

Report of	Meeting	Date
The Conservative Group	Council	26/02/19

STATEMENT OF OPPOSITION 2019/20

PURPOSE OF REPORT

1. To note the “Statement of Opposition”, against the Labour Administration 2019/20 Draft Budget for consideration by the Council, as proposed by the Conservative Group.

RECOMMENDATION(S)

2. To be noted.

EXECUTIVE SUMMARY OF REPORT

3. This report sets out the Conservative Group’s statement of opposition. It follows on from the alternative corporate strategy which was presented to Policy Council in November and sets out our plan to create a borough where people can start well, live well and age well.
4. Our budget statement includes a 1.50% increase in Council Tax in 2019/20, in 2020/12 and in 2021/22. We do not feel that any higher increase in Council tax is necessary or fair at this time.
5. Our budget statement will achieve £1.460m efficiency savings and £249,000 additional income in 2019/20. By 2021/22 we estimate we could achieve £2.769m efficiency savings and £1.493m in income generation.
6. Our budget statement also delivers £1.65m in 2019/20 to invest in our priority areas and projects, which includes allocating £300,000 to investigate the feasibility of developing a high-quality sports village in the borough and town centre residential accommodation for students, young professionals and young families. Both of which have huge potential not only to deliver in our priority areas but also to generate a sustainable income stream for the Council in the future.
7. A further £300,000 would be invested in a borough wide, partnerships grant fund which we believe will support significantly more organisations, charities and voluntary groups for the wider benefit our communities than the administration’s approach of raising revenue against core funding and one of investments, which it fails to deliver.
8. £850,000 will be allocated to a rural investment fund, to provide a much-needed focus on improving infrastructure, telecoms, communications, community links and supporting small businesses in our rural communities, which the administration has neglected over recent years.
9. Finally, by 2021/22 we estimate we could increase general fund balances to £4.7m to manage the uncertainties the council faces.

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	✓

ALTERNATIVE BUDGET PRIORITIES

11. Our vision for Chorley will deliver a borough that works for all residents and their families. We believe that there is a huge amount of untapped potential in the borough and with our support, guidance and funding will provide a dynamic, proactive, community for years to come. Our statement of opposition, like our proposals for an alternative strategy which were presented to policy council in November 2018 are to provide:

- a. Health and wellbeing – Making Chorley borough a place where people will ‘start well, live well and age well;
- b. Retail, leisure and tourism – Making Chorley borough a better place to visit and shop;
- c. Education – Making Chorley borough a better place to educate and be educated;
- d. Business – Making Chorley borough a better place to do business; and
- e. Housing – Making Chorley borough a better place to live.

12. Our budget statement includes revenue investment totalling £1.65m in 2019/20 and outlines savings and additional income totalling £1.7m in 2019/20 to achieve a balanced budget.

Council Tax

13. Our budget statement is to include 1.50% increase in Council Tax in 2019/20 and a forecast 1.50% increase in 2020/21 and 2021/22.

14. With most district councils in Lancashire are looking to increase their council tax to 2.99%, we feel the council tax payers of Chorley can still receive the benefit of £1.65m of investment without being overly burdened financially by their borough council in a year when the County and Police are raising theirs significantly.

15. In justifying this we must consider how the administration over the past 5 years have been unwilling and unable to spend or deliver all of their raised or rolled over budgets on their investment projects, carrying over, in some years over £1m of unspent raised revenue. As such our budget incorporates half a million of the administration’s unspent investment budgets and reallocates it against our priority areas and projects. Reinforcing our view that an increase in council tax above 1.5% is not necessary and carries no financial risk.

Market Walk

16. As the building work to extend the Market Walk Shopping centre is well under way, our budget statement is to keep funding this development despite the uncertainties nationally within the retail sector. However, the income levels included in our proposal for 2019/20 and 2020/21 are much lower than the administrations. We believe these figures are more realistic given the past and current levels of interest in the retail and leisure units.

Priority Projects

17. We would invest £1.65m in delivering projects across our priority areas.
18. Within this we would to allocate £300k to carrying out feasibility studies into two longer term projects which we believe will greatly benefit the borough and may also generate income to support the council becoming financially sustainable in the future.
19. The first project is to create a borough wide destination sports village with professional standard facilities. We will review and refresh previous studies into developing a sports village in the Borough, that is accessible for all in the Borough. Consideration will be given to facilities such as a stadium, athletics track, sports hall, and all weather training facilities, health/education facilities and FA and RFU standard pitches.
20. In addition, we want to progress proposals to develop more town centre residential accommodation. Our town centre is perfectly located near road and rail transport networks making it the ideal location for people to live, either to work or study within the town, the borough or in our surrounding cities. Good quality affordable town centre living will be our focus in promoting Chorley to students, young professional and young working families.
21. One of the first things we would do, is it work in partnership with local universities who are now looking beyond their immediate area for student housing provision. Many private companies have entered the market and provide student accommodation at a high standard and a high price. Chorley's excellent transport links to the main cities around the North West mean that the town centre would be a viable location for students attending universities from anywhere between Lancaster and Manchester. Thus, helping us create a vibrant town centre and evening economy.
22. The potential benefits of these projects include, job creation, boosting the town centre retail, leisure and evening economy, adding vibrancy and a younger adult demographic as well as delivering a sustainable income stream for the council.

Borough Wide Partnerships Grant Fund

23. We would 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 fund will replace the Council's existing one-off investment and core funding items, with a new approach which will provide the potential to support significantly more organisations, community groups, charities and ultimately more people across our borough.
24. While it's likely that many of the schemes, which this 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 fair borough where people can start well, live well and age well.

Rural Infrastructure Fund

25. Our plan is to provide an additional £850,000 funding into a rural infrastructure fund. This fund will be available for projects which support the improvement or development of rural community infrastructure and interconnectivity. This could include transport infrastructure, community-based service delivery for the elderly and dependant, leisure provision for all and small (SME) business support.
26. One of the main challenges for rural residents and businesses in our borough is the lack of a robust and functional mobile and broadband service, in this digital age this alone hampers residents and small businesses far more than geographical location. Of the £850,000, a

budget of £200,000 would be put aside to facilitate partnership and community working with mobile and broadband providers to focus future provision in all our rural areas.

General Fund

27. The administration's draft budget includes £300k of savings from financing budgets in 2019/20 and 2020/21, a further £100k is forecast to be saved in 2021/22. Our proposal will set these savings aside over the 3 years into the general fund. We believe the council will need further resources set aside to manage future budget risks including the uncertainty surrounding Brexit, a proposed spending review and the new business rates funding regime.
28. Appendix A summaries the cumulative budget deficit, savings and investments over the MTF5 period.

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. This opposition budget statement has been developed based on same budget deficit context as the administration's budget. Details are set out in the report and in appendix A outlining how the budget deficit will be bridged in 2019/20 to 2021/22.
31. 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

32. None.

COUNCILLOR ALAN CULLENS
LEADER OF THE CONSERVATIVES

COUNCILLOR MARTIN BOARDMAN
DEPUTY LEADER OF THE CONSERVATIVES

APPENDIX A - CUMULATIVE BUDGET DEFICIT, SAVINGS AND INVESTMENTS 2019/20 TO 2020/21

	2019/20	2020/21	2021/22
	£m	£m	£m
Gross Budget Deficit	1.433	3.399	3.855

Efficiency Savings

Savings achieved for 2018/19:			
- Directorate efficiency savings	(0.115)	(0.115)	(0.115)
- Base budget review	(0.020)	(0.020)	(0.020)
- Savings from the waste contract	(1.100)	(1.138)	(1.138)
Additional staff savings to be achieved	(0.100)	(0.500)	(0.750)
Additional savings to be achieved - Leisure Contract		(0.217)	(0.446)
Additional savings to be achieved - Supplies & Services	(0.075)	(0.150)	(0.200)
Review Delivery of Community Centre Services	(0.050)	(0.100)	(0.100)
Total Efficiency Savings	(1.460)	(2.240)	(2.769)

Income Generation

Review of fees and charges (avg. 3% increase year-on-year)	(0.145)	(0.200)	(0.250)
1.50% increase in Council Tax 19/20, 20/21 and 21/22	(0.104)	(0.212)	(0.325)
Market Walk Extension	0.000	(0.150)	(0.300)
Strawberry Fields Digital Hub		(0.139)	(0.174)
Primrose Gardens Residential Village		(0.006)	(0.014)
Parking Income		(0.180)	(0.180)
Delivering Council Owned Housing Stock		(0.100)	(0.100)
Income from Council Owned Land			(0.150)
Total Income Generation	(0.249)	(0.987)	(1.493)

Investment Items & One Off Gains

Reduction of Administration's investment items	(0.528)	(0.613)	(0.613)
Business Rate Compensation Scheme	(0.350)		
Use of Unspent Investment Budgets	(0.501)		
Total Resources Available for Investment	(1.655)	(0.441)	(1.020)

Other

Net financing savings	(0.300)	(0.300)	(0.100)
Use of financing savings to increase General Fund	0.300	0.300	0.100
Forecast General Fund	4.300	4.600	4.700