

# Lancashire County Council

## Executive Scrutiny Committee

Wednesday, 12th August, 2015 at 10.00 am in Ceremony Room - Lancashire  
Registration Office - Bow Lane, Preston

### Agenda

#### Part I (Open to Press and Public)

No.	Item
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1.	<b>Apologies</b>
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2.	<b>Disclosure of Pecuniary and Non-pecuniary Interests</b>
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Members are asked to consider any Pecuniary or Non-pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3.	<b>Reports for decision by Cabinet</b>
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|-----|--|-------------------|
| (a) | <b>Corporate Strategy: Consultation</b>  | (Pages 1 - 4)     |
| (b) | <b>Money Matters - 2015/16 Financial Position and Revised Medium Term Financial Strategy</b> | (Pages 5 - 8)     |
| (c) | <b>Appendix A (The County Council's Financial Position)</b>                                  | (Pages 9 - 54)    |
| (d) | <b>Appendix B (Update on the County Council's Reserves for 2015-16)</b>                      | (Pages 55 - 64)   |
| (e) | <b>Appendix C (Financial Outlook for the County Council Medium Term Financial Strategy)</b>  | (Pages 65 - 80)   |
| (f) | <b>Appendix C - Annex A (National Spending Review 2015)</b>                                  | (Pages 81 - 108)  |
| (g) | <b>Base Budget Review</b>  | (Pages 109 - 114) |
| (h) | <b>Redundancy Payments Scheme and Trade Union Consultation</b>                               | (Pages 115 - 120) |

**4. Forthcoming Individual Cabinet Member Key Decisions**

- (a) **Proposed expansion of Trinity Church of England/Methodist Primary School, Buckshaw Village, Chorley**

(Pages 121 - 178)

**5. Urgent Business**

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

**6. Date of Next Meeting**

The next meeting of the Executive Scrutiny Committee will be held on Tuesday, 8<sup>th</sup> of September 2015 at 2pm at the County Hall, Preston.

**7. Exclusion of Press and Public**

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

**Part II (Not Open to Press and Public)**

- 8. Approval to Award of Contract for the Delivery of Domestic Abuse Prevention Service**

(Pages 179 - 182)

I Young  
Director of Governance,  
Finance and Public Services

County Hall  
Preston

## **Cabinet**

Meeting to be held on 12 August 2015

## **Report of the Head of Policy, Information and Commissioning (Start Well)**

Electoral Divisions affected:
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All
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## **Corporate Strategy: Consultation**

Contact for further information:

Dave Carr, 01772 532066, Head of Policy, Information and Commissioning (Start Well),

[dave.carr@lancashire.gov.uk](mailto:dave.carr@lancashire.gov.uk)

### **Executive Summary**

Work is underway on the development of a new Corporate Strategy. A key stage in the development of the strategy will be engagement with all 84 Members of the County Council. It will also be important to share developing ideas with wider stakeholders to get their views before a final draft is presented to Cabinet and Full Council for consideration.

The working draft of the strategy will be tabled at the Cabinet meeting for the purpose of consultation and engagement.

The proposed consultation arrangements are set out in the report.

### **Recommendations**

The Cabinet is asked to agree to the consultation arrangements set out in the report.

## **Background and Advice**

It is proposed that the Corporate Strategy would set out the future direction for the County Council, covering a timeframe to 2021 and beyond. The document would detail the core purpose, vision, values, approach and evidence base which we would use to inform and guide what we do.

Elements of the proposed core strategy would include the Council's:

- vision, values, key priorities and overall approach;
- evidence base;
- approach to meeting need on the basis of localities;
- thematic strategies such as our financial strategy;
- risk, quality and performance framework;
- approach to service delivery planning and working with others.

Once finalised the Corporate Strategy would play a key role in shaping the future pattern of the Council's services.

Our timescales are challenging. We intend to consult on the core strategy document and associated evidence base until the end of September 2015.

It is anticipated that the final draft will be presented to Cabinet in November 2015, to enable alignment between the Corporate Strategy and the Cabinet's emerging budget proposals. It is anticipated that the final strategy would be recommended to Full Council in December for approval.

### **Whole Council Engagement**

Given the importance of the Corporate Strategy it is recognised that there is a need for all 84 Members of the Council to have the opportunity to influence its content.

During September, a number of detailed briefings will be held for County Councillors to ensure that they all have the opportunity to gain an understanding of the emerging ideas and play a part in influencing them.

### **Consultations**

It is proposed that all stakeholders that are consulted as part of the council's budget process would be consulted on the draft strategy, these include:

- The Office of the Police and Crime Commissioner
- The Lancashire Combined Fire Authority
- Recognised Trade Unions
- Borough, City and Unitary Councils in Lancashire
- Third Sector Lancashire
- Association of Parish Councils
- Lancashire Safeguarding Children's Board
- Lancashire Care Association
- The Older People's Forum
- The Chamber of Commerce
- The Lancashire Enterprise Partnership
- Healthwatch Lancashire
- The Clinical Commissioning Groups
- Young People's Engagement Forums
- Members of Parliament

Additionally, given the importance of the work of the Fairness Commission, it is proposed that all Commissioners on the Lancashire Fairness Commission be consulted on the draft strategy.

It is proposed that the consultation be open until the 30<sup>th</sup> September 2015.

## **Risk management**

The Corporate Strategy will provide the framework for all other key strategies and plans in the County Council. Not agreeing the recommendation to consult on the proposed strategy will mean that the County Council is potentially unable to progress work to ensure the delivery of appropriately targeted and financial viable services for the future.

A draft Equality Analysis has been completed and will be refreshed following completion of the consultation.

## **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



## Cabinet

Meeting to be held on 12 August 2015

## Report of the Interim Director of Financial Resources

Electoral Divisions affected:

All

## Money Matters – 2015/16 Financial Position and Revised Medium Term Financial Strategy

(Appendices 'A', 'B' and 'C' refer)

Contact for further information:

Damon Lawrenson, (01772) 534715, Interim Director of Financial Resources

[damon.lawrenson@lancashire.gov.uk](mailto:damon.lawrenson@lancashire.gov.uk)

### Executive Summary

This report provides the Financial Position as at 30<sup>th</sup> June 2015, the latest position in respect of the County Council's reserves and the County Council's updated financial outlook and Medium Term Financial Strategy for the period 2016/17 to 2020/21.

#### Financial Position as at 30<sup>th</sup> June 2015

An overspend is forecast on the revenue budget of £33.251m, in the main, due to a base budget pressure from 2014/15 totalling £24.838m and an additional 2015/16 emerging net pressure of £16.328m (after the application of earmarked reserves totalling £12.395m) offset by a net gain of £7.915m. This represents a net ongoing budget pressure of £45.646m. This is reflected in the financial outlook and Medium Term Financial Strategy.

#### The County Council's reserves position

The County Council is forecast to have £87.406m (excluding schools) in reserves at 31<sup>st</sup> March 2018, of which the County Fund will remain at £36.000m leaving £51.406m to finance the 2015/16 potential overspend, future downsizing and uncommitted service pressures. In addition, it would be currently prudent to allocate £33.251m against reserves as reported on the 2015/16 forecast outturn.

#### The Financial Outlook and Medium Term Financial Strategy

This report outlines the financial position facing Lancashire County Council over the period 2015/16 to 2020/21. The County Council is experiencing an on-going period of unprecedented financial pressure as a result of the government's extended programme of austerity combined with significant increases in demand for public services.

The County Council's three year Medium Term Financial Strategy (MTFS) was approved by Full Council in February 2015 covering the 2015/16 budget and the forecast position for 2016/17 to 2017/18. This identified a funding gap of £18.3m in 2016/17 and £8.1m in 2017/18 (£26.4m in total). The Council also agreed that the MTFS should be reviewed following the General Election in May 2015 to allow a revised revenue budget to be set out. It was also agreed that the period of the MTFS should be extended to cover the full life of the parliamentary term (to 2020/21).

This report has revised the assumptions in the MTFS for both funding and expenditure and extended the period to 2020/21. The funding gap is £223.200m.

### **Recommendations**

The Cabinet is asked to:

- (i) Note the forecast overspend of £33.251m on the revenue budget in 2015/16 and ongoing pressure of £45.646m;
- (ii) Note the position in respect of the Council's reserves and to agree transfers outlined in the report; and
- (iii) Note the revised funding gap of £223.200m as set out in the revised financial outlook forecast for the Council.

### **Background and Advice**

The detailed reports at Appendices 'A', 'B' and 'C' present the County Council's revenue position as at 30<sup>th</sup> June, the latest position in respect of the Council's reserves and an updated financial outlook and Medium Term Financial Strategy for the period 2016/17 to 2020/21.

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

The County Council's overall approach to managing financial risks continues to be to identify and acknowledge risks early and build their impact into financial plans while continuing to develop strategies which will minimise their impact. This approach operates in parallel with the identification and setting aside of sufficient resources to manage the financial impact of the change risks facing the organisation.



## List of Background Papers

Paper	Date	Contact/Tel
Budget Monitoring Working Papers	July 2015	Neil Kissock (01772 536154) Abbi Leech (01772 530808)

Reason for inclusion in Part II, if appropriate

N/A



# Money Matters

## The County Council's Financial Position

### As at 30<sup>th</sup> June, 2015

<b>Contents</b>	<b>Page</b>
Introduction	2
Section A – The 2015/16 Revenue Budget	4
Appendix 1 – The 2015/16 Revenue Budget Detail	22

# Money Matters – Update on the County Council's Financial Position for 2015/16

## 1. Introduction

This report provides an update for Cabinet on the County Council's 2015/16 revenue financial position.

## 2. Summary of the Financial Position

This report provides a view on the Council's current financial performance and the anticipated position at the year end. The forecast is based on information to the end of June 2015 and is reflects the new organisational structure with detailed budget monitoring being undertaken at Head of Service level (Appendix 1 shows the forecast, budget and the variance between forecast and budget for each Head of Service spending area) and summarised in the main body of the report up to their appropriate management line e.g. the Director for Development and Corporate Services. The rationale resulting in all forecast variances +/- £0.1m are explained within the report along with any mitigating actions being put in place.

The 2014/15 outturn report which was considered by Cabinet on the 9<sup>th</sup> July 2015 contained some significant ongoing financial pressures where base budget provisions were inadequate to meet the cost of service provision.

The key areas of ongoing pressure highlighted were:

- Learning disability services £3.000m
- Physical disability services £2.300m
- Personal social care staffing £2.000m
- Mental health services £2.400m
- Adult social care transport £1.100m
- Children in need, child protection & looked after children £9.600m
- BTLS £6.900m

Since the 2014/15 outturn the nature of these pressures have been reviewed further as part of the budget monitoring process and the current forecast includes the following base budget pressures from 2014/15 totalling £24.838m:

- Learning disability services £5.733m
- Physical Support services £2.550m
- Personal social care staffing £2.069m
- Mental health services £2.175m
- Public & Integrated Transport £0.600m
- Children's services £4.461m
- BTLS £6.500m
- Libraries, Museums, Culture & Registrars £0.750m

Further additional net pressure detailed within the forecast totalling £16.328m includes the following

- Adults services £7.181m
- Children's services £0.178m
- Public Health & Wellbeing £0.409m
- Commissioning services £1.665m
- Development and Corporate services £2.991m
- Chief Executive £3.904m (this includes £4.000m potential loss of Public Health Grant)

The forecast includes the application of earmarked reserves of net £12.395m the details of which are highlighted throughout the report narrative below and are within the accompanying reserve paper.

Summary of reserve movements contained in this report:

<b>Service</b>	<b>To/From reserves</b>	<b>£'000</b>
Traded Services	from	152
Traded Services	to	-208
Corporate	to	-400
Children's social care	from	654
Adoption/fostering	from	1,130
Safeguarding, inspection, audit	from	650
Skills, Learning & Development	from	350
School improvement	from	22
Corporate budget	to	-1,295
Chief Exec – PFI Scheme	to	-870
Health Systems development	from	756
Waste PFI Grant	from	5,990
Budget Contribution for 2015/16	from	5,464
<b>Total Net</b>		<b>12,395</b>

As a result the Council is forecasting to overspend by £53.561m against a 2015/16 budget of £726.675m.

After applying an ongoing net gain of £7.915m, the structural net overspend in 2015/16 is £45.646m. This will add to the 2016/17 pressure and funding gap that will need to be addressed as part of the 2016/17 budget setting process. This has been factored into the MTFS.

The outturn of £33.251m in 2015/16 will be an in year call on reserves.

Further ongoing work is being undertaken to assess the deliverability of the budget agreed in both the Feb 2014 and Feb 2015 and Cabinet will be further updated as part of the quarter 2 report.

## 2.1 Recommendations

Note the current financial revenue forecast as at 30<sup>th</sup> June, 2015.

## 3. Section A

Key Issues emerging are as follows:

REF	Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000	Current Period Forecast Variance %
3.1	ADULTS SERVICES	291,975	311,683	19,708	7%
3.2	CHILDRENS SERVICES	102,161	106,800	4,639	5%
3.3	COMMUNITY SERVICES	175,666	176,090	424	0%
3.4	PUBLIC HEALTH & WELLBEING	90,928	91,337	409	0%
3.5	LANCASHIRE PENSION FUND	-1,861	-1,861	0	0%
3.6	COMMISSIONING	29,953	31,618	1,665	6%
3.7	DEVELOPMENT AND CORPORATE SERVICES	34,874	44,365	9,491	27%
3.8	SERVICE COMMUNICATIONS	1,583	1,583	0	0%
3.9	CHIEF EXECUTIVE	1,396	-1,689	-3,085	-221%
	<b>LCC (ALL) NARRATIVE TOTAL</b>	<b>726,675</b>	<b>759,926</b>	<b>33,251</b>	<b>5%</b>

### 3.1 Operations and Delivery – Adult Services

The total net Adult Services revised budget in 2015/16 is £291.975m. As at the end of June 2015, the service is forecast to overspend by £19.708m which will largely remain as an ongoing pressure if not addressed. The 2014/15 base budget pressure within this total overspend is £12.527m.

Overspending on commissioned social care services accounts for £16.841m of this total. With a further £1.619m relating to social care assessment, care management and support staff and £1.892m relating to direct payments to service users that allow individuals to arrange their own care. This is marginally offset by underspending of £0.200m on care services delivered in-house and a total underspending of £0.444m across a number of other service areas.

REF	Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000	Current Period Forecast Variance %
3.1.1	ADULT SERVICES	524	508	-16	-3%
3.1.2	DISABILITY (adults)	-4,092	-4,452	-360	-9%
3.1.3	OLDER PEOPLE	-143	17	160	112%
3.1.4	SAFEGUARDING (adults)	27,220	30,959	3,739	14%
3.1.5	SOCIAL CARE SERVICES (adults)	268,466	284,651	16,185	6%
	<b>ADULTS SERVICES TOTAL</b>	<b>291,975</b>	<b>311,683</b>	<b>19,708</b>	<b>7%</b>

### 3.1.2 Disability Service

- This service is forecast to underspend by £0.360m.
- Within this total day services are forecast to underspend by £1.015m. This service is currently being reviewed and redesigned and as such the underspend is being held to off-set overspending in other areas as service plans are being developed.
- Domiciliary care services are forecast to overspend by £0.586m. The budgeted savings plan included the transfer of some elements of the service in 2014/15 to independent sector providers in order to deliver the requisite savings in 2015/16, however, £0.172m of this saving was not achieved. The remaining overspend relates to forecast staffing costs being higher than budget.

### 3.1.3 Older People – in-house care services

- Older People Care services are forecast to overspend by a total £0.160m.
- Included within this total, the core service delivery budget delivering care through the operation of 17 care homes and 14 day centres is forecast to overspend by £0.434m largely due to reduced occupancy in 2 homes and a reduction in income from Clinical Commissioning Groups (CCGs).
- This is offset by underspending of £0.233m through active control of management and support costs.

### 3.1.4 Safeguarding

This service is forecast to overspend by £3.739m overall, with the significant areas of variance detailed below.



## **Mental Health - Residential**

- Mental Health residential care is forecast to overspend by £2.741m of which the base budget pressure from 2014/15 is £2.175m.
- The current year's forecast overspend is due to the full year effect of the previous year's growth.
- Since April 2014 there has been a 19% increase in the number of service users and a 5% increase in the average weekly cost of care packages over the same time period.
- There are currently 291 clients supported via this service.
- The forecast assumes that the service user numbers will continue at the level as at the end of 2014/15 i.e. no further growth is assumed in service user numbers, with the expectation that any further demand will be managed by package of care reviews allowing service users to be stepped down into less costly and more appropriate care settings.
- The average weekly cost is also assumed to continue at the current rate i.e. no further increase has been forecast, assuming that average weekly cost will be subject to review and close management.
- These reviews form part of the three programmes 'Moving on from Intensive Support', 'Residential and Nursing Home Framework' and 'Pathway Navigation' that are being delivered through the new Recommissioning Mental Health Services Programme Board.
- It is difficult to predict the outcome of this work, and as such the progress and impact will be closely monitored.

## **Mental Health - Home Care**

- Mental Health Home Care services are forecast to overspend by £1.090m.
- In 2014/15 service user numbers increased by 58%.
- In the year to date service user numbers have increased by 6%.
- Average care package costs increased by 16% in 2014/15 and continue to rise with an increase in the year to date of around 5%.
- The forecast assumes no further growth in service user numbers or average care package costs and forecasts forward at the average level achieved in the current year to date.
- No further growth is assumed in 2015/16 due to the work ongoing under the programme 'Domiciliary Care Framework' delivered through the new Recommissioning Mental Health Services Programme Board involving the exploration of other models of support (outcome based, shared support, 1:1) and the development of a domiciliary care provider specification including rehab principles. It is difficult to predict the outcome of this work, and as such the progress and impact will be closely monitored.
- The rapid rise in service user numbers has raised significant concerns regarding the quality of the underlying activity data which is driven by the inputs into LAS (Liquid Logic Adults System) from social workers and other operational staff, particularly where packages of care are not always appropriately ceased on the system and therefore can still appear as open cases.
- Entries into LAS for this service are largely input by Lancashire Care Foundation Trust (LCFT) managed staff, and work is underway with colleagues in LCFT to expedite a resolution.



## **Mental Health - Staff**

- Mental Health Staff operate under a joint arrangement with LCFT carrying out Mental Health social work on behalf of the Council.
- The gross employee expenditure for this service is £8.278m which is jointly funded by LCC, CCGs and LCFT.
- The service is forecast to underspend by £0.232m due to longstanding vacancies held.

## **Safeguarding - Staff**

- This area of service is forecast to overspend by £0.253m due to a base budget pressure from 2014/15.

### **3.1.5 Social Care Services (Adults)**

Changes in statutory reporting requirements has meant the previous client groups of 'Older People' and 'Physical Disability' have now been combined to form the new client group 'Physical Support'.

The total budget for this service area is £268.466m and is forecast to overspend by £16.185m which if unaddressed will largely remain as a pressure in 2015/16 onwards. Of which the base budget pressure from 14/15 is £10.352m. The significant areas of variance are detailed below.

## **Social Care – Staff**

- The service is due to overspend due to a base budget pressure from 14/15 of £2.069m.
- This service area contains the expenditure budget for social work staff delivering assessment and care management services across all client groups excluding Mental Health.
- The service is currently experiencing significant demand pressure in cases which is preventing any reduction in staff numbers to deliver cost savings.

## **Operational Administration**

- Forecast to underspend by £0.136m through delays in filling staffing vacancies.

## **Physical Support – Direct Payments**

- Direct payments are a means of providing a payment to a service user to allow them to arrange their own care alternative to the Council commissioning services on their behalf.
- This area of service is forecast to overspend by £1.913m pressure from 2014/15 and in the main, to on-going demand.
- In 2014/15 the number of people receiving a direct payment for this client group increased by 9% and in the year to date service user numbers have already increased by around 12%.
- In 2014/15 service user numbers increased in the first quarter by just 4%.
- There are currently 1,899 clients supported via this service.

- The current forecast includes a projected growth in the number of service users in 2015/16 of 12%.

### **Physical Support – Home Care**

- This service is forecast to overspend by £1.903m including base budget pressure from 2014/15 of £0.637m
- In 2014/15 the number of people receiving home care for this client group increased by 4% and in the year to date service user numbers have increased by around 1.5%.
- There are currently 6,054 clients supported via this service.
- The current forecast includes a projected growth in the number of service users in 2015/16 of 1.5%.
- There is a reluctance to extrapolate the first quarter's increase as the rapid rise in service user numbers has raised significant concerns regarding the quality of the underlying activity data which is driven by the inputs into LAS (Liquid Logic Adults System) from social workers and other operational staff, particularly where packages of care are not always appropriately ceased on the system and therefore can still appear as open cases.

### **Learning Disabilities**

- Learning Disability services include the provision of care services including residential and nursing care, but predominantly supported living and direct payments. Services are commissioned via a pooled fund arrangement with the six Lancashire CCGs. The LCC share of the service is forecast to overspend by £11.150m.
- The forecast overspend contains on-going demand pressure from 2014/15 of £5.733m.
- The budget was increased by a net £7.791m to allow for volume and price increases and other adjustments.
- The full year effect of the increase in service user activity in 2014/15 is forecast to increase spending by £0.489m, with a further increase in service user activity forecast for 2015/16 of £1.111m.
- Additionally, payments to suppliers is forecast to increase by a net £0.463m due to backdated payments and rationalising the use of out of area placements.
- The budget has been reduced by £13.505m to reflect service offers and other savings agreed as part of the February 2014 budget. £2.360m of these savings are forecast to be achieved.

### **Purchasing General**

- This service is forecast to underspend by £0.492m through controlling costs by reducing non-essential spending.

### **Care Act funding Future Risk**

The Council was notified that it was to receive specific grant funding and funding via the Better Care Fund for the implementation of the social care reforms that came into force from April 2015 and the preparation necessary for the Funding reforms to be implemented in future years resulting from the Care Act. Of the £10.500m due to be

received, the current forecast for Adult Services includes the application of £1.600m. Although the remaining funding of £8.900m is fully committed, there are some elements such as the increase in spending on Carers which may take more than one year to achieve and therefore the funding will be applied when the additional expenditure is incurred. We are reviewing the ongoing impact of this.

### 3.2 Operations and Delivery – Children's Services

REF	Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000	Current Period Forecast Variance %
3.2.1	CHILDREN'S SERVICES	-1,789	-2,223	-434	-24.3%
3.2.2	ADOPTION & FOSTERING, RESIDENTIAL AND YOT	25,206	25,014	-192	-1%
3.2.3	SAFEGUARDING, INSPEC. & AUDIT	5,383	5,383	0	0%
3.2.4	CHILDREN SOCIAL CARE	52,253	59,189	6,936	13%
3.2.5	SCHOOL IMPROVEMENT (o.side SCOPE)	7,250	7,250	0	0%
3.2.6	SPECIAL EDUCATION NEEDS & DISABILITY	17,196	15,525	-1,671	-10%
3.2.7	TRADED SERVICES (START WELL)	-3,338	-3,338	0	0%
	<b>CHILDRENS SERVICES TOTAL</b>	<b>102,161</b>	<b>106,800</b>	<b>4,639</b>	<b>5%</b>

#### 3.2.1 Children's Services

- Underspends have been identified on central Children's Services budgets including £0.100m relating to management costs.
- £0.322m relating to Children's Social Care savings that have been delivered earlier than planned in 2015/16 rather than 2016/17.

#### 3.2.2 Adoption, Fostering, Residential and YOT

Adoption, Fostering, Residential and YOT are expected to underspend by £0.192m. This includes the application of £1.130m from reserves

- £0.956m underspend relates to in-house fostering allowances.
- £0.695m overspends on the Overnight Short Breaks (ONSB) Service and £0.069m on staff (largely casuals).
- A review of all placement budgets is required across Adoption, Fostering, Residential and YOT, Children's Social Care and Special Education Needs and Disability, with a view to realigning budgets to reflect current and anticipated levels of spend. The forecast overspend on the ONSB Service represents an under-achievement of service offer savings relating to the timing of the merger and closure of a number of units.

Further underspends could result from the government's recent decision to allocate £30m of funding nationally to support the adoption reform programme over a 12 month

period. The scheme will reimburse local authorities for the cost of the adoption inter-agency fee paid when placing children with another local authority or by a voluntary adoption agency. The scheme is targeted at 'harder to place children' and access to funding will be based on 'eligible' inter-agency matches from 8th July 2015, as opposed to local authorities receiving a specified funding allocation. Further work is required to assess the financial impact of the availability of the additional funding to the authority. If funding is not available this will be a pressure in future years.

### **3.2.3 Safeguarding, Inspection and Audit**

This forecast includes the application of £0.650m from reserves.

### **3.2.4 Children's Social Care**

Children's Social Care is expected to overspend by £6.936m in 2015/16. This includes the application of £0.654m from reserves.

- £4.461m base budget pressure from 2014/15 relates to agency placements which includes fostering and residential placements with external providers. The forecast reflects historical demand pressures and previous overspends, however, the forecast for agency foster care placements does take account of a fall in numbers of children placed. This will be kept under review to determine whether this trend continues and the resulting financial impact.
- An overspend of £2.594m is forecast on family support which covers assistance to families, residence orders, special guardianship orders and other payments.
- Overspends of £0.180m across a number of staffing teams.
- Underspend of £0.200m on in-house fostering
- Underspend of £0.100m on other expenditure predominantly relating to the cost of CRB checks.

As highlighted earlier, a review of all placement budgets is required across Adoption, Fostering, Residential and YOT, Children's Social Care and Special Education Needs and Disability, with a view to realigning budgets to reflect current and anticipated levels of spend.

### **3.2.5 School Improvement**

This forecast includes the application of £0.022m from reserves.

### **3.2.6 Special Education Needs and Disability (SEND)**

- Underspends of £1.671m are forecast on SEND agency placements which includes family support and residential and foster care placements with external providers. Again a review of all placement budgets is required across Adoption, Fostering, Residential and YOT, Children's Social Care and Special Education Needs and Disability, with a view to realigning budgets to reflect current and anticipated levels of spend.
- Lancashire Break Time is expected to cost approx. £1.5m in 2015/16.

Further underspends are likely to emerge during the coming months including possible underspends resulting from staff vacancies and continuing difficulties in recruiting



specialist staff such as Education Psychologists. Further work is required with service managers to determine the potential level of underspend over and above that reported but initial estimates suggest that this could be in the region of £0.250m.

### 3.2.7 Traded Services (Start Well)

This forecast includes the application of a net contribution to reserves of £0.056m.

#### Items not included within the current forecast

A possible risk of not achieving approximately £0.838m of service offer savings on Traded Services in 2015/16 has been identified. Further work will be undertaken with service managers over the coming weeks to confirm the scale of any potential overspend and as such this has not been reported at this stage.

### 3.3 Operations and Delivery – Community Services

REF	Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Variance £'000	Current Period Variance %
3.3.1	COMMUNITY SERVICES	117	117	0	0%
3.3.2	CUSTOMER ACCESS	3,726	3,646	-80	-2%
3.3.3	OPERATIONS AND DELIVERY	155	155	0	0%
3.3.4	PUBLIC & INTEGRATED TRANSPORT	56,194	56,194	0	0%
3.3.5	LIBRARIES, MUSEUMS, CULTURE & REGISTRARS	15,087	15,479	392	3%
3.3.6	HIGHWAYS	30,166	29,359	-807	-3%
3.3.7	WASTE MGT	70,221	71,140	919	1%
	<b>COMMUNITY SERVICES TOTAL</b>	<b>175,666</b>	<b>176,090</b>	<b>424</b>	<b>0.2%</b>

#### 3.3.4 Public & Integrated Transport

- Community transport is showing a predicted underspend of £0.600m mainly due to the £0.500m investment agreed as part of the 2014/15 budget to further fund such schemes which to date has no firm plans to be spent.
- Travelcare is showing a predicted base budget pressure from 2014/15 of £0.600m in relation to adult social care transport. This has reduced since 2014/15 reflecting the realignment of budgets to better reflect current spending levels with Public Bus contracts and concessionary travel in particular having offsetting underspends which have resolved some of the 2014/15 outturn issues due to demand and price pressures being managed within these areas.

#### Items not included within the current forecast

In total Public & Integrated Transport looks able to support their current activities within budget. However further review work is needed on fleet services to ensure year end adjustments for 2014/15 were accurate. Demand will need to be closely

monitored within the Travelcare service as this will potentially be affected by increases in demand from Adult Social Care.

These further potential pressures could be mitigated as Concessionary Travel has shown a decreasing trend in Nowcard usage amongst those who are already eligible. On average, there has been a 2% decrease in passenger numbers year on year, however there has been a 5% drop in this year's activity to date and this will be closely monitored to understand the reasoning behind this and likelihood of this continuing. Currently we have not included any additional saving over the 2% decrease for this year within the monitoring however this could result in a further £0.500m saving.

### **3.3.5 Libraries, Museums, Culture & Registrars**

- The service are struggling to achieve previously allocated budget reductions through efficiencies or existing policy options, reductions have been made in year around service running costs giving a forecast base budget pressure from 14/15 of £0.750m.

To reduce this gap further would mean a change or reduction to the current model of service provision i.e. use of volunteers, library closures, reduced hours or reducing the investment in the book stock.

- The registration service has reduced their running costs and is attracting new business income resulting in a forecast underspend of £0.358m, which is likely to reoccur in future years.

### **3.3.6 Highways**

- Street lighting energy predicted underspend of £0.807m in year following further analysis of the year end position. Through a review of the bills received late in the year end process from the supplier it has become apparent that EDF overcharged the Authority in 2014-15 by £0.775m and therefore the service will show a one-off reduced spend in 2015/16 as a result of this overcharging being refunded.

### **Items not included within the current forecast**

Although not reported at this stage, due to changes to the Authority's Flood Risk responsibility we have now adjusted the way in which the team will be funded and are now relying on pre-application fees income to support some of the team costs. This is a new market which has therefore not been tested and could pose a risk of £0.100m.

Similarly there may be additional income to that forecasted from Section 38 income should it continue at the level achieved in 2014/15, however this is dependent on a continued buoyant developer market. It is also possible that any additional income could be offset by a shortfall in highways damages recovery and roundabout sponsorship income. Revised forecasts will be presented as these risks and opportunities become clearer.

### **3.3.7 Waste Management**



Waste had previously highlighted the following risks totalling £10.490m in terms of revenue costs in 2015/16:

- The cost of disposing of excess green waste, previously picked up by GRLOL (Global Renewables Lancashire Operations Limited) directly, which has increased by £0.600m.
- Recyclate income which has dropped considerably against the level originally budgeted resulting in an over spend of £2.100m. However alternative markets are being investigated and there is potential for this position to improve over the year.
- Increased insurance costs of £1.800m have materialised in year. However investment in a fire prevention system is underway which should ultimately reduce these costs in future years.
- Although no final decision has been made around continuation of the PFI Grant, if it isn't forthcoming, would result in a pressure of £5.990m. Within the 2015/16 forecast position the earmarked reserve has been applied.

Steps have been taken where possible to reduce this burden which include

- GRLOL being tasked with reducing their operating costs, this is currently estimated at £0.600m however plans may result in further savings.
- The decision to mothball part of the waste treatment plant has been taken which will save the Authority a predicted £0.500m in year and this could potentially increase.
- Cost reductions have been seen in the Household Waste Recycling Centres with an additional £0.300m saving forecasted for the year relating to the agreed reduction in opening hours, weekend and bank holiday resulting in reduced overtime payments along with income now being received from the change in policy to charge individuals for inert waste.
- The costs of landfill have also reduced by £1.900m due to improved diversion rates and cheaper options for offtakes.
- Transport costs have also reduced by £0.200m due to offtakes and the cost of transport being borne by those customers.

### 3.4 Operations and Delivery – Public Health and Wellbeing Services

REF	Service Grouping	Revised Annual Budget	Current Period Forecast	Current Period Forecast Variance	Current Period Forecast Variance
		£'000	£'000	£'000	%
3.4.1	DIRECTOR OF PUBLIC HEALTH & CONSULTANTS	508	309	-199	-39%
3.4.2	PUBLIC HEALTH & WELLBEING	137	148	11	8%
3.4.3	EMERGENCY PLANNING & RESILIENCE	1,284	1,352	68	5%
3.4.4	HEALTH EQUITY, WELFARE & PARTNERSHIPS	7,302	7,302	0	0%
3.4.5	PATIENT SAFETY & QUALITY IMPROVEMENT	3,520	3,087	-433	-12%
3.4.6	TRADING STANDARDS & SCIENTIFIC SERVICES	3,174	3,284	110	3%
3.4.7	WELLBEING, PREVENTION & EARLY HELP	75,003	75,855	852	1%
	<b>PUBLIC HEALTH &amp; WELLBEING TOTAL</b>	<b>90,928</b>	<b>91,337</b>	<b>409</b>	<b>0.4%</b>

#### 3.4.1 Director of Public Health & Consultants

- Staffing savings of £0.199m have been highlighted within the management structure due to vacancies and delayed recruitment of consultants.

#### 3.4.4 Health Equity, Welfare & Partnerships

Variations currently anticipated to be managed within the service.

#### Items not included within the current forecast

Due to the decision taken to transfer the driver referral courses mid-year over to the Police, the Authority will be left with a shortfall part-year effect of £0.107m as the income charging scheme not only recovered direct running costs but also contributed to overheads. It is anticipated that this shortfall will be met by close management of the revenue budget or if necessary, by utilising earmarked reserves.

The school crossing patrol service is currently forecasting a small revenue underspend of £0.130m. However further schemes are being introduced, in accordance with the commitment of Cabinet to support this. It is anticipated that the underspend will reduce as a result of meeting these additional costs. A budget reduction in 2016/17 onwards causes a budget pressure of £0.400m in future years if the service is to remain at current levels. Cabinet approved a reserve provision of £1.500m which could offset this pressure for a time.

The cost of commissioning domestic abuse services is currently funded by contributions from a range of agencies. A revenue funding gap of £0.700m is currently anticipated, which is proposed to be covered via the Domestic Abuse reserve. Management is currently working with partners to develop a sustainable

solution to the commissioning of these services. Reserves are time limited and can currently support the service at its current level for part of 2016/17.

#### **3.4.5 Patient Safety & Quality Improvement**

- This service is forecast to underspend by £0.433m due to vacant posts within the current staffing structure and controlling costs by reducing non-essential spending.

#### **3.4.6 Trading Standards & Scientific Services**

- Safer trader staffing is forecasting to overspend by £0.110m as these costs are unable to be managed within the service.

#### **3.4.7 Wellbeing, Prevention & Early Help**

- The Public Health Grant was initially frozen in 2015/16 with an estimated loss of £2.000m additional grant income and then further reduced in year by £4.000m the service is facing an estimated £6.000m pressure, the £4.000m grant pressure is shown under large specific grants within the Chief Executive budget section but the £2.000m pressure remaining a savings target within the service.
- An additional pressure on Health Checks has been forecast of £0.520m due to service offer savings not being achieved at this stage.
- Recurrent under spends on the commissioned contracts for £0.150m Tobacco, £0.150m Substance Misuse, £0.670m Sexual Health, £0.500m Mental Health and £0.200m Integrated wellbeing have gone towards offsetting these pressures.

#### **Items not included within the current forecast**

The prescribing costs and local area enhanced agreements as part of the commissioned contracts still pose a potential pressure and work is ongoing to resolve these along with determining the call on integrated wellbeing monies set aside for the wellbeing workers service.

### 3.5 Within the Lancashire Pension Fund

REF	Service Grouping	Revised Annual Budget	Current Period Forecast	Current Period Forecast Variance	Current Period Forecast Variance
		£'000	£'000	£'000	%
3.5.1	LANCASHIRE PENSION FUND	-30	-30	0	0%
3.5.2	CHIEF INVESTMENT OFFICER	140	140	0	0%
3.5.3	DEPUTY CHIEF INVESTMENT OFFICER	101	101	0	0%
3.5.4	INVESTMENT PORTFOLIO MANAGER	-521	-521	0	0%
3.5.5	YOUR PENSION SERVICE	-1,579	-1,579	0	0%
3.5.6	POLICY & COMPLIANCE	28	28	0	0%
	<b>LANCASHIRE PENSION FUND TOTAL</b>	<b>-1,861</b>	<b>-1,861</b>	<b>0</b>	<b>0%</b>

There is a £0.975m pressure in 2015/16 that will be financed through the current charges to the pension fund however this will be a pressure to be financed in 2016/17 onwards.

### 3.6 Within the Commissioning Services

REF	Service Grouping	Revised Annual Budget	Current Period Forecast	Current Period Forecast Variance	Current Period Forecast Variance
		£'000	£'000	£'000	%
3.6.1	COMMISSIONING	166	159	-7	-4%
3.6.2	CORPORATE COMMISSIONING	137	137	0	0%
3.6.3	ASSET MGT	2,788	2,788	0	0%
3.6.4	PROCUREMENT	1,856	1,856	0	0%
3.6.5	AREA PUBLIC SERVICE INTEGRATION	470	457	-13	-3%
3.6.6	POLICY, INFO. & COMMISSION START WELL	1,055	1,055	0	0%
3.6.7	POLICY, INFO. & COMMISSION LIVE WELL	1,383	1,383	0	0%
3.6.8	POLICY, INFO. & COMMISSION AGE WELL	640	640	0	0%
3.6.9	GOVERNANCE, FINANCE & PUBLIC SERVICES	140	140	0	0%
3.6.10	FINANCIAL RESOURCES	101	101	0	0%
3.6.11	OFFICE OF THE POLICE AND CRIME COMMISSIONER TRES	-16	-16	0	0%
3.6.12	FINANCIAL MGT (OPERATIONAL)	2,277	2,277	0	0%
3.6.13	FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)	277	277	0	0%
3.6.14	CORPORATE FINANCE	853	853	0	0%
3.6.15	EXCHEQUER SERVICES	4,168	4,168	0	0%
3.6.16	LEGAL, DEMOCRATIC & GOVERNANCE	101	101	0	0%
3.6.17	LEGAL AND DEMOCRATIC SERVICES	12,860	14,545	1,685	13%
3.6.18	INTERNAL AUDIT	697	697	0	0%
	<b>COMMISSIONING TOTAL</b>	<b>29,953</b>	<b>31,618</b>	<b>1,665</b>	<b>6%</b>

#### 3.6.17 Legal and Democratic Services

It expected that Legal and Democratic Services will overspend by £1.685m in 2015/16.

- £0.353m relates to Coroner Services and includes forecast overspends on staff, various fees for services provided (toxicology, pathology, mortuary fees, etc.) and SLA's with other Local Authorities.
- £1.332m relates to overspends on staff, agency costs and legal fees within Legal Services resulting from continuing increases in numbers of child protection cases.

No other variances are currently forecast within commissioning services.

### 3.7 Within the Development and Corporate Services

REF	Service Grouping	Revised Annual Budget	Current Period Forecast Variance	Current Period Forecast Variance	Current Period Forecast Variance
		£'000	£'000	£'000	%
3.7.1	BUSINESS GROWTH	81	81	0	0%
3.7.2	CORE BUSINESS SYSTEMS/TRANSFORMATION	14,193	20,693	6,500	46%
3.7.3	CORPORATE SERVICES	99	99	0	0%
3.7.4	DESIGN and CONSTRUCTION	3,654	3,654	0	0%
3.7.5	DEVELOPMENT AND CORPORATE SERVICES	143	143	0	0%
3.7.6	ECONOMIC DEVELOPMENT	1,317	1,317	0	0%
3.7.7	ESTATES	1,787	1,787	0	0%
3.7.8	FACILITIES MGT	3,939	4,639	700	18%
3.7.9	HEALTH & CARE SYSTEMS DEVELOPMENT	730	863	133	18%
3.7.10	HUMAN RESOURCES	1,175	1,175	0	0%
3.7.11	LEP COORDINATION	81	81	0	0%
3.7.12	LANCASHIRE ADULT LEARNING	-2,485	-527	1,958	79%
3.7.13	PLANNING AND ENVIRONMENT	2,622	2,622	0	0%
3.7.14	PROGRAMME OFFICE	2,586	2,586	0	0%
3.7.15	PROGRAMMES & PROJECT MGT	117	117	0	0%
3.7.16	SKILLS, LEARNING & DEVELOPMENT	4,754	4,954	200	4%
3.7.17	STRATEGIC ECONOMIC DEVELOPMENT	81	81	0	0%
	<b>DEVELOPMENT AND CORPORATE SERVICES TOTAL</b>	<b>34,874</b>	<b>44,365</b>	<b>9,491</b>	<b>27%</b>

#### 3.7.2 Development and Corporate Services

##### Core Business Systems/Transformation – In particular BTLS

- A overspend on CLEO of £1.6m. This was anticipated at the time of the renegotiation of the contract and is offset by provisions within reserves in accordance with the January 2014 Cabinet Report.
- An under provision of budget against the contracted expenditure of £1.4m.
- Several budget adjustments, reflected in the former OCL contract, which should have been made to the 2014/15 budget, following the renegotiation of the contract, totalling £5.1m. The lack of these budget adjustments have persisted in the 2015/16 accounts.
- A £1.6m non-recurring underspend in respect of the contract with West Lancashire BC.

### 3.7.8 Facilities Management

- There is a £0.700m remaining pressure resulting from the 2015/16 service offer which is to be considered further as part of the property rationalisation review.

### 3.7.9 Health and Care Systems

- The service is forecast to overspend by £0.133m, due to the budget being less than the posts transferred in the phase 1 structure. This position includes the application of £0.756m of reserves.

### 3.7.12 Lancashire Adult Learning

- Lancashire Adult Learning is forecast to overspend by £1.958m. This is as due to the non-achievement of budgeted income targets and agreed savings, particularly in light of a recent OFSTED report and resulting reduction in Adult Skills funding.

### 3.7.16 Skills, Learning and Development

- Overspends of £0.200m are expected on Skills, Learning and Development budget due to reductions in grant funding.

This forecast includes the application of £0.350m from reserves.

## 3.8 Within Service Communications

REF	Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000	Current Period Forecast Variance %
3.8.1	SERVICE COMMUNICATIONS	1,583	1,583	0	0%
	<b>SERVICE COMMUNICATIONS TOTAL</b>	<b>1,583</b>	<b>1,583</b>	<b>0</b>	<b>0%</b>

No variance reported.



### 3.9 Within Chief Executive Services

REF	Service Grouping	Revised Annual Budget	Current Period Forecast	Current Period Forecast Variance	Current Period Forecast Variance
		£'000	£'000	£'000	%
3.9.1	CHIEF EXECUTIVE	274	286	12	4%
3.9.2	BUSINESS SUPPORT	0	0	0	0%
3.9.3	CONTINGENCIES	1,324	519	-805	-61%
3.9.4	NON SERVICE ISSUES CORPORATE BUDGETS	76,214	70,030	-6,184	-8%
3.9.5	LARGE SPECIFIC GRANTS TO SUPPORT THE AUTHORITY	-76,416	-72,524	3,892	5%
	<b>CHIEF EXECUTIVE TOTAL</b>	<b>1,396</b>	<b>-1,689</b>	<b>-3,085</b>	<b>-221%</b>

#### 3.9.3 Contingencies

Underspends of £0.805m are expected on various contingencies budgets.

#### 3.9.4 Non Service Issues Corporate Budgets

This forecast includes a contribution to the County Council Election reserve of £0.400m, a revenue contribution to capital outlay of £1.295m, a net contribution to the CYP PFI reserves of £0.870m and a contribution of £5.464m from the Downsizing reserve.

#### Treasury Management

	Budget 15/16	Forecast Jun-15	Surplus (-) /Deficit
	£'000	£'000	£'000
MRP	37,085	30,103	-6,982
Interest Paid	22,308	22,973	665
Interest Received	-12,710	-12,529	181
Grants	280	280	0
<b>Total</b>	<b>46,403</b>	<b>40,267</b>	<b>-6,136</b>

The forecast surplus is largely due to the reduced Minimum Revenue Provision (MRP) charge anticipated in 2015/16. There are two principal reasons for the MRP reduction.

- The refinancing of the waste recycling centres was initially anticipated to be repaid on a straight line basis. However, the decision has been taken to make the repayment on an annuity basis. This has resulted in a reduced MRP of some £5.6m. It is estimated to be a similar amount for the next two years.



- When calculating the estimated MRP it was planned to apply up to £39m of borrowing in 2014/15. Due to the re-phasing of the Capital Programme this borrowing was not required thereby reducing requirement to charge the MRP in 2015/16. The saving on the MRP is offset by the agreed contribution towards the Todmorden Curve Rail project £0.800m which was not in the original budget.

### **3.9.5 Large Specific Grants to Support the Authority**

- Underspends of £0.108m relate to higher than budgeted Education Services Grant (ESG) offset by lower than budgeted Extended Rights to Free School Travel Grant. Actual ESG received could vary dependent on conversions to academies during 2015/16. The Extended Rights to Free School Travel has fallen from £0.749m in 2014/15 to £0.597m in 2015/16.
- Public Health Grant overspend of £4.000m due to predicted loss of grant in year.

## Appendix 1 – The 2015/16 Revenue Budget Detail

### Appendix 1.1 - Adult Services

Level E - Cost Centre Description	Revised Annual Budget £'000	Current Period Forecast (ORACLE) £'000	Current Period Forecast Variance (ORACLE) £'000
<b>ADULT SERVICES</b>			
DIR - ADULT SERVICES	524.0	508.0	-16.0
<b>ADULT SERVICES TOTAL</b>	<b>524.0</b>	<b>508.0</b>	<b>-16.0</b>
<b>DISABILITY (adults)</b>			
ADULT DISABILITY SERVICE	-1,729.0	-1,743.5	-14.5
ADULT DISABILITY DAY SERVICE	-1,103.0	-2,118.0	-1,015.0
ADULT DISABILITY DOM SERVICE	-1,483.0	-897.0	586.0
ADULT DISABILITY SHORT BREAKS SERVICE	-449.0	-450.0	-1.0
SHARED LIVES	672.0	756.0	84.0
<b>DISABILITY (adults) TOTAL</b>	<b>-4,092.0</b>	<b>-4,452.5</b>	<b>-360.5</b>
<b>OLDER PEOPLE</b>			
RESIDENTIAL/REHABILITATION	-924.0	-490.0	434.0
DAY CARE	-291.0	-332.0	-41.0
SUPPORT SERVICES	1,072.0	839.0	-233.0
<b>OLDER PEOPLE TOTAL</b>	<b>-143.0</b>	<b>17.0</b>	<b>160.0</b>
<b>SAFEGUARDING (adults)</b>			
SAFEGUARDING STAFF	2,770.0	3,023.1	253.1
MENTAL HEALTH STAFF	5,396.0	5,164.0	-232.0
MENTAL HEALTH-DAY CARE	690.0	671.0	-19.0
MENTAL HEALTH -DIRECT PAYMENTS	2,280.0	2,259.0	-21.0
MENTAL HEALTH-HOME CARE	3,441.0	4,531.0	1,090.0
MENTAL HEALTH-RESIDENTIAL	8,246.0	10,987.0	2,741.0
MENTAL HEALTH-NURSING	2,263.0	2,247.0	-16.0
MENTAL HEALTH-OTHER SOCIAL CARE	122.0	128.0	6.0
MENTAL HEALTH BLOCK CONTRACT	2,012.0	1,949.0	-63.0

<b>SAFEGUARDING (adults) TOTAL</b>	<b>27,220.0</b>	<b>30,959.1</b>	<b>3,739.1</b>
<b>SOCIAL CARE SERVICES (adults)</b>			
SOCIAL CARE STAFF	13,542.0	15,357.6	1,815.6
OPERATIONAL ADMINISTRATION	2,091.0	1,955.5	-135.5
CARE NAVIGATION	401.0	319.3	-81.7
PHYSICAL SUPPORT-NURSING	17,930.0	17,930.0	0.0
PHYSICAL SUPPORT-RESIDENTIAL	54,080.0	54,080.0	0.0
PHYSICAL SUPPORT-SUPPORTED ACCOMODATION	2,450.0	2,401.0	-49.0
PHYSICAL SUPPORT-DIRECT PAYMENTS	23,690.0	25,603.0	1,913.0
PHYSICAL SUPPORT-HOME CARE	38,630.0	40,533.0	1,903.0
PHYSICAL SUPPORT-DAY CARE	3,305.0	3,365.0	60.0
PHYSICAL SUPPORT-OTHER SOCIAL CARE	1,738.0	1,776.0	38.0
LEARNING DISABILITIES	109,200.0	120,350.0	11,150.0
EQUIPMENT & ADAPTATIONS	4,362.0	4,362.0	0.0
CARERS SERVICES	1,994.0	1,994.0	0.0
REABLEMENT	2,236.0	2,236.0	0.0
SUPPORTING PEOPLE	11,737.0	11,800.0	63.0
PURCHASING GENERAL	1,774.0	1,282.5	-491.5
BETTER CARE FUND	-20,694.0	-20,694.0	0.0
<b>SOCIAL CARE SERVICES (adults) TOTAL</b>	<b>268,466.0</b>	<b>284,650.9</b>	<b>16,184.9</b>
<b>ADULTS SERVICES TOTAL</b>	<b>291,975.0</b>	<b>311,682.5</b>	<b>19,707.5</b>

Appendix 1.2 – Children's Services

Level E - Cost Centre Description	Revised Annual Budget	Current Period Forecast (ORACLE)	Current Period Forecast Variance (ORACLE)
	£'000	£'000	£'000
<b>CHILDREN'S SERVICES</b>			
DEPUTY DIRECTOR CHILDREN'S SERVICES	433.0	111.0	-322.0
CHILDREN'S SERVICES - MANAGEMENT	137.0	137.0	0.0
CHILDREN'S SERVICES - OTHER	490.0	378.0	-112.0
DIRECTORATE OVERHEAD ALLOCATIONS	-2,849.0	-2,849.0	0.0
<b>ADOPTION &amp; FOSTERING, RESIDENTIAL AND YOT TOTAL</b>	<b>-1,789.0</b>	<b>-2,223.0</b>	<b>-434.0</b>
<b>ADOPTION &amp; FOSTERING, RESIDENTIAL AND YOT</b>			
ADOPTION, FOSTERING, RESIDENTIAL AND YOT - MANAGEMENT	580.0	580.0	0.0
ADOPTION SERVICES STAFF	658.0	658.0	0.0
ADOPTION SERVICES OTHER	1,527.0	1,527.0	0.0
ALTERNATIVE & COMPLEMENTARY EDUCATION - AFRY	133.0	90.0	-43.0
COUNTY RESIDENTIAL MANAGERS	200.0	312.0	112.0
FOSTERING SERVICES	2,145.0	2,145.0	0.0
MAINSTREAM RESIDENTIAL	5,107.0	5,107.0	0.0
OVERNIGHT BREAKS SERVICE	2,151.0	2,846.0	695.0
PROVIDER IN HOUSE FOSTERING ALLOWANCES	10,528.0	9,572.0	-956.0
SCAYT +	610.0	610.0	0.0
YOUTH OFFENDING TEAM	1,567.0	1,567.0	0.0
<b>ADOPTION &amp; FOSTERING, RESIDENTIAL AND YOT TOTAL</b>	<b>25,206.0</b>	<b>25,014.0</b>	<b>-192.0</b>
<b>SAFEGUARDING, INSPEC. AND AUDIT</b>			
SAFEGUARDING, INSPECTION AND AUDIT - MANAGEMENT	525.0	525.0	0.0
SAFEGUARDING, INSPECTION AND AUDIT	3,040.2	3,040.2	0.0
MASH/CART/EDT	1,363.0	1,363.0	0.0
YOUNG CARERS GRANT	280.0	280.0	0.0
LANCASHIRE SAFEGUARDING CHILDREN BOARD	175.0	175.0	0.0
<b>SAFEGUARDING, INSPEC. &amp; AUDIT TOTAL</b>	<b>5,383.2</b>	<b>5,383.2</b>	<b>0.0</b>
<b>CHILDREN SOCIAL CARE</b>			
CHILDREN SOCIAL CARE - HEAD OF SERVICE	1,046.0	1,036.0	-10.0
LOCALITY & CAPSS TEAMS	16,342.0	16,860.2	518.2
CSC MANAGEMENT SUPPORT WORKERS TEAM	98.0	151.0	53.0

SOCIAL CARE BUSINESS SUPPORT	1,755.0	1,375.0	-380.0
AGENCY - FOSTERING CHILDREN LOOKED AFTER	14,122.0	15,600.0	1,478.0
AGENCY - RESIDENTIAL CHILDREN LOOKED AFTER	7,649.0	13,250.8	5,601.8
AGENCY REMAND - COUNTYWIDE	565.0	415.0	-150.0
DIRECTORATE CONTINGENCY (CS)	2,469.0	0.0	-2,469.0
s17 FAMILY SUPPORT - ASST TO FAMILIES	1,204.0	2,037.0	833.0
s17 FAMILY SUPPORT - REGULAR PAYMENTS	0.0	563.0	563.0
s17 FAMILY SUPPORT - RESIDENCE ORDERS	2,464.0	2,271.0	-193.0
s17 FAMILY SUPPORT - SPECIAL GUARDIANSHIP ORDERS	2,924.0	4,315.0	1,391.0
LEAVING CARE ALLOWANCES	799.0	799.0	0.0
STAYING PUT	0.0	0.0	0.0
IN HOUSE FOSTERING - CHILDREN LOOKED AFTER	314.0	114.0	-200.0
IN HOUSE RESIDENTIAL - CHILDREN LOOKED AFTER	71.0	71.0	0.0
CHILDRENS SERVICES ASYE	5.0	5.0	0.0
CSC OTHER	426.0	326.0	-100.0
SAFEGUARDING EARLY INTERVENTION	0.0	0.0	0.0
<b>CHILDREN SOCIAL CARE TOTAL</b>	<b>52,253.0</b>	<b>59,189.0</b>	<b>6,936.0</b>
<b>SCHOOL IMPROVEMENT</b>			
SCHOOL IMPROVEMENT - MANAGEMENT	361.0	361.0	0.0
ALTERNATIVE & COMPLEMENTARY EDUCATION - SCH IMP SERV	355.0	355.0	0.0
EARLY YEARS TEACHING	634.0	634.0	0.0
LEARNING IMPROVEMENT SUPPORT TEAM	1,411.2	1,411.0	-0.2
PE & SPORT	41.0	41.0	0.0
PUPIL ACCESS - PUPIL SUPPORT	1,263.0	1,263.0	0.0
SCHOOLS CAUSING CONCERN - SCH IMP SERV	504.0	504.0	0.0
SUPPORT FOR VULN PUPILS - SCH IMP SERV	1,897.0	1,897.0	0.0
SCHOOL IMPROVEMENT - CENTRAL	-1,030.0	-1,030.0	0.0
SCHOOL IMPROVEMENT - PRIMARY SOUTH	141.0	141.0	0.0
EDUCATION HEALTH - SCH IMP SERVICE	2.0	2.0	0.0
SCHOOL IMPROVEMENT - PRIMARY EAST	610.0	610.0	0.0
SCHOOL IMPROVEMENT - PRIMARY NORTH	704.0	704.0	0.0
SCHOOL IMPROVEMENT - SECONDARY	357.0	357.0	0.0
<b>SCHOOL IMPROVEMENT TOTAL</b>	<b>7,250.2</b>	<b>7,250.0</b>	<b>-0.2</b>
<b>SEN &amp; DISABILITY</b>			
SEN & DISABILITY - MANAGEMENT	653.0	653.0	0.0
SEND - AGENCY FAMILY SUPPORT	1,903.0	1,400.0	-503.0
SEND - AGENCY FOSTERING	1,164.0	800.0	-364.0
SEND - AGENCY RESIDENTIAL	2,784.0	1,980.0	-804.0

SEND - DIRECT PAYMENTS	1,604.0	1,604.0	0.0
SEND - AIDS & ADAPTATIONS	235.0	235.0	0.0
SEND - COMMUNITY EQUIPMENT	513.0	513.0	0.0
SEND - IN HOUSE FOSTERING	430.0	430.0	0.0
SEND - LANCASHIRE BREAK TIME	1,042.0	1,042.0	0.0
SEND - CHILD & FAMILY SUPPORT TEAM	1,217.0	1,217.0	0.0
SEND - IA OCCUPATIONAL THERAPY	658.0	658.0	0.0
SEND - IA SPEECH & LANGUAGE THERAPY	1,010.0	1,010.0	0.0
SEND - INTEGRATED ASSESSMENT TEAM	1,155.0	1,155.0	0.0
SEND - BUSINESS SUPPORT	684.0	684.0	0.0
SEND - CARERS SERVICES	429.0	429.0	0.0
SEND - SEN IMPLEMENTATION GRANT	0.0	0.0	0.0
SEND - SEND REFORM GRANT	-5.0	-5.0	0.0
SEND - LEARNER SUPPORT TEAM	0.0	0.0	0.0
SEND - PROVISION & PERFORMANCE TEAM	1,720.0	1,720.0	0.0
<b>SEN &amp; DISABILITY TOTAL</b>	<b>17,196.0</b>	<b>15,525.0</b>	<b>-1,671.0</b>
<b>TRADED SERVICES (START WELL)</b>			
TRADED SERVICES (START WELL) - MANAGEMENT	134.0	134.0	0.0
SCHOOL CATERING	-1,257.0	-1,257.0	0.0
EDUCATIONAL VISITS	104.0	104.0	0.0
GOVERNOR SERVICES	-171.0	-171.0	0.0
GRADUATE TEACHER	-11.0	-11.0	0.0
IDS TRADED TEAM	-23.0	-23.0	0.0
LANCASHIRE MUSIC SERVICE	-509.0	-509.0	0.0
LEARNING EXCELLENCE (PDS)	-413.0	-413.0	0.0
LTA	-103.0	-103.0	0.0
OUTDOOR EDUCATION	-624.0	-624.0	0.0
RECRUITMENT, RETENTION, NQT'S	3.0	3.0	0.0
SCHOOLS ICT CURRICULUM	-18.0	-18.0	0.0
BUSINESS SUPPORT AND ADMINISTRATION (TRADED SERVICES)	-450.0	-450.0	0.0
<b>TRADED SERVICES (START WELL) TOTAL</b>	<b>-3,338.0</b>	<b>-3,338.0</b>	<b>0.0</b>
<b>CHILDRENS SERVICES TOTAL</b>	<b>102,161.4</b>	<b>106,800.2</b>	<b>4,638.8</b>

## Appendix 1.3 – Operations and Delivery Community Services

Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000
<b>COMMUNITY SERVICES</b>			
DIRECTORATE WIDE OVERHEADS (O&D)	6.0	6.0	0.0
DNU - OPERATIONS AND DELIVERY (O&P)	111.0	111.0	0.0
<b>COMMUNITY SERVICES TOTAL</b>	<b>117.0</b>	<b>117.0</b>	<b>0.0</b>
<b>CUSTOMER ACCESS</b>			
CUSTOMER ACCESS - HEAD OF SERVICE	191.0	191.0	0.0
CUSTOMER ACCESS	3,535.0	3,455.0	-80.0
<b>CUSTOMER ACCESS TOTAL</b>	<b>3,726.0</b>	<b>3,646.0</b>	<b>-80.0</b>
<b>OPERATIONS AND DELIVERY</b>			
DNU - OPERATIONS AND DELIVERY (O&D)	155.0	155.0	0.0
<b>CUSTOMER ACCESS TOTAL</b>	<b>155.0</b>	<b>155.0</b>	<b>0.0</b>
<b>PUBLIC &amp; INTEGRATED TRANSPORT</b>			
ACS ELDERLY	0.0	0.0	0.0
ACS LD	0.0	0.0	0.0
ACS RESPITES	0.0	0.0	0.0
ACS SOCIAL CARE	0.0	0.0	0.0
ASSISTANT DIRECTOR - SUSTAINABLE TRANSPORT	2.0	2.0	0.0
BUS & SUPPORTED TRANSPORT	-159.0	-159.0	0.0
BUS STATIONS	891.0	891.0	0.0
BUSINESS SUPPORT TEAMS (O&D)	275.0	275.0	0.0
COMMUNITY CARS	0.0	0.0	0.0
COMMUNITY TRANSPORT	1,500.0	900.0	-600.0
CONCESSIONARY TRAVEL	20,236.0	20,236.0	0.0
CONTRIBUTION TO/FROM RESERVES (O&D)	2,850.0	2,850.0	0.0
CWD RESPITE TRANSPORT	6.0	6.0	0.0
CYP ACERS	0.0	0.0	0.0
CYP COLLEGE	0.0	0.0	0.0
CYP DISCRETIONARY	0.0	0.0	0.0
CYP SEN HOME TO SCHOOL	0.0	0.0	0.0
CYP SEN RESPITE	0.0	0.0	0.0
DNU - OPERATIONS AND DELIVERY (P&IT)	247.0	247.0	0.0
DIAL A RIDE	311.0	311.0	0.0
FLEET	-4,705.0	-4,705.0	0.0

GRITTERS	0.0	0.0	0.0
HEAD OF SUSTAINABLE TRANSPORT & SAFETY	1.0	1.0	0.0
HOME TO SCHOOL TRANSPORT	18.0	18.0	0.0
HQ SUPPORT TEAMS (O&D)	108.0	108.0	0.0
INFORMATION	552.0	552.0	0.0
INTERCHANGES & TRAVEL	-116.0	-116.0	0.0
ITU STAFF	-183.0	-183.0	0.0
LEARNING DISABILITY	0.0	0.0	0.0
MAINSTREAM H-S CONTRACTS	0.0	0.0	0.0
OTHER CT WORK	-311.0	-311.0	0.0
PHYSICAL SUPPORT	0.0	0.0	0.0
PUBLIC BUS	13,363.0	13,363.0	0.0
PUBLIC TRANSPORT CO-ORDINATION	36.0	36.0	0.0
PUBLIC TRANSPORT DEVELOPMENT	454.0	454.0	0.0
PUBLIC TRANSPORT INITIATIVES	576.0	576.0	0.0
RADIO COMMUNICATION	0.0	0.0	0.0
SEN TRANSPORT	984.0	984.0	0.0
SUSTAINABLE TRAVEL	568.0	568.0	0.0
T&E MANAGEMENT	0.0	0.0	0.0
TRANSPORT	-2,507.0	-2,507.0	0.0
TRANSPORT 16+	9.0	9.0	0.0
TRANSPORT OF CLA	12.0	12.0	0.0
TRANSPORT PRIMARY	-241.0	-241.0	0.0
TRANSPORT SECONDARY	-710.0	-710.0	0.0
TRANSPORT SPECIAL	53.0	53.0	0.0
TRANSPORT TO ACERS	33.0	33.0	0.0
TRAVELCARE	22,041.0	22,641.0	600.0
YOUNG PEOPLE TRANSPORT	0.0	0.0	0.0
<b>PUBLIC &amp; INTEGRATED TRANSPORT TOTAL</b>	<b>56,194.0</b>	<b>56,194.0</b>	<b>0.0</b>
<b>LIBRARIES, MUSEUMS, CULTURE &amp; REGISTRARS</b>			
COUNTY HERITAGE	1,945.0	2,145.0	200.0
COUNTY LIBRARIES	10,925.0	11,575.0	650.0
CULTURAL SERVICES DEVELOPMENT	1,108.0	1,108.0	0.0
CULTURAL SERVICES JOINT	190.0	190.0	0.0
CULTURAL SERVICES SUPPORT	489.0	389.0	-100.0
DNU - OPERATIONS AND DELIVERY (LMC&R)	242.0	242.0	0.0
LEARNING DEVELOPMENT	0.0	0.0	0.0
REGISTRATION SERVICE	188.0	-169.6	-357.6
<b>LIBRARIES, MUSEUMS, CULTURE &amp; REGISTRARS TOTAL</b>	<b>15,087.0</b>	<b>15,479.4</b>	<b>392.4</b>
<b>HIGHWAYS</b>			
COUNTY HIGHWAYS TEAM	927.0	927.0	0.0
COUNTY WIDE SERVICES TEAM	868.0	868.0	0.0



DRAINAGE (PUBLIC REALM)	3,856.0	3,856.0	0.0
DRAINAGE (STRATEGIC)	-85.0	-85.0	0.0
HIGHWAY DEPOTS	989.0	989.0	0.0
HIGHWAY DEVELOPMENT CONTROL	97.0	97.0	0.0
HIGHWAY REGULATION & INSPECTION	-251.0	-251.0	0.0
HIGHWAYS CENTRAL CHARGES	3,828.0	3,828.0	0.0
HIGHWAYS DEPOTS - SOUTH	0.0	0.0	0.0
HIGHWAYS MANAGEMENT TEAM	1,477.0	1,477.0	0.0
HIGHWAYS TEAM (PUBLIC REALM)	10,005.0	10,005.0	0.0
LANCASHIRE PARKING SERVICES	-681.0	-681.0	0.0
OPERATIONS - ENV SERVICES	-435.0	-435.0	0.0
OPERATIONS - HIGHWAYS	-5,305.0	-5,305.0	0.0
OPERATIONS - MANAGEMENT	-7,576.0	-7,576.0	0.0
OPERATIONS - P&T ACCOUNT	5,420.0	5,420.0	0.0
OPERATIONS L & E	259.0	259.0	0.0
OPERATIONS QUANTITY SURVEYORS	198.0	198.0	0.0
PRIORITIES - CONTINGENCIES	0.0	0.0	0.0
SEVERE WEATHER	4,008.0	4,008.0	0.0
STREET LIGHTING ENERGY	7,307.0	6,500.0	-807.0
STREET LIGHTING TEAM	4,346.0	4,346.0	0.0
TRAFFIC POLICY, SAFETY & SIGNALS	914.0	914.0	0.0
<b>HIGHWAYS TOTAL</b>	<b>30,166.0</b>	<b>29,359.0</b>	<b>-807.0</b>
<b>WASTE MGT</b>			
COMMERCIAL AND INDUSTRIAL TRADE WASTE	-1,792.0	-1,792.0	0.0
GREEN WASTE	403.0	347.4	-55.6
HEAD OF WASTE MANAGEMENT	0.0	0.0	0.0
HoS -WASTE MGT	191.0	191.0	0.0
HOUSEHOLD WASTE RECYCLING CENTRES	6,592.0	6,291.3	-300.7
LANDFILL - DISPOSAL	27,790.0	25,880.2	-1,909.8
MISCELLANEOUS	237.0	232.4	-4.6
RECYCLING & COST SHARING	10,439.0	10,438.5	-0.5
WASTE AWARENESS INITIATIVES	53.0	53.0	0.0
WASTE MANAGEMENT TEAM	469.0	536.8	67.8
WASTE PFI	29,318.0	32,499.6	3,181.6
WASTE PFI MISC	-5,727.0	-5,711.0	16.0
WASTE TRANSFER STATIONS	2,248.0	2,172.6	-75.4
<b>WASTE MGT TOTAL</b>	<b>70,221.0</b>	<b>71,139.8</b>	<b>918.8</b>
<b>COMMUNITY SERVICES TOTAL</b>	<b>175,666.0</b>	<b>176,090.2</b>	<b>424.2</b>

Appendix 1.4 – Public Health and Wellbeing

Service Grouping	Revised Annual Budget	Current Period Forecast	Current Period Forecast Variance
	£'000	£'000	£'000
<b>DEPUTY DIR PUBLIC HEALTH &amp; CONSULTANTS</b>			
DNU - OPERATIONS AND DELIVERY (DDPH)	508.0	309.0	-199.0
<b>DEPUTY DIR PUBLIC HEALTH &amp; CONSULTANTS TOTAL</b>	<b>508.0</b>	<b>309.0</b>	<b>-199.0</b>
<b>PUBLIC HEALTH &amp; WELLBEING</b>			
DNU - OPERATIONS AND DELIVERY (PH&W)	137.0	148.0	11.0
<b>PUBLIC HEALTH &amp; WELLBEING TOTAL</b>	<b>137.0</b>	<b>148.0</b>	<b>11.0</b>
<b>EMERGENCY PLANNING &amp; RESILIENCE</b>			
HOS -EMERGENCY PLANNING & RESILIENCE	639.0	639.0	0.0
EMERGENCY PLANNING	173.0	173.0	0.0
HEALTH & SAFETY	409.0	492.0	83.0
HEALTH PROTECTION	63.0	48.0	-15.0
NON DFM	0.0	0.0	0.0
<b>EMERGENCY PLANNING &amp; RESILIENCE TOTAL</b>	<b>1,284.0</b>	<b>1,352.0</b>	<b>68.0</b>
<b>HEALTH EQUITY, WELFARE &amp; PARTNERSHIPS</b>			
BUSINESS SUPPORT TEAMS (PH&W)	28.0	28.0	0.0
CRB PAYMENTS - GENERAL	67.0	67.0	0.0
CRIME & DISORDER	551.0	551.0	0.0
DNU - OPERATIONS AND DELIVERY (HEW&P)	952.0	952.0	0.0
EARLY INTERVENTION / SUPPORT (HEW&P)	-7.0	-7.0	0.0
HEALTH POLICY	75.0	75.0	0.0
HEALTH SYSTEMS DEVELOPMENT	40.0	40.0	0.0
HQ SUPPORT TEAMS (PH&W)	36.0	36.0	0.0
JOINT HEALTH UNIT	-141.0	-141.0	0.0
LANCASHIRE PARTNERSHIP FOR ROAD SAFETY	61.0	61.0	0.0
LOCAL CHILDREN'S TRUST PARTNERSHIPS	204.0	204.0	0.0
PRC APT&C	287.0	287.0	0.0
PRC TEACHERS	1,150.0	1,150.0	0.0
PUBLIC HEALTH COLLABORATIVE	33.0	33.0	0.0
PUBLIC HEALTH MANAGEMENT	151.0	151.0	0.0
ROAD SAFETY - OTHER	526.0	526.0	0.0
ROAD SAFETY EDUCATION	305.0	305.0	0.0
ROAD SAFETY TRAINING	-215.0	-215.0	0.0
SCHOOL CROSSING PATROL SERVICE	0.0	0.0	0.0
SCP - OPERATIONS	0.0	0.0	0.0
SCP - OVERHEADS	1,497.0	1,497.0	0.0
WELFARE RIGHTS	836.0	836.0	0.0

WIDER DETERMINANTS OF HEALTH	866.0	866.0	0.0
<b>HEALTH EQUITY, WELFARE &amp; PARTNERSHIPS TOTAL</b>	<b>7,302.0</b>	<b>7,302.0</b>	<b>0.0</b>
<b>PATIENT SAFETY &amp; QUALITY IMPROVEMENT</b>			
HOS -PATIENT SAFETY & QUALITY IMPROVEMENT	1,266.2	1,223.0	-43.2
BUSINESS MANAGEMENT AND GOVERNANCE	176.0	147.0	-29.0
HEALTH IMPROVEMENT GENERAL	550.0	866.0	316.0
HEALTH PROTECTION (PS&QI)	6.0	0.0	-6.0
HEALTH PROTECTION AND POLICY GENERAL	260.0	0.0	-260.0
HEALTHWATCH	438.0	333.0	-105.0
POPULATION HEALTHCARE GENERAL	159.0	0.0	-159.0
TRAINING (PH&W)	600.0	500.0	-100.0
WORKFORCE DEVELOPMENT	65.0	18.0	-47.0
<b>PATIENT SAFETY &amp; QUALITY IMPROVEMENT TOTAL</b>	<b>3,520.2</b>	<b>3,087.0</b>	<b>-433.2</b>
<b>TRADING STANDARDS &amp; SCIENTIFIC SERVICES</b>			
CLOSED LANDFILL SITES	770.0	765.0	-5.0
COUNTY LAB & GENERAL	234.0	234.0	0.0
DNU - OPERATIONS AND DELIVERY (TS)	518.0	518.0	0.0
ENVIRONMENT	-177.0	-177.0	0.0
FOOD & AGRICULTURE	213.0	213.0	0.0
FOOD (TS)	4.0	4.0	0.0
METROLOGY	0.0	0.0	0.0
NORTH WEST TRAINING FACILITY	0.0	0.0	0.0
SPECIALIST SERVICES & PROJECTS	0.0	0.0	0.0
TRADING STANDARDS AREA EAST BASED	0.0	0.0	0.0
TRADING STANDARDS TEAM	1,612.0	1,727.0	115.0
<b>TRADING STANDARDS &amp; SCIENTIFIC SERVICES TOTAL</b>	<b>3,174.0</b>	<b>3,284.0</b>	<b>110.0</b>
<b>WELLBEING, PREVENTION &amp; EARLY HELP</b>			
14-19 TEAM YPS	-279.0	-279.0	0.0
BURNLEY YOUNG PEOPLE'S SERVICE	847.0	847.0	0.0
CAMHS - PCT PAYMENTS	1,251.0	1,251.0	0.0
CENTRAL CC	81.0	81.0	0.0
CENTRAL YOUNG PEOPLE'S SERVICE	109.0	109.0	0.0
CHILDREN, YOUNG PEOPLE AND FAMILIES	6,706.0	6,670.0	-36.0
CHORLEY YOUNG PEOPLE'S SERVICE	627.0	627.0	0.0
CURRICULUM STRATEGY YPS	886.0	886.0	0.0
DIRECT MANAGED CC	8,144.1	8,144.1	0.0
EARLY INTERVENTION / SUPPORT (PH&W)	972.1	972.1	0.0
EI LEAD PROFESSIONAL & SMALL GRANTS	0.0	0.0	0.0
FYLDE YOUNG PEOPLE'S SERVICE	429.0	429.0	0.0
HEALTH CHECKS AND WELLNESS COMMISSIONING	6,211.0	6,750.0	539.0
HYNDBURN YOUNG PEOPLE'S SERVICE	829.0	829.0	0.0
INTEGRATED SERVICES TEAM (PH&W)	3,160.7	3,160.7	0.0
LANCASHIRE STUDENT SUPPORT	40.0	40.0	0.0

LANCASTER YOUNG PEOPLE'S SERVICE	820.0	820.0	0.0
NON ACCOUNTABLE CC	0.0	0.0	0.0
PENDLE YOUNG PEOPLE'S SERVICE	734.0	734.0	0.0
PRESTON YOUNG PEOPLE'S SERVICE	964.0	964.0	0.0
PUBLIC HEALTH GENERAL	5,288.0	6,605.0	1,317.0
QUALITY PROFESSIONAL DEVELOPMENT YPS	457.0	457.0	0.0
RIBBLE VALLEY YOUNG PEOPLE'S SERVICE	360.0	360.0	0.0
ROSSENDALE YOUNG PEOPLE'S SERVICE	603.0	603.0	0.0
SCHOOL BASED CC	4,526.0	4,526.0	0.0
SEXUAL HEALTH COMMISSIONING	10,137.0	9,468.0	-669.0
SOUTH RIBBLE YOUNG PEOPLE'S SERVICE	583.0	583.0	0.0
SUBSTANCE MISUSE	18,522.0	18,376.0	-146.0
TOBACCO CONTROL AND STOP SMOKING SERVICES	2,676.0	2,523.0	-153.0
TRANSITION HEALTH	0.0	0.0	0.0
WEST LANCS YOUNG PEOPLE'S SERVICE	671.0	671.0	0.0
WORKING TOGETHER WITH FAMILIES	-1,995.0	-1,995.0	0.0
WYRE YOUNG PEOPLE'S SERVICE	643.0	643.0	0.0
<b>WELLBEING, PREVENTION &amp; EARLY HELP TOTAL</b>	<b>75,002.9</b>	<b>75,854.9</b>	<b>852.0</b>
<b>PUBLIC HEALTH &amp; WELLBEING TOTAL</b>	<b>90,928.1</b>	<b>91,336.9</b>	<b>408.8</b>

Appendix 1.5 – Lancashire Pension Fund

Level E - Cost Centre Description	Revised Annual Budget	Current Period Forecast (ORACLE)	Current Period Forecast Variance (ORACLE)
	£'000	£'000	£'000
<b>LANCASHIRE PENSION FUND</b>			
LANCASHIRE PENSION FUND	-30.0	-30.0	0.0
<b>LANCASHIRE PENSION FUND TOTAL</b>	<b>-30.0</b>	<b>-30.0</b>	<b>0.0</b>
<b>CHIEF INVESTMENT OFFICER</b>			
CHIEF INVESTMENT OFFICER	140.0	140.0	0.0
<b>CHIEF INVESTMENT OFFICER TOTAL</b>	<b>140.0</b>	<b>140.0</b>	<b>0.0</b>
<b>DEPUTY CHIEF INVESTMENT OFFICER</b>			
DEPUTY CHIEF INVESTMENT OFFICER - MANAGEMENT	101.0	101.0	0.0
<b>DEPUTY CHIEF INVESTMENT OFFICER TOTAL</b>	<b>101.0</b>	<b>101.0</b>	<b>0.0</b>
<b>INVESTMENT PORTFOLIO MANAGER</b>			
INVESTMENT PORTFOLIO - MANAGEMENT	242.0	242.0	0.0
INVESTMENT PORTFOLIO	-763.0	-763.0	0.0
<b>INVESTMENT PORTFOLIO MANAGER TOTAL</b>	<b>-521.0</b>	<b>-521.0</b>	<b>0.0</b>
<b>YOUR PENSION SERVICE</b>			
YOUR PENSION SERVICE - MANAGEMENT	138.0	138.0	0.0
YOUR PENSION SERVICE	-1,717.0	-1,717.0	0.0
<b>YOUR PENSION SERVICE TOTAL</b>	<b>-1,579.0</b>	<b>-1,579.0</b>	<b>0.0</b>
<b>POLICY &amp; COMPLIANCE</b>			
POLICY AND COMPLIANCE - MANAGEMENT	183.0	183.0	0.0
POLICY AND COMPLIANCE	-155.0	-155.0	0.0
<b>POLICY &amp; COMPLIANCE TOTAL</b>	<b>28.0</b>	<b>28.0</b>	<b>0.0</b>
<b>LANCASHIRE PENSION FUND TOTAL</b>	<b>-1,861.0</b>	<b>-1,861.0</b>	<b>0.0</b>

## Appendix 1.6 - Commissioning

Level E - Cost Centre Description	Revised Annual Budget	Current Period Forecast (ORACLE)	Current Period Forecast Variance (ORACLE)
	£'000	£'000	£'000
<b>COMMISSIONING</b>			
COMMISSIONING - MANAGEMENT	166.0	158.5	-7.5
<b>COMMISSIONING TOTAL</b>	<b>166.0</b>	<b>158.5</b>	<b>-7.5</b>
<b>CORPORATE COMMISSIONING</b>			
CORPORATE COMMISSIONING - MANAGEMENT	137.0	137.0	0.0
<b>CORPORATE COMMISSIONING TOTAL</b>	<b>137.0</b>	<b>137.0</b>	<b>0.0</b>
<b>ASSET MGT</b>			
ASSET MANAGEMENT - MANAGEMENT	611.0	611.0	0.0
ASSET MANAGEMENT	2,176.7	2,176.7	0.0
<b>ASSET MGT TOTAL</b>	<b>2,787.7</b>	<b>2,787.7</b>	<b>0.0</b>
<b>PROCUREMENT</b>			
PROCUREMENT - MANAGEMENT	310.0	310.0	0.0
PROCUREMENT	1,545.8	1,545.8	0.0
<b>PROCUREMENT TOTAL</b>	<b>1,855.8</b>	<b>1,855.8</b>	<b>0.0</b>
<b>AREA PUBLIC SERVICE INTEGRATION</b>			
AREA PUBLIC SERVICE INTEGRATION - MANAGEMENT	250.0	241.7	-8.3
VOLUNTEER SERVICE	220.0	215.6	-4.4
<b>AREA PUBLIC SERVICE INTEGRATION TOTAL</b>	<b>470.0</b>	<b>457.3</b>	<b>-12.7</b>
<b>POLICY, INFO. &amp; COMMISSION START WELL</b>			
POLICY, INFO. & COMMISSION START WELL – MANAGEMENT	455.0	455.0	0.0
POLICY, INFO. & COMMISSION START WELL	119.0	119.0	0.0
BUSINESS INTELLIGENCE	481.0	481.0	0.0
<b>POLICY, INFO. &amp; COMMISSION START WELL TOTAL</b>	<b>1,055.0</b>	<b>1,055.0</b>	<b>0.0</b>
<b>POLICY, INFO. &amp; COMMISSION LIVE WELL</b>			
POLICY, INFO. & COMMISSION LIVE WELL – MANAGEMENT	887.0	887.0	0.0
POLICY, INFO. & COMMISSION LIVE WELL	496.0	496.0	0.0
<b>POLICY, INFO. &amp; COMMISSION LIVE WELL TOTAL</b>	<b>1,383.0</b>	<b>1,383.0</b>	<b>0.0</b>

<b>POLICY, INFO. &amp; COMMISSION AGE WELL</b>			
POLICY, INFO. & COMMISSION AGE WELL – MANAGEMENT	510.0	510.0	0.0
POLICY, INFO. & COMMISSION AGE WELL	130.0	130.0	0.0
<b>POLICY, INFO. &amp; COMMISSION AGE WELL TOTAL</b>	<b>640.0</b>	<b>640.0</b>	<b>0.0</b>
<b>GOVERNANCE, FINANCE AND PUBLIC SERVICES</b>			
GOVERNANCE, FINANCE AND PUBLIC SERVICES - MANAGEMENT	140.0	140.0	0.0
<b>GOVERNANCE, FINANCE &amp; PUBLIC SERVICES TOTAL</b>	<b>140.0</b>	<b>140.0</b>	<b>0.0</b>
<b>FINANCIAL RESOURCES</b>			
FINANCIAL RESOURCES - MANAGEMENT	101.0	101.0	0.0
<b>FINANCIAL RESOURCES TOTAL</b>	<b>101.0</b>	<b>101.0</b>	<b>0.0</b>
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER TRES</b>			
OFFICE OF THE POLICE & CRIME COMMISSIONER TREASURER - MANAGEMENT	-16.0	-16.0	0.0
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER TRES TOTAL</b>	<b>-16.0</b>	<b>-16.0</b>	<b>0.0</b>
<b>FINANCIAL MGT (OPERATIONAL)</b>			
FINANCIAL MANAGEMENT (OPERATIONAL) - MANAGEMENT	249.0	249.0	0.0
FINANCIAL MANAGEMENT (OPERATIONAL)	2,028.0	2,028.0	0.0
<b>FINANCIAL MGT (OPERATIONAL) TOTAL</b>	<b>2,277.0</b>	<b>2,277.0</b>	<b>0.0</b>
<b>FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)</b>			
FINANCIAL MANAGEMENT (DEVELOPMENT & SCHOOLS) - MANAGEMENT	244.0	244.0	0.0
SCHOOLS FINANCIAL SERVICES	-324.0	-324.0	0.0
CAPITAL AND GRANTS	335.0	335.0	0.0
SCHOOLS FORUM	22.0	22.0	0.0
<b>FINANCIAL MGT (DEVELOPMENT AND SCHOOLS) TOTAL</b>	<b>277.0</b>	<b>277.0</b>	<b>0.0</b>
<b>CORPORATE FINANCE</b>			
CORPORATE FINANCE - MANAGEMENT	244.0	244.0	0.0
CORPORATE FINANCE	611.0	611.0	0.0
CORPORATE FINANCE - OTHER	-2.0	-2.0	0.0
SEVERANCE COSTS	0.0	0.0	0.0
<b>CORPORATE FINANCE TOTAL</b>	<b>853.0</b>	<b>853.0</b>	<b>0.0</b>
<b>EXCHEQUER SERVICES</b>			
EXCHEQUER SERVICES - MANAGEMENT	137.0	137.0	0.0

EXCHEQUER SERVICES	4,030.7	4,030.7	0.0
<b>EXCHEQUER SERVICES TOTAL</b>	<b>4,167.7</b>	<b>4,167.7</b>	<b>0.0</b>
<b>LEGAL, DEMOCRATIC &amp; GOVERNANCE</b>			
LEGAL, DEMOCRATIC AND GOVERNANCE SERVICES - MANAGEMENT	101.0	101.0	0.0
<b>LEGAL, DEMOCRATIC &amp; GOVERNANCE TOTAL</b>	<b>101.0</b>	<b>101.0</b>	<b>0.0</b>
<b>LEGAL AND DEMOCRATIC SERVICES</b>			
LEGAL AND DEMOCRATIC SERVICES - MANAGEMENT	724.0	724.0	0.0
LEGAL SERVICES	6,614.0	7,946.0	1,332.0
DEMOCRATIC SERVICES	429.0	429.0	0.0
DEMOCRATIC SERVICES - GRANTS	933.0	933.0	0.0
COUNTY COUNCIL MEMBERS	1,808.0	1,808.0	0.0
CORONERS SERVICE	2,352.0	2,705.2	353.2
<b>LEGAL AND DEMOCRATIC SERVICES TOTAL</b>	<b>12,860.0</b>	<b>14,545.2</b>	<b>1,685.2</b>
<b>INTERNAL AUDIT</b>			
INTERNAL AUDIT - MANAGEMENT	193.0	193.0	0.0
INTERNAL AUDIT	504.0	504.0	0.0
<b>INTERNAL AUDIT TOTAL</b>	<b>697.0</b>	<b>697.0</b>	<b>0.0</b>
<b>COMMISSIONING TOTAL</b>	<b>29,952.2</b>	<b>31,617.2</b>	<b>1,665.0</b>



Appendix 1.7 – Development and Corporate Services

Level E - Cost Centre Description	Revised Annual Budget	Current Period Forecast (ORACLE)	Current Period Forecast Variance (ORACLE)
	£'000	£'000	£'000
<b>BUSINESS GROWTH</b>			
BUSINESS GROWTH - HEAD OF SERVICE	81.0	81.0	0.0
<b>BUSINESS GROWTH TOTAL</b>	<b>81.0</b>	<b>81.0</b>	<b>0.0</b>
<b>CORE BUSINESS SYSTEMS/TRANSFORMATION</b>			
CORE BUSINESS SYSTEMS/TRANSFORMATION - HEAD OF SERVICE	617.0	617.0	0.0
BTLS	10,133.0	16,633.0	6,500.0
BUILDING SERVICES	224.0	224.0	0.0
BUSINESS IMPROVEMENT	274.0	274.0	0.0
BUSINESS SERVICES	350.7	351.0	0.3
BUSINESS SERVICES CENTRAL	110.0	110.0	0.0
BUSINESS STRATEGY & COMMISSIONING (DC)	398.0	398.0	0.0
CHIEF EXECUTIVE	0.0	0.0	0.0
CLIENT MANAGEMENT	58.0	58.0	0.0
DARMS	993.4	993.4	0.0
EXECUTIVE SUPPORT & DOCUMENT MANAGEMENT	936.0	936.0	0.0
PROCUREMENT & ACCOUNTS PAYABLE	156.0	156.0	0.0
RECORDS MANAGEMENT	-117.0	-117.0	0.0
DIRECTORATE WIDE OVERHEADS (CBS/T)	60.0	60.0	0.0
<b>CORE BUSINESS SYSTEMS/TRANSFORMATION TOTAL</b>	<b>14,193.1</b>	<b>20,693.4</b>	<b>6,500.3</b>
<b>CORPORATE SERVICES</b>			
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (CS)	99.0	99.0	0.0
<b>CORPORATE SERVICES TOTAL</b>	<b>99.0</b>	<b>99.0</b>	<b>0.0</b>
<b>DESIGN and CONSTRUCTION</b>			
ASSET MAINTENANCE	0.0	0.0	0.0
DESIGN AND CONSTRUCTION BUILDINGS	-2,340.0	-2,340.0	0.0
DESIGN AND CONSTRUCTION HIGHWAYS	-679.0	-679.0	0.0

DESIGN AND CONSTRUCTION PROP SCHEME	0.0	0.0	0.0
DESIGN AND CONSTRUCTION R&M CARE SERVICES	570.0	570.0	0.0
DESIGN AND CONSTRUCTION R&M COUNTY BUILDINGS	4,215.0	4,215.0	0.0
TRANSFERRED TO ESTATES	0.0	0.0	0.0
ENVIRONMENT APPRENTICES	-51.0	-51.0	0.0
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (D&C)	1,939.0	1,939.0	0.0
<b>DESIGN and CONSTRUCTION TOTAL</b>	<b>3,654.0</b>	<b>3,654.0</b>	<b>0.0</b>
<b>DEVELOPMENT AND CORPORATE SERVICES</b>			
DIRECTORATE WIDE OVERHEADS (D&C)	6.0	6.0	0.0
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (D&CS)	137.0	137.0	0.0
<b>DEVELOPMENT AND CORPORATE SERVICES TOTAL</b>	<b>143.0</b>	<b>143.0</b>	<b>0.0</b>
<b>ECONOMIC DEVELOPMENT</b>			
ECONOMIC DEVELOPMENT	1,204.0	1,204.0	0.0
LCDL	0.0	0.0	0.0
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (EM)	113.0	113.0	0.0
<b>ECONOMIC DEVELOPMENT TOTAL</b>	<b>1,317.0</b>	<b>1,317.0</b>	<b>0.0</b>
<b>ESTATES</b>			
AGRICULTURAL ESTATES	778.0	778.0	0.0
ESTATES	585.0	585.0	0.0
ESTATES - HEAD OF SERVICE	290.0	290.0	0.0
SWIMMING POOLS	4.0	4.0	0.0
TRAVELLERS SITES	130.0	130.0	0.0
<b>ESTATES TOTAL</b>	<b>1,787.0</b>	<b>1,787.0</b>	<b>0.0</b>
<b>FACILITIES MGT</b>	0.0	0.0	0.0
BUILDING CLEANING	-318.0	-318.0	0.0
BUILDINGS / ACCOMODATION	4,365.0	5,065.0	700.0
BUILDINGS / ACCOMODATION - YOUTH	190.0	190.0	0.0
COLLEGES / FURTHER EDUCATION	-481.0	-481.0	0.0
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (FM)	183.0	183.0	0.0

NOW MAPPED TO DESIGN & CONSTRUCTION	0.0	0.0	0.0
<b>FACILITIES MGT TOTAL</b>	<b>3,939.0</b>	<b>4,639.0</b>	<b>700.0</b>
<b>HEALTH &amp; CARE SYSTEMS DEVELOPMENT</b>			
HEALTH & CARE SYSTEMS DEVELOPMENT	730.0	863.0	133.0
	0.0	0.0	0.0
	0.0	0.0	0.0
<b>HEALTH &amp; CARE SYSTEMS DEVELOPMENT TOTAL</b>	<b>730.0</b>	<b>863.0</b>	<b>133.0</b>
<b>HUMAN RESOURCES</b>			
HUMAN RESOURCES	745.0	745.0	0.0
HUMAN RESOURCES - HEAD OF SERVICE	430.0	430.0	0.0
<b>HUMAN RESOURCES TOTAL</b>	<b>1,175.0</b>	<b>1,175.0</b>	<b>0.0</b>
<b>LEP COORDINATION</b>			
LEP COORDINATION - HEAD OF SERVICE	81.0	81.0	0.0
<b>LEP COORDINATION TOTAL</b>	<b>81.0</b>	<b>81.0</b>	<b>0.0</b>
<b>LANCASHIRE ADULT LEARNING</b>			
LANCASHIRE ADULT LEARNING	-2,485.0	-527.0	1,958.0
<b>LANCASHIRE ADULT LEARNING TOTAL</b>	<b>-2,485.0</b>	<b>-527.0</b>	<b>1,958.0</b>
<b>PLANNING AND ENVIRONMENT</b>			
COUNTRYSIDE SERVICE	484.0	484.0	0.0
ENVIRONMENTAL & COMMUNITY PROJECTS	599.0	599.0	0.0
HoS -PLANNING AND ENVIRONMENT	358.0	358.0	0.0
PLANNING	598.5	598.5	0.0
PROW	558.0	558.0	0.0
RURAL	24.0	24.0	0.0
<b>PLANNING AND ENVIRONMENT TOTAL</b>	<b>2,621.5</b>	<b>2,621.5</b>	<b>0.0</b>
<b>PROGRAMME OFFICE</b>			
PROGRAMME OFFICE - HEAD OF SERVICE	1,380.0	1,380.0	0.0
PROGRAMME OFFICE	1,206.0	1,206.0	0.0
<b>PROGRAMME OFFICE TOTAL</b>	<b>2,586.0</b>	<b>2,586.0</b>	<b>0.0</b>

<b>PROGRAMMES &amp; PROJECT MGT</b>			
DIRECTORATE WIDE OVERHEADS (P&PM)	6.0	6.0	0.0
DNU - DEVELOPMENT & CORPORATE DNU - SERVICES (P&PM)	111.0	111.0	0.0
<b>PROGRAMMES &amp; PROJECT MGT TOTAL</b>	<b>117.0</b>	<b>117.0</b>	<b>0.0</b>
SKILLS, LEARNING AND DEVELOPMENT	4,444.5	4,644.5	200.0
SKILLS, LEARNING AND DEVELOPMENT - HEAD OF SERVICE	310.0	310.0	0.0
<b>SKILLS, LEARNING &amp; DEVELOPMENT TOTAL</b>	<b>4,754.5</b>	<b>4,954.5</b>	<b>200.0</b>
<b>STRATEGIC ECONOMIC DEVELOPMENT</b>			
STRATEGIC ECONOMIC DEVELOPMENT - HEAD OF SERVICE	81.0	81.0	0.0
<b>STRATEGIC ECONOMIC DEVELOPMENT TOTAL</b>	<b>81.0</b>	<b>81.0</b>	<b>0.0</b>
<b>DEVELOPMENT AND CORPORATE SERVICES TOTAL</b>	<b>34,874.1</b>	<b>44,365.4</b>	<b>9,491.3</b>

Appendix 1.8 – Service Communications

<b>Service Grouping</b>	<b>Revised Annual Budget</b>	<b>Current Period Forecast</b>	<b>Current Period Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>SERVICE COMMUNICATIONS</b>	1,582.9	1,582.9	0.0
<b>SERVICE COMMUNICATIONS TOTAL</b>	<b>1,582.9</b>	<b>1,582.9</b>	<b>0.0</b>

Appendix 1.9 – Chief Executive

Service Grouping	Revised Annual Budget £'000	Current Period Forecast £'000	Current Period Forecast Variance £'000
<b>CHIEF EXECUTIVE</b>			
CHIEF EXECUTIVE	217.0	229.0	12.0
SUPERNUMMARY MANAGEMENT (PHASE 1)	0.0	0.0	0.0
CHIEF EXECUTIVE - OTHER	57.0	57.0	0.0
COUNTY COUNCIL NETWORK	0.0	0.0	0.0
<b>CHIEF EXECUTIVE TOTAL</b>	<b>274.0</b>	<b>286.0</b>	<b>12.0</b>
<b>BUSINESS SUPPORT</b>			
BUSINESS SUPPORT	0.0	0.0	0.0
<b>BUSINESS SUPPORT TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CONTINGENCIES</b>			
RETURNING SERVICES CONTINGENCIES	454.0	0.0	-454.0
SOCIAL CARE STAFF CONTINGENCIES	180.0	0.0	-180.0
CARE AND URGENT NEEDS SUPPORT SCHEME CONTINGENCIES	171.0	0.0	-171.0
ENVIRONMENT CONTINGENCIES	519.0	519.0	0.0
<b>CONTINGENCIES TOTAL</b>	<b>1,324.0</b>	<b>519.0</b>	<b>-805.0</b>
<b>NON SERVICE ISSUES CORPORATE BUDGETS</b>			
COUNTY COUNCIL ELECTION	400.0	400.0	0.0
CYP CENTRALLY MANAGED PROJECTS	-62.0	-62.0	0.0
LEVIES	818.0	818.0	0.0
PENSIONS - INHERITED LIABILITY	12,373.0	12,373.0	0.0
PENSIONS - CENTRAL EMPLOYERS CONTRIBUTION	18,467.0	18,467.0	0.0
PFI SCHEME - BUILDING SCHOOLS FOR THE FUTURE	48.0	0.0	-48.0
STRATEGIC	-2,803.0	-2,803.0	0.0
SUBSCRIPTIONS & FEES	570.0	570.0	0.0
TREASURY MANAGEMENT	46,403.0	40,267.0	-6,136.0
<b>NON SERVICE ISSUES CORPORATE BUDGETS TOTAL</b>	<b>76,214.0</b>	<b>70,030.0</b>	<b>-6,184.0</b>

<b>LARGE SPECIFIC GRANTS TO SUPPORT THE AUTHORITY</b>			
CYP DIRECTORATE GRANTS	-16,615.0	-16,723.0	-108.0
PUBLIC HEALTH	-59,801.0	-55,801.0	4,000.0
CARE ACT	0.4	0.4	0.0
<b>LARGE SPECIFIC GRANTS TO SUPPORT THE AUTHORITY TOTAL</b>	<b>-76,415.6</b>	<b>-72,523.6</b>	<b>3,892.0</b>
<b>CHIEF EXECUTIVE TOTAL</b>	<b>1,396.4</b>	<b>-1,688.6</b>	<b>-3,085.0</b>





# Money Matters Update on the County Council's Reserves Position for 2015/16

<b>Contents</b>	<b>Page</b>
<b>1. Introduction</b>	<b>3</b>
<b>2. Summary</b>	<b>3</b>
<b>3. Reserves</b>	<b>4</b>
<b>4. Impact of 2015/16 Outturn Forecast</b>	<b>5</b>
<b>5. Conclusion</b>	<b>6</b>
<b>6. Annex A – Strategic Investment Reserve</b>	<b>7</b>
<b>7. Annex B – Downsizing and Risk Management Reserve</b>	<b>8</b>
<b>8. Annex C – Service Reserve</b>	<b>9</b>

# Money Matters – Update on the County Council's Reserves Position for 2015/16

## 1. Introduction

An integral part of the County Council's financial management is the use of reserves. This report sets out an estimated position of the reserves in light of the monitoring information provided elsewhere in this report.

## 2. Summary

As at 1<sup>st</sup> April 2015 the County Council had total reserves of £424.650m. Of this £95.952m is held for schools and its use is restricted. Therefore the County Council's reserves are £328.698m.

Based on the latest information on the level of commitments excluding schools this will be reduced by £84.039m in 2015/16. Future years' commitments reduce this balance to £87.406m by 31<sup>st</sup> March 2018. Note this does not take into account the 2015/16 potential overspend of net £33.251m as detailed in Appendix A.

The following table illustrates the forecast position in respect of the Council's reserves:

Reserve Name	Opening Balance as at 1 April 2015	YTD actuals 2015/16	Remaining commitments in 2015-16	2016-17 Commitments	2017-18 Commitments	Transfer between reserves	Closing Balance as at 31 March 2018
	£m	£m	£m	£m	£m	£m	£m
County Fund (3.1)	-36.000						-36.000
Business Rates Volatility Reserve (3.2)	-5.000						-5.000
Strategic Investment Reserve (3.3)	-21.391		15.158	21.989	5.919	-22.691	-1.016
Downsizing Reserve (3.4.1)	-80.606		16.102	54.554	13.904	-3.954	0.000
Risk Management Reserve (3.4.2)	-82.020		27.453	29.205	1.084	26.645	2.367
Service Reserves	-103.681	-33.156*	58.482*	31.268	-0.670		-47.757
<b>TOTAL</b>	<b>-328.698</b>	<b>-33.156</b>	<b>117.195</b>	<b>137.016</b>	<b>20.237</b>	<b>0.000</b>	<b>-87.406</b>

\* includes the growth deal £39.5m.

## School Reserves

Reserve Name	Opening Balance as at 1 <sup>st</sup> April 2015	YTD actuals 2015/16	Forecast Closing Balance as at 31 <sup>st</sup> March 2016*
	£m	£m	£m
School Reserves	- 95.952	6.073	- 89.879

\* At this stage the plans beyond March 2016 are not known in any detail to predict when this reserve will be spent.

### 3. Reserves

#### 3.1 County Fund Balance

The County Fund balance is the general balance that is required to be held to cover emergency expenditure; as a contingency against demand led expenditure being higher than anticipated; if costs increase by more than provided for in the budget (especially pay awards); loss of income and general cash flow purposes. In considering these various factors the County Council has held a County Fund balance at £36m. It is anticipated that the County Fund will be maintained at this level.

#### 3.2 Business Rates Volatility Reserve

Business rates are an increasingly important source of finance for local authorities. However, the income to be derived can be very difficult to predict and can fluctuate significantly. This situation arises as the business rates depend upon the growth in the rateable value and the impact of any valuation appeals. In the last quarter of the 2014/15 financial year there was a surge in the number of valuation appeals submitted. The results of these are not known therefore representing a risk around the income to be received. In addition, there is to be a national review of the business rates system, details of which are not anticipated to be released before March 2016. Even if the result of the review does not impact upon the total amount of business rates at the national level there is a potential for individual authorities to be either 'winners' or 'losers' in the overall allocation. Consequently, it is deemed prudent to maintain this reserve at its current level until the results of the review are known.

#### 3.3 Strategic Investment Reserve

This reserve is held to fund an agreed programme of investment in areas including, economic development, libraries regeneration, increasing employment opportunities and the development of apprenticeship programmes. As at 1<sup>st</sup> April 2015 this had a balance of £21.391m. There are approved commitments of £20.375m reducing the balance to show £1.016m. Details of the approved commitments are shown in Annex A.

Note: on reviewing the reserves it was clear that there were £22.691m of strategic investments that required financing by reallocating an equivalent sum from the Risk Management Reserve.

### **3.4 Reserves held to deliver Organisational Change**

The County has two reserves to deliver organisational change namely the Downsizing Reserve and the Risk Management Reserve.

#### **3.4.1 Downsizing Reserve**

The Downsizing Reserve is predominantly used to fund voluntary redundancies arising from the reduction in the size of the organisation which is the outcome of the recent and future period of austerity. The opening balance was £80.606m of which £84.560m is committed leaving an overspend of £3.954m.

Note: on reviewing the reserves it is clear that the £3.954m will require financing by reallocating an equivalent sum from the Risk Management Reserve.

Regarding the redundancy position, originally £79m was set aside of which £12.284m was incurred during 2014/15 leaving £66.716m of the opening balance on 1<sup>st</sup> April 2015 for redundancies. We are now forecasting £11.102m will be incurred in 2015/16 with £41.711m falling in 2016/17 and £13.904m in 2017/18.

#### **3.4.2 Risk Management Reserve**

The Risk Management Reserve was made up as a result of extraordinary Treasury Management performance during 2014/15 and previous years. This reserve is now available to help the authority manage risks to funding and service delivery going forward. This reserve had an opening balance of £82.020m with commitments of £57.742m, leaving a balance of £24.278m. However £26.645m of this budget needs to be transferred to the Strategic Investment Reserve and Downsizing Reserve as detailed in 3.3 and 3.4.1, leaving an over committed position of £2.367m.

Details of the commitments are shown in Annex B.

### **3.5 Service Reserves**

The County Council hold numerous reserves for specific service provision. In total these amounted to £103.681m at 1<sup>st</sup> April 2015. The latest monitoring position has identified that these will reduce to £47.757m by 31<sup>st</sup> March 2018. Details are shown in Annex C.

### **3.6 Schools**

Under statute schools have delegated budgets. It is the responsibility of the individual schools to maintain reserves to cover risks and meet future plans. At this stage the plans are not known in detail to predict when they will be spent however this reserve cannot be used for any other purpose.

## **4. Impact of 2015/16 Outturn Forecast**

The monitoring report submitted to Cabinet is showing a potential demand on resources of £33.251m as a result of the forecast outturn.

## **5. Conclusion**

This position clearly indicates that the reserve position for Lancashire County Council is forecast to reduce significantly and as Section 151 Officer I will advise on the appropriate statutory levels required by 31<sup>st</sup> March 2018.

## Annex A – Strategic Investment Reserve

Reserve name	Opening Balance as at 1 April 2015	YTD actuals 2015/16	Remaining commitments in 2015-16	2016-17 Commitments	2017-18 Commitments	Balance as at 31 March 2018
	£m	£m	£m	£m	£m	£m
Promoting Sustainable Employment for Young People	-9.038		0.350	4.519	4.169	0.000
Young Person's Travel	-1.716		0.600	0.600		-0.516
Economic Development - GAMMA	-0.213		0.213			0.000
Economic Enterprise Zone Strategic Development	-0.500		0.500			0.000
Economic Development - Exertis	-0.500		0.500			0.000
Economic Development - Boost Continuation	-1.929		1.929			0.000
Armed Forces Apprentice Costs	-2.645		1.322	0.823		-0.500
Early Action /Early Response	-1.300		0.650	0.650		0.000
Sustainable Employment in Adults	-3.300		3.300			0.000
Training for Social Workers – dementia care	-0.250		0.250			0.000
<b>Sub total</b>	<b>-21.391</b>	<b>0.000</b>	<b>9.614</b>	<b>6.592</b>	<b>4.169</b>	<b>-1.016</b>

Potential commitments to Strategic Investment Reserve	Opening Balance as at 1 April 2015	YTD actuals 2015/16	Remaining commitments in 2015-16	2016-17 Commitments	2017-18 Commitments	Total commitments as at 31 March 2018
	£m	£m	£m	£m	£m	£m
Capital - to provide funding for the Highways and Transplant Masterplans			4.044			4.044
Green Energy Fund				5.000		5.000
Core Systems Transformation				8.647		8.647
Street Lighting Capital Program 3 year contribution			1.500	1.750	1.750	5.000
Transfer from Risk Management Reserve						-22.691
<b>Total potential commitments on Strategic Reserve</b>	<b>0.000</b>	<b>0.000</b>	<b>5.544</b>	<b>15.397</b>	<b>1.750</b>	<b>0.000</b>
<b>Closing balance on Strategic Reserve</b>						<b>-1.016</b>

## Annex B – Downsizing and Risk Management Reserve

Reserve name	Opening Balance as at 1 April 2015	YTD actuals 2015/16	Remaining commitments in 2015-16	2016-17 Commitments	2017-18 Commitments	Total commitments as at 31 March 2018	Balance as at 31 March 2018
	£m	£m	£m	£m	£m	£m	£m
<b><u>Downsizing Reserve</u></b>							
Cost of carry from Phase 1			5.000			5.000	
Redundancy provision			11.102	41.711	13.904	66.717	
Transitional costs associated with Transformation Programme				2.843		2.843	
Review for Adult Social Care				10.000		10.000	
<b>Transfer from Risk Management Reserve</b>						-3.954	
<b>Total on Downsizing Reserve</b>	<b>-80.606</b>	<b>0.000</b>	<b>16.102</b>	<b>54.554</b>	<b>13.904</b>	<b>80.606</b>	<b>0.000</b>
<b><u>Risk Management Reserve</u></b>							
Occupational Health				0.084		0.084	
Adults LD Remodelling Reserve			0.603	0.761		1.364	
Council Tax Collection Fund surplus in 2014-15			-5.400			-5.400	
Returned New Homes Bonus			-0.564			-0.564	
Business Rates Collection Fund Surplus 2014-15			-0.426			-0.426	
Revenue Corporate Strategic budget			5.464			5.464	
Adult Social Care Budget Consultation				13.819		13.819	
Provision to mitigate against risk - Property rationalisation				1.108		1.108	
Provision to mitigate against risk DoLS- Deprivation of Liberty Safeguards				2.900		2.900	
Insurance Provision				1.000		1.000	
Capital - to provide funding for the shortfall of capital receipts			5.000			5.000	
Council Welfare Provision and the Care and Urgent Needs				3.000		3.000	
Fund 3 years R&M Capital Assets			1.083	1.083	1.084	3.250	
The risk of flooding due to lack of gully emptying				0.300		0.300	
School Crossing Patrols				1.500		1.500	
Waste PFI Grant			5.990			5.990	
Integration of Health and Care services				0.750		0.750	
Social Work Dedicated Review Team			0.153	2.500		2.653	
Integrated Wellbeing Adult Social Care				0.400		0.400	
Liquid Logic - Children's Services			0.400			0.400	
Liquid Logic - Adult Social Care			0.250			0.250	
Liquid Logic - for capital expenditure			0.300			0.300	
Corporate - Additional ICT Costs			6.000			6.000	
CLEO			1.600			1.600	
Delivery of Preston, South Ribble & Lancashire City Deal			7.000			7.000	
<b>Transfer to Strategic Investment Reserve</b>						22.691	
<b>Transfer to Downsizing Reserve</b>						3.954	
<b>Total on Risk Management Reserve</b>	<b>-82.020</b>	<b>0.000</b>	<b>27.453</b>	<b>29.205</b>	<b>1.084</b>	<b>84.387</b>	<b>2.367</b>



## Annex C – Service Reserves

Reserve Name	Opening Balance as at 1 April 2015	YTD actuals 2015/16	Remaining commitments in 2015-16	2016-17 Commitments	2017-18 Commitments	Balance at 31 March 2018
	£m	£m	£m	£m	£m	£m
<b>Reserves held to pay for expenditure commitments</b>						
Election Reserve	-0.851		-0.400			-1.251
Funding of Capital Projects	-12.503	0.083	11.809	0.611		0.000
<b>Reserves held to meet service priorities</b>						
YOT - General Youth Offending	-0.867		0.154			-0.713
Former CYP DFM General	-3.698		-0.034	0.040		-3.692
Former CYP Directorate Grant Funded	-5.327	5.327	-3.697			-3.697
Contingency For Children's Social Care	-0.014			0.014		0.000
Crime & Disorder	-1.636		0.700	0.936		0.000
Schools – Fulwood High School Private	-1.084		0.030	0.040	0.050	-0.964
Finance Initiative Earmarked Reserve Schools – Private Finance Initiative - Building Schools for the Future Wave 1	-5.750		-0.870	-0.740	-0.640	-8.000
Exhibitions Reserve	-0.052					-0.052
Museum Acquisition Fund	-0.072					-0.072
Archives Development Fund	-0.003					-0.003
Queen Street Steam Engine Repair Fund.	-0.236					-0.236
Lancaster City General Acquisitions Fund	-0.011					-0.011
Lancaster Adult Learning HQ General	-0.365	-0.505		0.870		0.000
Arts Development Fund	-0.024					-0.024
Adults - Early Intervention	-4.757			4.757		0.000
Former Adults Grant Funded	-2.837	-0.108		1.807		-1.138
Adult Social Care - Transit	-1.365			1.365		0.000
Health Services	-7.924	0.072		7.852		0.000
Better Care Fund Reserve	-4.368					-4.368
Extra Care Fund Reserve	-3.000					-3.000
Contributions from Development	0.000	-0.044				-0.044
Lancashire Road Safety Partnership	-0.767		0.617	0.150		0.000
Roundabout Sponsorship Income	-0.231		0.231			0.000
Improved Outcomes Partnership	-0.137		0.020	0.117		0.000
UK & Ireland Civinet Network	-0.055		0.024	0.031		0.000
Waste PFI Compensation Payments Reserve	-0.387		0.021			-0.366
Equipment Renewal Reserve	-0.801	0.077	0.393	0.090		-0.241
Joint Service Needs Assessment Reserve	-0.104		0.104			0.000
Multi Agency Data Exchange Reserve	-0.045		0.045			0.000
Parking Reserve Fund Reserves	-0.690		0.201	0.489		0.000
Building Design & Consultancy Reserve	-0.097		0.045			-0.052
NoW Card Renewal	-0.380		-0.020	0.400	-0.080	-0.080
Energy Surveys	-0.109		0.097	0.012		0.000
Priorities Contingencies Reserve	-0.235	0.235				0.000
Waste Plant Rectification	-20.000		6.394			-13.606
Former Finance & Information DFM General	-0.335	0.060		0.275		0.000
Former OCE General Reserve	-0.727	0.727				0.000
Former OCE DFM General	-0.378			0.378		0.000
Economic Development Reserve	-0.493			0.493		0.000
Lancashire Enterprise Partnership (LEP) Reserve	-1.179			1.179		0.000
City Deal	-6.951			6.951		0.000
Development Services Reserve	-2.964	0.225		2.514		-0.225
Growth Deal	0.000	-39.350	39.350			0.000
Champions Funds	-0.004			0.004		0.000
Vehicle Excess Reserve - LCC	-0.259			0.259		0.000
Buildings Repair & Renewals Reserve	-1.103		1.103			0.000
Former Corporate DFM Schemes	-0.315			0.315		0.000
Local Member & Gateway Grant	-0.059			0.059		0.000
Public Health Grant Reserve	-6.215	0.050	2.165			-4.000
School Catering Repair And Maintenance	-1.878	-0.005				-1.883
Civic Catering Repair And Maintenance	-0.039					-0.039
<b>Balance on Service Reserves</b>	<b>-103.681</b>	<b>-33.156</b>	<b>58.482</b>	<b>31.268</b>	<b>-0.670</b>	<b>-47.757</b>



# Money Matters

## Financial Outlook for the County Council

### Medium Term Financial Strategy

<b>Contents</b>	<b>Page</b>
<b>1. Executive Summary</b>	<b>3</b>
<b>2. Chancellor of the Exchequer's July 2015 Budget</b>	<b>6</b>
<b>3. Resources Available</b>	<b>8</b>
<b>4. Spending Pressures</b>	<b>11</b>
<b>5. Future Risks</b>	<b>13</b>
<b>6. Spending on Statutory Services</b>	<b>14</b>

# Financial Outlook for the County Council: Medium Term Financial Strategy

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## 1. Executive Summary

### 1.1 Introduction

This report outlines the financial position facing Lancashire County Council over the period 2015/16 to 2020/21. The Council is experiencing an on-going period of unprecedented financial pressure as a result of the government's extended programme of austerity combined with significant increases in demand for public services.

It is therefore, whilst difficult, important to consider and update the Council's Medium Term Financial Strategy (MTFS) in order to provide the information necessary to facilitate key decisions to be made that ensure the Council can deliver services to the public within a significantly reduced revenue budget.

The County Council's three year MTFS was approved by Full Council in February 2015 covering the 2015/16 budget and the forecast position for 2016/17 to 2017/18. This identified a funding gap of £18.3m in 2016/17 and £8.1m in 2017/18 (£26.4m in total). The Council also agreed that the MTFS should be reviewed following the General Election in May 2015 to allow a revised revenue budget to be set out. It was also agreed that the period of the MTFS should be extended to cover the full life of the parliamentary term (to 2020/21).

This report therefore looks to consider and revise the assumptions in the MTFS for both funding and expenditure and where possible, project them forward to 2020/21 and reflects the latest available information, in particular the Chancellor's budget report published on 8<sup>th</sup> July 2015.

### 1.2 Financial Overview 2015/16 to 2020/21

Under a separate Money Matters report the County Council's financial position for 2015/16 has been outlined. This currently forecasts an ongoing financial pressure of £45.646m which has been reflected in the MTFS and in this report. Measures are being taken to minimise the forecast overspend, however, if the position cannot be recovered then it will need to be funded by a contribution from reserves.

This report has considered the assumptions made for the MTFS and has determined a revised forecast of the spending gap from 2016/17 to 2020/21 of £294.6m of which revised savings of £71.4m have been identified. This leaves an outstanding funding gap of £223.2m by 2020/21 and an aggregated funding gap of £693.9m across the five year period (as illustrated below):

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Expenditure	798.6	749.1	719.1	707.1	706.6	
Revised Savings set out in prior year budget reports*	-27.7	-43.7				
Resources	770.9 705.0	705.4 684.2	719.1 669.0	707.1 663.8	706.6 663.9	
<b>Funding Gap</b>	<b>65.9</b>	<b>21.2</b>	<b>50.1</b>	<b>43.3</b>	<b>42.7</b>	<b>223.2</b>

<b>Aggregated Funding Gap</b>						
2016/17	<b>65.9</b>	<b>65.9</b>	<b>65.9</b>	<b>65.9</b>	<b>65.9</b>	
2017/18		<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	<b>21.2</b>	
2018/19			<b>50.1</b>	<b>50.1</b>	<b>50.1</b>	
2019/20				<b>43.3</b>	<b>43.3</b>	
2020/21					<b>42.7</b>	
<b>Total</b>	<b>65.9</b>	<b>87.1</b>	<b>137.2</b>	<b>180.5</b>	<b>223.2</b>	<b>693.9</b>

\*Note: Previous budget reports to Full Council set out a total of £117.6m of savings to be delivered in 2016/17 and 2017/18 however this has been revised to £71.4m as £46.2m have been deemed as unachievable.

This shows a significant increase in the funding gap since the report to Council on 12<sup>th</sup> February 2015, which is due, in large part, to the extension of the period covered by the MTFs to 2020/21. There have however, also been a number of changes to the funding gap in 2016/17 and 2017/18 and the following table provides a breakdown of the changes to the forecast:

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
<b>Funding gap reported to Council – February 2015</b>	<b>18.3</b>	<b>8.1</b>	-	-	-	<b>26.4</b>
Impact of revised funding assumptions (para 3.2)	-	-	15.2	5.2	-0.1	20.3
Impact of changes to pay assumptions (4.1)	-2.1	-2.1	2.4	2.4	2.4	3.0
Impact of increases due to contractual price inflation (4.2)	-1.8	1.1	18.0	19.6	21.6	58.5
Impact of changes to the forecast of demand (4.3)	18.1	1.3	14.5	16.1	18.8	68.8
Impact of savings through service offers that can no longer be achieved (4.4)	33.4	12.8	-	-	-	46.2
<b>Revised funding gap</b>	<b>65.9</b>	<b>21.2</b>	<b>50.1</b>	<b>43.3</b>	<b>42.7</b>	<b>223.2</b>

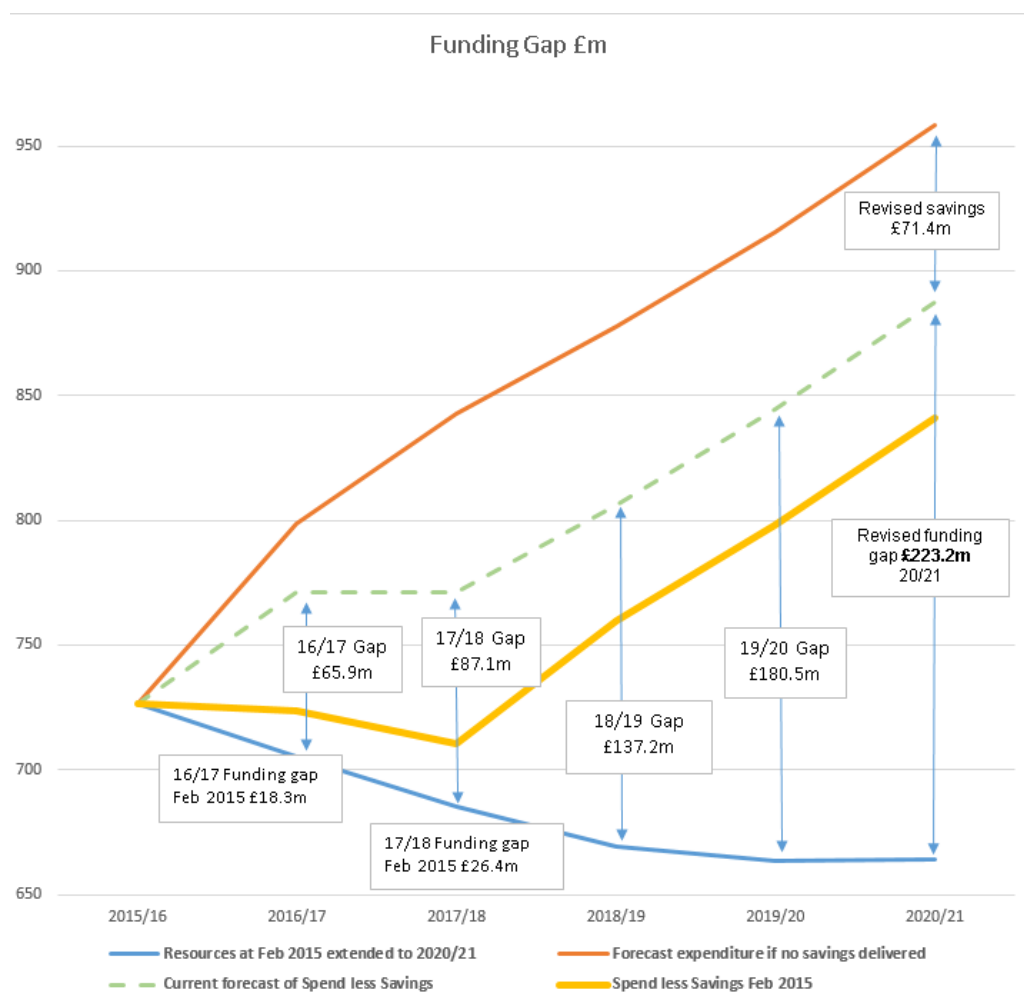
*Note: Forecast pressures for 2018/19 onwards are based on current information, as further information is received the forecast will continue to be developed and could increase further the pressure on the revenue budget.*

This table clearly demonstrates that the funding gap previously reported in 2016/17 and 2017/18 of £26.4m has increased by £60.7m to £87.1m due, in the main, to the identification of savings through service offers that upon further detailed examination are deemed undeliverable.

The extension to the MTFs period to include 2018/19 to 2020/21 has increased the savings gap by £136.1m as a result, in the main, of contractual price increases from third party suppliers of services and pressure from increased demand for services. These pressures are at a similar level to the amounts we have seen over the period from 2011/12 to 2015/16.

**This position does not represent the worst case scenario.** Further demand and price pressures may emerge and the revised savings shown in 2016/17 and 2017/18 may not be possible to deliver. These factors would cause the funding gap to increase further.

The following graph illustrates the profile of the funding gap by comparing total spending to future levels of funding and considering the level of savings that have been identified:



*Note: The revised spending gap of £223.2m assumes that the remaining £71.4m of previously agreed savings included in the forecast for 2016/17 and 2017/18 will be*

*delivered, this represents a risk that could impact upon the revised funding gap at 2020/21 (if these savings cannot be realised).*

Sections 2 to 5 of this report will provide further detail of the factors affecting the forecasts included within the MTFS position illustrated above.

### **1.3 Conclusion**

Lancashire County Council continues to face an unprecedented period of financial constraint through to at least 2020/21.

Whilst the budget announcement by the Chancellor on 8<sup>th</sup> July 2015 has provided indicative figures that have been translated into a forecast of future funding levels, actual funding allocations will only be announced in the Chancellor's Autumn Statement in December. It is not clear if this announcement will confirm funding beyond 2016/17 at this point, however there has been a significant amount of lobbying from the Local Government sector to encourage the DCLG to provide a multi-year settlement to assist with financial planning.

Given the ongoing uncertainty in future years' funding it is clearly a risk that forecasts of funding for 2016/17 and future years may change, potentially significantly, from the figures brought into the MTFS.

The financial commitment required to service statutory demand led services is almost certain to result in using up all available resources. The resource available for discretionary services will be minimal (if any exists at all) and at this stage we cannot say for certain whether or not funding will cover statutory demand led services.

This challenge is further compounded by the nature of Local Government delivery as we see lengthy delivery contracts with expensive break clauses built in, partnership contracts along with properties occupied with long term and residual cost implications.

**Significant reserves will be needed to bridge the 2015/16 outturn position. Service delivery decisions are needed to ensure that a legal 2016/17 budget can be set.**

The County Council, in redesigning the services it provides to the public, faces the challenge of doing so whilst delivering further savings of at least £223m over the next 5 years.

## **2. Chancellor of the Exchequer's July 2015 Budget announcement**

The Chancellor announced various measures in the Budget which covered personal and business tax and expenditure plans. The key areas in the budget which may have an impact on the County Council's financial position are detailed below:

### **2.1 Public Spending**



The Chancellor has provided projections for the level of spending for government departments in future years which are called Resources Departmental Expenditure Limits (DELs). These figures are for the total spend by all departments only and no breakdown by department has been provided.

The published figures identified that the reductions made to total departmental resources are more gradual over the parliamentary term than previously indicated (the period over which departmental savings have to be delivered has been extended by one year).

However, there was **no specific information released on Local Government resources** and this will not be known until the Spending Review is announced in the autumn.

Specific areas of expenditure identified within the total DEL limit figures that were announced are:

- NHS will receive a further £8bn by 2020 (in addition to the £2bn already announced).
- The government is to meet the NATO target of spending 2% of GDP on defence each year.
- During this parliament there is to be a real terms increase in expenditure on defence.
- A new Joint Security Fund is to be created. The government commits to make available up to an additional £1.5 billion a year by the end of the Parliament

In total **£37bn of further spending cuts are required by 2020**. Of this, the Budget included £12bn of welfare reductions and £5bn from the prevention of tax avoidance.

**The remaining £20bn of savings will come from spending departments and will be set out in the Spending Review published in the Autumn of 2015.** The Chancellor did state that "no year will see cuts as deep as those required in 2011/12 and 2012/13".

In the recently published report by HM Treasury "A country that lives within its means – Spending review 2015" (Annex 1) the following table was included that demonstrates the profile of the £20bn of savings (referred to as 'consolidation') that departments will need to deliver:

**Table 1.A: Consolidation plans over this Parliament (£ billion)**

	2016-17	2017-18	2018-19	2019-20
Discretionary consolidation <sup>1</sup>	9	20	31	37
of which announced at Summer Budget 2015 <sup>2</sup>	6	9	13	17
of which welfare reform	5	7	9	12
of which tax avoidance and tax planning, evasion and compliance, and imbalances in the tax system	1	2	4	5
<b>Remaining consolidation</b>	<b>3</b>	<b>11</b>	<b>18</b>	<b>20</b>

<sup>1</sup> Discretionary consolidation is calculated as the sum of: receipts from avoidance and tax planning, evasion and compliance and imbalances in the tax system and welfare policy decisions announced at Summer Budget 2015; and the additional reduction in spending (or equivalent increase in taxes) needed to meet the government's overall fiscal path, compared to a counterfactual in which RDEL excluding depreciation grows in line with whole economy inflation from its 2015-16 level (excluding the OBR's allowance for shortfall) and all other spending (and receipts) follows the OBR's July 2015 Economic and fiscal outlook forecast.

<sup>2</sup> Total welfare policy decisions and total receipts from avoidance and tax planning, evasion and compliance, and imbalances in the tax system as set out in Table 2.1 of Summer Budget 2015.

Source: Office for Budget Responsibility, HM Treasury policy costings and HM Treasury calculations

This shows that the profile of savings is not spread evenly over the period and supports the analysis included in section 3.1 of this report that examines the future levels of funding the Council can expect to receive from government.

## 2.2 Public Sector Pay

The Chancellor announced that funding for a public sector pay rise will be limited to 1% for each of the next four years. However, the main announcement on pay was the introduction of a new National Living Wage for all workers aged 25 and over. This will be a compulsory rate and will be introduced from 1<sup>st</sup> April 2016 at a rate of £7.20 per hour. It is anticipated that this will rise incrementally each year to at least £9 per hour in 2020.

## 3. Resources Available

The Budget approved on 12<sup>th</sup> February 2015 included consideration of future years' revenue budgets and identified the following funding resource:

Funding:	Projected Resource	
	2016/17 £m	2017/18 £m
1. Business Rates	180.727	185.319
2. Council Tax	388.839	391.018
3. Revenue Support Grant	130.484	102.887
4. New Homes Bonus	4.990	4.990
<b>Total</b>	<b>705.040</b>	<b>684.214</b>

Based upon the above resources and estimates of spending, the County Council was left with a funding gap of:

	2016/17 £m	2017/18 £m	Total £m
<b>Funding Gap</b>	<b>18.298</b>	<b>8.130</b>	<b>26.428</b>

In deriving these figures, various assumptions on both the level of resources and the expenditure pressures were made. These need to be reviewed in light of the latest information.

### 3.1 Resources from Central Government

The County Council receives a share of the total DEL for Local Government based upon a formula used by the Department for Communities and Local Government as part of the Local Government Spending Review. In recent years the amount received has been calculated in a straightforward manner whereby each authority's allocation is reduced by the amount that the total DEL is reduced.

The MTFs reported to Council in February 2015 assumed an annual reduction in government funding of 7% in both 2016/17 and 2017/18 based on the available information at the time.

At the time of the Chancellor's Autumn Statement in 2014 a much steeper reduction in resources over the next two financial years was implied that led some organisations to forecast a rate of reduction of 15% per year. It would appear, however, that the recent budget announcement has made this forecast somewhat excessive. If the 15% forecast were realised this would increase the funding gap identified in this report at £223m by £45m (if there were a 15% reduction in funding in both 2016/17 and 2017/18).

Information published with the budget report on the 8th July in respect of future years' total DEL has been analysed and shows the following:

Year	Total DEL (all departments) £m	% change
2015/16	337.4	-
2016/17	341.4	1.19
2017/18	339.7	-0.50
2018/19	339.7	0.00
2019/20	344.3	1.35
2020/21	369.6	7.35

The reduction to total DEL will not be applied evenly across the Departments as some have a 'protected' status. **Given the protected status of NHS, Education, International Aid and Defence, non-protected services, including Local Authorities, will face a significant reduction in resources.**

Based on the latest available information, a calculation on the **potential change in non-protected services' resources** over the parliament period shows a change of:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>Total DEL (all departments excluding depreciation)</b> (Published in the budget report on 8 <sup>th</sup> July)	315.100	319.100	317.400	317.400	322.000
% change		1.27	-0.53	0.00	1.45
<b>Less Protected Departments</b>	(Assumed DEL based on current intelligence)				
NHS/Health	111.900	117.690	121.809	126.123	130.646
International development	7.400	7.518	7.654	7.799	7.955
Education	53.500	54.356	55.334	56.386	57.513
Defence	28.100	28.692	29.355	30.062	30.817
<b>Unprotected services</b>	<b>114.200</b>	<b>110.844</b>	<b>103.248</b>	<b>97.030</b>	<b>95.069</b>
% Reduction		-2.94	-6.85	-6.02	-2.02

Over the period to 2019/20 this would give an estimated reduction in resources for unprotected departments of 16.8%. This forecast of future DEL reductions offers the best basis for estimating the future reductions to funding for local authorities' funding and has therefore been incorporated into the assumptions made in this report for the future funding available for the council.

This assumption is much lower than the 25% and 40% options requested from spending departments for consideration in the Spending Review 2015, however the Spending Review figures include an assumed inflationary increase in resources each years that the Council's MTFS does not.

### 3.2 Impact on the Medium Term Financial Strategy

The County Council's previously reported MTFS assumes a 7% reduction in government funding in both 2016/17 and 2017/18. Whilst this seems consistent with the analysis above for 2017/18, the current assumption is somewhat higher than the implied reduction shown for 2016/17.

However, analysis and commentary across the Local Government sector since the Chancellor's budget report on 8<sup>th</sup> July has consistently asserted that the Local Government sector will have a larger reduction in funding in 2016/17 than other non-protected services.

It is therefore deemed prudent to continue with the forecast of a 7% reduction to government funding in 2016/17 and 2017/18 and then apply the reduction shown above in respect of future DEL levels in 2018/19 and 2019/20 i.e. reductions of 6% and 2% respectively.

The implication of the figures provided with the budget report is that reductions to DEL will end in 2019/20 therefore we have assumed no reduction or increase to funding for 2020/21.

These assumptions provide the following forecast of resources available to the council:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Level of resources	726.675	705.040	684.214	668.977	663.781	663.926	
Reduction		21.635	20.826	15.237	5.196	-0.145	62.749
<b>Impact on funding gap</b>	-	-	-	<b>15.237</b>	<b>5.196</b>	<b>-0.145</b>	<b>20.288</b>

Note: the assumed level of the reduction in resources for 2016/17 and 2017/18 has not changed since the MTFS reported to Council in February 2015, therefore there is **no additional pressure** as a result of this specific assumption in those years.

#### 4. Spending Pressures

The MTFS includes spending pressures including pay increases, pressure arising from contractual inflation, increased demand for services and the impact of previously agreed savings measures that are no longer achievable.

##### 4.1 Pay

The previously reported MTFS includes provision for a 2% pay award each year in 2016/17 and 2017/18 and also incorporates the impact of a forecast increase in the Living Wage rate as set by the Living Wage Foundation (of which the County Council is an accredited member).

The Chancellor announced a 4 year restriction on public sector pay increases at 1% per year. This could be used as a guide for the Council's assumptions however the 1% limit is not binding on local government employers. If the Council were to revise its assumption on pay award from 2% to 1% a potential saving of £2.1m may be realised in 2016/17 and 2017/18. The MTFS then includes the additional pressure arising from a 1% increase to pay in each subsequent year.

The Chancellor also announced increases to the minimum wage for people aged over 25, referred to as the 'National Living Wage'. This is completely separate to the Living Wage the County Council is committed to paying its employees as an accredited member of the Living Wage Foundation and has no impact on the pay assumptions made in the MTFS.

The impact of the revised pay assumptions identified above on the MTFS are:

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Impact of 1% pay award	-2.1	-2.1	2.4	2.4	2.4	3.0



## 4.2 Price inflation

Contractual price increases have been reviewed by services and additional pressure has been identified.

The main areas of additional cost pressure resulting from price inflation are:

- £41m for contractual price increases for third party providers of Adult Social Care across the period
- £11m for contractual price increases within the Waste Management contract across the period

The impact of the revised price inflation assumptions identified above on the MTFS are:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Impact of revised price inflation assumptions	-1.8	1.1	18.0	19.6	21.6	58.5

It is clear that the majority of the 'additional' pressure identified is simply as a result of extending the MTFS period by 3 years rather than there being significant increases to previously made assumptions.

## 4.3 Demand Pressures

All services have reviewed the demand pressures faced by the council in future years. The impact of this review has been identified and is reflected in the revised MTFS and it can be seen that the majority of the increase to the funding gap that has been identified is for the period from 2018/19 to 2020/21 (the extended period brought into the MTFS). The main element of this is the increase in demand for Adult Social Care.

There are however, some specific increases in demand identified in 2016/17 as follows:

- £4.4m to reflect the growth in the number of looked after children in 16/17.
- £6.0m of pressure to reflect the potential loss of the Waste PFI Grant in 16/17.
- £8.1m to reflect the on-going pressure on the BTLS contract in 16/17.

The impact of the revised demand assumptions identified above on the MTFS are:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Impact of revised demand assumptions	18.1	1.3	14.5	16.1	18.8	68.8

## 4.4 Savings that will not be delivered

Services have reviewed previously agreed savings to be delivered through the new service offers and identified a number of proposals that are considered to be no

longer deliverable all in relation to Adult Social Care. Work is ongoing to review all service offer savings as part of the monthly monitoring process and further update will be provided in due course.

The impact this has on the MTFS is:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Impact of revised savings assumptions	33.4	12.8	-	-	-	46.2

## 5. Future Risks

The following are key future risks, the full impact of which will not be known at this stage:

### 5.1 Impact of the increase to the minimum wage (the 'National Living Wage')

Whilst the impact of the newly announced National Living Wage has no impact on the costs already forecast for the Council's own employees it **may impact significantly on the rates paid to providers of Adult Social Care commissioned services**. Detailed work to assess the impact of this is required however a preliminary assessment indicates the additional costs could be:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Estimated hourly rate	£7.20	£7.65	£8.10	£8.55	£9.00	
Estimated additional cost	£6.9m	£9m	£9m	£8.9m	£9m	£42.8m
<i>Aggregate loss of resources</i>	<i>£6.9m</i>	<i>£15.9m</i>	<i>£24.9m</i>	<i>£33.8m</i>	<i>£42.8m</i>	<i>£124.3m</i>

### 5.2 Public Health Grant

The Council is likely to be subject to an in-year reduction to the Public Health Grant of approximately £4m in 2015/16. As yet it has not been confirmed if this will be repeated in future years. The MTFS assumes that this will not be repeated, therefore this income remains at risk in our assumptions.



### 5.3 Better Care Fund

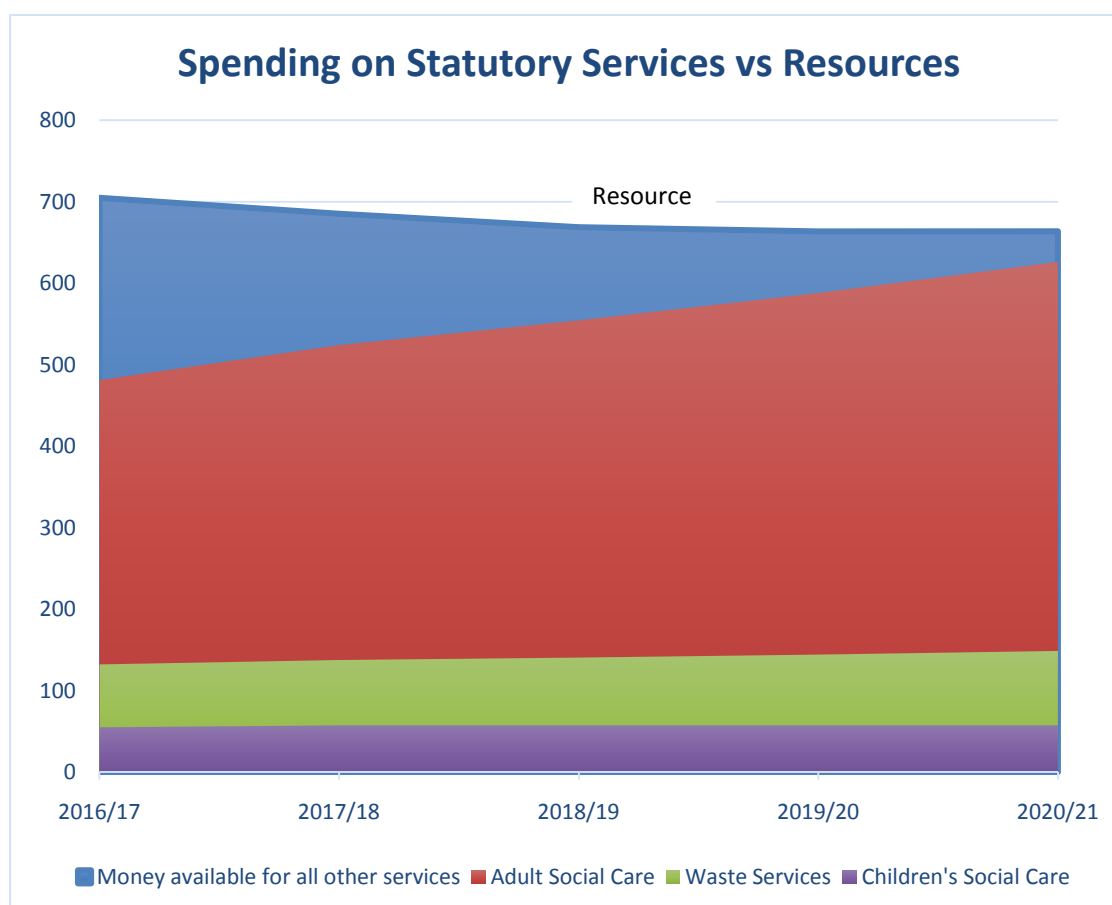
The budget currently includes £20m of income from the Better Care Fund. This will only be received if it is agreed annually by the six Lancashire Clinical Commissioning Groups (CCGs).

### 5.4 Care Act

The MTFs assumes that any additional spending in relation to the Care Act would be met by Government funding. The recent announcement of a delay to the implementation of the Care Act proposals has no direct impact on the MTFs and funding gap because of this assumption.

## 6. Spending on statutory services

The following graph highlights how service expenditure is under pressure as a result of continuing demand on Adult and Children's social care and waste services, leaving less available funding for other local government services. Whilst this has been the expected picture for some time the Council is beginning to face the real impact of previously projected trends in increased demand and reduced funding. Consequently this makes it imperative that the Council determines the funding of services which are the priority for Lancashire.







HM Treasury

# A country that lives within its means

Spending Review 2015

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# A country that lives within its means

Spending Review 2015

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Presented to Parliament by  
the Chancellor of the Exchequer to the Treasury  
by Command of Her Majesty

July 2015

Cm 9112



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# Contents

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	Page
Foreword	3
Chapter 1      Introduction	5
Chapter 2      Progress over the last Parliament	9
Chapter 3      A strategic approach to spending	13
Chapter 4      Delivering the Spending Review	19





# Foreword

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The government is committed to putting Britain's security first. When it comes to the economy, and providing security for working families, that means finishing the job of repairing Britain's finances. So today we are launching Spending Review 2015, to identify the further savings required to eliminate the deficit by 2019-20.

Over the last Parliament the government delivered the reductions in public spending that it committed to and more than halved the budget deficit it inherited. We honoured our promise to increase spending in vital public services such as the NHS and schools, and our reforms improved the quality of public service delivery. Employment is back to near record levels, crime is falling and public satisfaction with the NHS is rising year on year. More children than ever are now in a good or outstanding school. But we are still borrowing £1 for every £10 we spend and national debt remains at its highest level for 50 years. If we do not deal with this debt, we run risks with our economic security.

At the Summer Budget we took the first step to finish the job of fixing the public finances. This set out £12 billion of savings from welfare, to move Britain to a higher wage, lower welfare, lower tax economy that is more productive. We also found £5 billion from addressing avoidance, evasion and imbalances in the tax system. Together, this will deliver around half of the consolidation needed to eliminate the deficit. Today we are asking government departments to draw up plans to help to deliver the remaining £20 billion of consolidation required overall, over the next 4 years.

The Spending Review will prioritise our investment in the NHS and in our national security. We will continue to protect spending on schools and honour our commitment to the poorest people in the world. In other areas, we will need to make significant savings. We know we can achieve this while maintaining the public services we rely on, because we have done it before.

We also need to take radical steps towards the devolution of power in the UK, moving away from the imbalanced and overly-centralised system of government we inherited. Devolution to Scotland, Wales and Northern Ireland is well underway. Devolution within England has only just begun. This Spending Review is an opportunity to take a further big step forward.

We will also make greater use of digital technology to modernise Britain's public services and give people greater choice in the decisions that affect them and their communities. We will go further to maximise efficiencies and get the best value for money for taxpayers in all areas of public spending.

On 25 November we will set out how this will be done. We will fix the roof while the sun is shining and ensure we have a more balanced economy that offers security for the working people of Britain.



George Osborne  
Chancellor of the Exchequer



Greg Hands  
Chief Secretary to the Treasury

July 2015



# 1 Introduction

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**1.1** The government's long-term economic plan has laid the foundations for a stronger economy, and the UK's recovery is now well established. Significant progress has been made in putting the public finances on a sustainable footing but further work is needed to finish the job.

**1.2** Spending Review 2015 is central to the government's commitment to control spending, eliminate the deficit and start to run a surplus. This means taking a step back and thinking about the shape of the state, exploring innovation and reform in public services, ensuring spending on core public services is prioritised and delivering value for money for the taxpayer.

**1.3** Taking further action to reach a surplus will involve difficult decisions, but the government is committed to eliminating the deficit in a fair and balanced way, and the Spending Review will set out how the government will deliver the remaining £20 billion of consolidation required overall to achieve this.

## Fiscal context

**1.4** Since 2010, the government has made significant progress in reducing the deficit and repairing the public finances. Over the course of the last Parliament, the deficit was more than halved as a percentage of GDP from its post-war peak of 10.2% to reach 4.9% in 2014-15.<sup>1</sup> Debt is forecast to have peaked as a share of GDP at the end of 2014-15.<sup>2</sup> However, risks remain to the recovery — including from events in Greece and a slowing global economy — while the deficit remains among the highest in advanced economies, and debt stands at its highest share of GDP since the late 1960s.<sup>3</sup>

**1.5** High debt increases the UK's vulnerability to future shocks, and means a high burden of interest costs on future generations. Running a surplus on the headline measure of borrowing is the only sustainable way to bring down debt as a share of GDP in the long term.

**1.6** The government is taking further action to finish repairing the public finances. This Parliament, the government has already identified a further £3 billion of departmental savings in 2015-16.<sup>4</sup> Those savings have been achieved through efficiency savings, asset sales and tighter control of budgets to drive underspends in-year.

**1.7** Summer Budget 2015 set out the government's fiscal plan, reaffirming the government's commitment to deliver an overall surplus and reduce debt year on year. The government is continuing to prioritise sustainable public finances and take further action to deliver economic security.

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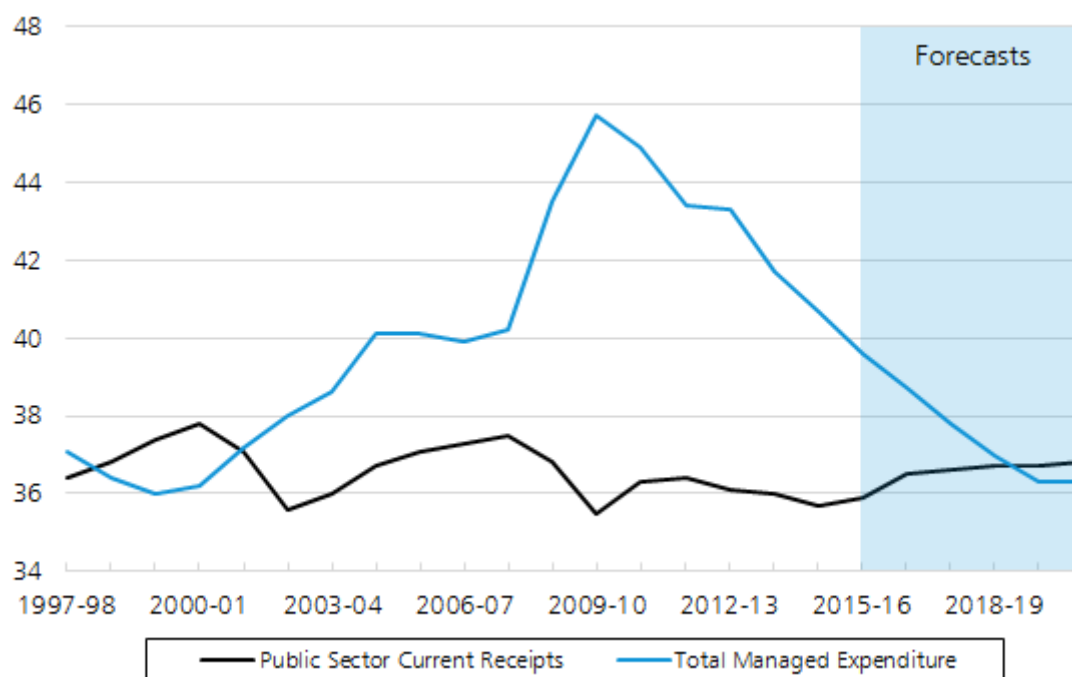
<sup>1</sup> Public Sector Finances, ONS, May 2015

<sup>2</sup> 'Economic and fiscal outlook', Office for Budget Responsibility (OBR), July 2015

<sup>3</sup> 'Three Centuries of Data on the UK Economy', Bank of England data; 'IMF Fiscal Monitor', IMF, April 2015

<sup>4</sup> 'Chancellor announces £4½ billion of measures to bring down debt', HM Treasury, 4 June 2015

**Chart 1.A: Total public sector spending and receipts (per cent of GDP)**



Source: Office for Budget Responsibility

**1.8** In the last Parliament, the headline measure of public sector net borrowing (PSNB) was reduced by around 1.1% of GDP a year on average.<sup>5</sup> The government has decided to maintain the same average pace of reduction in the headline measure of PSNB in this Parliament to reach an overall surplus in 2019-20. The fiscal path means that the deficit falls smoothly and that debt falls as a share of GDP in every year of the Parliament. As a result of this plan, a larger surplus will be achieved in 2019-20 and debt as a share of GDP in that year is forecast to be lower than expected at March Budget 2015.

**1.9** To achieve the surplus in 2019-20 the government will undertake around £37 billion of consolidation measures. As shown in Table 1.A, the Summer Budget made significant progress towards this aim, setting out £17 billion of measures to reduce the deficit, including £12 billion by 2019-20 from welfare reform and £5 billion by 2019-20 from tackling tax avoidance and tax planning, evasion and non-compliance, and imbalances in the tax system.

**1.10** Summer Budget 2015 also set out the government’s commitments in priority areas of spending, including increasing NHS funding in England by £10 billion in real terms by 2020-21, above 2014-15 levels, and raising the entire Ministry of Defence budget by 0.5% a year in real terms. The government has also committed to protect per-pupil funding for schools, and to meet its commitment to spend 0.7% of GNI on Official Development Assistance (ODA).

**1.11** In the autumn, having conducted Spending Review 2015, the government will confirm how it will both invest in priority spending and deliver the remaining £20 billion of consolidation required overall to eliminate the deficit.

<sup>5</sup> HMT analysis based on ‘Public Sector Finances’, ONS, May 2015

**Table 1.A: Consolidation plans over this Parliament (£ billion)**

	2016-17	2017-18	2018-19	2019-20
<b>Discretionary consolidation<sup>1</sup></b>	<b>9</b>	<b>20</b>	<b>31</b>	<b>37</b>
<b>of which announced at Summer Budget 2015<sup>2</sup></b>	<b>6</b>	<b>9</b>	<b>13</b>	<b>17</b>
of which welfare reform	5	7	9	12
of which tax avoidance and tax planning, evasion and compliance, and imbalances in the tax system	1	2	4	5
<b>Remaining consolidation</b>	<b>3</b>	<b>11</b>	<b>18</b>	<b>20</b>

<sup>1</sup> Discretionary consolidation is calculated as the sum of: receipts from avoidance and tax planning, evasion and compliance and imbalances in the tax system and welfare policy decisions announced at Summer Budget 2015; and the additional reduction in spending (or equivalent increase in taxes) needed to meet the government's overall fiscal path, compared to a counterfactual in which RDEL excluding depreciation grows in line with whole economy inflation from its 2015-16 level (excluding the OBR's allowance for shortfall) and all other spending (and receipts) follows the OBR's July 2015 Economic and fiscal outlook forecast.

<sup>2</sup> Total welfare policy decisions and total receipts from avoidance and tax planning, evasion and compliance, and imbalances in the tax system as set out in Table 2.1 of Summer Budget 2015.

*Source: Office for Budget Responsibility, HM Treasury policy costings and HM Treasury calculations*

**1.12** HM Treasury is inviting government departments to set out plans for reductions to their Resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019-20.

**1.13** Alongside departmental savings the government will continue to consider further sensible welfare reforms that strengthen work incentives and make the welfare system fairer and more affordable. It will also look to do more to tackle avoidance and tax planning, evasion and compliance, and imbalances in the tax system.

## About this document

**1.14** This document sets out the government's priorities for Spending Review 2015 and how plans to deliver the overall £20 billion of consolidation will be developed in the coming months.

**1.15** Chapter 2 explains the progress the government has made in driving efficiencies, reforming the delivery of public services and boosting jobs and growth. Chapter 3 sets out the government's priorities for public spending over this Parliament. Chapter 4 explains how the government will conduct Spending Review 2015.



# 2 Progress over the last Parliament

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**2.1** Since 2010, the government has saved taxpayers' money by driving efficiency and improving financial management. It has done this while funding its priorities, modernising the delivery of public services, and prioritising jobs and growth.

## Reforming public services and delivering value for money across the public sector

**2.2** Over the last 5 years the government introduced ambitious reforms to public services to improve outcomes and better meet the needs and expectations of citizens, such as digitising tax returns and UK border controls. Reforms to the welfare system and action to restrain the cost of public sector pay and pensions have enabled the government to protect jobs and spending on frontline services.

**2.3** As a result, the performance and citizen experience of many public services continue to improve:

- The Commonwealth Fund named the NHS the best healthcare system in 2014.<sup>1</sup> Satisfaction with the NHS is at its highest for years, and dissatisfaction with the service is at its lowest ever.<sup>2</sup>
- Crime in England and Wales has fallen by more than a quarter since June 2010<sup>3</sup> and public confidence in the police is up<sup>4</sup>, even as spending has reduced. Over the last five years, the criminal justice system in England and Wales has undertaken a programme of reform to prioritise care for victims, reduce re-offending and eradicate outdated working processes through digitisation.
- The number of pupils taught in good or outstanding schools has increased by over a million since 2010.<sup>5</sup> There are now over 4,700 academies, giving schools more freedom in how they operate, and over 300 new free schools, studio schools and University Technical Colleges, offering real choice to parents.<sup>6</sup> Since 2010 more than 2.3 million apprenticeships have started in England.<sup>7</sup>
- The reforms to Higher Education are establishing a sustainable approach to funding the sector, while increasing opportunities for more students to go to university and ensuring that graduates only repay their loans once they are in well-paid jobs. In 2014, record numbers of young students and students from disadvantaged backgrounds were accepted into university – recent data show that 18 year olds

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<sup>1</sup> 'Mirror, Mirror on the Wall: how the performance on the US health care system compares internationally', The Commonwealth Fund, June 2014

<sup>2</sup> 'Public Satisfaction with the NHS in 2014', The King's Fund, 2015

<sup>3</sup> Crime Survey for England and Wales – year ending September 2014, ONS, 2015

<sup>4</sup> Crime Survey for England and Wales – year ending September 2014, ONS, 2015

<sup>5</sup> OFSTED, [dataview.ofsted.gov.uk](http://dataview.ofsted.gov.uk)

<sup>6</sup> Department for Education, [www.gov.uk/government/publications/open-academies-and-academy-projects-in-development](http://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development),

[www.gov.uk/government/publications/free-schools-open-schools-and-successful-applications](http://www.gov.uk/government/publications/free-schools-open-schools-and-successful-applications), [www.gov.uk/government/publications/utcs-and-studio-schools-open-schools-and-applications-received](http://www.gov.uk/government/publications/utcs-and-studio-schools-open-schools-and-applications-received)

<sup>7</sup> Data from Individualised Learner Record

living in the most disadvantaged areas of England are now 72% more likely to apply to university than they were in 2006.<sup>8</sup>

- Over 5 million people have been automatically enrolled into a workplace pension.<sup>9</sup>

**2.4** During the last Parliament the government reformed the welfare system to strengthen work incentives and spending control. Between 1997 and 2010 the cost of welfare increased significantly in real terms due to the absence of firm year-by-year controls. The government addressed this by legislating for over £21 billion of welfare savings and introducing a welfare cap to ensure that unplanned increases in welfare spending do not go uncorrected.

**2.5** Further reforms to the welfare system are having a marked impact on work incentives and employment. The Work Programme, a major new payment-by-results initiative, is successfully supporting people who are at risk of becoming long-term unemployed to find lasting work. To date, 433,000 individuals have found sustained employment of at least three or six months while on the scheme.<sup>10</sup> The new Universal Credit, which brings 6 benefits into one, is now available in more than 240 jobcentres and over a million claimant commitments, which set out claimants' job-seeking responsibilities, have been signed.<sup>11</sup>

## Driving efficiency and delivering improved outcomes for citizens

**2.6** Over the last Parliament the government achieved significant reductions in the deficit by making the public sector more efficient. Figures from the Cabinet Office show that by 2013-14 the government had saved £14.3 billion from efficiency compared to 2010, equivalent to £830 a year for every working household in the UK.<sup>12</sup> By the end of the current financial year central government's administration costs will have fallen by 40% in real terms, or £7 billion, since 2010.

**2.7** This strong focus on efficiency, combined with far-reaching reforms to public services, has meant that even with significant spending reductions public services continue to deliver improved outcomes for both citizens and the UK economy:

- The NHS's QIPP (Quality, Innovation, Productivity and Prevention) Programme set out plans to drive forward quality improvements in NHS care, at the same time as making up to £20 billion of efficiency savings by 2014-15.<sup>13</sup>
- The Government Digital Service (GDS) and the GOV.UK website in 2012 have established the United Kingdom as a digital world-leader. The GDS has redesigned and digitised more than 20 key public services, driving down transaction costs and improving service quality for citizens. More than 2 million people have registered to vote using a new digital service, and new claims for Jobseeker's Allowance, State Pension and Carer's Allowance are now all available online.<sup>14</sup>
- Consolidating government-owned land and property has saved more than £625 million in running costs and released £1.4 billion of receipts since 2010.<sup>15</sup> March Budget 2015 announced a new commercially-driven approach to land and property asset management across the central government estate from March 2017. In

<sup>8</sup> UK application rates by country, region, constituency, sex, age and background, UCAS, 30 January 2015

<sup>9</sup> Declaration of compliance report, automatic enrolment (July 2012 – end June 2015), The Pensions Regulator, 2015

<sup>10</sup> Department for Work and Pensions Work Programme Statistics, June 2015, table 1.4

<sup>11</sup> Summer Budget 2015, HM Treasury, July 2015. Also Universal Credit at work, DWP, February 2015.

<sup>12</sup> 'Efficiency and Reform in the next Parliament', Cabinet Office and HM Treasury, December 2014

<sup>13</sup> 2010 to 2015 government policy: NHS efficiency, Department of Health, March 2013

<sup>14</sup> Efficiency and Reform in the next Parliament, Cabinet Office and HM Treasury, December 2014

<sup>15</sup> Efficiency and Reform in the next Parliament, Cabinet Office and HM Treasury, December 2014



terms of estates utilisation, the UK now has one of the most efficient governments in the world.<sup>16</sup>

- Buying goods and services in a more centralised way and improving the way departments manage suppliers have made substantial savings for government since 2010. Cabinet Office figures show that £2 billion of those savings came from reduced spending on consultants, contingent labour and marketing and advertising.<sup>17</sup> Efficiencies in operational PFI contracts for transport projects have saved £478 million, out of a government total of £1.6 billion.<sup>18</sup>

**2.8** In 2010 the government made a firm commitment to ensure financial discipline is at the heart of decision making at all levels of government. To that end, and following publication of the Review of Financial Management in government, an ambitious and innovative programme of work is underway to drive value for money in all areas of public spending. The programme has strengthened the government's finance capability, is improving accuracy in public spending forecasting and is building a more granular understanding of the cost and value of public services, particularly in cross-cutting areas of expenditure. This will benefit the government's approach to Spending Review 2015.

**2.9** The costs of public service pensions rose by a third in the ten years to 2011, with much of the additional cost falling to the taxpayer. In the last Parliament the government delivered a package of reforms to rebalance taxpayer and member contributions in the short term, and to ensure that costs are sustainable and fair in the long term. The total reform package is projected to save 40% of net expenditure on the public service pensions schemes by 2061-62<sup>19</sup> — more than £430 billion of savings, in current GDP terms, over the next 50 years.

## Boosting jobs and economic growth

**2.10** Alongside driving efficiencies and improving public services and outcomes, the government has prioritised employment and growth.

**2.11** Employment in the UK is back to near record levels with 31 million people in work, having risen by almost 2 million since 2010.<sup>20</sup> Between the first quarter of 2010 and the first quarter of 2015, over 5.5 jobs were created in the private sector for every public sector job lost.<sup>21</sup>

**2.12** Infrastructure is an essential part of raising productivity and economic growth. On transport alone, the government delivered 60 major roads and local transport projects over the last Parliament including the completion of Kings Cross station and the tunnelling for Crossrail, while saving more than £500 million in project costs.

**2.13** Over the last Parliament the government prioritised capital investment over day-to-day spending, and increased its capital spending against the plans it inherited: as a share of GDP, public investment will be higher on average this decade than under the whole period of the previous government. The government published the first ever National Infrastructure Plan as well as the first Roads Investment Strategy – a five year plan to deliver an unprecedented £15 billion of investment in strategic roads over the course of this Parliament.

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<sup>16</sup> State of the Estate, Cabinet Office, March 2015

<sup>17</sup> Efficiency and Reform in the next Parliament, Cabinet Office and HM Treasury, December 2014

<sup>18</sup> Savings from operational PFI contracts, National Audit Office, 29 November 2013

<sup>19</sup> See 'Fiscal sustainability report 2012', OBR, July 2012

<sup>20</sup> ONS Labour Market Statistics, July 2015

<sup>21</sup> ONS Labour Market Statistics, July 2015



# 3 A strategic approach to spending

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**3.1** Alongside delivering the government's overall fiscal aims, Spending Review 2015 is an opportunity to review the role of government, ensure that public spending is sustainable for future generations, and deliver public services in a modern way that meets people's expectations about decisions that affect them and their communities. The government will ensure that spending on key services is prioritised and delivers value for money for the taxpayer.

## Priorities for Spending Review 2015

**3.2** Summer Budget 2015 confirmed the government's commitment to fund increases in the NHS and defence spending. The government also remains committed to meeting its target of spending 0.7% of GNI on Official Development Assistance (ODA), and is protecting schools funding on a per-pupil basis including pupil premium rates. These investments will ensure the sustainability and quality of core public services, but must be accompanied by measures to increase productivity and efficiency to ensure that every extra pound is put to the very best use.

**3.3** Alongside protecting these specific areas, the Spending Review will prioritise spending according to a number of core outcomes:

- promoting innovation and greater collaboration in public services
- promoting growth and productivity, including through radical devolution of powers to local areas in England
- delivering high-quality public services, such as the NHS
- promoting choice and competition
- driving efficiency and value for money across the public sector

**3.4** The following sections set out further detail on the government's priorities for Spending Review 2015.

## Health

**3.5** The government will protect spending on the NHS in England and backs the NHS 'Five Year Forward View' which outlines a plan for a more sustainable, integrated health service that cares for people closer to home.<sup>1</sup> By committing to increase NHS funding in England by £10 billion in real terms by 2020-21, above 2014-15 levels, the government is supporting the NHS in England to deliver its plan and produce a step change in safety, quality and access. In return for the additional investment, the NHS will need to deliver on its commitment to achieve significant efficiency savings by 2020-21, as set out in the Five Year Plan.

**3.6** Work to deliver those savings has already started. The Department of Health is currently undertaking an Efficiency Review led by Lord Carter. An interim report was published in June 2015 highlighting potential efficiency savings in a number of areas.<sup>2</sup> These included NHS workforce efficiencies (for example establishing best practice in the management of productive

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<sup>1</sup> 'Five Year Forward View', NHS, October 2014

<sup>2</sup> 'Review of Operational Productivity in NHS providers', Department of Health, June 2015

time and rostering) and procurement savings through developing an electronic NHS catalogue for goods and standardising clinical items.

**3.7** The additional investment in the NHS will ensure that the NHS becomes a 7-day service by 2020-21. Everyone will be able to access GP services from 8am – 8pm 7 days a week. These improvements will allow people to better balance work, family and their healthcare, and will be central to a more productive economy. Further, over this Parliament the NHS will continue to improve quality, choice and clinical outcomes in areas such as cancer, dementia and mental health.

## Defence and security

**3.8** At the Summer Budget, the government built on its commitment to safeguard the security of the United Kingdom by:

- raising the Ministry of Defence (MoD) budget by 0.5% per year in real terms to 2020-21
- making available an additional £1.5 billion a year towards the end of the Parliament to increase spending on the military and intelligence agencies
- committing to meet the properly measured NATO pledge to spend 2% of GDP on defence every year of this decade
- protecting in real terms counter terrorism spending of more than £2 billion across government

**3.9** The final allocation of this additional funding will be determined by the Strategic Defence and Security Review and the Spending Review. There is more work to do on rationalising the MoD's estate and other parts of its activities. The additional funding is conditional on the armed services and agencies producing further efficiencies within their existing budgets to ensure continued investment in the most important capabilities.

## Schools

**3.10** The government reaffirms its commitment to protect per-pupil funding for schools. Evidence shows that while many schools have driven down costs, there is still significant scope for other schools to increase efficiency and productivity. Secondary school spending on back-office costs ranges from £202 to £1,432 per pupil, and between 2003 and 2013, back-office spending per pupil in maintained schools increased by around 60% in real terms.<sup>3</sup> The government will support schools to improve productivity and maximise expenditure on improving children's education, including through the Spending Review process.

**3.11** The government will also make schools funding fairer and focus efforts to support school improvement in underperforming areas, including coastal areas, encouraging the best academy chains to expand and bringing new sponsors where needed.

## Official Development Assistance

**3.12** The government will continue to meet its ODA commitment of 0.7% of GNI. To achieve an optimal allocation of ODA spending, the Treasury will run a competitive process as part of the Spending Review to scrutinise proposed ODA spending across government and ensure ODA spending represents high value for money.

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<sup>3</sup> 'Review of efficiency in the schools system', Department for Education, June 2013; 'Consistent Financial Reporting data', Department for Education, 2002-03 and 2012-13

## Growth, productivity and devolution

**3.13** As set out in 'Fixing the foundations: creating a more prosperous nation', higher productivity can increase household incomes and support sustainable economic growth for the long term, as well as contribute to fiscal consolidation. Spending Review 2015 will therefore prioritise spending in areas that drive productivity and growth. As public services represent around 20% of the economy, the government will also continue to increase the productivity and efficiency of the public sector.<sup>4</sup>

**3.14** The UK needs to make significant improvements to productivity across the regions, and the government is committed to further radical devolution of power within England. This will give local leaders more opportunity to drive efficiencies by bringing budgets and powers closer to the point of use. It will also improve outcomes through giving local people greater influence over how services are delivered. The Spending Review will establish how spending can be used to rebalance the economy, including by building a Northern Powerhouse.

**3.15** The government is committed to building strong city regions led by elected mayors, building on the ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services. City regions that want to agree a devolution deal in return for a mayor by the Spending Review will need to submit formal, fiscally-neutral proposals and an agreed geography to the Treasury by 4 September 2015. The Treasury and DCLG will work with city regions to help develop their proposals.

**3.16** As part of the Spending Review, the government will look at transforming the approach to local government financing and further decentralising power, in order to maximise efficiency, local economic growth and the integration of public services.

**3.17** The Local Growth Fund, recommended by Lord Heseltine, is an important part of the government's commitment to empower local places with the tools they need to drive economic growth. Autumn Statement 2013 confirmed that central government departments will devolve at least £12 billion from 2015-16 to 2020-21 to the Local Growth Fund. As part of the Spending Review process, the government will identify which budgets will be devolved into the Local Growth Fund to support economic development across the country. This will place more funding in the hands of local communities for their priority projects.

**3.18** The government continues to deliver against its commitment to devolve further powers to Scotland, Wales and Northern Ireland, ensuring that each administration has the appropriate levers to take decisions to address their specific challenges. It has also set out its plans for delivering English votes on English matters, including tax and spending powers.

## Criminal justice

**3.19** In the Spending Review, the government will look to build on the progress made over the last Parliament, by:

- creating a fully integrated criminal justice system from the police station to the courts to ensure services are more efficient and focused on needs of victims and witnesses
- continuing to modernise courts and prison infrastructure

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<sup>4</sup> 'Fixing the foundations: creating a more prosperous nation', HM Treasury, July 2015

- supporting the police to innovate and exploit opportunities for greater efficiency and value for money

**3.20** The government's investment in courts in England and Wales will deliver more efficient and effective administration for citizens using courts and tribunals, realising savings in excess of £100 million a year by 2019-20.

## Modernising public services through innovation, integration and localism

**3.21** The Troubled Families programme has demonstrated the effectiveness of integrating services at the local level, providing a more efficient and joined-up approach to meeting troubled families' complex needs. The programme has already turned around the lives of thousands of families with complex problems and the government has committed to extending it to a further 400,000 families in this Parliament. The government will continue to support this and similar cross-cutting initiatives that generate efficiencies and bring together public services at local level.

**3.22** In the last Parliament the government created the biggest ever financial incentive to join up health and social care services, with each part of the country now managing its share in a £5.3 billion pooled budget. The government is also backing the ground-breaking plan to bring together £6 billion of health and social care funding in Greater Manchester. In the next Spending Review period the government will continue to join up services from hospital to home and areas that want to go further more quickly will be considered for devolution deals that suit their area and benefit local communities.

**3.23** Spending Review 2015 will consider options to reform the markets that deliver public services to improve service quality and potentially deliver savings. Effective and active choices made by services users can help drive more efficient outcomes. Modernising regulatory requirements for delivering services or the approach to payments for services can allow more providers to enter the market, increasing competition and innovation, resulting in increased efficiency and reduced costs. For example, by competing some of the peripheral services required to run a prison (visitor catering, repairs and other ancillary services) across the public sector prison estate, the National Offender Management Services (NOMS) expects savings of over £12 million a year from 2016-17.

**3.24** There is still too much duplication of processes and services across the public sector. The first steps to integrate services, to save money and improve service outcomes, were taken in the last Parliament. The government will take further action to ensure departments and agencies work more closely together.

## Efficiency and financial management

**3.25** The government will continue to examine pay reforms and modernise the terms and conditions of public sector workers. As part of this, the government has agreed proposals with all departments to abolish contractual progression pay across the Civil Service.

**3.26** In the last Parliament, the government exercised firm restraint over public sector pay to deliver reductions to departmental spending, saving approximately £8 billion.<sup>5</sup> The government will need to continue taking tough decisions on public sector pay in order to deliver reductions to departmental spending and protect the quality of public services. The Summer Budget confirmed that the government will fund a 1% pay award for public sector workforce for 4 years from 2016-17. This will save approximately £5 billion by 2019-20.<sup>6</sup> The government expects pay

<sup>5</sup> HM Treasury analysis

<sup>6</sup> HM Treasury analysis

awards to be applied in a targeted manner within workforces to support the delivery of public services.

**3.27** To get the most value from taxpayers' money, the government will continue with its ambitious programme to improve financial management across all 17 main government departments and arm's length bodies. The government is improving business planning through the creation of Single Departmental Plans, to ensure resources are being matched to government priorities. Single Departmental Plans will provide a strong means to monitor progress against government priorities and the delivery of the manifesto commitments.

**3.28** The government will continue to maximise the economic value generated from electromagnetic spectrum by sharing or releasing spectrum currently used by the public sector wherever practicable. As announced in 'Fixing the Foundations: developing a more prosperous nation', the government has implemented a new model for the centralised management of public sector spectrum to enable us to take a strategic approach to managing its use.<sup>7</sup> As part of the Spending Review, spectrum-using departments will be charged a market-based fee for their spectrum use based on expert advice from Ofcom.

**3.29** The government has taken strides to reduce the size of its estate, getting out of expensive buildings that it no longer needs, and releasing surplus public sector land. This is vital to reducing running costs, promoting economic growth, and meeting the government's housing ambitions. In the last Parliament, the government met its target to sell surplus land with capacity for 100,000 homes. But taxpayers still own over £300 billion worth of land and buildings,<sup>8</sup> with the Ministry of Defence (MoD) alone owning approximately 1% of all UK land.<sup>9</sup> Operating from such a diversified estate also drives other costs, including the £115 million a year the MoD spends on vehicle hire, including to travel between different sites. The government has committed to dispose of public sector land for at least 150,000 homes by 2020. As part of the Spending Review, departments will set out how they will meet their share of contributions to this target.

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<sup>7</sup> 'Fixing the foundations: creating a more prosperous nation', HM Treasury, July 2015

<sup>8</sup> Whole of Government Accounts, year ended 31 March 2014, HM Treasury, March 2015

<sup>9</sup> MOD land holding bulletin 2014, Ministry of Defence, July 2014





# 4 Delivering the Spending Review

4.1 This chapter explains how the government will conduct Spending Review 2015, which will be published on 25 November 2015.

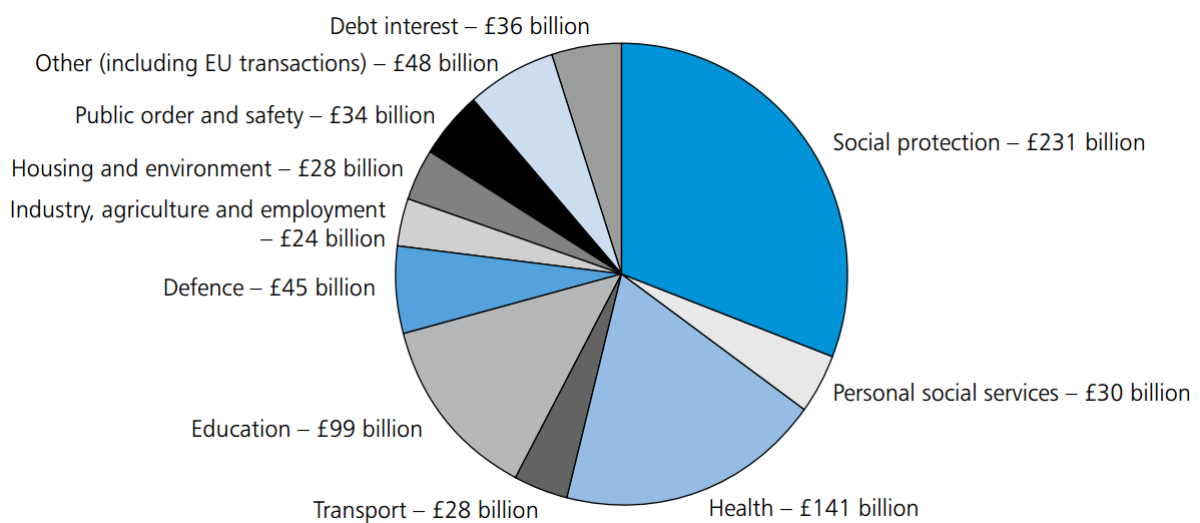
## Scope

4.2 To ensure the Spending Review is as comprehensive as possible, all areas of public expenditure will be in scope including departmental budgets and Annually Managed Expenditure (AME). Priority budgets such as the NHS will be protected as set out in Chapter 3.

4.3 HM Treasury is inviting government departments to set out plans for reductions to their Resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019-20.

4.4 Chart 4.A shows public spending in 2015-16 by function.

**Chart 4.A: Public sector spending, 2015-16**



Source: Office for Budget Responsibility 2015-16 estimates. Illustrative allocations to functions are based on HMT analysis including capital consumption figures from the Office for National Statistics. Figures may not sum due to rounding.

## Devolved administrations

4.5 Every part of the UK will need to take action to tackle the UK's fiscal deficit and build the foundations for strong and sustained economic growth. The government is committed to working with the devolved administrations to do this. For the majority of spending, the Barnett formula will apply in the normal way at the Spending Review, and devolved administration allocations will be calculated by the Treasury on the basis of the settlements reached with UK government departments.

## Process and timetable

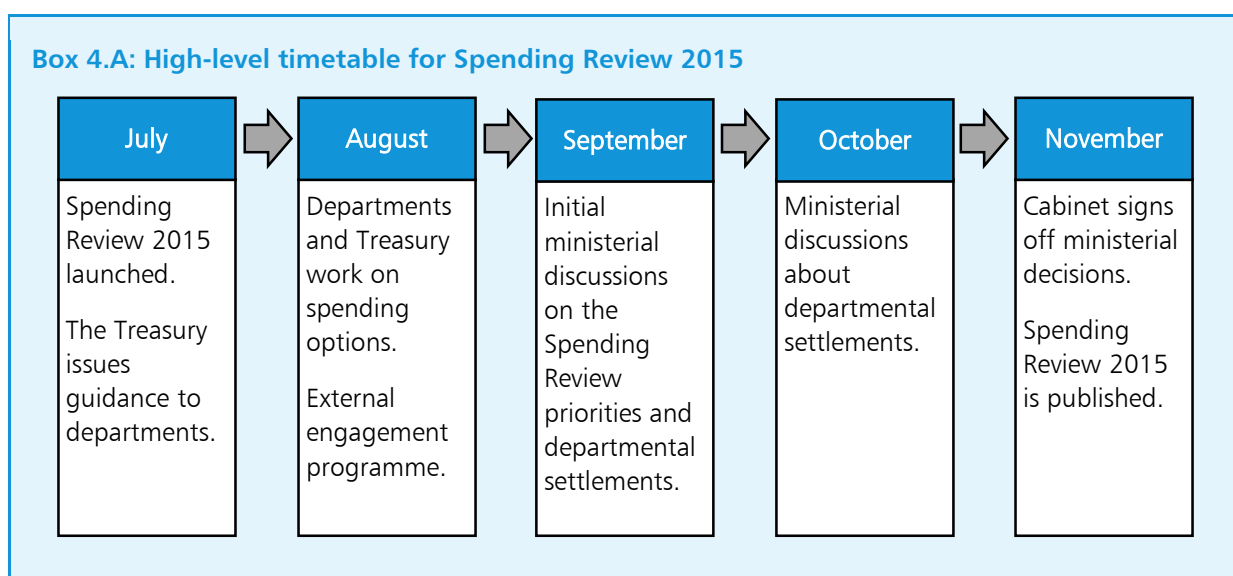
**4.6** Departmental Expenditure Limits (DELs) will be set for every government department and all AME will be scrutinised. The Treasury will work with departments to develop options for reforms across DEL and AME to reduce spending and increase efficiency while improving public services.

**4.7** The government will undertake a full review of capital spending plans to identify the areas of spending that will achieve the best economic returns while delivering on the commitment to invest £100 billion in infrastructure by the end of the Parliament.

**4.8** Departments will also be asked to examine their assets and consider how they can be managed more effectively, including considering the role of privatisation and contracting out where assets do not need to be held in the public sector.

**4.9** The Public Expenditure (PEX) committee will be re-established to advise Cabinet on the high-level decisions that will need to be taken in the Spending Review.

**4.10** A high-level timetable for the Spending Review is set out in Box 4.A.



## Engaging experts throughout the process

**4.11** The government will carry out an engagement process over the summer to discuss and consult on the big spending questions it faces, harnessing expertise from within the public sector and beyond.

**4.12** During the last Parliament the government established a network of 'What Works' centres to produce independent analysis on the impact and cost-effectiveness of major areas of public spending. The government wants to draw on this expertise and will invite the centres to submit their analysis to HM Treasury.

**4.13** The government will organise a series of events over the summer to discuss and debate various aspects of public spending. These will involve a wide range of experts, including those working on the front line of public services. The schedule of events will incorporate many of the key areas that need to be considered as part of the Spending Review process, including:

- devolving and integrating public services at the local level, such as health and social care

- cross-cutting issues such as greater use of big data and digital technologies to drive the next stage of efficiency and reform across government

**4.14** Representative bodies, interest groups and individuals are invited to submit written representations to HM Treasury by 4 September 2015. In order to inform the Spending Review, representations should contain relevant policy, reform or money-saving suggestions and be sent to [SpendingReview.Representations@hmtreasury.gsi.gov.uk](mailto:SpendingReview.Representations@hmtreasury.gsi.gov.uk). Further guidance and detail can be found at GOV.UK.

## Conclusion

**4.15** The government will use the Spending Review to set out plans for eliminating the deficit and safeguarding Britain's long-term economic security. But it will also take the opportunity to invest in its priorities, and deliver ambitious reforms to modernise and localise public services to achieve better outcomes for citizens.





### **HM Treasury contacts**

This document can be downloaded from  
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## Cabinet

Meeting to be held on 12 August 2015

## Report of the Corporate Director for Commissioning and Deputy Chief Executive

Electoral Division affected: None
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## Base Budget Review

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### Executive Summary

The council is facing an ongoing challenge to be able to deliver its services in the context of its reduced and reducing resource base.

The resource base of the council is a function of decisions taken at a national level in the previous Parliament. The new government has made clear its commitment to a reduced level of public services and these have been announced in the Spring Budget and articulated further in, "A country that lives within its means: Spending Review 2015", presented to Parliament by the Chancellor of the Exchequer to the Treasury.

The separate Money Matters report on the agenda, setting out the "Outlook for the County Council's Medium Term Financial Strategy", indicates that the council will need make decisions to bridge an annual budget shortfall of circa £225m by April 2020. Of this the council will need to address a shortfall of £87.1m by 1<sup>st</sup> April 2017.

To address these shortfalls it is proposed that the council undertake a zero base budget review to inform the council's future budget process.

The report sets out the approach to this budget review.

### Recommendation

The Cabinet is asked:

- (i) To note the approach and timetable for the proposed Base Budget Review set out in the report.
- (ii) To agree to a procurement exercise to put in place a Consultancy Framework to support the activities set out in the report.

## **Background and Advice**

The council faces an unprecedented budget challenge, having to deliver the final and most difficult elements of a £500m reduction programme combined with a further reduction in its resource base, as a result of the proposed £20 billion reduction in "non-protected" government departmental expenditure. This will need to be achieved alongside the continuing growth in demand for council services.

The separate Money Matters report on the agenda, setting out the "Outlook for the County Council's Medium Term Financial Strategy", indicates that the council will need make decisions to bridge an annual budget shortfall of circa £225m by April 2020. Of this the council will need to address a shortfall of £87.1m by 1<sup>st</sup> April 2017.

These reductions are on top of the decisions already taken in the 2014 and 2015 budgets.

Given the magnitude and severity of the impacts of these reductions it is considered that there is now a need to undertake a root and branch review of every aspect of the services provided by the council. The way it is proposed that this be undertaken is through a zero base budget review in the context of a clear Corporate Strategy that sets out the council's priorities.

Such zero based reviews are rarely carried out by councils due to the massive undertaking they involve; the county council's budget is made up in detail of some 15,000 budget lines.

Given the extremely difficult decisions that Full Council will need to make in setting the council's future budgets, officers recognise the importance of providing Members with a range of options from which to make choices. Whilst the "Outlook for the County Council's Medium Term Financial Strategy" suggests that the council may not even be able to meet its all its statutory requirements by 2020/21, the approach set out for the Base Budget Review process aims to provide Members with the maximum scope to make choices.

### **Stage One: What can be stopped?**

The council has now reached the stage where the only way to meet the budget challenge will be to stop providing some services. We are now well beyond an approach to expenditure reduction that can be achieved through reconfiguration of services and different delivery models.

### **Statutory services and legal challenge**

The council has a legal obligation to provide services to its citizens as set down by statute. What is not clear, however, is what constitutes the threshold of what is and what is not mandated by statute. We therefore talk of statutory services with a degree of imprecision. The current configuration of the council's budget does not provide a sufficiently fine grain against which to judge what must be spent to meet our statutory obligations.



The first stage of the Base Budget Review will therefore be a detailed analysis of every service provided by the council, breaking down budgets to a service specific level. It is estimated that this would represent in the order of 200 or so individual services.

A statutory test would then be applied to that service to assess whether or not the council must provide the service and the threshold at which the service must be provided. The test that will be applied is as follows:

- If the council stopped providing the service would it be likely to lose a legal challenge?

This is a very narrow test and will involve a judgement being made. It is important to note that the test is not whether or not a legal challenge may be received, but whether in the opinion of the Monitoring Officer, it is likely we would lose such a challenge.

Often, public service legal challenges in respect of service reductions are lost as a result of appropriate procedures not having been undertaken, in particular effective consultation processes.

This first stage will therefore set out clearly the details of what would need to be done to reach a point where a service could lawfully be ceased and the time it would take to reach the point where expenditure could be stopped.

### **The outputs from Stage One – Member briefings**

The Management Team have already started work on Stage One and have set the end of September for this analysis to be completed.

The outputs from this stage will be a detailed schedule for every service, its cost and its status as statutory or non-statutory based upon the narrow statutory test described.

This will provide the information base upon which future decisions can be considered. It would be the intention to present this to a number of meetings of the Budget Scrutiny Working Group throughout October 2015.

Given the magnitude of the decisions that the Full Council will need to take in setting the budget in February 2016, it is considered that an early and wide understanding of the information will be essential for all 84 Members of the county council. A series of detailed briefings for Members will also be scheduled throughout October 2015.

### **Stage Two – establishing the future pattern of county council services**

The outputs from Stage One will provide an indication of the total expenditure required to provide a minimum level of statutory service. Hopefully, this will leave a balance of resources that can be allocated to other service areas. The output from Stage One will also provide the detailed costs of the non-statutory services;

consequently a future pattern of service provision will be able to be configured using this information.

Clearly the final outcome of Full Council's considerations, would be a schedule of services that can no longer be afforded within the financial resources of the council.

The role of the new Corporate Strategy in shaping the future direction of services will become vital in ensuring we do all we can to meet the needs of Lancashire's citizens. The priorities of the new Corporate Strategy would be used to prepare options for consideration by the Cabinet as to the future pattern of council services.

Cabinet would publish its budget options for consultation in November 2015 as part of the normal budget cycle.

The outputs from Stage One will provide all Members with the information to enable them to consider alternative budget options and alternative patterns of future services, subject to these being contained within the council's resource envelope.

### **Stage Three – the zero base**

Once Full Council has decided upon the future pattern of services in February, detailed work will commence on these services to undertake a fundamental line by line zero base budget review of all expenditure within the retained services. This would also involve a review of the business model of how services are delivered to ensure the best value for money.

It is anticipated that this work would release resources for future investment in services or to meet the budget pressures from 2018/19 to 2020/21

### **Stage Four – reconfiguration of the council's operating model**

The outcome of stages one to three will result in the county council being very different in terms of its pattern of services and being a considerably smaller organisation. There will therefore be a need to look again at the operating model of the council and its management structures, such that they too are smaller and fit for purpose. This part of the Base Budget Review will impact employees at grade 11 and above who have recently taken up their appointments to the new management structure. Whilst this is likely to have an earlier impact as a result of decisions to cease specific services, it is not envisaged that any wholesale change would take place until April 2018. This will provide a relative level of stability in during what will be a very turbulent period.

### **External support**

The council has recognised the need for external consultancy support to reconfigure some of its major services. To date external consultancy services are being procured to support the reconfiguration of Adults' Social Care and to undertake a diagnostic of Children's services.

It is proposed that the council undertake a procurement to establish a wider Consultancy Framework that will allow the council to call off services as and when need arises throughout this Base Budget Review and wider transformation process. In particular it is proposed that an external consultancy would be used to review the council's operating model and management structure as part of Stage Four.

### **Consultations**

Consultation is proposed as part of the separate report on the agenda in respect of the draft Corporate Strategy. Consultation will take place as part of the normal budget process. Additionally, as set out in the report it is proposed that extensive briefing take place for the Budget Scrutiny Working Group and all 84 Member of the council.

### **Implications:**

This item has the following implications, as indicated:

### **Financial**

The costs of external consultancy services will vary depending upon the nature and scale of the work required. Separate authority will be sought for any work not covered by budgetary provision. It is anticipate that there will be a call upon the council's reserves to enable this work to be funded and these requests will be presented for consideration on a case by case basis.

### **Risk management**

The actions set out in the report are considered essential to mitigate the council's budget risks and ensure that the council will be able to set robust and sustainable budgets in the years ahead.

### **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A



## **Cabinet**

Meeting to be held on 12 August 2015

## **Report of the Corporate Director for Commissioning and Deputy Chief Executive**

Electoral Division affected: None
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## **Redundancy Payments Scheme and Trade Union Consultation**

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### **Executive Summary**

At its meeting held on 20 February 2014 the Full Council agreed to Cabinet's recommendation proposing changes to the Council's Voluntary Redundancy package over a four year period from 1 April 2014 to 31 March 2018 for the purpose of achieving a reduction in employee costs in the order of £75 million.

The changes agreed which are now incorporated within the Council Redundancy Payments Scheme were agreed on the basis of an ambition to achieve the necessary downsizing of the Council by voluntary means subject to sufficient volunteers coming forward whose application could be agreed based on business need.

This report provides an update on the progress made to date and sets out the extended time period over which the Council will need to reduce its workforce. It also makes recommendations with respect to further changes to the Council's Redundancy Payments Scheme and to commence formal consultation with the recognised Trades Unions in the event that it becomes necessary to make staff compulsorily redundant.

### **Recommendation**

The Cabinet is asked to:

- (i) Agree that Full Council be recommended agree to the extension of voluntary redundancy terms until 31 March 2018 based on a multiplier of 1.4.
- (ii) Authorise the Director of Governance, Finance and Public Services to issue the necessary statutory notices in respect of the proposals as set out in the report.

(iii) Note that, subject to the outcome of formal consultation with the recognised Trade Unions, those employees displaced as part of Phase 1 of the Council's transformation will be served with not less than three months' notice of dismissal on the basis of compulsory redundancy, the dismissals to take effect on 31 March 2016.

## **Background and Advice**

In February 2014 Full Council agreed to Cabinet's recommendations in relation to the Voluntary Redundancy (VR) Terms to facilitate the downsizing of the council. Those terms involved a salary multiplier of 1.6 for employees leaving by 31 March 2015, reducing to a multiplier of 1.4 for employees leaving by 31 March 2016. It was agreed that, following that date, for the period 1 April 2016 to 31 March 2018 the terms will be reduced to the statutory minimum redundancy provisions with no multiplier and adopting the statutory maximum of weekly salary (currently £475 per week) for each week used in the calculation, the terms therefore being the equivalent of those applying to compulsory redundancy.

The objective of the VR provisions was to avoid any compulsory redundancies prior to April 2016 when it was anticipated the downsizing of the Council would be complete. Whilst, at the time, no guarantee could be given that there would be no compulsory redundancies before April 2016, it was the ambition of the Cabinet to do everything possible to avoid compulsory redundancies and achieve downsizing by voluntary means subject to sufficient volunteers coming forward whose applications for VR could be agreed based on business need.

The scale of the reduction in employee numbers was modelled at around 2500 based upon the assumption that the reduction in Council expenditure on employees, as part of the required savings, would be proportionate to the 28% of the total budget related to employee costs.

## **The 2014 and 2105 Budget Decisions**

The Council's budget decisions in 2014 and 2015 have, to date, had far less impact than anticipated on employee numbers. The expenditure reductions resulting from the overall pattern of budget decisions and service offers has impacted employee expenditure to a much lesser degree than initially anticipated and savings could only be achieved over a longer time period. A higher proportion of the expenditure reductions in service offers is planned against third party spend. Additionally, staffing reductions related to service offers that involve the fundamental reconfiguration of services, primarily in social care service areas, libraries and young people's services are expected to take until April 2018.

Overall it is anticipated that the reduction in employee numbers relating to budget decisions to date will amount to approximately 1400 employees with some 400 taking place between April 2016 and April 2018. The majority of these 400 relate to service areas described as part of the current staff consultation on the proposed Phase Two of the Council Transformation as "delayed in-scope".

## **Further budget reductions**

The analysis set out in the report elsewhere on the agenda "Money Matters, Financial Outlook for the County Council and Medium Term Financial Strategy" identifies £87.1 m of further reductions to be implemented before April 2018.

Given that the balance of budget decisions taken in 2014 and 2015 have focussed more on third party expenditure, it is inevitable that the majority of the savings yet to be identified will involve employee cost reductions.

It is therefore considered that the reduction of 2500 in employee numbers, initially modelled, is still likely to be necessary, but will have to be achieved over a longer time period than originally envisaged. Whilst it was originally envisaged that this would occur by April 2016, it is now considered that the majority savings on employee costs will need to be achieved by April 2017, with a reduction of some 400 posts taking place during 2017/18.

## **Phase 3 of the Council's Transformation**

It can be seen from the foregoing that out of the estimated 2,500 reduction in posts, some 1100 posts have yet to be identified. These posts can only be identified once the Council has made decisions about the future patterns of service in respect of its available resources.

The timescale for these decisions to be made will be the Full Council budget meeting in February 2016. The normal budget consultation process would see options being considered from November 2015 and at that time the potential areas where staffing reductions are proposed will be identified.

These options will have the potential to affect all areas of the Council and all phases of the transformation process. The timetable and process for the transformation will therefore need to be reconsidered in the light of these decisions.

## **Reductions to date**

Since April 2014, 608 employees have been granted VR and have either already left the organisation or have agreed leaving dates. It is estimated that if these staffing reductions are combined with reductions from vacancies and the reductions proposed as part of the Phase Two "in-scope" restructuring, approximately 1000 posts will have been removed from the structure between April 2014 and April 2016.

## **Ambition of "no compulsory redundancies" before April 2016.**

Given decisions to date and the level of approved VRs it can be reported that the council will be able to deliver on its ambition that no employee would be made compulsorily redundant before April 2016.

The Council will, therefore, have provided employment protection for all its employees for over 2 years since the scale of the downsizing was announced.

## **Extension of VR terms until April 2018**

Given the extended timetable over which it is now envisaged the workforce will be reduced, and in order to maximise the opportunities for volunteers to come forward, it is proposed that the current VR terms, involving a 1.4 multiplier, which are due to end on the 31 March 2016 be extended until the 31 March 2018. This would not affect employees who have already been granted VR and have an agreed leaving date.

## **Financial Implications**

When the VR terms were agreed in February 2014 it was estimated that the cost of the VR package for 2500 employees would be in the region of £75-£79 million and provision was therefore made within the downsizing reserve to accommodate this cost.

To date the cost of the 608 employees granted VR has been £23.7m. It is anticipated that the proposed extension of the VR terms can be accommodated within the current provision of the down-sizing reserve, as the total number of employees affected is not expected to exceed the original 2500.

## **Compulsory Redundancy**

Given the scale of the budget reductions still to be achieved and the timeframe over which this will need to be delivered it is unlikely that the Council will be able to achieve the reductions by wholly voluntary means after 31 March 2016. It is likely that compulsory redundancy will become a necessity if the Council is to set a balanced budget by April 2017.

In those circumstances the requirements of section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 are engaged and it is necessary for the Council to undertake a formal consultation process with the recognised Trade Unions. The consultation must include consultation about ways of avoiding the dismissals, reducing the number of employees to be dismissed, and mitigating the consequence of the dismissals. The consultation must be meaningful, undertaken with a view to reaching agreement and will include, amongst other things, the proposed selection criteria and proposed method of selection that will apply where compulsory redundancy becomes necessary.

Whilst non-filling of vacancies and VRs will be the main focus for achieving staffing reductions, it is proposed that, subject to the outcome of the formal trade union consultation referred to above, the 22 employees displaced as part of Phase 1 of the transformation process and therefore without a substantive post will be served with a minimum 3 months' notice of dismissal to take effect on 31 March 2016. The full year cost of taking this decision would be to achieve a saving of approximately £1 million per annum.

During this notice period the employee will still have the opportunity for redeployment into any suitable alternative post that becomes vacant or a "bump" into a post vacated by a volunteer for redundancy.



The Council's Redundancy Procedure sets out the procedural requirements that apply where it is proposed to make an employee compulsorily redundant and includes provision for consultation with individual employees affected and, if necessary, the right to appeal against selection for redundancy as well as access to the Council's Redeployment process.

### **De-facto compulsory redundancy**

It is also proposed that any employee served with notice of compulsory redundancy could elect for VR up to their last day of employment. It can be anticipated therefore that most employees subject to compulsory redundancy would ultimately elect for the voluntary terms.

However, for the sake of openness and transparency the Council would not wish to misrepresent this position and therefore those employees who are true volunteers for redundancy rather than those who have been served with notice of compulsory redundancy will be identified and reported on separately so that the true impacts of the policy can be monitored.

### **Consultations**

Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 requires formal consultation on the basis described above. The Trade Unions will be provided with the necessary information relevant to the proposals to facilitate meaningful consultation. This information includes the reasons for the proposals, the staff affected (including details of agency workers and apprentices/graduates currently engaged by the Council). As with the earlier proposals for voluntary redundancy, it is intended to schedule regular consultation meetings with the Trades Unions for as long as that is required.

With the exception of the 22 employees displaced as part of Phase 1, decisions have yet to be made as regards the service areas and staff potentially affected by compulsory redundancy. It is not therefore intended to propose selection criteria and the proposed method of selection at this stage, this will be the subject of ongoing discussion with the Trades Unions as proposals emerge. However, it is possible that both the selection criteria and the method of selection will vary between service areas although selection on the basis of competitive interview will be one of the methods consulted on.

A failure to comply with s.188 requirements entitles an employee to present a complaint to an Employment Tribunal and if the complaint is upheld then the Tribunal has the power to make a "protective award" of up to 90 days' pay. The Council is also required to notify the Secretary of State of proposed redundancies.

**Implications:**

This item has the following implications, as indicated:

**Financial**

It is anticipated that the costs of the VR proposals can be contained within current provisions of the downsizing reserve.

**Risk management**

The proposed action set out in the report is vital to the management of the budget risks facing the Council and the need to balance the Council's budget in 2017/18.

**List of Background Papers**

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		

**Report to the Cabinet Member for Children, Young People and Schools**  
**Report submitted by: Head of Service for Asset Management**  
**Date 12 August 2015**

**Part I**

Electoral Divisions affected:  
Chorley North; Chorley  
Rural West; Leyland Central

**Proposed expansion of Trinity Church of England/Methodist Primary School, Buckshaw Village, Chorley**  
(Appendices 'A' to 'D' refer)

Contact for further information:

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## **Executive Summary**

Between 19 January 2015 and 13 February 2015 the authority consulted on a proposal to permanently expand Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley, with effect from September 2016.

After carefully considering the outcome of the consultation and agreeing (on 19 May 2015) to proceed with the proposal, the authority published a statutory notice on 16 June 2015. In accordance with the statutory process (as per the School Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2013 for school expansion proposals, the Notice invited representations (objections or comments) within the statutory four-week notice period, i.e. from 16 June 2015 to 13 July 2015.

Under the statutory school expansion process, a decision should now be taken about the proposal. If the authority fails to decide the proposal within two months from the end of the representation period, the proposal and any representations about the proposals must be passed to the schools adjudicator for decision.

This is deemed to be a Key Decision and Standing Order 25 has been complied with.

## **Recommendation**

The Cabinet Member for Children, Young People and Schools is recommended to:

- (i) Consider the information in this report;

- (ii) Conditionally approve the proposal to make a prescribed alteration to Trinity Church of England/Methodist Primary School, Buckshaw Village, Chorley by permanently expanding the number of places available from 60 to 90 pupils for reception year in September 2016 and in subsequent reception years, by utilising the second site secured on Buckshaw Village, subject to the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 and the transfer of the held site from Chorley Borough Council; and
- (iii) Approve that an appropriate statutory decision letter be sent out as specified under legal requirements to give the reasons for the decision to those who are to be informed of them.

### **Background and Advice**

Trinity Church of England/Methodist Primary School, Buckshaw Village was established in September 2010 to cater for the large housing development known as Buckshaw Village, built on the former Royal Ordnance Factory site. It was established as a one form entry school with the intention to expand to two forms of entry as and when demand for increased places was evident. This demand became evident and from September 2013 the school expanded to take 60 pupils each reception year.

As part of the planning process for part of the development on Buckshaw Village known as 'Group One', a further site was secured on the village, for the provision of primary school places.

Following on from a temporary expansion of Trinity CE/Methodist Primary School, which increased the admission number at the school to 90 for one year only for September 2015, it is proposed to permanently expand the number of places available from 60 to 90 pupils in reception year with effect from September 2016 and in subsequent reception years thereafter. The overall capacity at the school would be increased from 420 to 630. Should the permanent expansion be approved, then additional permanent accommodation will be provided on the 'Group One' site.

This report aims to provide sufficient information on:

- The proposal to expand Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley to reflect current and future numbers on roll;
- The responses received during the statutory notice period;
- Factors that the decision maker must take into consideration when determining the proposals; and
- A commentary on how the proposal relates to these factors in order for the decision maker to make a determination in respect of the proposals.

Following a period of consultation, the Cabinet Member for Children, Young People and Schools agreed, on 19 May 2015, to the publication of a Statutory Notice proposing to expand Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley.

After the authority's publication of a Statutory Notice on 16 June 2015, and expiry on 13 July 2015 of the four week statutory period for representations to be made about the proposal, the authority is now at stage 3 of the 4 stage statutory process (as per the new School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013) that is summarised below:

Stage	Statutory requirement	
Pre-statutory phase	Informal consultation on the proposal	19 January 2015 to 13 February 2015
1	Publication of Statutory Notice	16 June 2015
2	Representations on the Proposal	16 June 2015 to 13 July 2015
<b>3</b>	<b>Decision*</b>	<b>12 August 2015</b>
4	Implementation (if the decision is made to proceed)	Permanent expansion from 1 September 2016 New building completion from September 2016.

\*If the Local Authority is responsible for a decision on the proposal and fails to take it within two months from the end of the representation period (stage 2) the proposal must be passed to the schools adjudicator for decision.

The Decision Maker is required, at this stage, to take account of statutory objections and comments made during the representation period. Details of the school expansion proposal to be considered are set out at Appendix 'A', the consultation booklet, Appendix 'B', the Public Notice, Appendix 'C', the Complete Proposal, and Appendix 'D', the Equality Impact Assessment.

### Checks on receipt of Statutory Proposals

School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2013 state the following factors that the decision maker must take into consideration when determining the proposal:

**Consideration of consultation and representation period:** *The decision-maker will need to be satisfied that the appropriate consultation and/or representation period has been carried out and that the proposer has had regard to the responses received. If the proposer has failed to meet the statutory requirements, a proposal may be deemed invalid and therefore should be rejected. The decision-maker must consider all the views submitted, including all support for, objections to and comments on the proposal.*

**Comment:** Between 19 January 2015 and 13 February 2015 the authority consulted on a proposal to permanently expand Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley, with effect from September 2016. Full details of the consultation process are set out in Appendix 'A'.

After carefully considering the outcome of the consultation and agreeing (on 19 May 2015) to proceed with the proposal, the authority published a statutory notice on 16 June 2015. In accordance with the statutory process for school expansion proposals,

the Notice invited representations (objections or comments) within the statutory four-week notice period, i.e. from 16 June 2015 to 13 July 2015.

By the close of the representation period on 13 July 2015, the local authority had received 21 written representations and 1 petition as follows:

- Eighteen individual letters: 8 from parents of pupils currently at Trinity Church of England/Methodist Primary School; 7 from parents of future pupils at the school, 1 from a grandparent of a current and future pupils at the school; 1 from a grandparent of a current pupil at the school, and 1 from the MP for South Ribble.
- Two joint responses were received. One sent from Ofsted who noted the proposal and one from Chorley Borough Council who trust that the Local Authority has considered all other options and have determined that the proposal best serves the best interests of children and parents alike. Neither organisation agrees nor disagrees with the proposal.
- One circular response was received: Four parents responded using the circular response, but of these, three had already responded individually, therefore the comments raised in the circular have been included within the individual comments. The circular does not support the proposal and raises the following concerns:
  - The reasons for the expansion;
  - Admission and curriculum arrangements;
  - Governance and administration; and
  - Physical characteristics of the school.
- One petition with 130 signatures including comments.

The 21 written representations expressed the following:

<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
2	2	2	3	12

All responses received and the petition including comments, have been placed on C-First. All representation responses are background papers to this report and are available for public inspection through Lancashire County Council School Planning Team (Telephone 01772 531957).

Of the respondents who objected to the proposal the individual objections stated a range of reasons listed below against the proposed expansion of Trinity Church of England/Methodist Primary School:

**Consultation process:** It was felt that the consultation was not publicised well enough amongst the community, with the location and distance of the new site and the management of pupils over the split site not being made clear at the outset. Due to these reasons, it was felt that the consultation responses were skewed as responses from parents, future parents and prospective parents were incredibly low compared to the response rate from school staff and governors. Therefore it was felt consultation responses could not be deemed an accurate proportionate collection of views. It was considered that consultation guidance had not been followed as public meetings were not held. One respondent suggested that when the children were consulted teaching staff asked for their views and replies were selectively recorded.

**Comments:** For a proposal to permanently expand a Voluntary Aided primary school there is a statutory process which the authority, as the proposer must follow. Although there is no longer a prescribed 'pre-publication' consultation period for prescribed alterations, the local authority consulted interested parties through an informal consultation period held from 19 January 2015 to 13 February 2015. This included a consultation document (Appendix 'A') which provided full details of the proposal, including reference to the 'Group One' site. Pages 9 and 11 of the consultation document (Appendix 'A') provided information on how to make views known, and was circulated to people and organisations that may have an interest in the proposals (page 8 of Appendix 'A' refers). Pupils' views from the school were also invited through the children's consultation. The school led on the children's consultation and 338 children were consulted from all year groups. It is not a statutory requirement to hold a public meeting. An appointment led event, rather than a public meeting, was held between 3pm and 8pm on Tuesday 3 February 2015 at Trinity Church of England/Methodist Primary School. This format of meeting is preferred as it allows the authority to manage the process effectively, minimise waiting times and ensure that appropriate officers are available to offer any interested parties, either individually or in small groups, advice and guidance to enable them to gain a better understanding on all aspects of the proposals.

The consultation event was also advertised at the community 'Hub', a site used by many members of the Buckshaw Village community for various events and meetings. Officers also sought permission to advertise the event at the Community Centre but staff were unwilling to do so.

The event was attended by 3 groups of people: representatives from Euxton Parish Council, parents of a future pupil of the school, and a parent of a child at school and future pupil with a representative of Euxton Parish Council

In response to the demonstrable demand for places, the Cabinet Member for Children, Young People and Schools approved the temporary expansion of Trinity Church of England/Methodist Primary School from 60 to 90 pupils for September 2015 on 4 December 2014. On 12 January 2015 the Cabinet Member for Children, Young People and Schools agreed that a period of consultation be undertaken to allow a permanent increase in Reception intakes from 60 to 90 from September 2016, initially on the existing school site to be followed by permanent build on the 'Group One' site. As much information as possible was shared at the informal consultation stage of the process. It is for the school's leadership team to decide how to organise the management of the proposed expansion of the school over the two sites and not the local authority.

The formal representation period allows for further comments to be made and considered before the final decision is determined.

**Admission and Leadership:** Five respondents queried how the proposed expansion would affect future school place applications including what the catchment area would be. Eight respondents queried how the leadership would manage running both sites at the same time. Four respondents stated that the existing school has not been established long enough at its current size to know yet whether the governors and administration team have the skills and ability to manage the complexity of an enlarged twin site school. One respondent added to this stating educational provision concerns due to the school having grown too rapidly since its inception. They felt that trebling its original size across 2 sites 1km apart is a step too far.

**Comments:** The school's leadership team have decided that, on completion, the new site will be used to accommodate the school's Foundation Stage and KS1 classes.

The following is an extract from the school's Admissions Policy:

*'The number of places available for admission to the Reception class in the year 2016 will be a maximum of 90.'*

*A temporary expansion with an increased admission number of 90 was agreed for 2015-16 (September 2015 reception intakes). The children will all remain on the existing school site during the 2015-16 school year. Consideration of a permanent expansion with an admission number of 90 is underway. If agreed this may require developing a second site within the Buckshaw Village area. Should this happen the governing body will continue to apply their existing admission arrangements (as below).*

*However for reception intakes for the school year within which the second site will be operational (and thereafter), where there are more applicants than available places, the distance tie break will measure from home address to the nearest of the two school sites.*

*(Full Admissions Policy Available on the School's website).'*

The governors review admission criteria on an annual basis to ensure that they reflect the ethos of the school and remain compliant with admissions legislation. The Church of England Diocese and Methodist Church Authority have been involved in the process throughout to ensure the religious character of the school has been maintained as the demand in the area for education in accordance with the tenets of the religious denomination was identified as a local need.

There will not be movement of pupils between sites on a daily or weekly basis. There may be occasions during the school year where it is felt important they have an opportunity to be together as a whole school e.g. worship at Christmas and Easter or for Sports Day and therefore some movement will happen but this will, by necessity, be limited.



Whole school activities will be organised as they currently are with organisation taking into account the needs of differing age groups of children and their families' relevant ratios and health and safety.

Staff will be employed to work at Trinity Church of England/Methodist Primary School which will encompass both sites. Some Leadership staff will work between the two sites but it is not anticipated that there will be a need for other staff to work on both sites. The school governance arrangements remain the same. The head teacher and governors are aware of the importance of ensuring that the two sites are managed effectively and have established a management structure which will ensure that this is achieved. This is not unusual and there are many schools where this model of staffing and organisation is effective. The Local Authority is confident that the leadership team of the school is sufficiently skilled and has the appropriate experience to effectively manage an enlarged twin site school.

**Split site:** The majority of the respondents who raised concerns, raised concern over Trinity Church of England/Methodist Primary School being split over two sites. It is felt that the two sites are too far apart, which would inconvenience parents getting children to both sites at the same time and impact on before and after school clubs. Concern was raised about the impact of the split site on the children e.g. the loss of sibling support and the impact of the changes on the education, development and emotional well-being of the children. Seven respondents felt that the split site school was proposed to prevent an Academy school application. Six respondents felt that there would be a clear and distinct separation between infant and junior ages with no integration and unlikely to be any movement between schools during school times due to the complexity of transporting young children between the two sites. A further respondent raised concerns regarding the education time that would be 'eaten into' whilst school children were walked from one school site to another for collective worship each week. A respondent stated that the original Section 106 agreement for Buckshaw Village outlined the provision of a new school on the second parcel of land.

**Comments:** The split site arrangement is necessary because the existing site is not large enough to accommodate an additional form of entry. As part of the planning process for part of the development on Buckshaw Village, a further site was secured on the village known as 'Group One' for the provision of primary school places. It is the only site available, is accessible to the community that the current school serves and is within walking distance of the existing school site.

The Headteacher and governors are committed to ensuring that the school feels like one school and is perceived as such. There will be a need to share resources in order to facilitate the sense of belonging to a whole school community. The school has the capacity to share playing fields at the existing site for whole school events. The school will also ensure children in Year 2 are sufficiently used to the existing building for an effective transfer into Year 3.

With the new school site located away from the existing site, the building works can take place without disrupting the existing pupils at the Unity Place site. The Headteacher and governors are mindful of the concerns of a split school for parents and pupils and will do everything they can to support them and ensure a smooth transition.

There will not be movement of pupils between sites on a daily or weekly basis. There may be occasions during the school year where it is felt important they have an opportunity to be together as a whole school e.g. worship at Christmas and Easter or for Sports Day and therefore some movement will happen but this will, by necessity, be limited.

Lancashire County Council's 'Strategy for the Provision of School Places and School's Capital Investment' clearly prioritises the expansion of existing provision over and above the provision of a new school wherever possible. Having consulted with all head teachers in the area and elected members, it was decided to propose an expansion of Trinity CE/Methodist Primary School as this would provide the most sustainable school offer and stability for the area. New provision would take longer and could have resulted in places not being available in time for the required increase in demand.

**Traffic:** Concern was raised over the traffic implications as respondents believe a split site will force more people to drive through the village. It was felt that if buses are provided by the school to take children between sites then both issues would create an even greater traffic danger around the school site. Seven respondents stated that the current school is a local school in walking distance to their homes and is in a convenient location.

**Comments:** The new site is easily accessible to the community that the current school serves and is within walking distance of the existing school site. The school's Headteacher and governors are committed to addressing traffic concerns. A full Equality Impact Assessment has been completed, which can be found in Appendix 'D'. This includes information regarding strategies to reduce traffic concerns e.g. staggered start times and 'walking buses'.

Parking will be considered as part of the Transport Assessment which will be conducted as part of the application for planning permission required for any permanent build.

**Alternative suggestions:** An alternative suggestion was made by five respondents and the MP for South Ribble to have two separate schools where children complete their primary education at a chosen site nearest to where they live. It was queried that if a new site can be created, why not a new school? Eleven respondents felt that Buckshaw Village requires a new non-faith community school to allow competition between the schools. A further suggestion was raised by two respondents that the County Council holds another consultation for all interested parties to discuss the following options: a split site school, a new school under the current HT or an Academy/Free School. Four respondents added to this that they felt 30 additional school places will not be enough for the future planned housing and suggested building a new single FE with the ability to expand to 2FE when required. Six respondents asked what consideration has been given for the need of a secondary school. The MP for South Ribble and two respondents also stated that the Ofsted Inspection report is due to be published two days after the representation period closes. Therefore they asked if representation could be extended so that the Ofsted results could be noted by all interested parties and included in the Cabinet Member report.

One petition was also received with 130 signatures and comments which stated that the respondents 'object to Lancashire County Council's plans to expand Trinity Church of England/Methodist Primary School, Buckshaw Village, (a.k.a – to increase the number of pupils admitted in each reception year from 60 to 90 and the capacity of the school from 420 to 630 from 1 September 2016.) We urge Lancashire County Council to establish/build a new standalone school on the new outlined site'. The petition and comments have been included in the analysis of responses to the representation.

**Comments:** The local authority has consulted on a proposed expansion only, not a proposed establishment of a new school, therefore the suggestion of replacement provision is legally a separate process to that currently being undertaken. The policy of the local authority, as outlined in the 'Strategy for the Provision of School Places and Schools' Capital Investment is to expand existing provision wherever possible and appropriate, rather than commission new provision. Therefore, should the local authority decide that additional places are needed it would first investigate adding places to existing schools. This approach has the advantage that it can be implemented much more swiftly than commissioning new provision. New provision would take longer and result in places not being available in time for the required increase.

Trinity Church of England/Methodist Primary School was established as a one form entry school with the intention to expand to two forms of entry as and when demand for increased places was evident. This demand became evident and from September 2013 the school expanded to take 60 pupils each year.

Secondary school places are being monitored in the area, and will be addressed as a separate issue, as and when the need arises to provide additional secondary places in local secondary schools. An additional form of entry has already been provided in Chorley for September 2015 and the authority is already consulting with the local secondary schools about places for the future.

As the current status of this proposal is statutory notice stage (as set out in the School Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2013), this is prescribed by regulations as 4 weeks. Due to this statutory process, the County Council is not in a position to extend the representation period.

The inspection framework means that schools will often be inspected during the process of expansion but, when scoping schools for expansion, we consider the standards and ability of a school to cope with expansion as an intrinsic part of the initial scoping. The school was inspected during the representation period and the results have not yet been made public.

**Agreement to the proposal:** Of the four respondents who agreed or strongly agreed to the proposal the following reasons were stated as to their approval:

- Buckshaw Village is in desperate need of a second school site and the school is trusted to manage the split arrangements appropriately;
- They don't want any more delay in extra school places being provided in Buckshaw Village;

- They felt when consulting, the County Council should widen participation by using social media more effectively which would have prevented being in the situation we are now where people feel aggrieved;
- They want the County Council to choose this school as it is the local school and in walking distance;
- They look forward to hearing about similar plans for secondary provision; and
- They have concerns how children are kept safe due to speed of traffic around the school. They feel consideration should be given to the school application for Traffic Regulation Order.

**Education standards and diversity of provision:** *Decision-makers should consider the quality and diversity of schools in the relevant area and whether the proposal will meet or affect the aspirations of parents, raise local standards and narrow attainment gaps. The decision-maker should also take into account the extent to which the proposal is consistent with the government's policy on academies as set out on the department's website.*

**Comment:** Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley is a successful and popular voluntary aided primary school serving its particular community as well as attracting pupils from a wider area and is well placed to meet the present and continuing demand for primary school places. The Ofsted Inspection of the school in March 2012 graded the school as 'good.' The school was inspected during the representation period and the results have not been made public yet.

This is a proposed expansion of a voluntary aided school and therefore, does not fall under the academy presumption.

**Demand:** *In assessing the demand for new school places the decision-makers should consider the evidence presented for any projected increase in pupil population (such as planned housing developments) and any new provision opening in the area (including free schools). The decision-maker should take into account the quality and popularity of the schools in which spare capacity exists and evidence of parents' aspirations for a new school or for places in a school proposed for expansion. The existence of surplus capacity in neighbouring less popular schools should not in itself prevent the addition of new places. Reducing surplus places is not a priority (unless running at very high levels). For parental choice to work effectively there may be some surplus capacity in the system as a whole. Competition from additional schools and places in the system will lead to pressure on existing schools to improve standards.*

**Comment:** There is a sustained need for additional places in the Euxton area, which includes the Buckshaw Village development over the next three years. The need is for an additional 47 places in 2015 and 2016 and for 34 places in 2017, based upon live births in the area. However, planned housing in the area has the potential to generate an approximate yield of an additional 6 pupils per year group over the next 5 years. Cabinet Member report dated 12 January 2015 and complete proposals (**Section 8A and Section 9A of Appendix 'C'**) refer.

The school is full in all year groups. In 2012 the school received 52 1<sup>st</sup> preferences when the schools admission number was 30, in 2013 the schools admission number

raised to 60 and there were 75 1<sup>st</sup> preferences and for 2014 there were 72 1<sup>st</sup> preferences. 90 places have been allocated to the school for September 2015 (when the admission number increases for one year to 90).

**School size:** *Decision-makers should not make blanket assumptions that schools should be of a certain size to be good schools, although the viability and cost-effectiveness of a proposal is an important factor for consideration. The decision-maker should also consider the impact on the LA's budget of the need to provide additional funding to a small school to compensate for its size.*

**Comment:** All schools within the area of growth were contacted in order to seek expressions of interest in expansion before visits to schools then took place. In an initial assessment of the potential to expand existing schools, the following factors are considered (as stated in the 'Strategy for the Provision of School Places and Schools' Capital Investment');

- The current strength of the school in terms of attainment levels and leadership.
- Parental preference.
- The existing size of the school.
- The existing site and the area available to expand the buildings and maintain adequate play and sports space.
- Access to the site and proximity to the area of growth.
- Any potential joint investment benefits which are immediately obvious.

Whilst we would normally seek to have schools of 2FE and below (as also stated in the Strategy referred to earlier) there are now nine other 3 FE primary schools in Lancashire, who are all graded as 'good' or 'outstanding' by Ofsted. The Ofsted Inspection of Trinity Church of England/Methodist Primary School in March 2012 graded the school as 'good.' The school was inspected during the representation period and the results have not been made public yet.

**Proposed admission arrangements (including post-16 provision):** *In assessing demand the decision-maker should consider all expected admission applications, not only those from the area of the LA in which the school is situated. Before approving a proposal that is likely to affect admissions to the school the decision-maker should confirm that the admission arrangements of the school are compliant with the School Admissions Code. Although the decision-maker cannot modify proposed admission arrangements, the decision-maker should inform the proposer where arrangements seem unsatisfactory and the admission authority should be given the opportunity to revise them.*

**Comment:** When considering future need for school places one element of the statistical analysis involves examining the historic popularity of the school and of other establishments in the area. The data, which details parental applications, refers to all which have been received for annual intakes including any from non-Lancashire residents. For community and voluntary controlled schools the Local Authority is the admission authority and proposes and determines the admission arrangements and the published admission number for each establishment. These are reviewed and consulted upon annually within the statutory process required by the Schools Admission Code and associated regulations.

Policies and admission numbers are, therefore, reviewed every year and, following consultation and determination by the Cabinet Member for Children, Young People and Schools, there is a formal objection period for concerns to be referred to the Office of the Schools Adjudicator by any interested party (deadline date 30th June in the year of determination).

**National Curriculum:** *All maintained schools must follow the National Curriculum unless they have secured an exemption for groups of pupils or the school community.*

**Comment:** Trinity Church of England/Methodist Primary School follows the National Curriculum.

**Equal opportunity issues:** *The decision-maker must have regard to the Public Sector Equality Duty (PSED) of LAs/governing bodies, which requires them to have 'due regard' to the need to: eliminate discrimination; advance equality of opportunity; and foster good relations. The decision-maker should consider whether there are any sex, race or disability discrimination issues that arise from the changes being proposed, for example that where there is a proposed change to single sex provision in an area, there is equal access to single sex provision for the other sex to meet parental demand. Similarly there should be a commitment to provide access to a range of opportunities which reflect the ethnic and cultural mix of the area, while ensuring that such opportunities are open to all.*

**Comment:** The proposal is to expand the school which will not disadvantage any group and will benefit current and additional future pupils at the school. A full Equality Impact Assessment has been completed, which can be found in Appendix 'D'.

**Community cohesion:** *Schools have a key part to play in providing opportunities for young people from different backgrounds to learn with, from and about each other; by encouraging, through their teaching, an understanding of, and respect for, other cultures, faiths and communities. When considering a proposal, the decision-maker must consider its impact on community cohesion. This will need to be considered on a case-by-case basis, taking account of the community served by the school and the views of different sections within the community.*

**Comment:** The proposal to extend Trinity Church of England/Methodist Primary School is to meet the needs of an increased birth rate and the yield from new housing in the surrounding area. The school already has close links with its surrounding community and members of the community were consulted as part of this process. A full Equality Impact Assessment has been completed, which can be found in Appendix 'D'.

**Travel and accessibility:** *Decision-makers should satisfy themselves that accessibility planning has been properly taken into account and the proposed changes should not adversely impact on disadvantaged groups. The decision-maker should bear in mind that a proposal should not unreasonably extend journey times or increase transport costs, or result in too many children being prevented from travelling sustainably due to unsuitable walking or cycling routes. A proposal should*

*also be considered on the basis of how it will support and contribute to the LA's duty to promote the use of sustainable travel and transport to school.*

**Comment:** The proposed expansion will provide additional places in a densely populated residential area with good transport and road infrastructure. The provision will not adversely impact upon disadvantaged groups as additional pupils will be able to access a local school place.

**Capital:** *The decision-maker should be satisfied that any land, premises or capital required to implement the proposal will be available and that all relevant local parties (e.g. trustees or religious authority) have given their agreement. A proposal cannot be approved conditionally upon funding being made available. Where proposers are relying on the department as the source of capital funding, there can be no assumption that the approval of a proposal will trigger the release of capital funds from the department, unless the department has previously confirmed in writing that such resources will be available; nor can any allocation 'in principle' be increased. In such circumstances the proposal should be rejected, or consideration deferred until it is clear that the capital necessary to implement the proposal will be provided.*

**Comment:** See financial section below. Should the permanent expansion be approved, then additional permanent accommodation will be provided on the 'Group One' site, on its transfer to Lancashire County Council from Chorley Borough Council. The Local Authority will need to ensure that it is compliant with Section 77 of the School Standards and Framework Act 1998 if proposed works include building on playing fields.

**School premises and playing fields:** *Under the School Premises Regulations all schools are required to provide suitable outdoor space in order to enable physical education to be provided to pupils in accordance with the school curriculum; and for pupils to play outside safely.*

**Comment:** The proposal will be delivered by the use of temporary accommodation already in place on the current school site from a previous expansion project, whilst a new permanent school building is constructed on the 'Group One' site. Complete proposals (Section 6A of Appendix 'C') refer. On completion of this build, the school will be a split site school and any development would be subject to all necessary approvals such as Section 77 of the School Standards and Framework Act 1998 and planning consent.

In addition for schools which propose to expand on an additional site the School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2013 state the following factors that the decision maker must take into consideration when determining the proposal

*When deciding on a proposal for an expansion on an additional site( a 'satellite school', decision makers will need to consider whether the new provision is genuinely a change to an existing school or is in effect a new school ( which would trigger the academy presumption in circumstance where there is a need for a new school in the area). Decision will need to be taken on a case-by-case basis, but decision makers will need to consider the following non-exhaustive list of factors which are intended to expose the extent to which the new site is integrated with the*

*existing site, and to ensure that it will serve the same community as the existing community.*

## **The reasons for the expansion**

*What is the rationale for this approach and this particular site?*

Trinity Church of England/Methodist Primary School, Buckshaw Village was established in September 2010 to cater for the large housing development known as Buckshaw Village, built on the former Royal Ordnance Factory site. It was established as a one form of entry school with the intention to expand to two forms of entry when demand for increased places was evident. This demand rapidly became evident and from September 2013 the school expanded to take 60 pupils each year.

As part of the planning process for a site on the development on Buckshaw Village known as 'Group One', a further site was secured on the village, for the provision of primary school places.

With the further development of houses on Buckshaw Village it became apparent that additional school places would be required. In July 2014, the then Provision Planning Team undertook a survey on Buckshaw Village to gauge the demand for school places required in the near future.

In response to the demonstrable demand for places, the Cabinet Member for Children, Young People and Schools approved the temporary expansion of Trinity Church of England/Methodist Primary School from 60 to 90 pupils for September 2015 on 4 December 2014.

On 12 January 2015 the Cabinet Member for Children, Young People and Schools agreed that a period of consultation be undertaken to allow a permanent increase in Reception intakes from 60 to 90 from September 2016. Should the permanent expansion be approved this would be accommodated initially on the existing school site but would be followed by a permanent build on the 'Group One' site, to create a split site school.

## **Admission and curriculum arrangement**

*How will the new site be used (e.g. which age group / pupils will it serve)?*

This is answered in the Admission and Leadership section on pages 5 and 6.

*What will the admission arrangements be?*

This is answered in the Admission and Leadership section on page 6.

*Will there be movement of pupils between sites?*

This is answered in the Admission and Leadership section on page 6.

## **Governance and administration**

*How will whole school activities be managed?*

This is answered in the Admission and Leadership section on page 6.

*Will staff be employed on contracts to work on both sites? How frequently will they do so?*



This is answered in the Admission and Leadership section on page 6.

*What governance, leadership and management arrangements will be put in place to oversee the new site (e.g. will the new site be governed by the same governing body and the same leadership team)?*

This is answered in the Admission and Leadership section on page 7.

### **Physical characteristics of the school**

*How will facilities across the two sites be used (e.g. sharing of the facilities and resources available at the two sites, such as playing fields)?*

This is answered in the Split Site section on page 7.

*Is the new site in an area that is easily accessible to the community that the current school serves?*

This is answered in the Split Site section on page 7.

### **Implications:**

This item has the following implications, as indicated:

#### **Risk management**

If additional primary school places are not created there is a risk that the authority would fail in its statutory responsibility to make sure that a school place is available to all Lancashire children of the appropriate age range that want one.

Providing additional places increases the overall capacity in the area and, if birth rates fall in the future, there may be surplus places.

Providing any additional accommodation for an increased number of pupils will need to be carefully managed to improve traffic congestion and community facilities at the same time as delivering 21<sup>st</sup> Century teaching and learning facilities.

If planning permission for the site was not secured by 1 September 2015 this would present a risk to the date of delivering the new building. In order to mitigate the risk, a planning application will be submitted in due course for consideration by the County Council's Development Control Committee.

An additional site on Buckshaw Village for the provision of additional primary school places has been secured via a Section 106 agreement under the Town and Country Planning Act 1990. The parties to this agreement are Chorley Borough Council and Persimmon (the housing developer on the site). At the time of writing, the local authority is seeking a deed of variation to the S106 agreement to enable the expansion of an existing school onto the site before the land can be transferred to the County Council. Should there be a significant delay in the transfer of the site, this will impact on the delivery of the new building.

## **Financial**

Based on initial costings it is anticipated that a project to build the additional school site will cost in the region of £3.8 to £4.3 million, depending on the decision on how the school wishes to operate across the split site. This funding has been earmarked from within the 2015/16 Schools Single Capital Pot grant which falls within the current capital programme.

The basic need provision of places is the highest priority in terms of allocating capital funding to local authorities and previous capital allocations and processes indicate that funding would be made available for this type of project. Central government has consistently indicated that provision of additional places is a priority for schools' capital investment and the provision of additional permanent places at identified schools across the county are likely to be prioritised for expenditure.

Additional revenue funding will be required to meet the projected growth in pupil numbers regardless of whether capacity is increased. Revenue funding would be found from the Dedicated Schools Grant (DSG) which is increased in line with rising pupil numbers.

## **Land and Property**

The proposal cannot be delivered within the existing site.

An additional site on Buckshaw Village for a new one Form of Entry school has been secured via a Section 106 agreement under the Town and Country Planning Act 1990. As stated earlier in this report, the parties to this agreement are Chorley Borough Council and Persimmon (the housing developer on the site). At the time of writing, the local authority is seeking a deed of variation to the S106 agreement to enable the expansion of an existing school onto the site before the land can be transferred to the County Council.

## **Equality and Diversity**

S. 149 of the Equality Act 2010 sets out the equality duty that public authorities must comply with. The proposal is to expand the school which will not disadvantage any group and will benefit additional pupils who would be able to secure places at the school. A full Equality Impact Assessment has been completed, which can be found in Appendix 'D'.

## **Conclusions and Recommendations**

The considerations for a decision to be taken about a school expansion are contained within this Report and Appendices 'A' to 'D'.

Having considered the responses received from the consultation and the fact that twenty one representations and a petition with 130 signatures and comments were received, although 15 disagreed or strongly disagreed as did the 130 signatures on the petition, it is recommended that the proposal to permanently expand Trinity Church of England/Methodist Primary School in Buckshaw Village, Chorley by 30

additional reception places per year from 1 September 2016, be conditionally approved, subject to the granting of planning permission under Part 3 of the Town and Country Planning Act 1990.

Paper	Date	Contact/Tel
All responses received during the Statutory Notice Period	June/July 2015	School Planning Team (01772) 531957



# Consultation on the Expansion of Trinity CE/Methodist Primary School, Buckshaw Village, Chorley, PR7 7HZ



January/February 2015

A consultation event in connection with this proposal will be held on Tuesday 3<sup>rd</sup> February 2015 at the school. Further information is provided inside.

Produced by the Provision Planning Team, Directorate for Children and Young People, Lancashire County Council



## Foreword

Lancashire is a large, diverse area served by some superb schools and we are committed to improving this excellence by continuing to raise standards and opportunities, for all our children and young people.

Lancashire County Council has a statutory duty to provide primary and secondary school places to every child of school age living in Lancashire who requests one. In achieving this, Lancashire, like many other authorities, faces many challenges. Changing demographic factors mean that we must constantly review the number and location of the school places we provide.

The county council and its schools work together with parents and a range of service providers to help our children to be safe, to enjoy and achieve, to be listened to, to belong to the community, and to achieve economic well-being.

We want all our children and their parents to have pride in their local school and cultivate an appetite for lifelong learning.

We aim to provide schools that meet the needs of our communities and, at times, this may involve increasing the number of school places in a particular school.

I hope that you will take a little time during this consultation period to let us know your views on what we are proposing to do. We will not make a decision until we have carefully considered all responses to this consultation.

Please help us to improve educational provision for Lancashire children.

A handwritten signature in blue ink, appearing to read 'Matthew Tomlinson', written over a light blue horizontal line.

**County Councillor Matthew Tomlinson**  
**Cabinet Member for Children, Young People and Schools**

## **Our vision and what we would like to achieve**

Education is a powerful means of transforming and enriching lives and communities. Future success and well-being depends on strong creative partnerships, new ways of working, high expectations and a belief that we all have a part to play and can make a difference together.

Lancashire County Council is committed to improving the quality of educational provision to help raise standards for all learners. Our Vision sees schools operating at the centre of their immediate and often extended communities.

## **What are we proposing to do?**

This consultation document is about the proposed permanent expansion of Trinity Church of England/Methodist Primary School, Unity Place, Buckshaw Village, Chorley, PR7 7HZ.

The Cabinet Member for Children, Young People and Schools approved the temporary expansion of Trinity Church of England/Methodist Primary School, on 4<sup>th</sup> December 2014, to provide an additional 30 places in Reception year in September 2015 for one year only. This temporary expansion will be enabled by using existing accommodation on the site.

On 12<sup>th</sup> January 2015, the Cabinet Member for Children, Young People and Schools approved a period of consultation to be undertaken on a proposal to allow a permanent increase in Reception intake from 60 to 90 places for September 2016 and beyond to Trinity Church of England/Methodist Primary School. This will be enabled by expanding the school onto a second site (currently referred to locally as 'Group One' site) which is secured for the provision of primary school places on Buckshaw Village. Should this occur, appropriate changes to the admission criteria will be considered by the governing body.

## **Why are we proposing this?**

As a result of the recent growth in the number of births in the local area, coupled with the effects of significant housing development, the number of school places currently available will not be enough to meet the increased demand as the children reach school age. Therefore, additional permanent places are needed in the Euxton area, which includes Buckshaw Village.

## Expansion of Schools and the School Organisation and Governance Regulations

The provisions of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013, state that if a local authority proposes to enlarge the premises of a school by which the capacity of the school would increase by more than 30 pupils and by 25% or 200 pupils more (whichever is the lesser), their proposal must be published in a statutory notice.

### Informal Consultation

The issue of this document marks a period of consultation during which the views of any interested parties are sought and which will be considered before any move to the more formal stages of the process.

There are then 4 stages to the statutory process which must be followed:

### Stage One - Publication

Dependent upon the outcome of the consultation, a decision to proceed to issue a statutory notice must be made by the Cabinet Member for Children, Young People and Schools.

### Stage Two - Representation

Statutory notices for school enlargements allow a 4 week period for anyone to submit their comments on the proposals. This enables people to express their views in the form of supporting or objecting to the proposals.

### Stage Three - Decision

Within 2 months after the statutory notice period ends, the authority must make a decision on the proposal.

### Stage Four - Implementation

If the proposal is approved Trinity Church of England/Methodist Primary School would increase the number of pupils admitted into Reception year by an additional 30 pupils. This would mean that the number of reception places in September 2016 and for each following year will increase from 60 to 90, resulting in the school's capacity increasing from 420 to 630.



# The consultation and decision making process

## Timescales

19 <sup>th</sup> January 2015 to 13 <sup>th</sup> February 2015	Informal Consultation
April 2015	Cabinet Member decision making session to consider the results of the consultation and decide whether to publish a Statutory Notice on the proposal
April 2015	Stage One - Publication of Statutory Notice
April/May 2015	Stage Two - Representation
July 2015	Stage Three - Final decision by Cabinet Member
1 <sup>st</sup> September 2016	Stage Four - Implementation (if approved)

## Consultation Event

You are invited to express your views on the proposal at an event organised at the school on **Tuesday 3<sup>rd</sup> February 2015 from 3.00pm to 8.00pm.**

Please note that this will be an appointment led event, requiring interested parties to make a booking prior to the event. This will allow us to manage the process effectively, minimise waiting times and ensure that appropriate officers are available to offer advice and guidance relating to specific matters of interest.

Appointments can be made by visiting the link below and following the on-screen instructions:

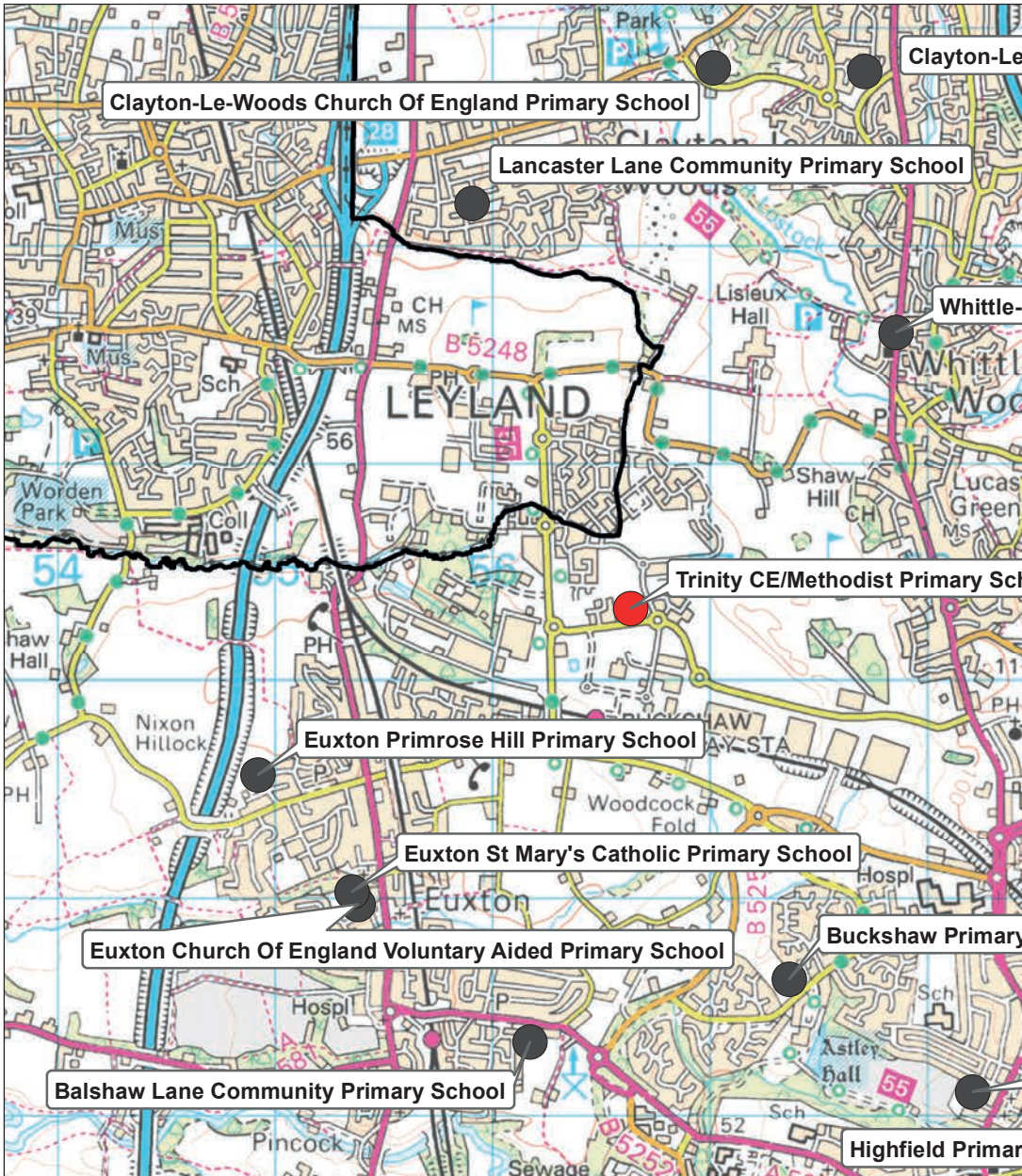
[www.lancashire.gov.uk/corporate/questionnaires/runQuestionnaire.asp?qid=625200](http://www.lancashire.gov.uk/corporate/questionnaires/runQuestionnaire.asp?qid=625200)

Alternatively, booking can be made by telephone or email by contacting the Provision Planning Team on 01772 536289 or Email:

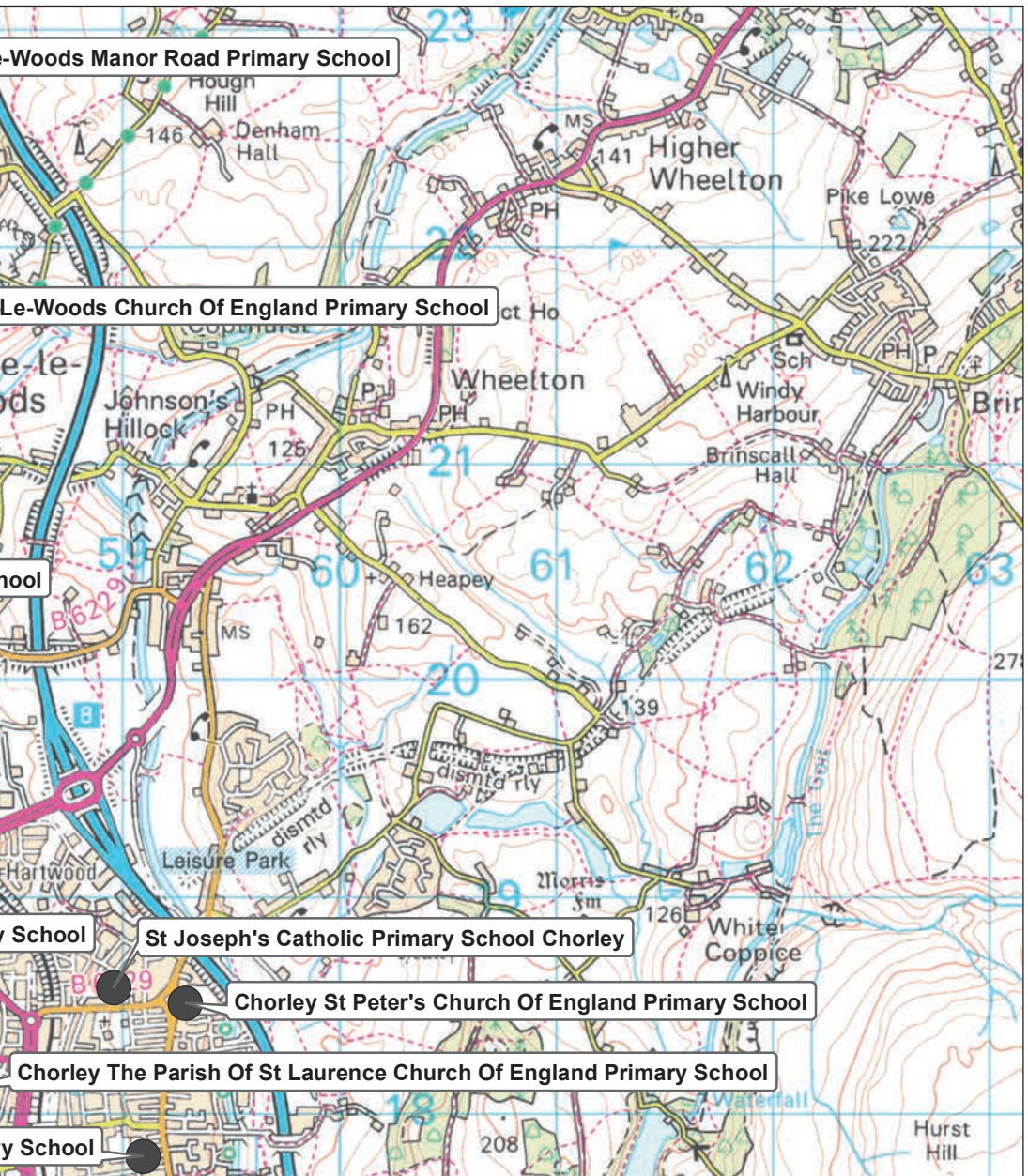
[cyp.schoolreviews@lancashire.gov.uk](mailto:cyp.schoolreviews@lancashire.gov.uk).

**The closing date for booking an appointment is Thursday 29<sup>th</sup> January 2015 at 5pm. Individual appointment times will be confirmed as soon as possible following this date. If there are only a few or no appointments made then the event will be shortened or may be cancelled.**

# Surrounding Schools







## Who we will consult

**This consultation document will be provided to people and organisations that may have an interest in these proposals. These include the following:**

- Staff, parents/carers, governors and pupils of Trinity CE/Methodist Primary School (The views of the children and young people within the school will be sought through the school)
- Head teachers, Governing Bodies and staff of other local schools
- Local Voluntary and Private Nursery providers
- Lancashire Parent Carer Forum
- Chief Executives and elected members of Chorley & South Ribble Borough Councils
- Other Local Authorities bordering Lancashire
- Local Church Authorities and Faith Groups
- Members of the Education Scrutiny Committee
- The Children's Partnership Board for the area
- Lancashire County Councillors – Chorley, South Ribble (Leyland area)
- Local Members of Parliament – Chorley & South Ribble constituencies
- Chorley Parish & Town Councils
- Education Funding Agency
- Trade Unions and Associations
- Lancashire Association of School Governing Bodies
- Ofsted: Her Majesty's Inspector for the area
- The wider community – through local Community Centres, Chorley, Leyland, Euxton & Clayton Green libraries, Chorley Town Hall, South Ribble Civic Centre and County Hall.

This document and the Cabinet Report are available on our website via the link below under the heading 'School Organisation Reviews':

[www.lancashire.gov.uk/schools](http://www.lancashire.gov.uk/schools)

We can also provide electronic copies of the consultation document to members of the local community on request.

## Your Response – Contact us

We welcome your views on this proposal. All observations and objections will be considered very carefully before any decision is made to progress any further with this proposal. It is important that you make any written responses within the consultation timescales published in this document and that they are sent to the Children and Young People Directorate using the methods outlined below. Any responses received outside of the consultation period will not be able to be included for consideration when a decision is being made as to whether to proceed with the proposal.

Please note that in accordance with the Department for Communities and Local Government Regulations, all written responses may be a matter for public disclosure and may be published on the website of Lancashire County Council as background papers to the report to the Cabinet Member.

The consultation runs until **Friday 13<sup>th</sup> February 2015** and you can respond by completing the questionnaire in this document or writing separately:

Post to (no stamp required): Provision Planning Team,  
Directorate for Children and Young People, FREEPOST RTKE-BXCZ-BBZL,  
Lancashire County Council, PO Box 100, County Hall, Preston, PR1 0LD

Email to: [cyp.schoolreviews@lancashire.gov.uk](mailto:cyp.schoolreviews@lancashire.gov.uk)

On-Line at: (Use the link below to complete the questionnaire contained in this document on-line)

[www.lancashire.gov.uk/corporate/questionnaires/runQuestionnaire.asp?qid=625391](http://www.lancashire.gov.uk/corporate/questionnaires/runQuestionnaire.asp?qid=625391)

This document can also be accessed through:

[www.lancashire.gov.uk/schools](http://www.lancashire.gov.uk/schools)

If you have difficulty in accessing this information, please contact the Provision Planning Team: Telephone **01772 536289**

**Please submit only one response per person to this consultation**

**Thank you**

This booklet forms part of the informal consultation prior to the statutory process required in order to significantly enlarge a school. The information provided in this booklet and at the consultation sessions is intended to be sufficient in order for people to form a view on the proposal. The council will consider views and concerns arising from the consultation process to contribute to the detailed proposal supplied later in the process.

We are sorry that, due to the volume of responses we receive when consulting on proposals for schools, we will not be able to acknowledge written responses nor enter into correspondence with interested parties during or after the consultation period. It is important to attend the relevant consultation event if you require clarification or more information on the proposal.

Further information regarding this proposal, including the cabinet report, is available on our website, under the heading 'School Organisation Reviews' at:

[www.lancashire.gov.uk/schools](http://www.lancashire.gov.uk/schools)

**Thank you**

## **Parental representations about school provision**

Lancashire County Council is committed to working with the people of Lancashire to plan and ensure the delivery of local services.

The council is responsible for ensuring the supply of sufficient and suitable school places and promoting high standards. The council aims to educate pupils in accordance with their parents' wishes, subject to providing an appropriate education and avoiding unreasonable expenditure.

The county council has a duty to seek and consider the views of parents and carers about the pattern of school provision. If you would like to give your views about future school provision in Lancashire, you can get information on how to do this from the Provision Planning Team, Directorate for Children and Young People, PO Box 61, County Hall, Preston PR1 8RJ.

### **Planning consultation**

If, following consultation, the Cabinet Member's final decision is to go ahead with the expansion of the school, parents, staff and other interested parties will be invited to participate in a design event to contribute to the design of the new build.

# QUESTIONNAIRE

Who should complete this questionnaire?

- Staff, governors, current or prospective parents/carers of pupils at Trinity Church of England/Methodist Primary School
- Any other interested member of the community

**NB: Please complete just one form per person**

**Proposal: To expand Trinity CE/Methodist Primary School to increase the number of pupils admitted in each reception year from 60 to 90 and the capacity of the school from 420 to 630 from 1<sup>st</sup> September 2016.**

**Q1** How strongly do you agree or disagree with the proposal?  
*Please select one option only*

Strongly agree	Tend to agree	Neither agree or disagree	Tend to disagree	Strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you would like to provide details of why you agree or disagree with this proposal you can do so overleaf.*

**Q2** Are you responding to this proposal as...?  
*Please select as many as apply*

	This School	Other School*
A parent/carer of a pupil currently at:	<input type="checkbox"/>	<input type="checkbox"/>
A parent/carer of a future pupil at:	<input type="checkbox"/>	<input type="checkbox"/>
A member of staff at:	<input type="checkbox"/>	<input type="checkbox"/>
A school governor at:	<input type="checkbox"/>	<input type="checkbox"/>
A political representative for:	<input type="checkbox"/>	
Member of the local community:	<input type="checkbox"/>	
Other (please specify)	<input style="width: 100%;" type="text"/>	
If other school*, please specify	<input style="width: 100%;" type="text"/>	

**Q3****What is your home postcode and area in which you live?***Please write in below:***Q4****What are your reasons for agreeing or disagreeing with the proposal?***Please write in below; Please attached additional papers if required***Please print your name:****Thank you for completing this questionnaire. Please return it to:****Provision Planning Team, Directorate for Children and Young People,  
FREEPOST RTKE-BXCZ-BBZL, Lancashire County Council, PO Box 100,  
County Hall, Preston, PR1 0LD (no stamp required)****Important Information**

Lancashire County Council may be required to publish consultation responses as part of the reports for consideration by the relevant Cabinet Member(s) either as appendices to those reports or as part of the background papers referred to in those reports and available on request. Please be aware that your responses to this consultation may be made available on the County Council's website as part of this process



## **Trinity Church of England & Methodist Primary School, Buckshaw Village**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that Lancashire County Council intends to make a prescribed alteration to Trinity Church of England & Methodist Primary School, Unity Place, Buckshaw Village, PR7 7HZ from 1st September 2016.

It is proposed that the school will permanently expand to admit 30 additional pupils to each reception year from 1st September 2016, through the provision of additional permanent accommodation on a new site nearby (currently referred to locally as the Group One site). The expansion would increase the capacity of the primary school gradually from 420 to 630, by increasing the number of pupils admitted to Reception year from 60 to 90.

The current capacity of the school is 420 and the proposed capacity will be 630. The current number of pupils registered at the school is 338. The current admission number for the school is 60 and the proposed admission number will be 90.

This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from the school; the Area Education Office (Joint Divisional Office, East Cliff, Preston); Chorley, Euxton, Leyland and Clayton Green libraries; Chorley and South Ribble District Councils. Copies can also be obtained from the local authority at the address below or accessed via the link below under the heading 'School Organisation Reviews': [www.lancashire.gov.uk/schools](http://www.lancashire.gov.uk/schools) or by telephoning Steph Rhodes on (01772) 531957.

Within four weeks from the date of publication of these proposals, any person may object to or make comments on the proposal by sending them to Asset Management, Corporate Commissioning, School Planning Team, Room B34, PO Box 61, County Hall, Preston, PR1 8RJ. Representations must be received by 13th July 2015.

Signed: Ian Young, Director of Governance, Finance and Public Services. Publication Date: 16th June 2015.

### **Explanatory Notes**

Under the provisions of the Freedom of Information Act 2000, information about representations to the published proposal may be accessed by members of the public.

Additional explanatory notes are available via [www.lancashire.gov.uk/schools](http://www.lancashire.gov.uk/schools) under the heading 'School Organisation Reviews'.



**PROPOSALS FOR PRESCRIBED ALTERATIONS OTHER THAN FOUNDATION PROPOSALS:** Information to be included in a complete proposal

**The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013:**

**In respect of a LA Proposal: School and local authority details**

1. The name, address and category of the school and a contact address for the local authority who are publishing the proposals.

The proposal to expand the number of places at Trinity Church of England/Methodist Primary School, (Voluntary Aided), Unity Place, Buckshaw Village, Chorley, PR7 7HZ from 420 to 630 pupils is published by Lancashire County Council, the relevant local authority. The authority can be contacted at the following address: Asset Management, Corporate Commissioning, School Planning Team, Room, PO Box 61, County Hall, Preston, PR1 8RJ, Lancashire.

**2. Implementation and any proposed stages for implementation**

- (a) The date on which the proposals are planned to be implemented, and if they are to be implemented in stages, a description of what is planned for each stage, and the number of stages intended and the dates of each stage.
- (b) Where the proposals relate to a foundation or voluntary controlled school a statement as to whether the proposals are to be implemented by the local authority or by the governing body, and, if the proposals are to be implemented by both, a statement as to the extent to which they are to be implemented by each body

(a) The implementation date for this proposal is 1<sup>st</sup> September 2016.  
(b) N/A

**Support, objections and comments**

3. A statement explaining the procedure for making representations, including:
  - (a) the date prescribed by which objections or comments should be sent to the local authority; and
  - (b) the address of the authority to which objections or comments should be sent.

These proposals have been prepared following discussions with a wide range of partners and other stakeholders. Within four weeks from the date of

publication of these proposals any person may object to, or comment on the proposals by sending their representations to Asset Management, Corporate Commissioning, School Planning Team, PO Box 61, County Hall, Preston PR1 8RJ. Responses can also be emailed to schoolplanning@lancashire.gov.uk. To be considered as part of the decision making process to determine the proposals, responses must be received no later than Monday 13<sup>th</sup> July 2015.

#### **Alteration description**

4. A description of the proposed alteration and in the case of special school proposals, a description of the current special needs provision.

Trinity Church of England/Methodist Primary School, Buckshaw Village was established in September 2010 to cater for the large housing development known as Buckshaw Village, built on the former Royal Ordnance Factory site. It was established as a one form of entry school with the intention to expand to two forms of entry when demand for increased places was evident. This demand rapidly became evident and from September 2013 the school expanded to take 60 pupils each year.

As part of the planning process for a site on the development on Buckshaw Village known as Group One, a further site was secured on the village, for the provision of primary school places.

With the further development of houses on Buckshaw Village it became apparent that additional school places would be required. In July 2014, the Provision Planning Team undertook a survey on Buckshaw Village to gauge the demand for school places required in the near future.

In response to the demonstrable demand for places, the Cabinet Member for Children, Young People & Schools approved the temporary expansion of Trinity Church of England/Methodist Primary School from 60 to 90 pupils for September 2015 on 4<sup>th</sup> December 2014.

On 12<sup>th</sup> January 2015 the Cabinet Member for Children, Young People & Schools agreed that a period of consultation be undertaken to allow a permanent increase in Reception intakes from 60 to 90 from September 2016. Should the permanent expansion be approved this would be accommodated initially on the existing school site but would be followed by a permanent build on the 'Group One' site, to create a split site school.

## School capacity

5.

- (a) details of the current capacity of the school and, where the proposals will alter the capacity of the school, the proposed capacity of the school after the alteration;

The current capacity of the school is 420 which will rise to 450 on 1<sup>st</sup> September 2015 with the proposed total capacity across the two sites being 630.

- (b) details of the current number of pupils admitted to the school in each relevant age group, and where this number is to change, the proposed number of pupils to be admitted in each relevant age group in the first school year in which the proposals will have been implemented;

The current published admission number for the school is 60. The proposed admission number for the enlarged school will be 90.

- (c) where it is intended that proposals should be implemented in stages, the number of pupils to be admitted to the school in the first school year in which each stage will have been implemented;

An additional 30 pupils will be admitted to the school in September 2015 as the Cabinet Member for Children, Young People & Schools has already approved a temporary expansion of the school for that academic year. If the permanent expansion is approved, a further 30 additional pupils will be admitted to the Reception year in September 2016 and each year thereafter until the school is full to its new increased capacity of 630.

The September 2015 and 2016 (if approved) intakes will be accommodated in temporary accommodation on the existing site in the first instance while new accommodation is constructed on the 'Group One' site.

- (d) where the number of pupils in any relevant age group is lower than the indicated admission number for that relevant age group a statement to this effect and details of the indicated admission number in question.

N/A.

- (e) A statement of the number of pupils at the school at the time of the publication of the proposals.

In January 2015, the number of pupils on roll was 338 with every year group at or exceeding its specific admission number.

## 6. Additional site

- a) A statement as to whether any new or additional site will be required if proposals are implemented and if so the location of the site if the school is to occupy a split site.

It is proposed that the expansion will be achieved by the use of temporary accommodation already in place on the current school site from a previous expansion project, whilst a new permanent school building is constructed on the 'Group One' site. On completion of this build, the school will be a split site school. Please see attached the outline plan of the school site.

### **The reasons for the expansion**

Trinity Church of England/Methodist Primary School, Buckshaw Village was established in September 2010 to cater for the large housing development known as Buckshaw Village, built on the former Royal Ordnance Factory site. It was established as a one form of entry school with the intention to expand to two forms of entry when demand for increased places was evident. This demand rapidly became evident and from September 2013 the school expanded to take 60 pupils each year.

As part of the planning process for part of the development on Buckshaw Village known as Group One, a further site was secured on the village, for the provision of primary school places.

With the further development of Buckshaw Village it became apparent additional school places would be required. In July 2014, the Provision planning Team undertook a survey on Buckshaw Village to gauge the demand for school places required in the future.

In response to the demonstrable demand for places, the Cabinet Member for Children, Young People and Schools approved the temporary expansion of Trinity Church of England/Methodist Primary School from 60 to 90 pupils for September 2015 on 4<sup>th</sup> December 2014.

On 12<sup>th</sup> January 2015 the Cabinet Member for Children, Young People and Schools agreed that a period of consultation be undertaken to allow a

permanent increase in Reception intakes from 60 to 90 from September 2016. Should the permanent expansion be approved this would be accommodated initially on the existing school site but would be followed by a permanent build on the 'Group One' site.

### **Admission and curriculum arrangements**

On completion, the new site will be used to accommodate the school's Foundation Stage and KS1 classes. It is anticipated that there will be capacity in the new building for the whole school to meet in a school hall.

The following is an extract from the school's Admissions Policy:

*'The number of places available for admission to the Reception class in the year 2016 will be a maximum of 90.*

*A temporary expansion with an increased admission number of 90 was agreed for 2015-16 (September 2015 reception intakes). The children will all remain on the existing school site during the 2015-16 school year. Consideration of a permanent expansion with an admission number of 90 is underway. If agreed this may require developing a second site within the Buckshaw Village area. Should this happen the governing body will continue to apply their existing admission arrangements (as below).*

*However for reception intakes for the school year within which the second site will be operational (and thereafter), where there are more applicants than available places, the distance tie break will measure from home address to the nearest of the two school sites.*

*(Full Admissions Policy Available on the schools website).'*

'There will not be movement of pupils between sites on a daily or weekly basis – there may be occasions during the school year where it is felt important we have an opportunity to be together as a whole school e.g. Worship at Christmas or Easter or for Sports Day and therefore some movement will happen but this will, by necessity be limited.'

### **Governance and administration**

Whole school activities will be organised as they currently are with organisation taking into account the needs of differing age groups of children and their families' relevant ratios and health and safety.

Staff will be employed to work at Trinity CE Methodist Primary School which will encompass both sites. Some Leadership staff will work between the two sites but it is not anticipated that there will be a need for other staff to work on both sites.

The school governance arrangements remain the same and the school leadership team will work across both sites to help to contribute to the sense of unity as one school with two sites.

### **Physical characteristics of the school**

There will be a need to share resources in order to facilitate the sense of belonging to a whole school community. It is hoped (in fact the children raised this as a requirement in their consultation), that the school will have an indoor space on the new site large enough to accommodate the whole school. The school has the capacity to share playing fields at the existing site for whole school events. The school will also ensure children in Year 2 are sufficiently used to the existing building for an effective transfer into Year 3.

The new site is easily accessible to the community that the current school serves and is within 15 minutes walking distance of the existing school site.

- b) Where proposals relate to a foundation or voluntary school a statement as to who will provide any additional site required, together with details of the tenure (freehold or leasehold) on which the site of the school will be held, and if the site is to be held on a lease, details of the proposed lease.

N/A

### **Objectives**

7. The objectives of the proposals.

In response to demonstrable demand for additional school places to serve the inhabitants of the growing residential development of Buckshaw Village, the objective of the proposal is to permanently expand the school to admit 30 additional pupils to each reception year with effect from September 2016. Initially this will be through the provision of temporary accommodation on the existing school site, while additional permanent accommodation is constructed on a second school site (known as the 'Group One' site) nearby. The expansion would increase the school's admission number to 90, leading to Trinity Church of England/Methodist Primary School's capacity gradually increasing from 420 to 630.

### **Need or demand for additional places**

8. If the proposals involve adding places:

- (a) a statement and supporting evidence of the need or demand for the particular places in the area;



As a result of the recent growth in the number of births in the local area and the continuing growth of the Buckshaw Village housing development, the number of school places currently available will not be enough to meet the increased demand as the children reach school age. Therefore, additional permanent places are needed in this area. The approval of the proposal to permanently expand Trinity Church of England/Methodist Primary School will help to address this demand and ensure so far as is reasonably possible that every child is provided with a school place in close proximity to their home. Additional places provided at the school since 2013 have already filled in each age group and the 90 temporary places provided for September 2015 have been filled.

- (b) where the school has a religious character, a statement and supporting evidence of the demand in the area for education in accordance with the tenets of the religion or religious denomination;

The following is an extract from the school's Admissions Policy:

*'Consideration of a permanent expansion with an admission number of 90 is underway. If agreed this may require developing a second site within the Buckshaw Village area. Should this happen the governing body will continue to apply their existing admission arrangements (as below).*

*However for reception intakes for the school year within which the second site will be operational (and thereafter), where there are more applicants than available places, the distance tie break will measure from home address to the nearest of the two school sites.*

*(Full Admissions Policy Available on the schools website).'*

The governors review admission criteria on an annual basis to ensure that they reflect the ethos of the school and remain compliant with admissions legislation. The Diocese have been involved in the process throughout to ensure the religious character of the school has been maintained as the demand in the area for education in accordance with the tenets of the religious denomination was identified as a local need.

The school will retain the name Trinity Church of England/Methodist Primary School.

- (c) where the school adheres to a particular philosophy, evidence of the demand for education in accordance with the philosophy in question and any associated change to the admission arrangements for the school.

N/A

## 9. Expansion of successful and popular schools

- (a) Proposals must include a statement of whether the proposer considers that the presumption for the expansion of successful and popular schools should apply, and where the governing body consider the presumption applies evidence to support this.

The School is a successful and popular school and has been over-subscribed for every year since it opened in September 2010. It is strong in terms of attainment levels and leadership and had an Ofsted inspection in March 2012 which judged the school to be good. There is a forecasted increasing demand for reception places. Consultations have confirmed the support for the expansion of this school. The 30 additional temporary places which were provided at the school for September 2015 have already filled. Therefore, Lancashire County Council does consider that the presumption for the expansion of this school should apply.

## Consultation

10. Evidence of the consultation before the proposals were published including—

- (a) a list of persons who were consulted;
- (b) minutes of all public consultation meetings;
- (c) the views of the persons consulted;
- (d) a statement to the effect that all applicable statutory requirements in relation to the proposals to consult were complied with; and
- (e) copies of all consultation documents and a statement on how these documents were made available.

The consultation document was widely circulated to staff, governors, parents/guardians and pupils of the school subject to the proposals. Headteachers and governors of other local schools in Lancashire were all consulted, as were members of local district councils. (Buckshaw Village development straddles the border between two districts – Chorley and South Ribble). A full list of consultees is detailed on page 8 of the consultation document which forms an integral element to these complete proposals.

An appointment led event, rather than a public meeting, was held between 3pm and 8pm on Tuesday 3<sup>rd</sup> February 2015 at Trinity Church of England/Methodist Primary School. This format of meeting is preferred as it allows the authority to manage the process effectively, minimise waiting times and ensure that appropriate officers are available to offer any interested parties, either individually or in small groups, advice and guidance to enable them to gain a better understanding on all of the aspects of the proposals.

Following on from a meeting with all local Headteachers, LCC officers met with the Headteacher in the run up to consulting on these proposals. The Headteacher and Chair of Governors then discussed this at subsequent Governing Body meetings and the governors were reported to be in support of the proposals.

A children's consultation was undertaken by the school, in which pupils of the school were asked to express their opinion on the proposal.

The views from the meetings, the written responses to the consultations, and the children's consultation are detailed and analysed in the report to the Cabinet Member for Children, Young People and Schools that was considered on 19th May 2015. This forms an integral element to these complete proposals.

Consultation documents were widely circulated in hard copy and were made available on the following website:  
[www.lancashire.gov.uk/schoolorganisationreviews](http://www.lancashire.gov.uk/schoolorganisationreviews)

This website has been updated and now allows access to the public notice and complete proposal documentation for these proposals.

Copies of the consultation document were put on deposit at the school, local libraries and town halls, and at the Buckshaw Village Hub. Additional hard copies were available from County Hall, Preston.

All relevant statutory requirements regarding consultation on these proposals were complied with.

## Project costs

11. A statement of the estimated total capital cost of the proposals and the breakdown of the costs that are to be met by the governing body, the local authority, and any other party.

The minor refurbishment of the existing temporary accommodation on site required for the provision of the temporary expansion and the eventual delivery of permanent additional primary school places on the second site will require schools' capital funding. The new site for the expansion project is secured via a Section 106 agreement between the housing developer and Chorley Borough Council and will be transferred to LCC for the provision of primary school places.

The modification to the existing temporary accommodation is funded from within the current schools' capital allocation. Additional revenue funding has already been identified to meet the revenue costs generated by the expansion of the school and the additional pupils attending the school because of this expansion.

The estimated capital costs for the permanent build have not yet been finalised as the project has not been committed to the design stage, and the leadership team and Governing Body are still in discussions on how best to structure and operate the school across the split site. However, initial estimates suggest a figure between £3.8m and £4.3m. The Governing Body is not being asked to contribute to the scheme. If, however, the school wishes to undertake additional works to enhance the basic need project, then it would have to fund this.

12. A copy of confirmation from the Secretary of State, local education authority and the Education Funding Agency (as the case may be) that funds will be made available (including costs to cover any necessary site purchase).

The authority can confirm that funds are available and have been identified to be used for the purposes of this project, subject to final determination of the proposal at the end of the representation period.

An additional site on Buckshaw Village for a new one form of entry school has been secured via a Section 106 agreement under the Town and Country Planning Act 1990. The parties to this agreement are Chorley Borough Council and Persimmon (the housing developer). Lancashire County Council has requested Chorley Borough Council to seek a deed of variation to the s106 agreement to enable the expansion of an existing school onto the site, prior to the land being transferred into the authority's ownership.





Section 4

# Equality

# Analysis Toolkit

The Expansion of Trinity CE/Methodist Primary School:

Buckshaw Village, Chorley

For Decision Making Items

July 2015

## **What is the Purpose of the Equality Decision-Making Analysis?**

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed ) or EHRC guidance - [EHRC - New public sector equality duty guidance](#)

Document 2 "Equality Analysis and the Equality Duty: Guidance for Public Authorities" may also be used for reference as necessary.

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.



The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

[AskEquality@lancashire.gov.uk](mailto:AskEquality@lancashire.gov.uk)

Specific advice on completing the Equality Analysis is available from your Directorate contact in the Equality and Cohesion Team or from Jeanette Binns

[Jeanette.binns@lancashire.gov.uk](mailto:Jeanette.binns@lancashire.gov.uk)

## **Name/Nature of the Decision**

The proposed expansion of Trinity CE/Methodist Primary School to increase the number of pupils admitted in each reception year from 60 to 90 and the capacity of the school from 420 to 630 from 1<sup>st</sup> September 2016.

## **What in summary is the proposal being considered?**

The Cabinet Member for Children, Young People and Schools is the Decision Maker in respect of a proposal made by Lancashire County Council to expand Trinity CE/Methodist Primary School with effect from 1st September 2016. The proposal has been brought under procedures established by The Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 which state that although there is not a prescribed 'pre-publication' consultation period, there is a strong expectation on the Local Authority to consult interested parties. The Local Authority conducted a full consultation prior to taking a final decision. The proposal to expand the school was made due to the recent growth of births in the local area, coupled with the effects of significant housing developments. The number of school places currently available will not be enough to meet increased demand as the children reach school age.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The proposal, if approved, will directly affect current pupils on roll at Trinity CE/Methodist Primary School due to the enlargement of the school and the school operating on a split site. The school leadership team will organise the school over the two sites as it sees fit and is committed to ensure minimum impact for the pupils.

The proposal, if approved, could also impact on those who wish to send their children to Trinity CE/Methodist Primary School in the future. The proposed expansion of the school will enable future pupils to gain places in the local area where they live. It will increase the likelihood of pupils gaining admission at the same school as their siblings.

**Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:**

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes
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If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

## Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

The school opened as a one form entry school with 210 pupils in 2010. The intention was to increase it to a two form entry school of 420 as houses were built and occupied creating a need for more places. This happened and the school was permanently expanded in September 2012, by introducing an additional 30 pupils in reception each year.

The school provides for mixed gender pupils aged 4 to 11. The school is a voluntary aided faith school: Church of England/Methodist. The Diocese have been involved in the process throughout to ensure the religious character of the school has been maintained as the demand in the area for education in accordance with the tenets of the religious denomination was identified as a local need. The school will retain the name Trinity Church of England/Methodist Primary School.

There were 338 pupils on roll in January 2015. There have been 60 pupils in each reception year since it expanded in 2012. The following table gives the position in

the Euxton primary schools for projected intake into reception:

	Projected intake		
Reception Places	2015	2016	2017
220	267	267	254

The table above shows a sustained need for additional places in the Euxton area, which includes the Buckshaw Village development. The need is for an additional 47 places in 2015. Trinity CE/Methodist Primary School has had a temporary expansion approved to deal with the increased intake from 2015 for one year only, while the consultation on the permanent expansion takes place. This will increase the intake from 60 to 90 places for one year only. Another school in Euxton has also had a temporary expansion approved for one year only to deal with the intake for September 2015, while they consult on the permanent expansion of it. There is an additional 47 places for 2016 and for 34 places in 2017, based upon live births in the area. However, planned housing in the area has the potential to generate an approximate yield of an additional 6 pupils per year group over the next 5 years.

In order that additional permanent places could be provided it was necessary to secure additional land to increase the overall site size of the school. Only by doing so would it be possible to proceed with permanent expansion and maintain the recommended area of playing fields as outlined by the Department for Education.

A site (locally referred to as 'Group One' on Buckshaw Village) is secured via a Section 106 Agreement for the provision of additional primary school places. It is proposed that the existing school in the village, Trinity CE/Methodist Primary School, is expanded onto this additional site, to enable the school to permanently increase its intake to 3 Forms of Entry.

The School Census 2015 shows 89% of the pupils at the school are of White British heritage. This is higher than the national average for primary school pupils which is 75%. The proportion of pupils from minority ethnic backgrounds is 11% which is lower than the national average (25%). Of these the highest number within the ethnic groups is 'white other' with 10 pupils.

The 2015 school census shows 9.5% of the school's population are disabled or have special educational need. This is below average compared to the national average for primary schools which is 16.6%.

## Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when.

(Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

In Summer 2014, the School Planning Team distributed a questionnaire to every household in Buckshaw Village to gain an understanding of how many children of pre-school age live on Buckshaw village to enable the team to accurately assess future need for primary school places.

Following this a full consultation has taken place as suggested within DfE guidance 'School Organisation: Maintained Schools: Guidance for Proposers and Decision Makers' published in January 2014 which included consultation with children.

The results of the consultation were reported to the Cabinet Member for Children, Young People and Schools on 19 May 2015 and the result of the consultation at representation stage is included in the report to Cabinet Member for Children, Young People and Schools dated 11 August 2015.

A total of 39 responses were received to the informal consultation stage and 21 written representations and 1 petition (detailed in Appendix 'E' of the cabinet report) were received during the representation stage. The majority of respondents objected to the proposal. Most of the respondents were current or future parents of pupils at the school.

The objectors issues raised were divided into the following themes: Consultation Process, Admission and Leadership, Split Site, Traffic, and Alternative Suggestions.

Objections did not include any significant equality issues. Eleven respondents did feel that Buckshaw Village requires a non-faith community school to allow competition between the schools. However, this was not phrased in terms of religious or belief needs. Moreover, the issue of commissioning new provision was outside the scope of the consultation. On the other hand, local demand for faith school-based education was identified during the consultation.

### **Question 3 – Analysing Impact**

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be

– will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The new site is easily accessible to the community that the current school serves and is within walking distance of the existing school site.

On completion, the school's governing body has decided that the new site will be used to accommodate the school's Foundation Stage and KS1 classes and the existing site to accommodate KS2 classes.

There will not be movement of pupils between sites on a daily or weekly basis – though there may be occasions during the school year where it is felt important the school have an opportunity to be together as a whole school e.g. Worship at Christmas or Easter or for Sports Day and therefore some movement will happen but this will, by necessity be limited.

There will be a need to share resources in order to facilitate the sense of belonging to a whole school community. It is hoped (in fact the children raised this as a requirement in their consultation), that the school will have an indoor space on the new site large enough to accommodate the whole school. The school has the capacity to share playing fields at the existing site for whole school events. The school will also ensure children in Year 2 are sufficiently used to the existing building

for an effective transfer into Year 3.

The additional site could impact parents with a child already at the school on the original site, who also need to take another child to the new site. The leadership team would arrange staggered start times to minimise impact on parents with children at both sites. They will also arrange 'walking buses' from both sites so that parents can drop off children at one site, and then the child would go on the 'walking bus' to the other site, if the parent so wished.

The leadership team would arrange events so that they don't clash with each other causing parents to not be able to attend both if they have children on both sites e.g. Parents evening will not be at the same time on two different sites.

Any funding for the support of pupils with SEND will remain with the school. There are currently no existing pupils with disabilities that are transported to school by taxi which the local authority has arranged and funded.

#### **Question 4 –Combined/Cumulative Effect**

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

No

#### **Question 5 – Identifying Initial Results of Your Analysis**

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why



Stopped the Proposal and Revised it - briefly explain

No – the original proposal will be continued in the interests of securing additional quality school places for future pupils in the area.

### **Question 6 - Mitigation**

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

The Diocese have been involved in the process throughout to ensure the religious character of the school has been maintained as the demand in the area for education in accordance with the tenets of the religious denomination was identified as a local need.

In order to facilitate the sense of belonging to a whole school community the school will share resources across both sites. The school has the capacity to share playing fields at the existing site for whole school events. There may be occasions during the school year where it is felt important the school have an opportunity to be together as a whole school e.g. Worship at Christmas or Easter or for Sports Day

The school will also ensure children in Year 2 are sufficiently used to the existing building for an effective transfer into Year 3.

### **Question 7 – Balancing the Proposal/Countervailing Factors**

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The proposal has been made in accordance with by The Education and Inspections Act 2006; The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and DfE guidance 'School Organisation: Maintained Schools: Guidance for proposers and decision makers'. The cabinet member reports dated 12 January 2015, 19 May 2015 and 11 August 2015 provide full reasons for the proposal and details of the local authority's powers and responsibilities around school place commissioning and the provision of high quality school provision for pupils.

Local authorities have a duty to ensure the sufficiency of school places. Without the expansion of this school, there would be insufficient school places in the local area. Parents of prospective pupils would therefore, have to send their children outside of the village where they live.

The proposal meets education provision for young people both now and in the future.

### **Question 8 – Final Proposal**

In summary, what is your final proposal and which groups may be affected and how?

The proposed expansion of Trinity CE/Methodist Primary School to increase the number of pupils admitted in each reception year from 60 to 90 and the capacity of the school from 420 to 630 from 1<sup>st</sup> September 2016. The main groups affected are pupils that currently attend the school and potential future pupils.

### **Question 9 – Review and Monitoring Arrangements**

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Once a decision has been taken to expand the school the authority is legally obliged to implement the proposal.

Equality Analysis Prepared By: Steph Rhodes

Position/Role: School Planning Principal

Equality Analysis Endorsed by Line Manager and/or Chief Officer: Matthew Tidmarsh

Decision Signed Off By: Matthew Tomlinson, Cabinet Member for Children, Young People and Schools.

Cabinet Member/Chief Officer or SMT Member Matthew Tomlinson, Cabinet Member for Children, Young People and Schools.

**Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.**

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Directorate's contact in the Equality and Cohesion Team.

Directorate contacts in the Equality & Cohesion Team are:

Karen Beaumont – Equality & Cohesion Manager

[Karen.beaumont@lancashire.gov.uk](mailto:Karen.beaumont@lancashire.gov.uk)

Contact for Adult & Community Services Directorate

Jeanette Binns – Equality & Cohesion Manager

[Jeanette.binns@lancashire.gov.uk](mailto:Jeanette.binns@lancashire.gov.uk)

Contact for Environment Directorate, Lancashire County Commercial Group and One Connect Limited

Saulo Cwerner – Equality & Cohesion Manager

[Saulo.cwerner@lancashire.gov.uk](mailto:Saulo.cwerner@lancashire.gov.uk)

Contact for Children & Young Peoples Directorate

Pam Smith – Equality & Cohesion Manager

[Pam.smith@lancashire.gov.uk](mailto:Pam.smith@lancashire.gov.uk)

Contact for Office of the Chief Executive and the County Treasurer's Directorate

Thank you



# Agenda Item 8

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

