

Report of	Meeting	Date
The Conservative Group	Council	28 <sup>th</sup> February 2017

## ALTERNATIVE BUDGET 2017/18

### PURPOSE OF REPORT

1. To propose an alternative budget for consideration by the Council, as proposed by the Conservative Group.

### RECOMMENDATION(S)

2. That the Council adopt the alternative budget options as set out in this report.

### EXECUTIVE SUMMARY OF REPORT

3. This report sets out alternative budget proposals to those being put forward by the administration.
4. Firstly the report presents 15 investment proposals totalling £672,000.
5. The report then details proposals to deliver significant efficiency savings and income generation proposals which over the next three years we believe could lead to savings of £3.278 million.

<b>Confidential report</b> 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 communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

## **BACKGROUND**

7. Chorley council's core spending power increased from £14.400 million in 2015/16 to £15.077 million in 2016/17 mainly due to an increase in the allocation of New Homes Bonus. We now recognise that this trend will change as spending power will decrease over the coming period from 2017/18 onwards, in particular due to reductions in Revenue Support Grant and New Homes Bonus. The impact of budget shortfalls on our partners such as Lancashire County Council adds to this uncertainty. It is therefore important that the budget provides scope for difficult decisions to be made in the future.
8. The administration acknowledges that, based on their analysis, there will, in the future, be a funding gap where projected expenditure in 2019/20 will be £3.100 million greater than income, including the use of uncommitted New Homes Bonus funding. This paper puts forward an alternative budget, for consideration by Members of the Council, which continues to deliver high quality services and invests in priority areas whilst generating significant savings. This approach will significantly increase general balances whilst mitigating the impact of the administration's projected budget gap.

## **ALTERNATIVE BUDGET**

9. The alternative budget is set out below. The proposals describe 15 areas for investment totalling £672,000, which together aim to:
  - Provide quality community services and facilities;
  - Provide opportunities for all Chorley residents;
  - Develop the Chorley borough's economy; and
  - Continually improve the efficiency of the council.
10. Most of the new investment areas were presented at Policy Council in November 2016 as part of our alternative Corporate Strategy. Our proposals focus on providing more support to the Borough's rural businesses and communities, ensuring investment and opportunities are provided throughout the Borough.
11. A further £3.278 million in savings and income generation is also included within the alternative proposals, which will be achieved through services being more productive and efficient, as well as generating income through selling back office services to other organisations.
12. Our proposals also include removal of the capital costs, associated borrowing costs and estimated income for the Market Walk extension.
13. The position with regard to the county council's budget position and its potential impact on our residents continue to be of great concern. It would appear to be the case that, whilst major budget reductions are a necessity, the detail of these cuts are still to be agreed. Consequently our proposal is to recognise that there may be a requirement to use some funds to minimise the impact that LCC budget cuts will have on the people of Chorley.
14. As such we propose to investigate the proposals and impact on Chorley further through a new project which is summarised below. Once we are clearer on the impact and the options to address or minimise the impact we will be in a clearer position to allocate money from the Council's general balances based on clear analysis, options and recommendations.

## PROPOSALS FOR NEW INVESTMENT

15. Our proposals for revenue investment are therefore as follows:

Proposed projects	Summary	Proposed budgets
Promote and support community food growing	<p>Schemes across the UK have demonstrated the health and wellbeing value of community food growing, not only through healthier eating and reducing food waste but also in cases of mental health and dementia, vulnerable young people and social isolation.</p> <p>This project would work with parish councils, RSLs, Groundwork and local communities to develop community food growing schemes to promote health and wellbeing.</p> <p>Food growing schemes could also be supported through time credits and a communications campaign. Benefits could potentially include: Promotion of healthier lifestyles (people are more active and aware of healthy food); Promotion of inter-generational activities; community cohesion.</p>	£15,000
Working together to improve local communities	<p>The aim of this project is to engage with partner agencies, such as Police, Fire Rescue, Parish Council's, LCC, Health and housing providers as well as local community groups to develop plans for areas of the borough. The project will look at identifying what actions partners and local community groups need to undertake to improve the quality of life, health and wellbeing for people in the neighbourhood areas. This will involve developing short term and long term plans for local area, through identifying gaps, looking at what work can be undertaken to fill the gaps, and exploring how we can better co-ordinate and/or collate their individual plans in order to collectively deliver better results for residents in their local areas. Local community groups will be encouraged and supported to work with agencies to decide what happens in their local area and develop pride and ownership in the delivery of any actions developing a more sustainable approach to neighbourhood working.</p>	£40,000
Support Parish Councils/Neighbourhood Areas	<p>Recognising and maximising the role that Parish Councils and local community groups in non-parished areas do and could further play in improving the local area. This may include providing support to build capacity as well as providing clearer links from the Council's website to Parish Councils and local community groups. This has a close link with the project to work together to improve local communities.</p>	£50,000
Embed time credits into community groups	<p>This project would embed the existing time credits programme into community groups to ensure its ongoing sustainability. It may also include developing a self-sustaining currency system and developing an online system which would require minimal central administration.</p>	£50,000
Promote and encourage community management of facilities	<p>This project is based on previous projects to transfer community centres into community management, but it aims to expand and develop the principles to other assets such as play areas and open spaces. It aims to develop greater feeling of ownership and pride in the local community, and offer a more cost-effective</p>	£20,000

	method for managing assets.	
Estate adoption	To improve the process of the adoption of estates following the completion of new housing developments. While this matter has been the subject of an Overview and scrutiny task group in 2012, the slow adoption of estates remains an issue. This project would seek to successfully complete any remaining O&S recommendations and identify and implement any further actions which could help to speed up and improve this process.	£15,000
Develop a rural enterprise team	Develop a service which provides tailored support and advice to businesses and individuals in rural communities. In addition, this would include establishing a rural team, similar to the 'town team' engaging rural businesses and parish councils. The third element involves supporting businesses and individuals to access funding through the Rural Development Programme for England (RDPE) and establishing a grants package to support business to access the RDPE funding (match funding).	£50,000
Work with partners to deliver affordable and quality public transport across the borough	<p>Work with Lancashire County Council and providers to ensure that all communities across the borough are served with a public transport service that is useful and affordable.</p> <p>In particular the aim would be to support people in outlying areas who may be isolated or lack access to transport to access services or visit people/places in the borough. This may be delivered through working with Central Lancashire dial a ride and expanding/developing their existing service provision to Chorley through mini bus and car share schemes.</p>	£100,000
Assess the impact of Lancashire County Council budget proposals and develop and action plan for Chorley	<p>Lancashire County Council has outlined proposals for how they intend to meet their projected budget gap of £241 million by 2017/18. These proposals set out cuts to a range of county services with the potential for significant negative impact on residents of Chorley.</p> <p>This project will dedicate resource to undertaking a detailed assessment of the impact of Lancashire County Council proposals on local communities in Chorley. Based on this assessment, a plan will be developed outlining actions to mitigate the impact as part of a coordinated approach to strategic planning and budget setting.</p>	£50,000
Create more high paid jobs in Chorley	<p>Whilst Chorley has good employment and education levels, many Chorley residents have to travel outside of the borough to find jobs which are better paid than those available in Chorley.</p> <p>This project will aim to specifically focus on attracting business to Chorley which can offer better paid jobs for local residents and opportunities for young people to progress into a professional career, for example in high tech or health sectors.</p> <p>This could be delivered through:</p> <ul style="list-style-type: none"> <li>Working with UCLAN, local colleges, training providers and employers to help local people develop their skills, qualifications and readiness to progress into higher skilled and higher paid jobs.</li> </ul>	£20,000

	<ul style="list-style-type: none"> <li>• Developing a local Centre of Excellence to train and educate a workforce capable of undertaking high skilled and high paid jobs.</li> <li>• Appointing an Inward Investment Manager to identify new opportunities and funding streams.</li> <li>• Developing an inward investment campaign targeted at high tech/health sector or generally better paid employment sector – to attract and encourage them to relocate to Chorley.</li> <li>• Working with existing businesses (who offer well paid work) to promote jobs opportunities to local people first.</li> </ul>	
Revitalise rural service centres and deliver a 'shop local' campaign across the borough	<p>Support will be provided to independent shops and businesses across the borough to encourage local people to use their local shops and businesses.</p> <p>Consideration will be given to the location of independent retailers and larger chain / corporate businesses, such that they complement each other, rather than introducing impossible market conditions, whilst respecting healthy market competition.</p> <p>In rural areas this will be aided by the rural enterprise team to encourage people to use their local shops and businesses ensuring they thrive, creating jobs and a strong borough wide economy.</p>	£75,000
Build Chorley's USP as a market town with strong and varied independent retail offer	Chorley's heritage is that of a market town focussed on independent retailers. This project will build on this Unique Selling Proposition by promoting Chorley as a market town with varied independent shops, as an alternative to large high street retailers and generic town centre shopping experiences. The aim is to utilise private investment to strengthen the town centre offer, investing in local traders and future businesses.	£25,000
Establish a consultancy business for front and back office support and improvement	Using existing resources and improved productivity, market the services of back office functions to other organisations to recoup some of the cost of the back office.	£10,000
Implement a staff suggestion scheme	A scheme would be developed to encourage staff to make suggestions about how the council can be improved, to improve service delivery or to work more efficiently. Incorporated within this would be a staff introduction incentive scheme.	£2,000
PCSO Provision	The council currently contributes £297,000 to fund PCSO posts within the borough. Recently published information from the Police demonstrates that Chorley provides significantly greater funding than other boroughs, and indicates that we may be subsidising other areas. We propose reducing the contribution made to £150k towards part-funding PCSO posts in the borough, which is commensurate with other boroughs. The investment includes provision for a specific allocation of at least 3 PCSO's in rural areas.	£150,000
<b>TOTAL</b>		<b>£672,000</b>

## SAVINGS PROPOSALS

16. The table below sets out the £3.278 million in savings which we believe can be delivered over the next three years.
17. It is proposed that the change management reserve is increased to £200k which will offset savings achieved in 2017/18. By increasing the reserve, which has been fully utilised during 2016/17, it allows scope for staffing changes made as part of the transformation strategy as well as implementation of new shared services.

Proposed project	Summary	Estimated Savings
Savings achieved	Savings already achieved through the Senior Management review, renegotiation of the insurance contract and income from the current Market Walk shopping centre.	£227,000 by 2019/20
Base budget review	Savings already identified through a base budget review.	£100,000
Staffing changes	Savings already identified.	£163,000 by 2019/20
Increase productivity across all Council services	<p>This project will seek to improve staff productivity across all services areas, to both enable the Council to deal with the inevitable increases in demand for services which will take place over the next few years and also to generate savings options of up to £1m.</p> <p>Some services are effectively using management data which includes work volumes and processing times to improve staff productivity, and it is intended that this approach would be rolled out across all Council services as far as possible. In some areas it appears that if all staff were working at average productivity levels or above that the same demand could be met with 30% less staff, or that the existing staff could take on more or higher volumes of work. To apply this across the board, could achieve over double the £1m target but would impact on the ability to deliver services.</p>	£1 million in savings by 19/20
Establish a consultancy business for front and back office support and improvement	Using existing resources and improved productivity, market the services of back office functions to other organisations to recoup some of the cost of the back office.	£50,000 pa from 2018/19 onwards
Undertake a comprehensive review of all council services/shared services	A programme of value for money reviews to identify areas for savings, improvements and change across the organisation that can be implemented to improve performance. Working more closely with other authorities, particularly neighbouring authorities, should give the opportunity to improve services and to make cost savings. Work will be undertaken to identify services that could be shared, and to then explore and develop opportunities with other councils.	Estimate savings achievable in the region of £500,000 by 2019/20
Council Tax freeze in 2017/18 followed by a 1% increase	A council tax freeze in 2017/18 followed by an increase of 1% per year from 2018/19	£130,000 by 2019/20
Changing the collection of paper,	By reducing the frequency of collections from every two weeks to every four weeks there will be an associated	£400,000

cardboard, cans and glass from every two weeks to every four weeks	reduction in costs from the waste collection contract.	
Changing the frequency of garden waste collections during winter	By reducing the number of garden waste collections during the winter months from every two weeks to every four weeks the council would make savings with no effect on the service provided to residents during the growing season.	£137,250
Charging for replacement bins	There is currently a charge for new bins to new build or properties that don't have one but no charge for replacement bins. The proposal is to introduce a charge for replacement bins which would generate income and reduce the council's capital budget.	£70,000 by 2019/20
Savings in communications	Savings from the communications budget, by focussing on ensuring that the council's approach to communications and events is more measured, particularly with regard to events that should be self-financing rather than subsidised.	£150,000
Review of major contracts	By conducting a review of contracts that are coming to the end of their agreement terms during the three year MTFS period it is hoped that significant cost savings can be achieved. This would be done by reviewing how services are delivered and exploring innovative new ways to achieve excellent service delivery whilst generating cost savings. Options could include shared procurement, bringing services in-house and use of existing council assets such as premises and vehicles.	£350,000 by 2019/20
<b>Total</b>		<b>£3.278 m</b>

18. If these proposals were implemented, the council would be able to invest in priority areas while also managing the organisation's finances effectively. We would not only balance the budget, but ensure that we had available balances to face the challenges ahead.

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 alternative budget proposals are delivered within the same resource limits as the administration's budget. Details are set out in the appendix A which show that the expenditure plans result in a reduced deficit at the end of the period when compared with the administration's proposals. This is achieved through services being more productive and efficient, as well as generating income through selling back offices services to other organisations, increasing council tax by 1% in 2018/19 and 2019/20 and making changes to the waste collection service.

21. In terms of my statutory officer report, as there are no changes to the assumptions made on constructing the budget my comments contained in that report apply equally to the alternative budget. On that basis I am content that the proposals set out are deliverable within the resource constraints discussed.

**COMMENTS OF THE MONITORING OFFICER**

22. None.

COUNCILLOR PAUL LEADBETTER  
LEADER OF THE CONSERVATIVE GROUP

COUNCILLOR GREG MORGAN  
DEPUTY LEADER OF THE CONSERVATIVE GROUP