

Report of	Meeting	Date
The Conservative Group	Council	27/02/18

ALTERNATIVE BUDGET 2018/19

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 as set out in this report.

EXECUTIVE SUMMARY OF REPORT

3. This report sets out the Conservative Group's alternative budget. It follows on from the alternative corporate strategy which was presented to Policy Council on 21 November 2017 and sets out our plan to create a borough where people can start well, live well and age well.
4. Our budget goes some way to mitigate the reduction in central government funding by proposing to increase Council Tax by 2.99% in 2018/19 and forecast a 2.99% increase in 2019/20 and a 2% increase in 2020/12.
5. It delivers financial savings and increased income of £803,000 in 2018/19 and invests £1,030,000 in delivering our priorities in 2018/19.
6. A number of our proposals involve partnering with local providers and businesses to reduce our overheads and to benefit from their specialist knowledge and expertise.
7. Our proposals aim to invest in jobs, education, skills and training in our rural areas as well as in the town centre, making our council assets work harder for all in the borough and promote Chorley as a tourism and leisure 'go to' destination.
8. Our proposal includes a £300,000 borough wide partnership grants fund which will enable us to support the wider community organisations across the borough through a fair, annually reviewed grant scheme.
9. A further £100,000 budget is proposed to support rural connectivity throughout the borough.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives:

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

BACKGROUND

11. This paper puts forward an alternative budget, for consideration by Members of the Council, which continues to deliver high quality services to the very best of our ability and targeting investment in priority areas whilst generating significant savings and achieving a balanced budget.

ALTERNATIVE BUDGET PRIORITIES

12. Our vision for Chorley will deliver a borough that works for residents and their families. We believe that there is so much potential in the borough. Our budget proposals, like our proposals for an alternative strategy which were presented to policy council on 21 November 2017, are to make the borough:

- a. A place where people will 'start well, live well and age well';
- b. A better place to shop and do business;
- c. A better place for learning and earning;
- d. A better place to visit; and
- e. A better place to call home.

13. Our proposals include revenue investment totalling £1,030,000 in 2018/19, savings and additional income totalling £803,000 in 2018/19 as well as achieving a balanced budget.

Table 1: Balancing the budget in 2018/19

	18/19 £
Budget Deficit	870,000

Efficiency Savings.

Savings achieved for 2018/19	
- Business, Development & Growth restructure	(220,000)
- Review of overtime	
Additional staff savings to be achieved in 2018/19	(250,000)
Saving on all supplies and services	(75,000)
Total Efficiency Savings	(545,000)

Income Generation

3% increases year on year fees and charges	(60,000)
2.99% increase in Council Tax 18/19	(198,000)
Total Income Generation	(258,000)

One-off Transfer from Reserves	(552,900)
Review of Net Financing	(150,000)

Changes to Investment Items Currently in the Administration's Budget (see Table 2)	(394,100)
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Resources Available for Investment in 2018/19	(1,030,000)
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New Investment Items

Opposition Group Alternative Corporate Strategy	630,000
Rural Transport and Rural Development Fund	100,000
Borough Wide Partnership Fund Grants Scheme	300,000
Programme of Investment 2018/19	1,030,000

Budget Gap in 2018/19	0
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RECURRENT INVESTMENTS INCLUDED IN THE BASE BUDGET

14. We have reviewed the administrations recurrent "investment" items and propose to make some changes by reducing the budget provision for some areas of work, such as the delivery of events, and by removing other items such as the funding for PCSOs and the removal of the Neighbourhood Preferred Projects budget. This frees up £394,100 which we propose to invest in a different ways in order to support the delivery of our priority areas.
15. A summary of the recurrent investment areas which we would continue to fund are detailed in appendix A. Table 2 below summarises the changes compared with the administration's budget.

Table 2: Changes to the Current Investment Items Included in the Administration's Budget

Administration Budget £	Alternative Budget £	Saving
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Changes to Current Investment Items

Crime Reduction & Social Disorder Prevention	110,000	-	(110,000)
Chorley Council Events Programme	125,000	90,000	(35,000)
Neighbourhood Preferred Projects	50,000	-	(50,000)
Digital Inclusion Officer	20,000	20,000	0
Chorley Works	39,000	39,000	0
Employee Health Scheme	20,000	20,000	0
Changes to the Enforcement Team	44,500	44,500	0
Housing Team	50,000	50,000	0
Refresh of the Local Plan	100,000	100,000	0
LCC Transition Fund	115,000	-	(115,000)
Core Funding Grants	91,600	7,500	(84,100)
Total Investment in 2018/19	765,100	371,000	(394,100)

INVESTING IN OUR PRIORITY AREAS

16. In November 2017 we presented our alternative strategy which set out five key priorities for achieving our vision for Chorley. Under each priority were a number of actions and projects which formed our five year plan. Our investment proposals are now based on delivering those year 1 actions and are detailed in appendix A.
17. The section below provides a summary of our five priority areas and some of the projects which form part of our investment proposals.

A place where people 'start well, live well and age well'

18. We believe that there is nothing more important than the health and wellbeing of our residents, therefore a key priority for us is to work with our health partners to deliver care where and when it is needed.
19. Our investment items aim to tackle the problems faced by an aging population, including loneliness and isolation and gives mental health the focus it needs by offering support and services to a wider range of organisations and charities which deliver long term results.
20. Projects that we will invest in include delivering targeted wellbeing schemes such as community gardens and men in sheds which support the use of practical skills to increase social interaction, informal learning and environmental contribution and establishing a community connectivity and inclusion fund to deliver targeted work to address social isolation across the borough.

A better place to shop and do business

21. We are proud of Chorley's market town identity and our plans will support and champion independent businesses as well as attracting a wider range of new retailers.
22. We want people's experience of Chorley town centre to be enjoyable and stress free, with greater more convenient parking provision and well maintained and litter free streets.
23. We also want the town centre to be a destination for everyone, day and night which is why our plans focus on and invest in leisure, entertainment and culture. Importantly we also want to ensure we work closely with existing traders and businesses, to improve access to a wider audience.
24. Unlike the administration's proposals we believe our proposals will improve our town centre whilst reducing the risk, financial burden and the dependency on larger national retailers. We propose to halt the Market Walk extension project and reinstate the Flat Iron car park, protecting these valuable and desirable town centre parking spaces.
25. Our alternative is to develop a new leisure, entertainment and restaurant complex on the Oak House and Gala Bingo site. This smaller development than the current Market Walk Extension would bring a new food and leisure offer to the town centre which will support the local and evening economy. It will cost less to develop than the Market Walk extension, but still has the potential to bring in £150,000 profit per annum.

A better place for learning and earning

26. Our young people deserve the best possible start in life, that's why our plan has learning, skills and jobs at its heart.
27. While Chorley has good quality primary and secondary schools, our growing population means that too many pupils are struggling to get places at their local schools.
28. We also believe that to aid future economic growth Chorley should have its own sixth form college to give students the facilities they need to succeed right here in Chorley.
29. Our investment proposals include undertaking a full review of school, further education and skills training provision currently available in Chorley and to develop a plan which will act creatively on the results.

A better place to visit

30. Our area has many attractions and there is a huge potential to further develop our borough as a great place to visit. We want to further promote and increase the visitors to our markets and assets such as Astley Hall, while also working alongside other fantastic attractions in Rivington and Hoghton and making more out of our local heritage such as the story of Myles Standish to develop links with the USA, and our very own Chorley Pals.
31. In 2018/19 we propose to recruit a dedicated tourism officer to support and promote our tourist attractions as well as engage with young people across the borough to understand their leisure needs, which we would use to shape the design and delivery model for future services.
32. Longer term we have ambitions to create a borough wide destination sports village with football league standard facilities and while these plans extend beyond the timeframe of these budget proposals, we would start the early phases of planning this project in 2018/19 by utilising existing resources.

A better place to call home

33. While we acknowledge there is a need for more of the correct housing in our borough it should not come at the expense of our green spaces. Our housing plan aims to deliver the right housing with the right schools with infrastructure and transport links to ensure that new developments work for Chorley residents old and new.
34. In our alternative strategy and in our manifesto we set out a number of projects to progress this priority area which include:
- Develop an action plan and programme of work to establish Lifetime Homes Standards in Chorley;
 - Establish a strategic housing delivery board with local stakeholders, housing providers and developers; and
 - Review options to accelerate housing delivery across the borough.
35. Our view is that these preparatory pieces of work can be achieved within existing resources, which includes the £700,000 income generation reserve and therefore no further budget allocation is proposed in 2018/19.

BOROUGH WIDE PARTNERSHIP GRANTS FUND

36. In addition to the investment items set out in appendix A we propose to establish a borough wide partnership grants fund, which will make available £300,000 per year to support a wide range of third sector projects across the borough. This funding pot will go some way to replace the one-off targeted investment funding proposed by the administration which total's £223,500, as outlined in Table 3.

Table 3: One-Off Investment Items Replaced by Borough Wide Partnership Fund Grant Scheme

	Administration Budget £
<u>Changes to One-Off Investment Items</u>	
Community development and volunteering (SPICE)	40,000
VCFS Network	15,000
Support to Food Provision Schemes	15,000
16/17 Young Person's Drop In Centre	15,000
In Bloom	20,000
Supporting Communities to Access Grant Funding	4,500
Disabled and Dementia Online Venue Access Guides	5,000
Accommodation Finding Service	30,000
Mediation Service for Anti-Social Behaviour	65,000
Total Investment in 2018/19	223,500

37. The £300k per year fund will also go some way to replace the council's core funding grants. These grants currently include funding to organisations that support families, vulnerable adults and older people. They also include support for arts partnership and homelessness services.

38. A funding process will be developed in order to efficiently administer the funding to monitor and measure the outcomes achieved against investment.
39. While it's likely that many of the schemes which the council has supported for a number of years through the annual one off investments will continue to receive some funding, it also opens out the opportunity to other deserving and in demand services which will support our plan to create a borough where people can start well, live well and age well.

RURAL INFRASTRUCTURE FUND

40. We also propose an additional £100,000 funding into a rural infrastructure fund. This fund will be available for projects which support the improvement or development of rural infrastructure and interconnectivity. This could include transport infrastructure, community based service delivery, leisure provision, business support or broadband connectivity.

SAVINGS AND INCOME GENERATION PROPOSALS

41. As shown, earlier in the report in Table 1 our proposals will achieve £545,000 efficiency savings and £258,000 additional income in 2018/19. Appendix B summaries the cumulative budget deficit, savings and investments for 2019/20 and 2020/21.
42. By 2020/21 we estimate we could achieve £2.423m efficiency savings and £1.148m in income generation. The section below provides details of how we propose to achieve these targets.

Council Tax

43. Our proposal, in line with the administration and many other councils, is to propose a 2.99% increase in Council Tax in 2018/19, a forecast 2.99% increase in 19/20 and a forecast 2% increase in 2020/21. This being in line with national trends and clear direction from central government to invest additional council tax income to delivering services to the best of our ability.

Staffing Efficiencies

44. We propose to save an additional £250,000 in staffing costs, in addition to the £200,000 already being saved through the Business Development and Growth restructure, in 2018/19. The savings will be achieved through a mix of sharing of some senior posts and the consequential changes to middle management that will occur as a knock on effect of this.
45. In addition, we believe that through a termination of the Market Walk extension project and progressing a more appealing and efficient leisure-based scheme there is scope to reduce permanent and temporary resourcing around major projects.

Supplies and Services

46. We believe that the council could make savings on its supplies and services. Each year the council spends approximately £2.2m on supplies and services and that a 3% saving target for 2018/19, and 5% savings targets for both 2019/20 and 2020/21 is both reasonable and achievable.
47. Achieving cumulative savings of £280k by 2020/21 will be assisted through an audit of the council's procurement processes and through a complete review of all contracts and existing

suppliers. It could also be achieved through changes in council policy, such as when scoring tenders placing higher weightings on price rather than quality.

Council Funded Community Centres

48. We believe that the cost of running council owned community centres is disproportionate to the benefit seen in the local area and that they are not being utilised as well as they could be. We want to undertake a review of all council funded community centres, working with, supporting, and engaging, thus empowering local communities to take more responsibility in the management and running of these centres for their local communities, user groups, organisation and residents. At this point we estimate savings of up to £100,000 could be achieved by 2020/21.

Fees and Charges

49. We are also proposing 3% year on year increases to the Council's fees and charges. Again, we feel that increases that are broadly in line with the rate of inflation are reasonable. Please note that this target only includes changes to fees and charges for services which are set locally and also do not exceed the cost of service delivery.

Inward investment, tourism and diversification of our markets

50. We believe that our proposals for the town centre and markets and also our investments in tourism will support us to bring in additional income from 2019/20. This will be through charging entry fees into Astley Hall and building more on its potential as a conference and celebration venue, as well as through improving and extending Chorley's markets with artisan and evening markets during the summer.

Car parking

51. Our proposal to stop the market walk extension and reinstate the Flat Iron car park, together with putting the car parking tariffs back to what they were before the development started in 2016/17 mean that we can achieve an additional £180,000 in 2019/20.

Leisure Development

52. Instead of developing on our town's most central and best used car park, we propose to develop a smaller, more efficient leisure and restaurant scheme on the Oak House and Gala Bingo site. Once developed and opened we expect that the scheme could deliver a net rental income, after borrowing costs, of approximately £150,000 per annum.

Delivering Council owned housing stock

53. We agree in principle and welcome the administration's approach to develop a housing company both to addressing housing needs in the borough and also as a way to generate a sustainable revenue income stream in the future. However over time we would look to explore the option of delivering our own housing stock such as developing modular affordable housing on council owned land, in partnership with successful local developers. Our view is that this would enable us to deliver a range of houses quickly and efficiently and by developing a range of modular built homes on council owned land, this approach is also likely to deliver a bigger return.

IMPLICATIONS OF REPORT

54. 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

55. The administration's budget proposals have been developed based on same budget deficit context as the administration's budget. Details are set out in the report and in appendix B outlining how the budget deficit will be bridged in 2018/19 to 2020/21.
56. The chief finance officer report is provided in appendix D to this item.

COMMENTS OF THE MONITORING OFFICER

57. None.

COUNCILLOR ALAN CULLENS
LEADER OF THE CONSERVATIVES

COUNCILLOR MARTIN BOARDMAN
DEPUTY LEADER OF THE CONSERVATIVES