proximity to Media City, will help to increase productivity, stimulate activity and attract inward investment from UK-based and international companies.

Enterprise and Self Employment
Enterprising people and communities will help drive Lancashire's economic future, and in particular encouraging local business creation and growth. Lancashire is underperforming compared with the rest of the UK in terms of entrepreneurial activity, with business formation rates, business death rates, long term business survival rates and business densities all performing below the UK average; business birth rates are 1% below the national average but death rates are 1.3% below indicating an on-going divergence with national trends.

At a local level the highest number of new businesses in 2012, were in Preston (540), Blackburn with Darwen (490), West Lancashire (425) and Blackpool (410) however the highest number of business deaths were in the same areas with 200 more deaths than births in Blackpool. Wyre has the highest business survival rate with 95.8% of new businesses surviving the first year.

4. Employment

Since early 2011, employment has fallen within Lancashire by -31,400 (-4.6%) people. However, the number of jobs in the Lancashire economy is predicted to increase from 2014 onwards with over 23,000 jobs (employees and self-employment) to be added by 2023 but this level of increase, only 3.5%, will be below the 7% increase predicted for the UK. Table 6 outlines the forecast employment growth to 2030.

Table 6

Forecast Employment Growth 2014-2030
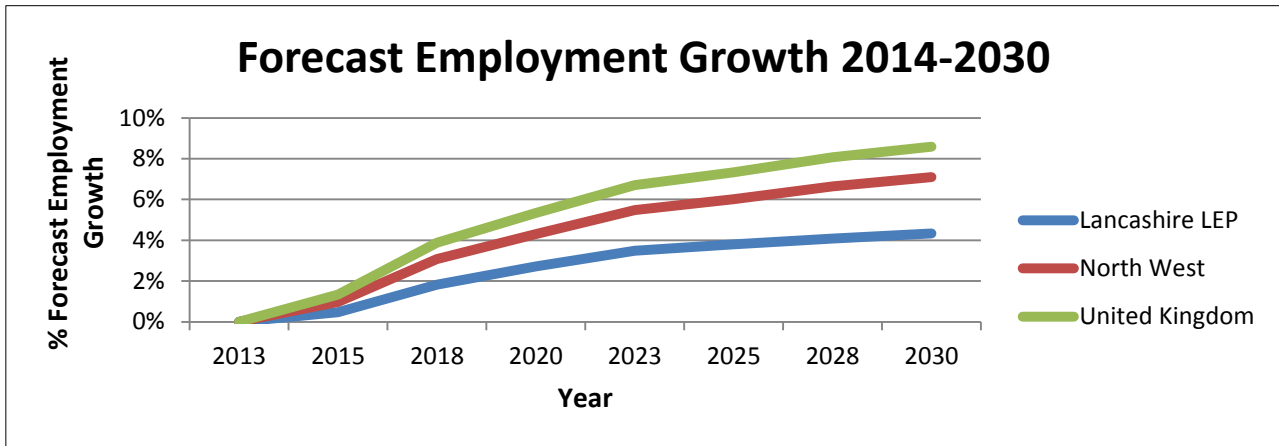
As with GVA growth there are spatial differences in Lancashire, with those areas with greater proportions of higher skilled residents and high GVA industries, predicted to grow. Essentially those areas with lower skilled populations and more reliant on traditional lower value sectors (including low GVA manufacturing) are likely to see job growth at a lower level than elsewhere or even net job reductions.
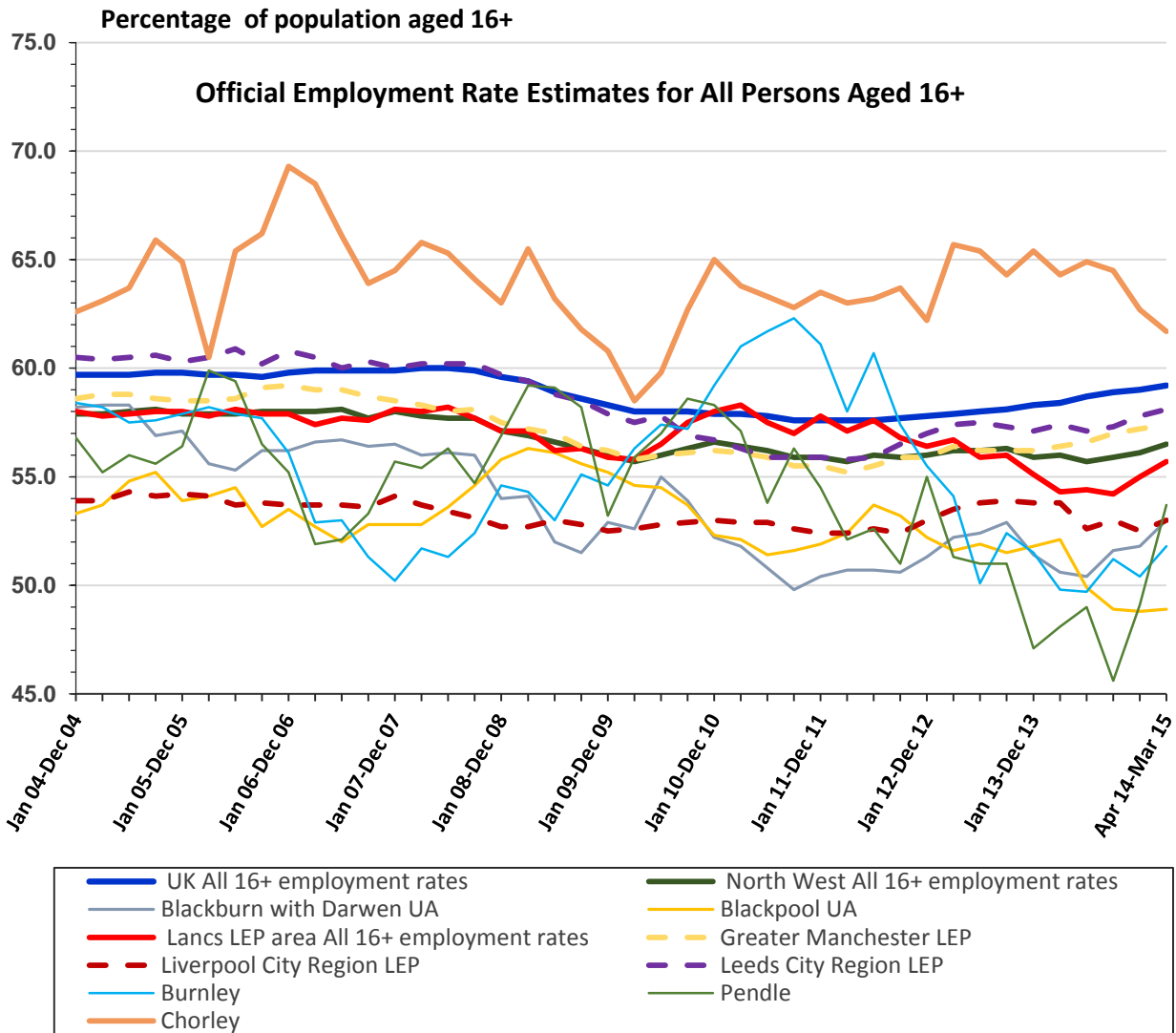
Lancashire's economic activity rates have fallen since 2011/12 and are now below the UK average, especially within east Lancashire. There are spatial variations that are closely associated with deprivation levels and low economic activity rates for Blackpool, Pendle and Blackburn with Darwen are reflected in recent data.

A number of Lancashire's Local Authorities have economic activity rates that either are on par with or are higher than the national average e.g. Ribble Valley and West Lancashire. However, Blackpool, Pendle and Blackburn with Darwen have economic **inactivity** rates above the national average with Blackpool's rate exceeding 45%. This correlates with areas of lower economic growth and skills, the result being areas of severe social and economic deprivation contrasting with areas of prosperity and growth.

Analysis of employment numbers and employment rates shows that these have fallen in all of the Lancashire LEP authorities from previous peaks/highs. Numbers and rates have fallen by particularly large percentages/magnitudes in Ribble Valley, Hyndburn, Burnley, Rossendale, South Ribble and West Lancashire.

By contrast, employment numbers have risen and are at their highest totals at the UK level, within the North West region and for the Greater Manchester LEP and the Leeds City Region LEP. Employment rates have not yet caught up with previous peaks (as the 16+ population denominators have increased at a faster pace than the recovery in employment numbers).   Table 7 outlines employment rate estimates for people aged 16 and over.
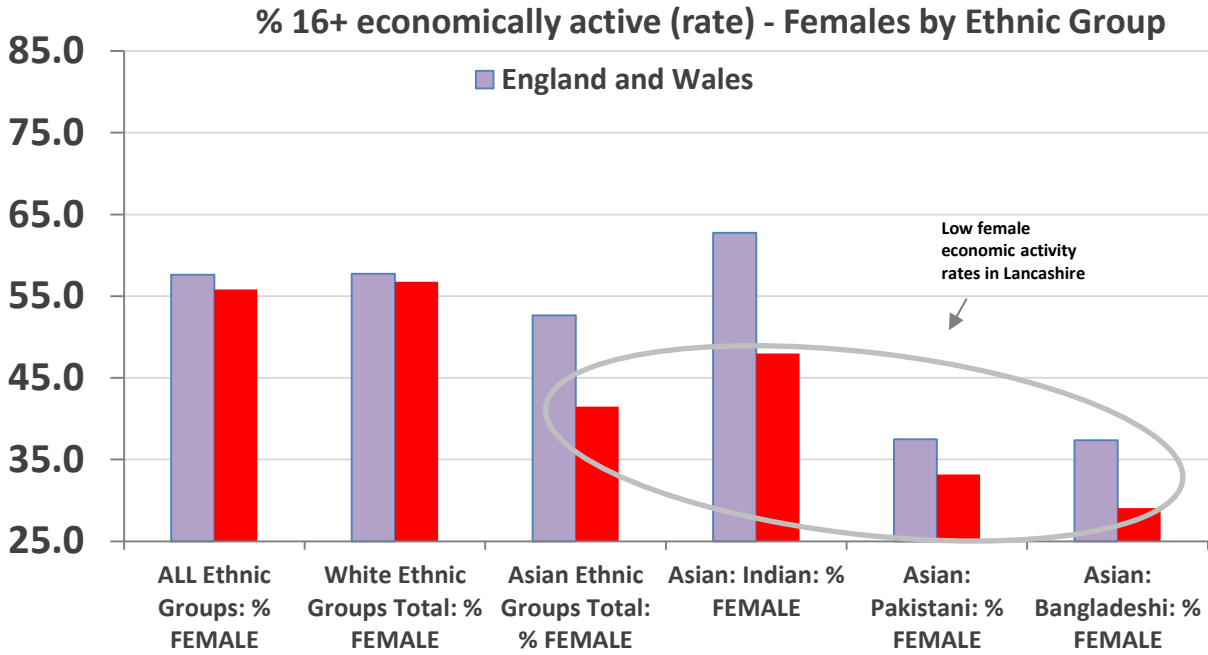
Table 7

Percentage of population aged 16+

Official Employment Rate Estimates for All Persons Aged 16+

Legend:
- UK All 16+ employment rates
- North West All 16+ employment rates
- Blackburn with Darwen UA
- Blackpool UA
- Lancs LEP area All 16+ employment rates
- Greater Manchester LEP
- Liverpool City Region LEP
- Leeds City Region LEP
- Burnley
- Pendle
- Chorley

Employment by Ethnic Groups

In addition to these geographic differences there are a number of groups that are underrepresented in employment. For example, BME individuals have lower employment rates than the Lancashire average (54% to 68%). For those in employment the largest employing sectors are Retail, Distribution, etc. and Public Administration; either lower skilled or reducing. The female rates by ethnicity show the particularly low Asian female rates in Lancashire compared to England and Wales.   Table 8 and table 9 provide further analysis on economic activity by ethnic group and gender.
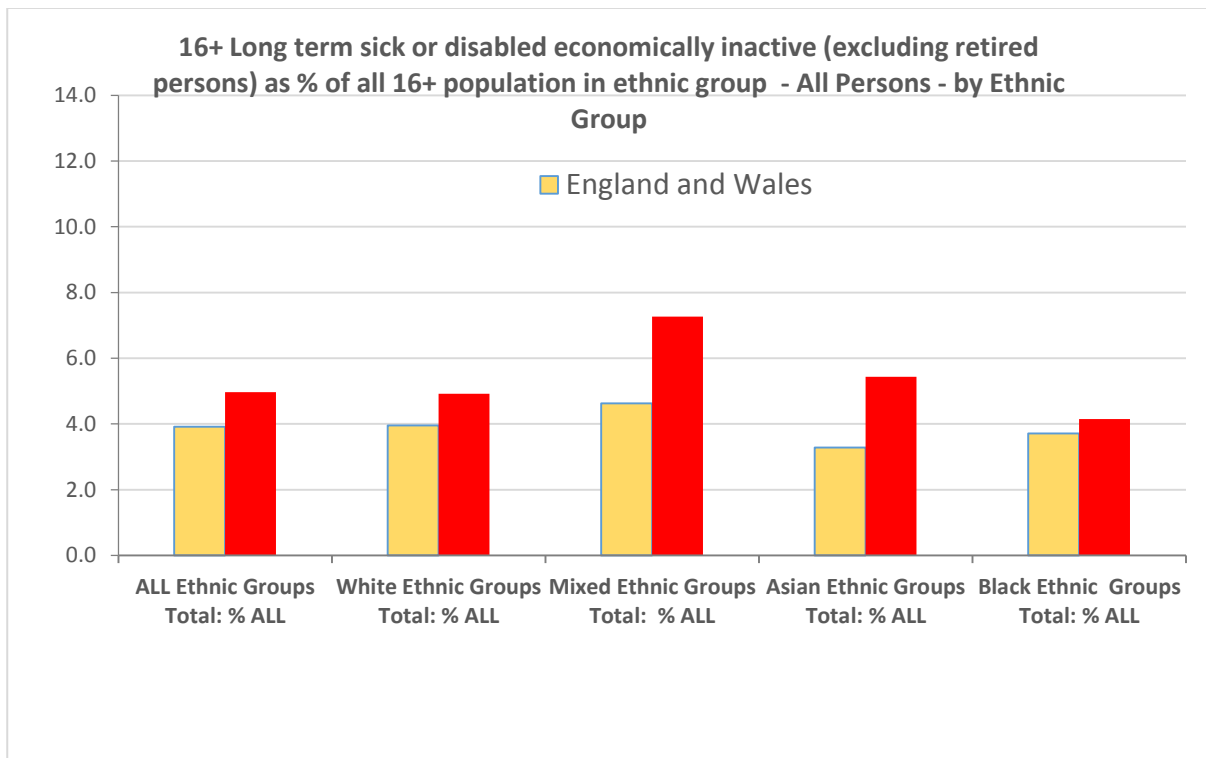
Table 8

% 16+ economically active (rate) - Females by Ethnic Group

■ England and Wales

Low female
economic activity
rates in Lancashire

(Chart: bar chart with y-axis from 25.0 to 85.0)

Categories (x-axis):
ALL Ethnic Groups: % FEMALE; White Ethnic Groups Total: % FEMALE; Asian Ethnic Groups Total: % FEMALE; Asian: Indian: % FEMALE; Asian: Pakistani: % FEMALE; Asian: Bangladeshi: % FEMALE

Source: 2011 Census: Table DC6201EW – Economic Activity by Ethnic Group and Gender.

The majority of ethnic groups in Lancashire (both white and non-white) appear to have greater percentages who are classified as economically inactive long term sick or disabled (excluding retired persons).

Table 9

16+ Long term sick or disabled economically inactive (excluding retired persons) as % of all 16+ population in ethnic group - All Persons - by Ethnic Group

□ England and Wales

(Chart: bar chart with y-axis from 0.0 to 14.0)

Categories (x-axis):
ALL Ethnic Groups Total: % ALL; White Ethnic Groups Total: % ALL; Mixed Ethnic Groups Total: % ALL; Asian Ethnic Groups Total: % ALL; Black Ethnic Groups Total: % ALL

*Source: 2011 Census: Table DC6201EW – Economic Activity by Ethnic Group and Gender.*

5. Skills and Educational Attainment

Lancashire is also a place of rising qualification levels, the proportion of residents qualified to NVQ4+ having increased from 24.5% in 2007 to 28.3% in 2014. However, Lancashire's skills profile is representative of the huge differences that show themselves across the county. Within the county some area's skills levels are as high as anywhere in the country; in others skills levels are especially low.

Evidence from within some of Lancashire's target sectors suggest that there is a shortage of skilled employees especially within the smaller enterprises that feed into larger supply chains and significant improvement is required to support identified growth sectors. For example, only 30% of employed people aged 16-74 in Lancashire are qualified to NVQ Level 4 or above which is below the national average of 35%.

Changes within the Lancashire economy will increase the demand for higher level skills as Lancashire's growth sectors develop and businesses increasingly become more knowledge based. This clearly demonstrates the need to develop resident and employee skills up to and beyond NVQ3.

Table 10

Additional Demand for Qualifications in Lancashire Economy (by QCF) % Change 2010-2020
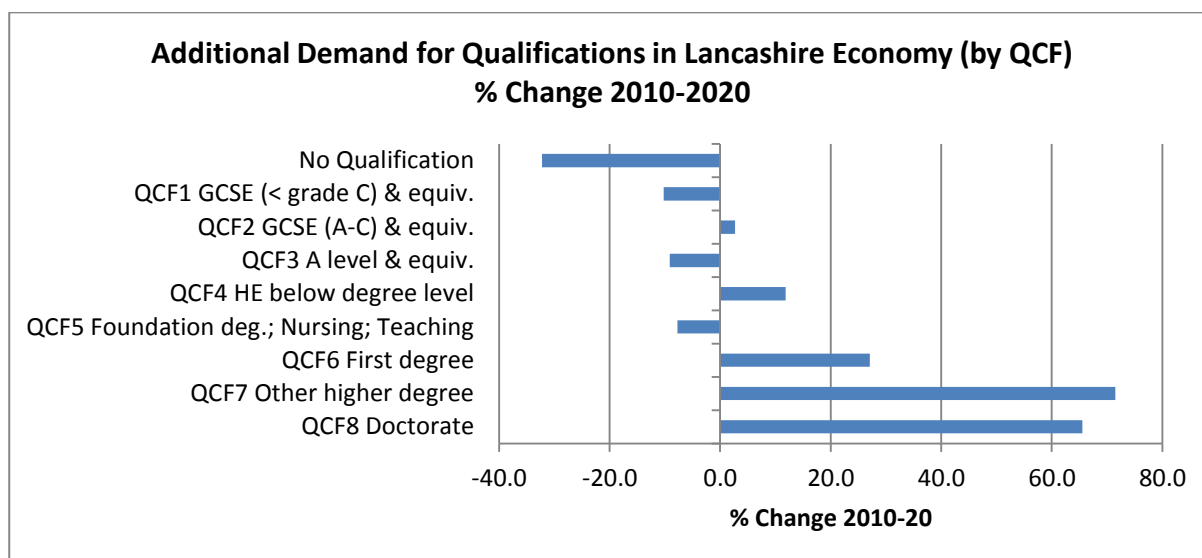
Source: Working Futures 2010-2020 UKCES

As at March 2015, the majority of 16-17 year olds (27,270 in total) are in full-time education and training (80.2), 6.7% in apprenticeships, 1.5% in work based learning and the remainder undertaking other forms of learning. This 90.4% participation rate is on a par with the 90.6% national rate. Local authority NEET data is published annually and the 2014 position showed that there were an estimated 2,040 NEET young people in Lancashire, 5% of 16 to 18 year olds in the area. By age group, 270 are 16 years old, 660 are aged 17 and 1,140 are 18 years old. Overall Lancashire has a higher than average number of NEETS , with 15% of 16-24 year olds only qualified to NVQ Level 1 and 9% with no qualifications. Educational attainment outcomes for children and young people in Lancashire are generally good but performance varies across the county with the more deprived districts reporting much lower levels of educational attainment.

Lancashire is home to ten local further education colleges and four universities – Edge Hill University, Lancaster University, University of Central Lancashire (UCLan) and Cumbria University who have a campus in Lancaster.   In addition, Burnley is home to the specialist University and College of Football Business with two campuses, Burnley and Wembley.

These institutions are a crucial component of Lancashire, and the UKs knowledge base and, as such, contribute to innovation and enhanced productivity through knowledge exchange and skills

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provision. There are existing strong relationships and partnerships between academic institutions, local authorities, the LEP and wider partners committed to growing the local economy.

Our focus is on strengthening the growth linkages between our world class clusters of industry, technology and research excellence by aligning these with national/Lancashire priorities and growth-oriented sectors. Our universities engage with business in a number of ways to drive innovation, and have strong track records in creating graduate business start-ups and in the commercialisation of intellectual property.

Both Lancaster University and UCLan are developing programmes to support higher level skills development as are our Lancashire's FE Colleges. A package of activity, including that delivered by Lancashire's colleges, universities and training providers, will continue to foster and strengthen innovation and enterprise.

Low educational achievement in the deprived areas will impact on the future labour force and the ability to recruit people with the right skills in the local area Lancashire's opportunities can only be fully exploited if there is a keen focus on ensuring that there is the right supply and mix of skills to meet business needs. Lancashire still needs to increase the number of residents with, or on the pathway to, higher level and more business orientated skills linked to growth sectors.   Without an enhanced supply of relevant skills, Lancashire's economy will be put at risk of becoming less competitive.

6. Health

Good health is fundamental to a good quality of life. A range of indicators reveal a number of problems concerning the health of people in Lancashire. The most important, life expectancy, continues to improve across all parts of Lancashire but in some of the Lancashire local authorities, male and female life expectancy at birth rates are amongst the worst in England and Wales. Health profiles are closely aligned to deprivation levels, with, in some cases, people from Lancashire's most deprived communities having a life expectancy of 6 years less than the most affluent.

The greatest health problems are in circulatory diseases such as heart disease and stroke and cancers. Poor health, including poor mental health, is a particular barrier to employment for many people within Lancashire leading to economic inactivity and benefit dependency which puts greater pressures on public sector resources.

7. Commuting and Earnings

In general terms, Lancashire benefits from commuter flows and nine of the 14 authorities in the Lancashire LEP area recorded higher residence-based figures (those that live in the area) but differences between the workplace (those that travel in) and residence-based figures reveal the effect of cross-border commuting.

The Lancashire weekly residence-based figure for all employees was £7.00 per week higher than the workplace figure. By making use of various transport networks a number of the county's residents, especially full-time employees, are able to travel to higher value work locations within and outside the county. The proximity of Manchester and Liverpool enable a number of the county's residents to take advantage of higher value work opportunities in these large conurbations.

At a local authority level; West Lancashire, Wyre, Chorley, Ribble Valley and Rossendale are the five authorities that appear to gain significant benefits from commuter outflows. In particular, South Ribble (36.7%), Chorley (39.1%) and Rossendale (40.3%) have low percentages of people who live and work in the same district.

For Fylde and Preston workplace earning figures are significantly higher meaning that for a number of people, these are their places of work but not where they live. Preston has the highest number of commutes from within the Lancashire LEP area (68,810 individuals) followed by Blackpool (51,079), Blackburn with Darwen (50,302) and Lancaster (43,546).

In terms of outflows from Lancashire, Rossendale has the highest percentage of individuals (33.1%) who work in Greater Manchester, followed by Chorley (16.2%).

Blackpool (95.9%), Wyre (94.2%) and Fylde (93.9%) have high percentages of people who live and work in the Lancashire LEP area (Blackpool, Wyre and Fylde has a Travel To Work Area of its own (Blackpool TTWA, reflecting a high percentage of self-containment). As does East Lancashire where 81% of residents live and work in the area.

Fylde (£533.70) had the highest workplace-based median earnings figures in the broader Lancashire LEP area for all employees. The authority contains a major BAe Systems site, and also has the nuclear fuels site at Springfields. These locations are sources of high value jobs. Fylde and Ribble Valley were the only Lancashire LEP authorities to record median workplace weekly averages that were above the national rate.

For the residence-based figures at the district level, four Lancashire authorities: Ribble Valley, Fylde, West Lancashire and South Ribble had median figures that were £400 per week or above. In contrast, Blackpool recorded the lowest residence base median weekly figure of just £304.40. This was the second lowest in Great Britain. The low figures for Preston and Rossendale of £342.0 and £342.3 placed them nationally in 21st and 22nd lowest positions. The relatively low earnings potential for some Lancashire residents has obvious consequences with regard to levels of disposable income, mortgage/house purchasing capacity, savings, investment and wealth generation.

8. Workplace Skills

Analysis of workplace population skill levels, as opposed to resident skill levels, show the majority of local authorities within the Lancashire LEP area fare well in relation to the middle levels of qualifications, (Level 2 and Level 3) and also in terms of apprenticeship qualifications. However, the results show lower percentages of workplace populations with Level 4 qualifications (degree or above) and higher percentages of workplace populations with low qualifications (no qualifications or Level 1 qualifications). When viewed in relation to commuter flow it is evident that residents with higher skill levels are more likely to travel outside of their area to higher skilled jobs elsewhere

Twelve of the local authorities within the Lancashire LEP area had percentages of their respective workplace populations with Level 4 qualifications that were below the England and Wales average (34.9%). Eight of these had percentages lower than 30%, in, or near, the bottom third of the rankings within England and Wales. Only Fylde district (37%) and Preston (35.1%) had percentages of their workplace populations with Level 4 qualifications that were above the England and Wales average (34.9%). The Manchester City Council area (44.6%) had the greatest percentage in the North West.

Conversely just over a quarter of the workplace population in the Lancashire LEP area (26%) had low qualifications as their highest qualification (no qualifications or Level 1 qualifications). This is slightly greater than the England and Wales average (24.5%). Percentages with low qualifications (no qualifications or Level 1 qualifications combined) ranged between highs of 29.7% in Blackpool and 29.2% in Pendle to a low of 20.7% in Fylde. Wyre (28.7%), Rossendale (28.8%), Hyndburn (28.8%) and West Lancashire (28.3%) were also ranked in the top third. Only Preston (23.0%), Lancaster (22.4%), Ribble Valley (21.6%) and Fylde (20.7%) had percentages that were lower than the England and Wales average (24.5%). Fylde (20.7%) had the 2nd lowest percentage in the region (38th lowest in England and Wales). The Manchester City Council area (19.9%) was the lowest in the North West.

9. Housing

To support economic growth there is a need to build more good quality housing to encourage people to locate to or remain in the area. As with the national housing market, Lancashire's house building has been severely impacted upon by the economic downturn. Completions are less than half what they were in 2000. Some areas of large scale housing have been developed recently, especially those that are well-served by the motorway network to allow for commuting within Lancashire and beyond. In other areas, with more fragile housing markets, viability is still an issue particularly on brownfield sites.

These low demand areas usually have a range of other housing problems such as an overabundance of pre-1919 terraced housing, poor stock condition, poor management of the private rented sector and high levels of empty properties. Poor housing conditions can affect the health of the occupants and contribute towards neighbourhood decline. The need to expand the housing supply is very important, but the county also has to deal with the issue of an imbalance in its housing stock that contains many inexpensive older terraced properties that struggle to satisfy modern-day aspirations.

### 10. Place Shaping & Driving Prosperity

Lancashire is a diverse place both geographically, and economically where people and business choose to live, work, invest and do business. Everywhere in Lancashire has its own role to play in achieving greater prosperity for the county and its residents, albeit different roles dependent on their assets, opportunities and challenges.

However, Lancashire contains significant pockets of deprivation and without targeted incentives, there is a real danger that excluded individuals and communities living in some of the most deprived areas in England will be left behind as the economy develops. As indicated above a number of areas have particular concentrations of issues which interact to create multiple barriers to skills and employment growth

An analysis of the Indices of Multiple Deprivation (2010) shows extremes in Lancashire, from the relatively affluent areas of the Ribble Valley and Wyre, to several areas that contain large areas of severe ingrained deprivation. These areas are associated with lower skill levels and economic activity rates. Six Lancashire authorities are ranked in the 50 most deprived in the country, with three of these, Blackpool, Burnley and Blackburn with Darwen, falling into the 10% most deprived. A closer examination of Lower Super Output Areas (LSOAs) highlights the extent of the problem with 17.4% of Lancashire LSOAs falling into the most deprived 10% in the country, compared to 15.5% in 2007. In contrast the percentage of LSOAs in Lancashire that are within the most affluent 10% in the country has increased from 4% to 5.4%. This illustrates that deprivation is becoming more embedded and the gap is widening between the most and least deprived areas. This will be exacerbated by reducing employment opportunities in certain areas.

Table 11, employment growth chart highlights the variation across districts and emphasises the areas requiring more regeneration focus.

Table 11

Forecast Employment Growth 2013-2030 (Selected Districts)
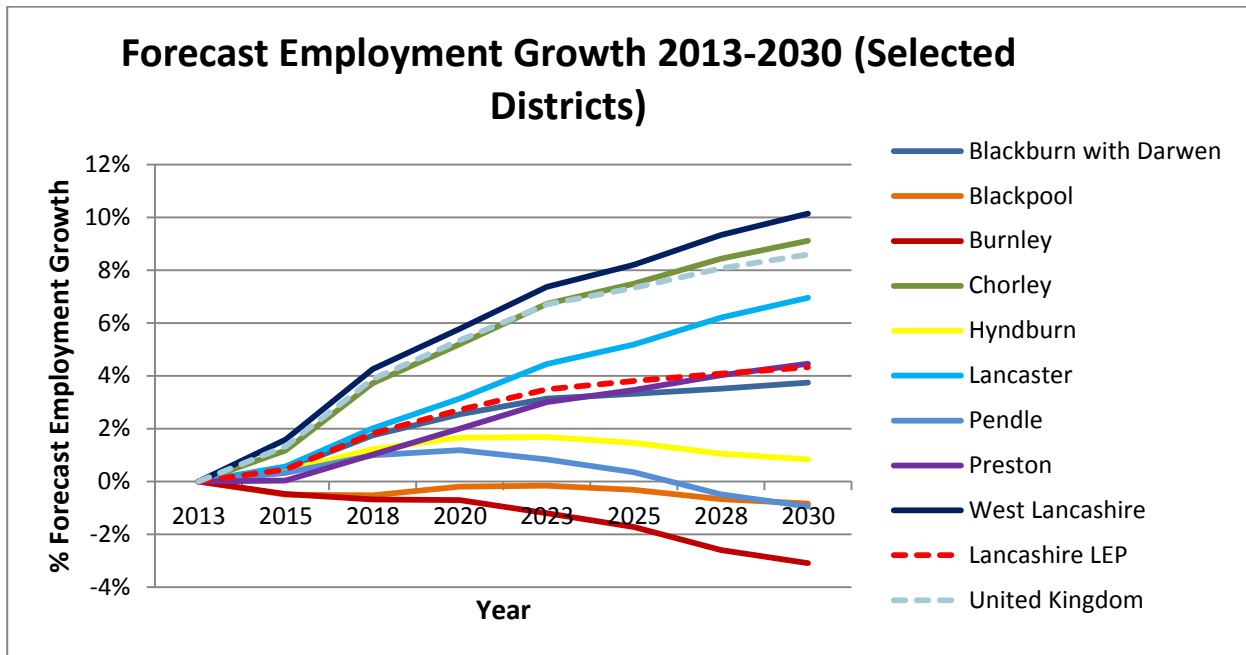
Source: Lancashire Economic Forecasts, Oxford Economics, 2013

This has been excerbated by many of Lancashire's existing employment sites being poorly situated away from the main road and rail infrastructure and containing outdated premises not suited to modern requirements. There is a need to identify and bring forward more suitably located and serviced sites to develop buildings that meet current business requirements.

This has been one of the reasons for Lancashire not benefiting from the shift towards office based service sector employment, which has been a particular feature of employment growth in many of the major urban areas in the country, where new office developments have been a feature of economic development and regeneration.

11. Public Sector Reform

Lancashire's economy remains reliant on the public sector, which contributes 24% of Lancashire's Gross Value Added (GVA) and approaching 22% of all employment. Lancashire is focused on restructuring its economic base to promote strong private sector growth, reducing the reliance on the public sector. Employment in the public sector is forecast to decline between 2014 and 2020, in Lancashire the forecast decline is 19%.

Preston and Blackpool are the two Lancashire authorities where high concentrations of local government, civil service and other public sector jobs account for over 30% of local employment. Moving away from a reliance on the public-sector will be a particular challenge for these two areas.

Table 12 shows the Public and Private Sector Employment as a Percentage of Total Employment

Table 12

Source: ONS - business register and employment survey public/private sector data
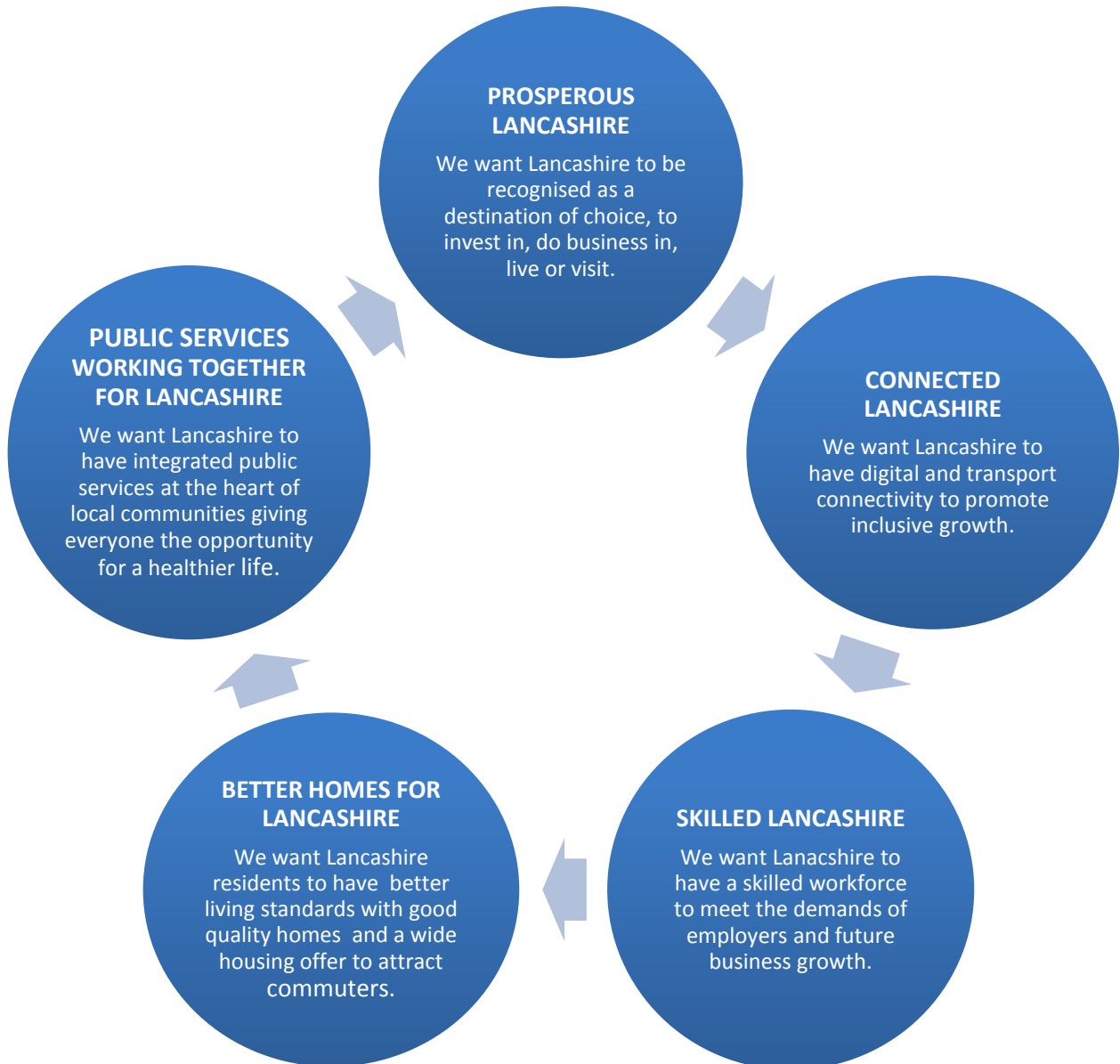
SECTION TWO - WHERE DO WE WANT TO BE?

LANCASHIRE'S AMBITION

We have a long term vision for Lancashire which sees the County as a thriving and more balanced economy that's well connected across the county geography and into neighbouring city regions. A Lancashire which attracts inward investment, driving innovation and contributing to increasing national productivity which will have positive health and wellbeing benefits locally.

Parts of Lancashire are already thriving and we want to deliver a Lancashire where all parts of the county have a share in its' rising prosperity.

Through the preparatory work for this Governance Review, five key themes have emerged which provide the future direction and ambition of Lancashire Leaders now and for future generations.

PROSPEROUS LANCASHIRE
We want Lancashire to be recognised as a destination of choice, to invest in, do business in, live or visit.

CONNECTED LANCASHIRE
We want Lancashire to have digital and transport connectivity to promote inclusive growth.

SKILLED LANCASHIRE
We want Lanacshire to have a skilled workforce to meet the demands of employers and future business growth.

BETTER HOMES FOR LANCASHIRE
We want Lancashire residents to have better living standards with good quality homes and a wide housing offer to attract commuters.

PUBLIC SERVICES WORKING TOGETHER FOR LANCASHIRE
We want Lancashire to have integrated public services at the heart of local communities giving everyone the opportunity for a healthier life.

'CONNECTED LANCASHIRE' - We want Lancashire to have digital and transport connectivity to promote inclusive growth.

We need to have the ability and the flexibility to make policy and investment decisions on digital connectivity and transport links which are calibrated to address local connectivity issues in a bespoke way, enabling us to promote inclusive growth which is sensitive to local conditions and opportunities.   This will involve:

- channelling all central government funding for transport through a single local pot in response to a commitment to fully integrate transport planning within Lancashire

- improve inter-area public transport so as to enhance economic connectivity and improve travel to work and to service flexibilities, more effectively integrating Lancashire's economy, businesses and workforce

- co-producing plans for strategic roads with Highways England

- devolving all bus subsidies, including Bus Service Operator Grant to Lancashire councils and giving us the option to franchise services

- achieving greater influence on rail franchising and other transport services, through and beyond the scope offered by Transport for the North and discussions around HS2 and HS3

- adopting a strategy for future digital infrastructure which addresses current bottlenecks and deficits ensuring all residents are able to access the benefits of improved digital connectivity

'SKILLED LANCASHIRE' - We want Lancashire to have a skilled workforce to meet the demands of employers and future business growth.

We need a workforce with sufficient skill levels to meet the current and predicted needs of employers and aspirations to achieve higher. To achieve this will involve:

- greater control over the skills budgets to align funds with local needs

- align skills provision to sector needs and demands and geographic issues through a Local Output Agreement covering Lancashire

- providing a co-ordinated and transparent structure of employment and skills collaboration with better engagement between employers and schools, colleges and universities

- working with the LEP Skills Board to ensure accountability across a broad range of skills issues and alignment of skills strategies

- work with DWP on commissioning support for economically inactive and low skilled claimants

- oversight of higher level and growth/sector skills

- more control over apprenticeship funding

'BETTER HOMES FOR LANCASHIRE' - We want Lancashire residents to have better living standards with good quality homes and a wide housing offer to attract commuters.

We need homes and housing land supply that meet the needs of market demand and provides developers and buyers with confidence in the housing market. To achieve this we will:

- better understand the housing demand and supply across all tenures to ensure sufficient pipeline of the right types of housing (affordable, private rented, retirement, rural, executive etc)

- co-ordinate housing supply across the area

- link housing growth to economic development opportunities and ambition

- ensure that housing growth and developments are linked to infrastructure and services such as education and local services even when these cross existing administrative boundaries

- seek devolved powers for responsibility of Housing Benefit locally in some areas so that it can be used as a more effective lever to incentivise private landlords to improve housing conditions

- seek to link housing benefit payments to meet required housing standards including the Decent Homes Standard and energy efficiency ratings

'PUBLIC SERVICES WORKING TOGETHER FOR LANCASHIRE' - We want Lancashire to have integrated public services at the heart of local communities giving everyone the opportunity for a healthier, happier and longer life.

Public services are facing significant financial challenges, particularly in health and social care and we need these services to work together better for residents, businesses, communities. To ensure all our residents can access similar levels of support we will:

- Seek greater integration between health and social care and create an Accountable Care System where all health and care commissioners and providers would be held accountable with an expectation of working together to address key priorities which are relevant to the whole of Lancashire

- Develop 'place based' strategies which are relevant on either county wide, sub-level or neighbourhood level

- Have a greater influence over quality and performance of hospitals

- Work in partnership with Health and Wellbeing Boards to deliver whole system leadership and transformation to deliver the best possible outcomes for residents

- Create a simplified relationship with hospitals and providers to have a positive impact on patient care – prevention, primary care, community support

- Seek to create greater access to health facilities for areas without a hospital

- Co-location of services through multi-agency hubs

- Strengthen relationships with the Police, Youth Offending etc

'PROSPEROUS LANCASHIRE' we want Lancashire to be recognised as a destination of choice, to invest in, do business in, live or visit.

Our existing economic plans and priorities already demonstrate a very clear ambition for growth and prosperity and our contribution to the Northern Powerhouse, such as the Lancashire Strategic Transport Prospectus, but in order to strengthen our approach we want to make sure that we can

deliver a Lancashire where residents and businesses alike can benefit from this rising prosperity. This will involve:

- seeking devolved business support budgets and a proportion of UKTI budgets to enable stakeholders to take a more direct and proactive role in supporting business growth

- a more co-ordinated approach to delivering business support and build on existing schemes eg Business Growth Hub

- infrastructure and strategic planning 25+ years

- work together across boundaries, retaining local identity that communities recognise

- working with City Regions to ensure Lancashire is well placed to contribute to the Northern powerhouse

- working with the LEP to market the 'Lancashire brand'

- seek Intermediary Body Status for Lancashire to deliver the ESIF programme utilising local knowledge and reducing duplication of activity

- strengthen links with the HCA and other relevant government agencies

- look to formalise joint working with other public sector bodies on public assets, land and property similar to the Land Commission model in London to identify public sector land for development

The Lancashire LEPs Strategic Economic Plan (SEP) sets out their growth ambitions for the next 10 years - 50,000 new jobs, 40,000 new houses and £3 billion additional economic activity.

To help achieve this Lancashire received one of the largest Growth Deal allocations totalling £250 million and has been notionally allocated £232 million of European Structure and Investment funds (ESI) for the programme period 2014-2020. The funds are being invested as part of the Lancashire Growth Plan with a focus on their use to increase productivity levels for key economic sectors, promote sustainable employment growth and to tackle barriers to employment for Lancashire's most disadvantaged communities.

We want to build on this further and secure long term investment for Lancashire where businesses are confident in their long term future, where wage levels are lifted and residents can gain the skills needed to secure local employment.

The private sector in Lancashire has a key role to play in directing and driving forward growth, understanding the business market both nationally and internationally and looking to future growth strategies. Our LEP will continue to play an important role in Lancashire governance.

LANCASHIRE'S OPPORTUNITIES

As outlined throughout this review, Lancashire is a diverse area with pockets of benefit dependent communities alongside thriving and affluent areas. Building on a strong manufacturing history, there is tremendous potential for new and emerging sectors which Lancashire is well placed to deliver and contribute towards GDP and the government's agenda outlined in 'Fixing the foundations: Creating a more prosperous nation'.

Lancashire already has a range of initiatives to support economic growth and develop critical infrastructure which will unlock employment and housing sites making areas more attractive to

developers and provide a sound base for Lancashire to build upon. Initiatives and opportunities include:

- **Health and Digital Innovation** presents a real opportunity for Lancashire in terms of investment, productivity, prosperity and retaining graduates and directly linking to local health benefits. Information and communications; professional, scientific and technical are both growing sectors in Lancashire and the Government believes digital health will be an important growth area for the economy. The value of digital health to the UK economy is £1.9 billion and this is expected to significantly increase by 2018.

  £100 million is being invested in Lancaster University Health Innovation Park and plans have recently been passed for a digital health village in Chorley. The North West is home to one of the largest life science industry clusters in the UK, specifically in medical technology. Manufacturing is the second largest employment sector accounting for 79,000 jobs including precision and advanced engineering and well placed to support innovation within health care. Over half of Lancashire's manufacturing jobs are in the East and with sites available long the M65 investment corridor there is a real opportunity to evolve manufacturing and innovation to support digital health intervention.

- Lancashire's **Assisted Areas** coverage has increased significantly which will support greater investment in the manufacturing and more deprived areas, supporting plans to increase business productivity, growth and sustainable employment.

- The **Liverpool Super port** presents significant opportunity, particularly to the West of Lancashire offering employment opportunity and upgrades to transport infrastructure. The Super port will enable larger container ships to dock as an alternative to the South coast becoming a core port in the EU network. Over 20,000 jobs are forecast to be created over the next 10 years. The Super port will have a positive impact for Lancashire's manufacturing base with companies ready to explore the global market and contribute to the UK exports.

- The **neighbouring city regions** of Manchester and Liverpool are set to outperform international cities such as Berlin and Tokyo in jobs growth. Over the last five years both cities reported the largest jobs growth in the UK. Lancashire is ideally placed to connect to these city regions with direct train routes from some of the main towns and close proximity to the M6, M61, M66 and M58.

- **Superfast Lancashire** will ensure that businesses have access to speedy and modern fibre broadband communications, through a £130 million investment programme, connecting companies and key strategic and employment sites. The benefits of this programme will be built upon to address the 'Digital Divide'. Given that many training and employment opportunities depend upon access to and/or depend upon the internet this of crucial importance given 27% of Lancashire households do not have access to the internet, of which 48% have a disability and 38% are unemployed. Superfast broadband is critical if we are to build digital health innovation.

- Lancashire has **four universities** – UCLAN, University of Cumbria, Edge Hill University and Lancaster University. The growing reputation of our university centres is reflected by the year on year high ranking of Lancaster University which is ranked in the top 10 of the UKs major university league tables and also Edge Hill University who won the Times Higher Education award for University of the Year for its achievements in student satisfaction and graduate employment.

- The Lancashire **Growth Deal** will play a key role in ensuring the benefits of economic growth are shared by all. This will include support for Lancashire residents to develop their skills, in the context of increasing demand for higher level qualifications, and access the employment opportunities being created. The Growth Deal, delivered by the LEP, will help to create up to 5,000 jobs, allow more than 6,000 homes to be built and generate up to £140 million in public and private investment.

- The **Preston, South Ribble and Lancashire City Deal** addresses the infrastructure issues that will release the economic potential of core locations through a £340 million Investment and Delivery Programme. This will deliver more than 20,000 net new private sector jobs and £2.3 billion in leveraged commercial investment. It has secured a 10 year funding allocation for major transport schemes.

- **Lancashire European Structural and Investment Funds (ESIF) Programme** that will provide £231 million of investment in Lancashire to support business growth, skills development, sustainable employment and social inclusion. The Lancashire ESIF Strategy sets out the local priorities for support whose implementation will be overseen by the Lancashire sub-committee of the national Growth Board.

- The Lancashire **Growing Places Fund** has fully committed its allocation of £20 million to support economic infrastructure and will invest recycled funds through a second wave of activity. So far, it has attracted £100 million of additional investment, supporting the creation of 3,000 new jobs and over 400,000 sq. of new business space.

- The Lancashire **Enterprise Zone** will focus on the Advanced Engineering and Manufacturing sector. It will promote Research and Development capability and support supply chain and skills development activity, acting as the focal point for a network of centres of excellence across Lancashire. Work has started on the Samlesbury EZ site to create a new entrance and access work is due to start shortly on a new BAE Training Facility, followed by a Defence Logistics Facility.

  In March 2015 the Government announced, subject to further business case development, an 'in principal' designation as an Enterprise Zone for part of the Blackpool Airport site. On 8th July, following the submission of additional information in support of the original business case, the Government confirmed that the Blackpool Airport Corridor Enterprise Zone will be Lancashire's second Enterprise Zone.

- Support for growth orientated SMEs is being provided through **BOOST**, Lancashire's Growth Hub, which has brought together £40 million of programmes to support high growth companies and Start Ups delivering 2000 jobs .

- **Transport for Lancashire (TfL**), works with neighbouring transport bodies and Government to secure maximum benefit from national transport initiatives, including the development of the Northern Rail Hub, Rail Electrification and HS2, which improve the area's linkages to other major centres of economic growth, including Manchester, London and Leeds.

  TFL is developing a £325 million investment programme to support a number of **Transport Masterplans** focusing initially on East Lancashire, Lancaster South and West Lancashire. They will include activity to support Strategic and Employment Site development along the Burnley-Pendle Corridor (in support of existing and future employments sites in proposed Assisted Areas), access improvements in Lancaster linked to the expansion plans of Lancaster University (in addition to the Heysham M6 link), and rail links in Skelmersdale improving connectivity to Manchester and Liverpool.

- Lancashire is well known for its industrial, environmental and coastal **heritage assets** from historic Lancaster to the Fylde Coast and across to East Lancashire where the industrial revolution started. Significant investment is underway with restoration projects across the county funded by the Heritage Lottery Fund and Arts Council such as £3 million to re-ignite the East Lancashire stretch Leeds – Liverpool Canal. Blackpool has retained its place as England's most popular seaside destination, famous for its tower and illuminations and is seeing improvements across the town and £100 million investment in its tramway.

SECTION THREE - HOW WILL WE GET THERE?

Lancashire has different challenges and opportunities across the county and as part of this review Leaders have recognised that there cannot be a 'one size fits all' approach to realising potential and ambitions.

There is no one dominant centre and the area clearly has functioning travel to earn and learn areas. The mechanisms for delivering economic growth across the area will differ and it's recognised that making the step change may be done on a county footprint, on a sub-level footprint or on a 'theme' footprint where a cluster of authorities may need to work together to tackle specific issues such as inadequate housing.

There will also be opportunity for some local authorities to explore partnerships, formal or otherwise, outside of Lancashire where geographically they may be dispersed, but issues more closely align eg Blackpool and other coastal towns.

In developing this Review, the Local Authorities considered a number of areas that pose a barrier to future growth and realising the ambitions for the area. There are a number of key areas that Lancashire wants to address, in particular:

- transport infrastructure and modern public transport systems
- influence and control of local spending – transport; housing; skills; business support; health and social care
- co-ordination of skills activities and budgets locally
- longer term and more co-ordinated infrastructure planning 25+ years ahead
- addressing public transport constraints – eg integrated smart ticketing, accountable governance arrangements for bus and rail franchising
- a restructured housing market
- faster and more co-ordinated delivery of major economic development projects
- a single voice for Lancashire, beyond the LEP and economic development to raise the profile of Lancashire and its offer.

OPTIONS APPRAISAL

In exploring governance options for Lancashire, an options appraisal framework was developed. To inform this framework Lancashire Councils were asked to identify some of the functions and services which could be considered as part of a governance review. These included where authorities felt there were gaps in provision or functions which could/needed to work better. The common and key themes which emerged were strategic planning; connectivity; housing; business support; skills; public service reform.

The strategic opportunities (mainly economic development and transport related) which could deliver step change for Lancashire were identified as:

- devolved funding
- greater influence and flexibility of any national, regional and local programmes
- longer term and more co-ordinated infrastructure planning
- spatial planning including on a sub-level Lancashire footprint
- public sector integration, particularly health and social care
- inward investment/improved profile

Taking these aspirations and opportunities, an appraisal was carried out of the various models for working together to deliver prosperity, investment, economic development, transport etc.

The options considered were:

- Enhanced status quo
- Joint Committee
- Economic Prosperity Board
- Integrated Transport Authority
- Combined Authority

MODEL	Enhanced status quo	Joint committee	Economic prosperity board	Integrated transport authority	Combined authority
Devolved funding	No	No	Limited	Only Transport funding	Yes
Greater influence and flexibility of any national, regional and local programmes	No	Limited	Limited	Only on transport	Yes
Longer term and more co-ordinated infrastructure planning	Limited	Limited	Yes	Only on transport	yes
Spatial planning	Yes	Yes	Yes	Only on transport	Yes
Public sector integration	Limited	Limited	No	No	Greater potential
Inward investment/profile	Limited	Limited	Yes	No	Yes

CASE FOR CHANGE

Lancashire has some excellent partnership arrangements in place across the County geography, engaging with partners in both the public and private sector as identified in section two.

Leaders have recognised that some of the ambitions set out earlier in this review, can be achieved through existing partnerships, better joint working, better relationships with stakeholders, some pooling of resources. However to achieve a prosperous Lancashire we need to demonstrate that Lancashire means businesses and provide reassurance that we have strong, robust governance arrangements in place to have a mature conversation with government departments.

The existence of the right investment sites, premises and infrastructure is crucial to ensure that Lancashire businesses can remain productive. Addressing our infrastructure constraints needs to be carried out in parallel with support for innovation, resource efficiency and skill development to ensure Lancashire can build upon its competitive advantages, and our businesses are able to remain competitive and grow sustainably.

However, in order to attract and maintain economic growth the local authorities need to create the right conditions for growth and will work together to set the strategic vision and delivery mechanisms so that Lancashire can become a net contributor to the national economy.

This review sets out the ambitions for Lancashire and what measures we need to put in place to achieve these ambitions.

The current governance arrangements are not sufficiently robust to enable Leaders to achieve their ambitions. Such as:
- limited governance arrangements to receive devolved funding
- there is insufficient joint working and partnership structures to influence skills provision, public transport provision, business support
- with the exception of the City Deal there is limited alignment of infrastructure planning across borough boundaries and certainly no statutory arrangements
- cross boundary working and infrastructure planning can be bureaucratic with decisions being made several times over across authorities
- inconsistent approach to service provision, eg health and social care
- individual scrutiny arrangements for cross boundary working.

CONCLUSION AND RECOMMENDATION

This review has concluded that the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambitions for Lancashire.

There are currently no legally constituted bodies operating across Lancashire with democratic accountability to take strategic decisions on transport, economic development or regeneration leading to weaknesses in our ability to grow the economy. Without tackling these weaknesses the County will not be able to reach its full economic potential.

Having considered the economic evidence, the ambitions for Lancashire, the current decision making arrangements and the options appraisal, this Governance Review concludes that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

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**A SCHEME FOR THE ESTABLISHMENT OF A
COMBINED AUTHORITY FOR
LANCASHIRE**

1.   Establishment of the Combined Authority

A Combined Authority shall be established pursuant to Section 103 of the Local Democracy, Economic Development & Construction Act 2009 (LDEDCA).

2.   Name of the Combined Authority

The name of the Authority shall be The Lancashire Combined Authority (LCA).

3.   Area of the Combined Authority

The whole geographical County of Lancashire incorporating the areas covered by County Council; Blackburn with Darwen and Blackpool Borough Council; and all the District Councils of Lancashire.

4.   Constitution

4.1   **Membership of the Combined Authority**

Membership of the LCA will be drawn from the constituent Councils listed below:

o Blackburn with Darwen Borough Council
o Blackpool Borough Council
o Burnley Borough Council
o Chorley Borough Council
o Fylde Borough Council
o Hyndburn Borough Council
o Lancashire County Council
o Lancaster City Council
o Preston City Council
o Pendle Borough Council
o Ribble Valley Borough Council
o Rossendale Borough Council
o South Ribble Borough Council
o West Lancashire Borough Council
o Wyre Borough Council

In addition, non-constituent membership will be drawn from the Lancashire Local Enterprise Partnership (LEP).

4.1.1   Each constituent council shall appoint its Leader to be a member of the Combined Authority, and in addition shall appoint a substitute.

4.1.2   The LEP shall nominate its Chair to be a non-constituent Member of the Combined Authority, and shall be entitled to nominate a member and a substitute.

4.1.3   All members of the CA must act in accordance with this Scheme of Governance and observe the Code of Conduct for members of the CA.

4.1.4   A Member ceases to be a Member or substitute Member of the Combined Authority if they cease to be a member of the constituent council or the LEP that nominated them.

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4.1.5   To resign, the Member or substitute Member has to give written notice to the Proper Officer of the constituent council or the Company Secretary of the LEP.

4.1.6   Constituent councils may terminate and replace a Member or substitute Member at any time but must give written notice to the Combined Authority within 28 days.

4.1.7   The LEP may terminate and replace a Member or substitute Member nominated by it to the Combined Authority at any time but must give written notice to the Combined Authority within 28 days.

4.1.8   Where a Member or substitute Member appointment ends for whatever reason the constituent council or LEP shall give notice of the appointment of another of its elected members or member having due regard to paragraph 4.1.2 above as soon as possible to the Chair. Such appointments will be effective immediately.

4.2   Chairman and Vice Chairman

4.2.1   There will be an annual election of the Chair and Vice Chair. Incumbents will be eligible for re-election. Only council Leaders will be eligible for election as Chair and Vice Chair.

4.2.2   Appointment to be the first business at the Annual Meeting and to be made from amongst the Combined Authority's members.

4.2.3   A person ceases to be Chair or Vice Chair if they cease to be a member of the Combined Authority.

4.2.4   Any vacancy must be filled at the next ordinary meeting of the Combined Authority unless such meeting is within 14 days, when it will be the meeting following.

4.3   Proceedings

4.3.1   In the full spirit of partnership working every endeavor will be made on all matters to reach decisions by consensus such that the need for formal voting becomes academic.

4.3.2   However, if formal voting is required the following will apply:

The following decisions require a unanimous vote in favour by all constituent council members or substitutes present and quorate: -

o Adoption of and any amendment to, withdrawal of any Strategy or Plan and associated schemes/programmes for which the Combined Authority has functions, powers or duties to produce
o Approval of the Combined Authority's annual budget including decisions on any levies, precepts or other demands for financial contribution from constituent authorities
o Approval of borrowing limits, Treasury Management Strategy including reserves, Investment Strategy and Capital Budget of the Combined Authority
o Approval of the Combined Authority's Constitution and any changes thereto
o Adoption of any freedoms or flexibilities offered by Government
o Future expansion of the Combined Authority's functions included but not limited to the transfer of functions by the councils to the Combined Authority and/or the devolving of powers from Government.

All other decisions to be by a 2/3rds majority of those constituent council members present and quorate.

4.3.3   Quorum is 10 voting Members or nominated substitute members.*

4.3.4   Each Member to have one vote.

4.3.5   There is no casting vote.

4.3.6   If a vote is tied it is deemed not to have been carried.

4.3.7   Proceedings are not invalidated by any vacancy amongst its Members or by any defect in the appointment or qualification of any Member.

4.4   **Transitional Arrangements**

4.4.1   Transport for Lancashire (TFL) will transfer from the LEP to become part of the Lancashire Combined Authority.

4.4.2   The three TFL authorities being –

Lancashire County Council
Blackburn with Darwen Council and
Blackpool Borough Council

The Combined Authority will reserve voting between those three constituent Members on –

(i)   The adoption and amendment of any Local Transport Plan under S108(3) Transport Act 2000
(ii)   Allocation of any Local Transport Plan funding to individual constituent councils.

4.4.3   Debate about items (i) and (ii) above will take place at a meeting of the full Combined Authority and all constituent and non-constituent members may take part in debate. Every effort will be made to reach consensus. If formal voting is required, decisions will be by a unanimous vote of the three TFL constituent councils.

4.4.4   The TFL constituent councils will use their best endeavors to: -

(i)   Reach unanimous agreement with all the constituent and non-constituent members of the Combined Authority on any matters for decision, and
(ii)   Work toward a system of inclusive voting for all constituent councils.

4.5   **Executive Arrangements**

4.5.1   Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the Combined Authority. However, the discharge of the functions of the Combined Authority will be subject to the scrutiny arrangements set out in this scheme.

4.6   **Overview and Scrutiny**

4.6.1   The 15 Local Authorities of Lancashire will establish a joint Overview & Scrutiny Committee to exercise scrutiny over the Lancashire Combined Authority including its sub committees.

4.6.2   The Overview and Scrutiny Committee of the Combined Authority will also agree with the LEP an approach to monitor and review the mandate and performance of the LEP.

4.7   **Records, Standing Orders and Remuneration**

4.7.1   Proceedings and the names of members present at meetings must be recorded.

4.7.2   Minutes must be kept and signed as a correct record at the next suitable meeting by the Chair of the meeting.

4.7.3   Any such signed minute shall be received in evidence without further proof.

4.7.4   Until the contrary is proved, a meeting of the Combined Authority evidenced by the signed minutes of proceedings, are deemed to have been duly convened and held.

4.7.5   The Combined Authority may make Standing Orders which shall apply to proceedings of the full Authority and its committees.

4.7.6   No remuneration is payable to members of the Combined Authority.

4.7.7   Any allowances or expenses which may be made to Councillor Members arising out of Combined Authority membership shall be determined and borne by the appointing council for each Combined Authority Member individually.

4.8   **The Function of the Lancashire Combined Authority**

4.8.1   The purpose of the Lancashire Combined Authority is to improve the exercise of statutory functions in relation to economic development, growth, skills and transport across the whole geographical county of Lancashire leading to an enhancement of the economic conditions and performance of Lancashire. It will seek to further public sector reform including health and social care integration.

4.8.2   The Lancashire Combined Authority intends to pursue an Economic Growth Strategy through a balanced approach, with economic, social and environmental sustainability at its core. This will reflect the location of the area.

4.8.3   The Lancashire Combined Authority will seek to promote managed and sustainable economic growth as a policy to deliver jobs and prosperity to communities and households to secure good quality of life of all the people of the area.

4.8.4   The Lancashire Combined Authority intends to provide leadership and a unified strong advocacy for Lancashire on key strategic issues. It will work on ensuring closer co-ordination and delivery of transport, planning and skills. It will provide an integrated approach to achieving priorities.

4.9   **The Functions, Powers and Duties of the Lancashire Combined Authority**

4.9.1   The Lancashire Combined Authority will have powers in relation to strategic economic development, planning, transport, skills, training, housing and public sector reform including health and social care integration. These powers will be exercised by the Lancashire Combined Authority on a concurrent basis with the constituent Member Authorities. In other words, no powers have been "ceded" to the Lancashire Combined Authority by its constituent members.

4.9.2   Subject to Government agreement, functions will include: -

   o   The public sector decision making body for strategic economic development and transport for the Lancashire Combined Authority area;
   o   setting the Economic Strategy for the Lancashire Combined Authority area;
   o   setting the Investment Strategy for the Lancashire Combined Authority area;
   o   implementing the Investment Strategy for the Lancashire Combined Authority area;
   o   making decision in relation to the uplift on business rates received from the Enterprise Zones;
   o   Co-ordinated inward investment activity;

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- o Functions as currently exercised through BIS, DfE and their executive agencies in respect of further education provision, co-ordination and funding;
- o Functions in respect of the funding and provision of housing in the area of the Combined Authority e.g. from the Homes and Communities Agency;
- o Functions in respect of control and co-ordination of surplus public land in Lancashire to create sites for residential and commercial growth. Examples of vacant land holding would include that owned by constituent members of the Combined Authority, Network Rail, the NHS, Government Departments or private sector developers;
- o Functions in respect of provision, co-ordination and funding of initiatives for increasing employment and improving skills as currently exercised through the Department for Business Innovation and Skills and its executive agencies;
- o Functions in respect of the provision of support and funding for local business initiatives in the area of the Combined Authority as currently exercised through the Department for Business Innovation and Skills and its executive agencies;
- o The duty under Section 8 (i) of the Housing Act 1985 (duty of local housing authorities to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation);
- o The functions of a local transport authority under the Transport Act 2000 and any other enabling legislation (and including, by order, the functions of a Passenger Transport Executive under section 88 of the Transport Act 1985);
- o The functions of local authorities under the Transport Act 1985;
- o To develop, and subsequently monitor, investment plans utilising Government and European funds for the Lancashire Combined Authority area;
- o To develop a Growth Deal for the Combined Authority area;
- o Functions currently exercised through the Department of Work and Pensions in respect of job seeking and employment;

4.9.3 Subject to Government negotiation the Lancashire Combined Authority seeks the following powers:

- o The General Power of Competence to provide for maximum flexibility in being able to deal with economic development, stimulating growth and envigorating communities;
- o Power to encourage visitors and to provide conference and other facilities;
- o Duties and powers related to the provision of education and training for persons under and over compulsory school age;
- o Duty to prepare an assessment of economic conditions in the area;
- o Power to arrange for the publication within their areas of information relating to the functions of the authority;
- o Power to prosecute and defend legal proceedings;
- o Research and collection of information;
- o Powers under the Apprenticeship, Skills, Children and Learning Act 2009;
- o Powers related to the establishment of a Land Commission for Lancashire including the HCA's Housing and Regeneration Act 2008 and for Compulsory Purchase Orders

4.9.4 The Lancashire Combined Authority shall exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State, pursuant to Section 86 LTA 2008 and Section 104(1)(b) LDEDLA. Such functions shall be exercised subject to any condition imposed by the order.

4.10 **Funding**

4.10.1 The constituent councils to meet all costs reasonably attributable to the exercise of its functions on an equitable basis. Equitable basis also means where possible the constituent councils will meet these costs in kind.

4.10.2 The Combined Authority will agree an annual budget for the purpose of its expenditure.

4.11   **Statutory Officers**

4.11.1   The Combined Authority has a duty to appoint to the three statutory positions being:

- o   Head of Paid Service
- o   S151 Officer
- o   Monitoring Officer

4.11.2   These positions will be undertaken by officers already serving in one or more constituent councils.

4.12   **The Lancashire Enterprise Partnership**

4.12.1   It is envisaged that the Combined Authority for Lancashire would include local authorities and the LEP within its governance structure. The Combined Authority would provide strategic leadership, direction and prioritisation of the resources for the functions within its remit and as directed by Government.

4.12.2   The Combined Authority is responsible for establishing an overarching Lancashire Plan, including a Growth Strategy, developed by the Lancashire Enterprise Partnership (LEP) in conjunction with the Combined Authority. The LEP is an independent business-led body which operates within an Assurance Framework agreed with the Combined Authority.

4.12.3   The LEP, as part of its mandate from the Combined Authority, will be responsible for directing and managing current and future growth programmes and relevant funding streams, in accordance with the Growth Strategy agreed with the Authority.

4.12.4   The LEP's Employment and Skills Board will operate in a joint arrangement of the LEP and Combined Authority.

4.12.5   The Chair of the LEP is drawn from the private sector. The constituent members of the Combined Authority will appoint five members to the LEP Board. As detailed earlier at 4.1.2 the LEP Chair will be a non-constituent member of the Combined Authority.

4.12.6   The Overview and Scrutiny Committee of the Combined Authority will also agree with the LEP an approach to monitor and review the mandate and performance of the LEP.

4.13   **Other Arrangements**

4.13.1   The Combined Authority may establish sub-committees, and delegate powers and functions as appropriate.

Chorley Council

Report of	Meeting	Date
Independent Remuneration Panel	Council	25 November 2015

REVIEW OF MEMBERS' ALLOWANCE SCHEME 2015

PURPOSE OF REPORT

1.	To consider the recommendations of the Independent Remuneration Panel to the Council in relation to the four yearly review of Member's Allowances.

RECOMMENDATION(S)

2.	That the Member Allowances Scheme continue in its current format with the following administrative amendments:

	a)	Any applications for additional travel allowances as a result of a complex illness or disability be determined by the Chief Executive of the Council.

	b)	Councillors to have the option to claim travel expenses either using the paper based option or the electronic system used by staff.

EXECUTIVE SUMMARY OF REPORT

3.	The current Members' allowance Scheme was agreed in 2011 and the Local Authorities (Members Allowances) (England) Regulations 2003 state that schemes should be reviewed as a minimum every four years. Minor changes to the current scheme had been agreed in 2013 to reflect some changing roles and a change to the standards procedure relating to the Members Code of Conduct and again in 2014 to better support those Members with disabilities using the Travel Scheme. A full review, however now needed to be undertaken in line with the regulations.

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

CORPORATE PRIORITIES

4.	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

5.   The current Independent Remuneration Panel is made up of three members of the public – Dennis Benson (Chair), Allan Jones and Tom Waring. The Panel met on 15 September 2015 to review the current Members' Allowance Scheme.

6.   We received a report on the authority's Members Allowance Scheme that set out the requirements and provisions of the scheme. Recent changes to the scheme were noted and although some changes had been made since the scheme had been approved in December 2011, the annual cost of member's allowances still remained within budget.

7.   A schedule of comparative information had been prepared which showed the Basic, Special Responsibility Allowances and other Allowances paid under Members Allowances Schemes for the Lancashire District Authorities. The allowances payable by the authority were in line with their neighbouring Councils.

8.   We also received the latest annual notice of allowances that had been made payable to Members in 2014/15 and the results of a recent survey that Members of the Council had undertaken to give their views on the current scheme and levels of allowances. It was noted that the views of members were generally positive.

SPECIFIC ISSUES CONSIDERED

9.   The Panel were still of a view that the scheme should be linked to the Local Government Officer Pay Award meaning that Members allowances would increase in line with the officers percentage increase or be frozen in times of a pay freeze. We considered that this was still a sensible approach as it showed no disparity.

10. Following a review of supporting Councillors with disabilities it had been agreed that additional travel allowance could be paid to a Councillor and that each case would be judged upon its own merits. This would be on application and would need supporting medical evidence. Whilst still agreeing to the principles of such a scheme and being happy with the process to be undertaken, as there had been no applications to date, we agreed that the decision on any such application could be delegated to the Chief Executive of the authority. The Panel would look to re-consider this approach if in future, the Council started to see a rise in the number of applications submitted.

11. In July 2013, it was agreed by the Council that the Independent Person on the Governance Committee be paid £500 per annum, in line with neighbouring authorities and reviewed after two years. Authorisation had also been given to appoint an additional person. We were informed that the current arrangements were working well and it had not been necessary to appoint an additional person. It was reported that the current Independent Person was actively involved with the Governance arrangements of the Council and had a good working relationship with the Council's Monitoring Officer so we thought it appropriate for the current arrangements to stay in place.

12. In September 20013 it had been agreed for Members to start using the electronic claim system in line with staff. However, in spring 2014 the Council issued each Councillor with an iPad, which did not have the functionality to connect with the electronic payment system in a user friendly manner, thus potentially preventing some members from applying. It is proposed to allow Councillors to have the option to claim for travel expenses using the paper based option that they used previously, on the basis of being fair to all.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

14.   The recommendations will not require any amendments to the budget.

COMMENTS OF THE MONITORING OFFICER

15.   No comments.

DENNIS BENSON
CHAIR OF THE INDEPENDENT RENUMERATION PANEL

There are no background papers to this report.

Background Papers			
Document	**Date**	**File**	**Place of Inspection**
Members Allowance Scheme	***	Current Scheme	***

Report Author	**Ext**	**Date**	**Doc ID**
Dianne Scambler	5034	21 October 2015	***

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