

Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Council	25.02.2020

DELIVERING THE GREEN AGENDA

PURPOSE OF REPORT

1. This report sets out the investment that the council will make to support the commitment to delivering our green priorities for residents across the borough.

RECOMMENDATION(S)

2. That the £500k investment in the proposed initiatives is approved.
3. That the revised appendices to the budget report, 'G1 Capital Programme 2019/20 – 2022/23 – Amended' and 'Capital Financing 2019/20 – 2022/23 – Amended' are approved
4. That the amended performance indicators outlined in paragraphs 16 and 17 of this report are approved

EXECUTIVE SUMMARY OF REPORT

5. In recent years, the safeguarding of the environment has risen up the public agenda following the realisation that the threat of climate change can no longer be ignored and must be responded to as a matter of urgency. Chorley Council is committed to enabling and supporting residents to live in a more environmentally friendly way and leading the way as an organisation. This report outlines the budget commitment and investment proposals to deliver our aspiration to be carbon neutral by 2030.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

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

BACKGROUND

7. An Overview and Scrutiny Task and Finish Group has been established to consider the council's green agenda. To support the progress of this work, the council is proposing to

set aside £500k of resources to further its commitment to become a carbon-neutral borough by 2030 through the following initiatives:

a. A tree for every resident by 2025

We will enhance the boroughs green environment and improve air quality by supporting the planting of a tree for every resident of the borough. The council will work with partners and communities including schools and resident groups to coordinate activity, providing information, education and investment as part of a strategic approach that considers longer term maintenance and management of trees and woodland. The council will also explore ways to join up existing areas of woodland to create green corridors or networks around key highways and travel routes.

b. Home Energy Efficiency

We will develop a scheme to increase the energy efficiency of homes across the borough with a focus on insulation initially to reduce heat loss. The initiative will enhance existing Lancashire wide schemes to speed up improvements for residents in Chorley by taking a more direct and targeted approach. This will support more efficient, warmer homes and contribute to reducing our overall carbon emissions.

c. Renewable energy

The council will undertake an energy assessment for all council assets and operations to identify opportunities to utilise renewable energy including the use of solar panels on council buildings. We will also ensure that all future developments meet environmental sustainability standards including charging points for electric vehicles, renewable energy sources and sustainability measures. Through the retendering of our leisure contract we will introduce targets and measures for energy efficiency. Looking ahead, we will develop plans to use sustainable or renewable sources for all council assets and invest in improvements over the coming years.

d. Air quality

We acknowledge that 54% of Chorley's Carbon Dioxide Emissions are caused by transport due to proximity to motorways (LCC data) and will therefore establish ways to measure and monitor air quality effectively. We will then work to implement a programme of mitigations.

FUNDING

Community Action Plan

8. The council will use £147k of the remaining reserves allocated to the Community Action Plan budget. The £200k Community Action Plan programme was included in the 2015/16 budget. Since then £53k in total has been spent including £23k to part-fund the improvements to Hallgate Car Park in 2018/19.
9. The council continues to support its communities through delivering the objectives set out in the Community Resilience Framework. The council continues to invest £50k per year to deliver Neighbourhood Priority Projects.

'Brexit' Reserve

10. In the 2019/20 budget the council set aside £300k to help the residents and businesses manage the consequences of the transition to the country leaving the European Union

under a 'no-deal'. There has been no call on this reserve to date and the risk of a no-deal is deemed less likely especially in light of the Government amending its guidance on this issue. In addition, the Government has provided the council with £35k of grant funding to help manage the transition.

11. It is proposed to use the full £300k reserve to part-fund the expenditure outlined in this report.

Capital Receipts

12. The remaining £53k funding will be funded through the use of capital receipts.

IMPACT OF THESE CHANGES ON THE BUDGET PAPERS

13. The changes outlined in this report have the following impact on other the published budget paper and appendices.
14. The main budget report and MTFS (Appendix C). The council's total capital programme and financing for 2019/20 to 2022/23 will be £78m. There will be small changes to the capital charts in these reports. The £300k reserve 'Support for Local Businesses & Corporate Priorities' should no longer be referenced in the report, the tables outlining the level of reserves should also be amended. This reserve is now earmarked to support the council's green agenda.
15. Appendices G1 – Capital Programme and G2 - Capital Financing have been amended
16. The Capital Strategy (Appendix H) outlines the council's capital expenditure and financing and uses total capital expenditure as a performance indicator in Table 8 of the report. This performance indicator should be amended to the following:

Indicator	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Estimated Capital Expenditure (Table 1)	46.668	24.332	3.940	3.175

As the additional £500k is not budgeted to be funded through borrowing, there are no other amendments to the Capital Strategy.

17. The changes outlined in this report will require two minor amendments to the council's Treasury Management Strategy. As per the Capital Strategy, the total capital expenditure indicator must be adjusted for the additional £500k. The new indicator is as outlined in paragraph 16 of this report.

The capital financing indicator must also be adjusted to the following:

Table 2	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Capital Expenditure	46.668	24.332	3.940	3.175
Capital Receipts	(0.243)	(0.493)	0	0
Policy Grants and Contributions	(3.541)	(5.732)	(1.840)	(0.775)
Revenue and Reserves	(0.735)	(0.974)	0	0
Net financing needed for year	42.149	17.132	2.100	2.400

As the additional £500k is not budgeted to be funded through borrowing, there are no other amendments to the Treasury Management Strategy

IMPLICATIONS OF REPORT

18. 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

19. The increase in the capital programme and financing are outlined in this report. These amendments will make changes to figures reported in the main budget report, appendix G, the Capital Strategy and Treasury Management Strategy. These changes are not materially significant however for transparency they outlined in this report.

COMMENTS OF THE MONITORING OFFICER

20. No comment

GARY HALL
CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

Report Author	Ext	Date
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