

Full Council

Thursday, 9th February, 2023 at 1.00 pm in Council Chamber, County Hall, Preston

Agenda

Index

- 1. Apologies and Announcements**
- 2. Disclosure of Pecuniary and Non-Pecuniary Interests**
- A. Matters for Decision**
- 3. 2023/24 Budget Report** (Pages 1 - 102)
- B. Matters for Information**

There are no matters to be reported at this meeting.

- C. Notices of Motion**
- 4. To consider Notices of Motion Submitted under Standing Order B36**

Angie Ridgwell
Chief Executive

County Hall
Preston

01 February 2023



Meeting of the Full Council

Meeting to be held on Thursday, 9 February 2023

Report of the Chief Executive & Director of Resources

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
N/A;

2023/24 Budget Report

(Appendices 'A' – 'G' refer)

Contact for further information:

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Brief Summary

To consider the recommendations of the Cabinet regarding*:

1. The revenue budget 2023/24 and the medium term financial strategy 2023/24 to 2026/27: section 1 of this report and Appendix A.
2. The council tax and precept 2023/24: section 2 of this report.
3. The capital programme 2023/24: section 3 of this report and Appendix B.

** Note that this report is published ahead of the Cabinet meeting on 2 February 2023, at which recommendations to Full Council will be confirmed. Full Council will be notified in advance of the meeting of any changes to the recommendations of Cabinet*

To consider the recommendations of the Audit, Risk and Governance Committee on 30 January 2023 regarding:

4. The treasury management strategy, the investment strategy, the minimum revenue provision policy statement for 2023/24 as shown in Appendices D, E & F.

In considering the above, to note the summary of consultation responses received and officer advice.

Recommendation

The Full Council is asked to consider and approve:

- (i) The revenue budget of £1,035.977m for 2023/24 and financial strategy 2023/24 to 2026/27 (Appendix A) and note that Cabinet in November agreed £118m of savings to be included within the budget for 2023/24 and medium term financial strategy.
- (ii) The council tax requirement of £604.416m for 2023/24 including the level of Band D council tax for 2023/24 at £1,574.71 reflecting a 3.99% increase, including 2% to be used for adult social care as per the new permitted flexibilities.
- (iii) The capital programme for 2023/24 of £239.859m (Appendix B).
- (iv) The capital strategy 2023-2042 (Appendix C).
- (v) The treasury management strategy, investment strategy and minimum revenue provision policy statement 2023/24 as set out at Appendices D, E, & F.
- (vi) The fees and charges as set out at Appendix G, and that these be implemented from the 1 April 2023, except:
 - a. Social Care charges which will be uplifted from the first Monday in April (3 April) 2023, or
 - b. where an alternative implementation date is indicated in the schedule at Appendix G.and that library members who are refugees, asylum seekers or any individuals who arrived in Lancashire through a coordinated resettlement scheme due to forced migration be exempted from paying reservation charges for borrowing library materials.
- (vii) The fees and charges, within the direct control of the council to set, be uplifted in future years by the value of the September Consumer Price Index in line with inflationary levels applied by the Government to items such as pensions and benefits.
- (viii) That the Chief Executive and Director of Resources (s151 officer), in consultation with the Deputy Leader of the County Council, be authorised to amend the contribution to the 2023/24 budget from the transitional reserve when the Final Settlement is received.

The Full Council is asked to note and have regard to the advice of the Chief Executive and Director of Resources in relation to the robustness of the budget and the adequacy of reserves.



Detail

1. Revenue Budget 2023/24

The summary revenue budget of £1,035.977m for 2023/24 is set out at Table 1 below and in full in Appendix A. As reported to Cabinet on 2 February, it includes the impact of the Provisional Financial Settlement received on 19 December 2022. The Final Settlement is expected in early February and if received in advance of Full Council an update will be provided at the meeting, although very little change is expected.

The 2023/24 budget contains a proposed programme of savings totalling c£75m. This includes the 2023/24 elements of the £118m of savings agreed at Cabinet on 3 November 2022. Details of all savings can be found on the link below (Item 5):

[Our Council - Agenda for Cabinet on Thursday, 3rd November, 2022, 2.00 pm](#)

The final collection fund position has not been confirmed from District Councils at the time of preparing this report for Full Council. Therefore, information will be collated and included as part of a budget adjustment at the Full Council meeting.



Table 1 - Revenue Budget 2023/24

The budget outlined below results in a net revenue budget of £1,035.977m. The budget by service is summarised below:

Revenue Budget 2023/24	Net Budget (£m)
Adult Services	444.813
Safeguarding and Quality Improvement	10.220
Public Health	-3.016
Children's Social Care	193.647
Education, Culture and Skills	45.386
Education and Children's Services	10.774
Policy Commissioning and Children's Health	0.271
Highways and Transport	162.016
Growth and Regeneration	3.118
Environment and Planning	3.194
Resources	7.917
Finance Services	19.848
Strategy and Performance	40.262
Law and Governance	19.622
Digital Service	35.776
People Services	5.835
Organisation Development and Change	2.179
Chief Executive Services	2.874
Sub-Total	1,004.736
Financing Charges	40.403
Use of one-off resources (funding from Transitional Reserve)	-9.162
Revenue Budget 2023/24 (Budget Requirement)	1,035.977



2. Council Tax and Precept 2023/24

Full Council is asked to consider and authorise, in pursuance of the provisions of the Local Government Finance Act 1992, and in order to meet the general expenses of the county council for the financial year 2023/24.

a) Council Tax Requirement and Precept for 2023/24:

That the band D council tax for 2023/24 is increased by 3.99% as follows:

- 1.99% for general council tax being an annual increase £30.13 for band D council taxpayers
- 2% for the adult social care precept being an annual increase of £30.29 for band D council taxpayers.

This gives an overall position of:

	£m
Budget Requirement	1,035.977
Less Revenue Support Grant	38.206
Less Business Rates	232.789
Less New Homes Bonus	1.482
Less Improved Better Care Fund	47.145
Less Social Care Grant	94.579
Less Collection Fund	5.000
Less Capital Receipts	5.000
Less Services Grant	7.360
Equals council tax cash	604.416
Divided by tax base (estimate)	383,826.57
Gives LCC Band D council tax for 2023/24	£1,574.71
LCC Band D council tax 2022/23	£1,514.29
Percentage increase	3.99%

- b) Council Tax (on the basis of a budget requirement of £1,035.977m) and the Council Tax base for each property valuation band:

Council Tax Band	£
Band A	1,049.81
Band B	1,224.77
Band C	1,399.74
Band D (basic)	1,574.71
Band E	1,924.65
Band F	2,274.58
Band G	2,624.52
Band H	3,149.42

- c) The contribution from each district council through their precept of the net total raised from the council tax of £604.416m:

District	£m
Burnley	37,074,972
Chorley	60,378,365
Fylde	50,373,398
Hyndburn	34,557,011
Lancaster	67,049,577
Pendle	39,015,645
Preston	64,717,432
Ribble Valley	39,336,256
Rossendale	32,798,060
South Ribble	58,505,626
West Lancashire	59,989,790
Wyre	60,619,406
Total raised from Council Tax	604,415,538



3. Capital Programme 2023/24

Full Council are asked to approve a capital programme of £239.859m in 2023/24 as set out at Appendix B.

4. Capital Strategy 2023-2042

Full Council is asked to approve the proposals for the capital strategy 2023-2042 as set out at Appendix C.

5. Fees and Charges 2023/24

Full Council is asked to agree the fees and charges for 2023/24 as set out in Appendix G.

The updated schedule uses the Consumer Price Index as at September 2022 (10.1%) to increase fees and charges, being the value applied by Government for pensions and benefit payments. The Consumer Price Index in September will be the default inflationary factor when setting fees and charges increases in future years.

There are some minor exceptions within the schedule where charges are set nationally or other market factors have been considered.

Full Council is also asked to approve and note the additional points below:

- An exemption will be included for library members who are refugees, asylum seekers or any individuals who arrived in Lancashire through a coordinated resettlement scheme due to forced migration from paying reservation charges for borrowing library materials.
- A full review of the admissions policy for museums will be undertaken in 2023 and a new policy presented for consideration to the Cabinet Working Group on Museums.

Consultations

As part of the budget process the contents of the report to cabinet has been subject to a consultation with a variety of stakeholders and partners, including with the trade unions.

For the budget consultation, an email was sent out on behalf of the county council on 4 January 2023 outlining the proposal for Council Tax and an Adult Social Care Precept and containing a link to the relevant reports with respondents then able to e-mail or send in their written feedback. The closing date for the consultation was 31 January 2023 and 9 responses have been received, several covering the same savings proposals.

Consultation Response

Several respondents raised concerns about the proposal to review the winter gritting routes and asked that more grit bins are made available.



Officer Response

The proposal is to reduce the winter gritting budget by c5% following a route review using a risk based approach making greater use of intelligent and dynamic condition data for a more efficient and targeted treatment. The review will consider the need for more grit bins to be installed on the untreated network.

Consultation Response

A respondent commented that due to the cost of living pressures Local Authorities should be endeavouring not to increase the budget in the forthcoming financial year.

Officer Response

The most significant cause of the current financial challenge for local government as a whole has been the significant inflationary and demand related pressures, particularly relating to social care. Government has, through the Provisional Financial Settlement, given councils with social care responsibilities the flexibility to raise council tax by up to 4.99% (including a 2% adult social care precept) and that has been built into their calculations of funding (core spending power) available to the council to meet the expenditure pressures. The budget being proposed is to raise council tax by 3.99%, 1% less than the maximum permissible with 4.99% being the increase proposed by the majority of county councils. A funding gap of over £9m remains in 2023/24 to be funded from non-recurrent reserves. Any further reduction in council tax would increase the in-year and future funding gap by c£6m for every 1% levied.

Consultation Response

A respondent raised concerns about the number and cost of councillor's allowances.

Officer Response

The number of elected members was determined following a review by the Electoral Commission that concluded that 84 was appropriate given the size and complexity of the county council. Member's allowances are recommended annually by an independent remuneration panel.

Consultation Response

A respondent asked that the £15k reduction on peatland restoration matched funding within the environment and climate budget is not taken forward.

Officer Response

The service is confident that the reduction will not lead to a reduction in the council's ability to secure external grants with available grants increasingly not requiring matched funding.

Consultation Response

A respondent requested that the proposal to reduce the frequency of rural and high speed grass cutting by flail is reconsidered and remains at the current frequency on the immediate approach to villages.

Officer Response

The service recognise that some communities may see longer grass as being untidy, but sightlines at junctions will continue to be maintained as a road safety priority and

there are potential positive benefits in reducing the frequency of cuts as it supports bio-diversity.

Consultation Response

A respondent queried whether the budget proposals would deliver better outcomes at lower cost.

Officer Response

The budget proposals have largely addressed a forecast funding gap for 2023/24 of £87m, with most proposals focused on providing services more efficiently and effectively and proactively managing the impact of increasing demand for services. A number of proposals involve working more closely with the NHS to both reduce the costs to the Health and Social Care system and achieve the best outcomes for vulnerable people.

Consultation Response

A borough council expressed their disappointment that many people will receive a lower level of support due to cuts in social care, reflecting that this was a direct result of reduced government funding. The same respondent welcomed that reductions to physical environment and maintenance budgets are limited.

Officer Response

The budget proposed includes significant investment in meeting the increased demand and cost of social care services, particularly with regard to investment in market sustainability. Many of the savings proposals on social care relate to working more closely with the NHS to deliver better outcomes at lower cost to the system overall.

Consultation Response

A borough council raised concerns about the impact a number of savings proposals could have on their residents including grass cutting and winter-gritting (both raised by in other responses referenced earlier) and the proposals to charge for telecare and remove the cap on respite care charging. The borough council also queried that the proposals do not provide sustainability for the future delivery of services and suggested that a radically different approach was required that positions district councils to take more ownership of services, such as roads and highways, as part of a more cost effective and sustainable approach to delivering local services.

Officer Response

The current year has been marked by significant volatility and uncertainty and an £87m funding gap for 2023/24 has reduced to £9.5m with a focus on improving productivity and efficiency and generating additional income to support priority services. We have a strong track record of delivering savings programmes and balanced budgets over recent years and have made significant investment in meeting increasing demand for services and investment in care market sustainability. The current financial forecast also provides assurance of our ability to set balanced budgets over the period covered by the medium term financial strategy. In terms of the specific social care proposals referenced in the response, the increase in the respite charge would only be paid by those individuals who can afford to do so following the outcome of a financial means test. On telecare charging we are now in a minority of councils who do not charge for the service and a separate

consultation exercise has been undertaken with a number of responses indicating a willingness to pay for peace of mind and other benefits that telecare brings.

Consultation Response

The Integrated Care Board have responded recognising the size of the budget challenge and the significant pressures that exist across the local government sector with respect to funding settlement and ever rising demand pressures. The Integrated Care Board is keen to understand more fully the risks for citizens and patients and raised questions on several the specific social care proposals and asked for a meeting to meet and discuss how we collectively manage any unintended consequences and financial risks associated with the savings proposals, particularly the implications of the 'joint funded package' schemes.

Officer Response

The consultation response references that we are working in close partnership across the health and social care system and that there are significant opportunities in moving forward at pace on the integration agenda, particularly in respect of the out of hospital approach. Responses are being prepared to the questions raised and will shortly be discussed at a meeting of Senior Officers of the Council and Integrated Care Board.

Officers therefore recommend no change to the budget as proposed to Full Council.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
Budget Report and Savings Proposals for 2023/24	3 November 2022	Angie Ridgwell, Tel: (01772) 536260
Money Matters Quarter 3 Report 2022/23	2 February 2023	Angie Ridgwell, Tel: (01772) 536260

Reason for inclusion in Part II, if appropriate

N/A

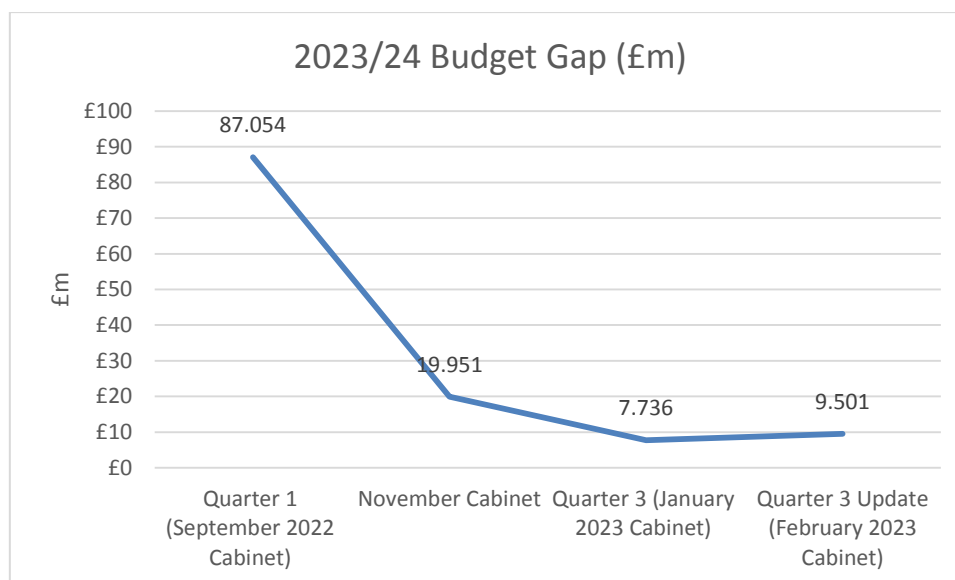


The County Council's Revenue Budget and Council Tax for 2023/24

1. Introduction

Councils across the country continue to face ongoing pressures, driven by increasing demand and inflation. When compounded with the current workforce challenges, local government as a whole must make difficult decisions and look to be as creative and innovative as possible. At the County Council we have responded by focussing on productivity and efficiency in order to deliver our priority services. We have a track record of success with such programmes and sound financial stewardship means we are able to take a considered and measured approach.

The current financial year has been marked by volatility and uncertainty in terms of financial forecasting and we have made good progress in planning for and gripping these challenges as demonstrated in the graph below.



In particular, the Local Government Provisional Settlement announced on 19 December 2022, gave additional flexibility with a permitted increase in council tax of 4.99% for both 2023/24 and 2024/25 and additional grant funding for social care. In January 2023, Cabinet indicated their intention to recommend to Full Council that the proposed council tax increase be restricted to 3.99% at the Cabinet meeting in February.

The council continues to retain relatively healthy reserves with the current uncommitted transitional reserve, being sufficient to meet the forecast funding gap for the next 4 years. However, the intention remains to identify further savings and/or deliver agreed savings earlier than currently planned to reduce the forecast funding gap enabling further investment to be made into priority services.

2. The Revenue Budget 2023/24 to 2026/27

A report was presented to Cabinet on 2 February 2023 including the medium term financial strategy. This recommended an increase in council tax of 3.99% and forecast a financial gap of £9.501m.

The position has now been updated to reflect additional information received from District Councils in relation to the tax base position. The final information relating to the collection fund will be included in a budget adjustment to Full Council, as that was not received in time for the publication of this report. The position presented to Cabinet and subsequent changes are set out in Table 1.

Table 1 – Medium Term Financial Strategy

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Spending Gap as reported February Cabinet	9.501	-7.963	10.979	23.286
Funding – Tax Base	-0.339	-0.362	-0.378	-0.396
Forecast Budget Gap – Quarter 3 (updated)	9.162	-8.325	10.601	22.890

2.1 Revenue Budgets for Services in 2023/24

The budget outlined below results in a net revenue budget of £1,035.977m. The budget by service is summarised below:

Table 2

Revenue Budget 2023/24	Net Budget (£m)
Adult Services	444.813
Safeguarding and Quality Improvement	10.220
Public Health	-3.016
Children's Social Care	193.647
Education, Culture and Skills	45.386
Education and Children's Services	10.774
Policy Commissioning and Children's Health	0.271
Highways and Transport	162.016
Growth and Regeneration	3.118
Environment and Planning	3.194
Resources	7.917
Finance Services	19.848
Strategy and Performance	40.262
Law and Governance	19.622
Digital Service	35.776
People Services	5.835
Organisation Development and Change	2.179
Chief Executive Services	2.874
Sub-Total	1,004.736
Financing Charges	40.403
Use of one-off resources (funding from Transitional Reserve)	-9.162
Revenue Budget 2023/24 (Budget Requirement)	1,035.977

3. Council Tax 2023/24

Full Council is advised that the Band D council tax for 2023/24 be increased by 3.99%. This includes the additional 2% Adult Social Care Precept permitted for 2023/24. The impact of these increases is:

Table 3

	Band D Council Tax	Council Tax income
General Council Tax increase at 1.99%	£30.13	£11.565m
Adult Social Care Precept increase at 2%	£30.29	£11.626m

The overall position is summarised as follows:

Table 4

	£m
Budget Requirement	1,035.977
Less Revenue Support Grant	38.206
Less Business Rates	232.789
Less New Homes Bonus	1.482
Less Improved Better Care Fund	47.145
Less Social Care Grant	94.579
Less Collection Fund	5.000
Less Capital Receipts	5.000
Less Services Grant	7.360
Equals council tax cash	604.416
Divided by tax base (estimate)	383,826.57
Gives LCC Band D council tax for 2023/24	£1,574.71
LCC Band D council tax 2022/23	£1,514.29
Percentage increase	3.99%

3.1 Council Tax in 2023/24

Council tax increases have been applied to the medium term financial strategy period as follows:

Table 5

	Council tax increase (no referendum required)	Adult social care precept	Total council tax increase
2023/24	1.99%	2.00%	3.99%
2024/25	2.99%	2.00%	4.99%
2025/26	1.99%	1.00%	2.99%
2026/27	1.99%	1.00%	2.99%

Any decisions not to increase council tax in line with the assumptions above would increase the financial gap; every 1% in council tax yields circa £6m.

In the medium term financial strategy, based on historical trends, a growth in tax base of 1.7% was included in each of the next 4 financial years. Tax base information has been received from District Councils with the actual tax base position being 1.76%. This yields additional income of £0.339m in 2023/24.

3.2 Business Rates in 2023/24

Business rates income is a significant source of funding for local authorities and our strategy assumes annual growth of 0.5% of the tax base in addition to the Consumer Price Index increase announced in the Provisional Settlement. We also receive a top up grant from Government as business rates collected are less than the assessed need in Lancashire.

The proposed national review of business rates has been delayed and is not expected to be introduced until at least 2025/26. Lancashire County Council is part of the Lancashire Business Rates Pool, with additional income of £0.600m included within the 2023/24 budget.

3.3 Capital receipts

Traditionally, the use of capital receipts (income derived from the sale of long-term assets) has been restricted to funding capital expenditure or the repayment of debt. However, from 1st April 2016 the Government introduced the flexibility for capital receipts to be used to fund revenue expenditure which meets certain criteria, primarily to generate ongoing revenue savings or improvements in the quality of service

provision. This flexibility continues in 2023/24 and 2024/25 and the medium term financial strategy includes £5m of capital receipts in 2023/24.

The capital receipts in 2023/24 will be applied to the following areas:

Table 6

Service Area	Value (£m)
Human Resources	0.380
Childrens Social Care	1.154
Organisational Development	0.653
Adult Social Care	1.310
Legal and Democratic	0.122
Estates	0.200
Facilities Management	0.316
Asset Management	0.240
Exchequer Services	0.332
Digital Services	0.173
Procurement	0.120
Grand Total	5.000

The table above does not cover all the costs of identified transformation activity but makes a contribution to those costs.

These receipts would normally be applied to the capital programme and therefore the impact is to effectively increase the level of borrowing required to support the capital programme. The treasury management strategy and revenue budget reflects the level of additional borrowing required to deliver the capital programme.

4. Fees and Charges

The updated schedule uses the Consumer Price Index as at September 2022 (10.1%) to increase fees and charges, being the value applied by Government for pensions and benefit payments. The Consumer Price Index in September will be the default inflationary factor when setting fees and charges increases in future years.

There are some minor exceptions within the schedule where charges are set nationally, or other market factors have been considered.

Full Council is also asked to approve and note the additional points below:

- An exemption will be included for library members who are refugees, asylum seekers or any individuals who arrived in Lancashire through a coordinated resettlement scheme due to forced migration from paying reservation charges for borrowing library materials.

- A full review of the admissions policy for museums will be undertaken in 2023 and a new policy presented for consideration to the Cabinet Working Group on Museums.

5. Savings

The 2023/24 budget contains a proposed programme of savings totalling c£75m. This includes the 2023/24 elements of the £118m of savings agreed at Cabinet on 3 November 2022.

The savings agreed by Cabinet can be found on the link below (Item 5):

[Our Council - Agenda for Cabinet on Thursday, 3rd November, 2022, 2.00 pm](#)

The budget for 2023/24 and forecast over a further 3 years in the medium term financial strategy assume all savings are delivered within their agreed timeframes. Savings delivery is closely monitored across Directorates as part of the budget monitoring process.

5.1 Strategic Targets

The Council has set a number of strategic targets that aim to deliver savings of £32m over the four-year period with £9m in 2023/24. To deliver these a number of areas are being reviewed. Table 7 shows the agreed values and profile of the savings agreed.

Table 7

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Contracts	-2.3	-5.6	-7.1	-7.7
Property	0.0	-0.2	-0.4	-0.6
Workforce	-4.7	-7.8	-8.7	-9.6
Digital and Technology and Business Processes	-2.0	-7.3	-14.2	-14.5
Total	-9.0	-20.7	-30.4	-32.4

Contracts – The Council has commissioned a review of Contract Management within the organisation and looking to save a minimum of 2% of the spend in this area through more effective management of existing contracts and more effective methods of recommissioning existing contracts and/or expenditure.

Property - The property workstream is targeting a reduction in the size and cost of our property holdings through the strategic property review and will also help to deliver a

level of one-off capital receipts which will be used to support the revenue budget over the next financial year as outlined in the report. The property review is being delivered in line with the principles of the approved Property asset management Strategy which was approved in February 2020.

The strategy contains objectives to review the property portfolio to ensure that it is appropriate for service delivery to ensure that the Council maximises use of its properties to maintain value for money. The ongoing review is taking full account of opportunities arising from new ways of working and the use of technology, which is reducing the demand for property. The review is also taking property condition, and decarbonisation ambitions into account as well as ensuring that service needs are properly understood and provided for as part of the process to ensure quality services to residents.

Workforce - The workforce saving is based on reductions in agency staff expenditure, improved sickness absence levels, robust vacancy management and a review of management spans and layers to reflect best practice seen in other large high performing Councils/organisations. The savings will be delivered alongside the development and implementation of the 'People Strategy' which will help mitigate recruitment and retention issues and develop an organisational development strategy for a modern ambitious forward-thinking council.

Digital and Technology and Business Processes – The Council will be reviewing its business processes to ensure they are streamlined and fit for purpose for a modern council, making changes that reduce cost and/or improve the customer experience. A full review of the existing and future needs of the council's ICT estate and digital infrastructure will be undertaken including a rationalisation of the existing platforms and ensuring all replacements are adopted in an optimal manner.

6. Reserves

The latest reserves position is shown in Table 8.

Table 8

Reserve Name	Opening balance 2022/23	2022/23 Expenditure	2022/23 Closing Balance	2023/24 Forecast Exp	2024/25 Forecast Exp	2025/26 Forecast Exp	Forecast closing balance 31 March 2026
	£m	£m	£m	£m	£m	£m	£m
County Fund	-23.437	0.000	-23.437	0.000	0.000	0.000	-23.437
SUB TOTAL - COUNTY FUND	-23.437	0.000	-23.437	0.000	0.000	0.000	-23.437
Strategic Investment Reserve	-4.192	0.244	-3.948	0.473	0.047	0.000	-3.428
COVID-19 Reserve	-11.048	5.145	-5.903	2.185	0.626	0.913	-2.179
Downsizing Reserve	-5.454	1.410	-4.044	2.022	2.022	0.000	0.000
Risk Management Reserve	-4.276	1.128	-3.148	-2.454	0.145	0.000	-5.457
Transitional Reserve	-215.777	27.244	-188.533	7.249	3.333	0.000	-177.951
Business Rates Volatility Reserve	-5.000	0.000	-5.000	0.000	0.000	0.000	-5.000
Service Reserves	-108.745	39.078	-69.667	25.682	16.292	8.428	-19.265
Treasury Management Valuation Reserve	-36.317	0.000	-36.317	0.000	0.000	0.000	-36.317
SUB TOTAL - LCC RESERVES	-390.809	74.249	-316.560	35.157	22.465	9.341	-249.597
Non-LCC Service Reserves	-17.065	0.314	-16.751	3.256	0.551	0.149	-12.795
SUB TOTAL - NON LCC RESERVES	-17.065	0.314	-16.751	3.256	0.551	0.149	-12.795
GRAND TOTAL	-431.311	74.563	-356.748	38.413	23.016	9.490	-285.829

The County Fund shown at the top of Table 8 is the balance set aside to cover the authority against a serious emergency situation (e.g. widespread flooding); a critical and unexpected loss of income to the authority and for general cash flow purposes. In considering these various factors the county council is forecast to maintain its County Fund balance at £23.437m, equating to circa 2.3% of net budget.

The value of the uncommitted transitional reserve is currently forecast to be £188.533m by the end of March 2023 but this will also be impacted directly by the value of any final over or underspend for the current financial year.

In 2023/24, an additional commitment has been included of c£2.2m to provide match funding for the UK Shared Prosperity Fund programme, which will link with businesses and the already established Boost programme.

The value of the uncommitted transitional reserve is currently forecast to be sufficient to meet the forecast funding gap for the lifetime of the medium term financial strategy, as shown in Table 9. However, the intention remains to identify further savings and/or deliver savings earlier than currently planned to reduce the requirement for reserves to meet forecast funding gaps and deliver a balanced and sustainable financial position. The value of the County Fund will be kept under review in future years including ongoing assessment of risks that it is established to cover. The relatively healthy uncommitted transitional reserve level also supports and mitigates emergency situations.

Table 9

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Opening Balance	188.533	172.122	177.114	166.513
Gap funding	9.162	-8.325	10.601	22.890
Commitments	7.249	3.333	0.000	
Closing balance	172.122	177.114	166.513	143.623

7. The Robustness of the Budget and the Adequacy of Reserves

Section 25 of the Local Government Act 2003 requires that, in giving consideration to budget proposals, Members must have regard to the advice of the council's Chief Finance Officer, currently the Chief Executive and Director of Resources, on the robustness of estimates and the adequacy of the council's reserves.

Robustness of the Estimates

This section is concerned with the scale of financial risks faced by the council as a result of the estimates and assumptions which underpin the budget. The basis of these estimates, as in previous years, relies on the forecast of activity and the impact of changes in policy previously agreed by the council, and any changes in national policies. These forecasts are kept under review as part of the budget monitoring process and actions identified to address financial risks and capitalise on financial opportunities arising from changes in the forecasts.

The table below demonstrates the scale of just a small variance in the assumptions made, showing the potential impact of both a positive and negative movement of 1% across the main areas within the medium term financial strategy:

	Potential Full - Year Impact of 1% movement (£m)
Funding - Council Tax	+/- 6.044
Pay	+/- 4.408
Price Inflation	+/- 8.161
Demand	+/- 5.546
Interest on borrowing	+/- 5.000

A number of specific potential risks and opportunities remain within the budget as follows:

- **Government Funding**

The Provisional Settlement was announced on 19 December 2022 and confirmed the funding streams that had previously been announced as part of the Autumn Statement.

Whilst the Provisional Settlement aims to provide some certainty to councils over the next 2 years, this mainly relates to the confirmation of flexibility in the level of council tax increase rather than confirmation of grant values in 2024/25. Estimates have been made of 2024/25 allocations using the same distribution formula being applied to funding streams in 2023/24. In addition, there remains uncertainty with regard to both the financial position and particularly funding levels from 2025/26 onwards. The medium term financial strategy makes the assumption that those grants provided in

2023/24 and 2024/25 will continue at existing levels over the lifetime of the strategy, whether that be as a specific grant or as part of a new funding formula.

The Provisional Settlement contained detailed figures for additional social care funding and provided confirmation of the ability to increase council tax by 4.99% in 2023/24 and 2024/25 including a ringfenced 2% adult social care precept. Some information was provided as to what it is expected that the additional funding would be spent on, with more detail being provided in due course. The review of the funding formula and business rates retention remains delayed. Indications are that the earliest opportunity for this to be introduced would be 2025/26.

Consequently, the biggest risk exposure, and potential opportunity, is with regard to the uncertainty on future funding levels from 2025/26.

- **Service Demand and Service Price Pressures**

Common to all upper tier councils we continue to experience pressures on adult and children's social care, particularly with regard to homecare services in adult social care and the cost of residential placements in children's social care. As a consequence, increased demand and inflationary price pressures have been factored into the medium term financial strategy. For adult social care services an additional £59m has been built in for increasing demand and a further £155m built in for expected price and inflationary fee pressures. Additional grant funding has been received as part of the Provisional Settlement to support both demand pressures and price increases including market sustainability and facilitating hospital discharge.

Demand pressures are identified based on current and historical trends and population projections where appropriate (particularly linked to the ageing population in respect of adult social care). Detailed work continues to be undertaken focused on a better understanding of the causes of increasing demand and when it is likely that demand will return to more usual levels as the current high levels of demand have been a key contributing factor to the funding gap.

Levels of inflation have been increasing during the year with the UK Consumer Price Index for November registered 10.7% year on year, although recent figures announced for December indicate that levels could have potentially reached their peak.

Provision made within the budget is limited to areas where the council has no choice but to pay increased prices, e.g., due to contractual terms. The inflation forecasts used in recent years are based on the future level of inflation implied by yields on interest linked gilts. Historically, this has tended to give a more accurate forecast than the methodology previously used. It is anticipated that the continued use of this methodology will reduce the risk of needing to make catch up additions to the budget for "missed" inflation or the need to absorb additional inflationary costs in year.

A particularly significant area is the care market, primarily residential, nursing and homecare, the funding of which is recognised as a significant issue regionally and nationally. A significant amount has been included within the estimates to fund price increases as well as the impact of the national living wage on care providers. As part

of the Provisional Settlement, additional funding was provided through various grants to support some of the additional costs across social care services. While further details are required on the conditions to this funding, it has been assumed within the estimates that those conditions can be satisfied.

- **Pay**

The majority of the pay bill is driven by the national pay agreement at £1,925 per full-time equivalent. At an average increase of 7% on the salary bill, this additional cost has been reflected in the budget.

Further to the announcement of the agreed pay award, assumptions relating to pay were increased, with budget provision made for an increase of 5% in 2023/24, 3% in 2024/25 and 2% in both 2025/26 and 2026/27. This change in assumption was made based on consideration of benchmarking information provided from other county councils, although the actual pay award will be in line with the outcome of the annual National Joint Council pay negotiations.

The county council remains an accredited member of the Living Wage Foundation.

- **Interest Rates**

As a result of the inflationary pressures there have been steady increases in the level of interest rates throughout 2022/23, with rates starting the financial year at 0.75% and the interest rate from December 2023 being 3.5%.

The increase particularly impacts on the borrowing costs in support of the capital programme. Increases in forecast costs have been built into the estimates based on forecasts provided by our treasury management adviser Arlingclose.

- **Savings Programme Delivery**

The scale of savings agreed to be delivered in previous budget rounds remains significant with c£30m budgeted to be delivered in 2022/23 and a further c£18m in later years. A further c£86m of additional savings proposals and £32m in strategic targets were agreed by Cabinet in November to form part of the 2023/24 budget proposals.

There are inherent risks in the delivery of any savings programme of this scale, particularly where they are directly linked to reducing the future demand for services. There are comprehensive arrangements in place to track delivery of financial savings and take corrective actions as required. We have a strong track record of delivery of our saving plans and in delivering balanced budgets over recent years, however this remains a significant risk on our risk register.

Any significant under-delivery or slippage to delivery timeframes will create an additional funding pressure and impact on the ongoing and longer-term financial health of the council. However, there is a strong management focus on delivery of agreed savings and accelerated delivery will help to improve confidence as well as create opportunities for alternative investments.

Overall, I am satisfied that the council's budgets are robust being underpinned by appropriate assumptions based on a variety of external and internal experts. We have also benchmarked data with other councils for added confidence. Of course, there are no absolutes and risk cannot be removed in its entirety. However, for all assumptions there are both upside and downside risks and the council has robust monitoring and management arrangements to ensure early identification of emerging risks and opportunities enabling appropriate action taken.

Adequacy of Reserves

The council holds reserves for a number of reasons:

- to enable the council to deal with unexpected events such as flooding or the destruction of a major asset through fire,
- to enable the council to manage variations in the demand for or cost of services which cause in year budget pressures, and
- to fund specific projects or identified demands on the budget.

There is no 'right' answer to the question of the appropriate level of reserves for a local authority; this is a matter of judgement taking into account:

- the level of risk and opportunity evident within the budget as set out above,
- a judgement on the effectiveness of budgetary control within the organisation, and
- the degree to which funds have already been set aside for specific purposes which will reduce the need for general reserves.

In relation to the council's general reserve (County Fund Balance), the forecast level at 31 March 2023 is £23.437m. In addition, the council is forecast to hold £36.3m by the end of the financial year as a formal treasury management reserve to hedge against the uncertainty and volatility inherent in these markets. The reserve will enable the council to manage unpredicted interest rate changes and associated risks over the short-term without directly impacting the revenue account.

The value of the council's uncommitted transitional reserve, which is available to support the revenue budget, is currently forecast to be £188.533m at the end of 2022/23 and is sufficient to meet the forecast funding gap within the current medium term financial strategy covering 2023/24 to 2026/27.

The level of risk evident within the budget has been significant in recent years due to uncertainty in the macro economic outlook and funding levels. However as part of the Provisional Settlement the Government provided relative certainty as to the levels of funding for the next two years. The revenue budget for 2023/24 will need to be supported by reserves with an increasing gap forecast in subsequent years. The transitional reserve allows decisions to be made in a more measured and considered way while a sustainable budget is achieved.

As part of the medium term financial strategy report, scenario analyses of the forecast financial position and impact on reserves has been undertaken. Overall, I am satisfied

that the council has an appropriate level of reserves to cover the balanced risk assessment of our financial position from 2023/24 to 2026/27. However, it will be necessary for additional efficiencies, income generation and reduced costs to be achieved to bring the council to a financially sustainable position.

Capital Programme 2023/24

Capital Delivery programme – 2023/24

Introduction

An indicative Capital delivery programme has been drawn up for 2023/24 using agreed annual budgets in addition to the forecast delivery of any remaining prior year slippage less any future year budget already delivered. These figures are shown in table 1 below, with the funding streams for the delivery programme then shown in table 2. A brief supporting narrative for the 2023/24 delivery programme by block is shown in section 2 of the report.

The figures in this report will be revised in May 2023 following the completion of the year end accounts to allow for adjustment for final slippage and advanced delivery figures. Additional funding agreed between January 2023 and May 2023 will also be added to the report to be submitted in early June 2023. The delivery programme agreed in June 2023 will then be used as the basis for the Capital monitoring reports throughout 2023/24.

TABLE 1 – 2023/24 Capital delivery programme by block

Service Area	22/23 outturn forecast	23/24 Delivery Plan
Schools (excluding DFC)	22.019	25.115
Schools (DFC)	1.960	4.487
Highways	49.465	48.650
Transport	16.366	22.001
Externally Funded Schemes	2.109	0.934
Central Systems & ICT	13.555	6.555
Adults	17.255	16.715
Corporate Property	9.026	18.500
Economic Development	11.272	51.267
South Lancaster Growth Catalyst - grant	4.828	20.983
SLGC - cash flow		5.000
Vehicles	4.212	4.500
Transforming Cities Fund	11.500	15.152
Totals	163.567	239.859



TABLE 2 – Funding streams

	22/23 Delivery plan	23/24 Delivery Plan
Funded by		
Grants	107.670	124.296
Other	2.019	11.245
Borrowing	53.878	104.318
Totals	163.567	239.859

Detailed narrative

Schools

The schools capital programme has a 2023/24 delivery programme of £29.602m and will contain approximately 300 projects to be worked on within the financial year.

The schools delivery programme is split into three areas.

The total funding for the basic need and condition programmes is £25.115m and will be used to meet the most urgent priorities.

The devolved formula capital programme is a grant funded programme for small to medium capital projects. It is allocated to schools on a formula basis by the DfE in order for schools to spend on capital projects within expenditure guidelines and a delivery programme amount of £4.487m has been included for 2023/24.

Highways

The Highways capital programme has a 2023/24 delivery programme of £48.650m and contains approximately 700 projects to be worked on within the financial year.

An indicative amount of £28.811m has been included as anticipated funding from the Department for Transport. The actual amount to be received for the grant which will change due to the level of self-assessment grant, along with a more detailed list of projects to be funded from the grant will be drawn up prior to the submission of the final 2023/24 delivery programme in May 2023/24.

This is supplemented by borrowing of £14.2m to deliver the level of work required to meet Transport Asset Management Plan priorities.



A risk to the 2023/24 delivery programme is the continued high levels of expenditure on structural defects. This will be continued to be monitored in the remaining months of 2022/23 and a decision will need to be made before submission of the final 2023/24 delivery programme as to how this expenditure will be funded going forward if it is to remain at such a high level potentially reducing the grant allocations to other highways programmes to fund this prioritised work.

The Highways delivery programme contains £5.639m of projects planned prior to 2023 which are expected to be delivered within 2023/24. This includes c£5.000m programmed for bridge maintenance work and detrunking the A601M, including bridge maintenance and demolition and remodelling of the road to permit development of the local area and continued flood prevention work.

Transport

The transport capital programme has a 2023/24 delivery programme of £22.001m and contains approximately 100 projects to be worked on within the financial year.

The largest project within the Transport delivery programme is the M55 Heyhouses link road. This is a multi-year project which will connect the existing roundabout at Whitehills Road to the north with Heyhouses Lane near the Cyprus Point development site to the south. A delivery programme of £7.500m has been included for 2023/24 to reflect the expected delivery as per the grant agreements and the current position of the multi-year project, the remaining budget is shown in future years.

Other major projects within the 2023/24 delivery programme are the continuation Ormskirk eastern gateway project, the completion of the Burnley town centre project and development of further schemes to promote safer travel across Lancashire whilst the COVID-19 pandemic is ongoing. The £2.500m agreed contribution from the Transport block to the Lancashire City Deal is also included.

There is also provision for cycling schemes, quality bus routes and other road safety projects, the detailed programmes for which will be brought for approval to future meetings of Cabinet.

Externally Funded Schemes

The externally funded schemes capital programme has a 2022/23 delivery programme of £0.934m and contains c 10 projects to be worked on within the financial year.

The externally funded schemes capital block is funded through contributions from external stakeholders.



The delivery programme will be increased as further agreements are made with private developers, with ongoing risks to the programme that works need to be completed as specified in the agreements otherwise funding may have to be returned.

Central Systems and ICT

The central systems and ICT capital programme has a 2023/24 delivery programme of £6.555m.

The specific projects to be funded this year are improvements to the social care reform system and document handling system. An indicative provision has also been included to reflect the capital investment that will be required in upgrading systems within the ICT roadmap. Individual approvals will be sought for each item within this roadmap at future Cabinet meetings.

Adult Social Care

The Adult social care capital programme has a 2023/24 delivery programme of £16.715m.

As at January 2023, the Disabled Facilities Grant is the only project included on the delivery programme for the Adult social care block. The grant is capital funding for the provision of home adaptations to help older and disabled people to live as independently and safely as possible in their homes. The £16.715m amount included in the delivery programme is an indicative amount until the 2023/24 grant agreement is confirmed.

Corporate – Property

The corporate – property capital programme has a 2023/24 delivery programme of £18.500m containing programmes required to maintain the Council's property portfolio.

The 2023/24 programme includes £1.66m for named projects within the building condition programme, £1.7m on specific projects within the works to operational premises programme and £3.6m on projects within the residential redesign programme. The project to replace the Bowgreave Rise residential care home providing affordable extra care schemes for older people and supported housing apartments for younger adults with disabilities is also included in the delivery programme with delivery for the project slipping from prior years.

Each year surveyors inspect around a fifth of the corporate property portfolio, last year a large number of priority 1 conditions works were identified, the works to address these were estimated at £35m and a third of this has been provided for in the 2023/24 delivery programme.



Economic Development

The economic development capital programme has a 2022/23 delivery programme of £51.267m and contains approximately 8 projects to be worked on within the financial year.

The delivery of the Cuerden strategic site design continues in 2023/24 with planning expected late spring 2023 and a £17.000m delivery programme has been set for delivery this year once development works start following a successful planning decision with the full site enabling works expected to be completed in 2026/27.

Work on the Samlesbury enterprise zone also continues into 2023/24 with a delivery programme of £13m.

Work is due to commence this year on the delivery of the Farrington Cricket facility with £7m of the £14.5m scheme profiled for spend this year which will commence following a planning decision in early spring 2023.

Annual contribution towards the Lancashire City Deal is also included in this block at £1.295m.

A delivery amount of £1.000m has been included for the Low Carbon projects programme. This is a programme of work designed to properly understand and deliver carbon and cash savings across the buildings, assets and activities of the county council and the wider business community.

A further £0.700m for this project has been earmarked for 2024/25 onwards.

Contributions to external schemes are estimated at £7m for 2023/24 delivery are dependent on external partners and will only be drawdown following legal agreements being in place so are subject to potential slippage beyond the county council's control.

There is a £5m provision for feasibility work on Economic Development pipeline projects also built into this year's delivery programme.

South Lancaster Growth Catalyst

The South Lancashire Growth Catalyst capital programme has a 2023/24 delivery programme of £25.983m

The delivery programme amount for 2023/24 covers the continuing preliminary costs for the programme, including land acquisition fees, design fees and planning costs along with commencement of delivery, however legal discussions and funding concerns have stalled some of the design work and whilst these negotiations are ongoing there is a risk of slippage to future years.



Vehicles

The vehicles capital programme has a 2023/24 delivery programme of £4.5m and contains approximately 30 projects to be worked on within the financial year.

The supply chain issues experienced in the last couple of years have been considered when drawing up the expected delivery for 2023/24 and permission may be requested to place orders early for 2024/25 spend to ensure delivery of the vehicles when they are required where delivery timescales are indicated to be more than one year.

Transforming Cities Fund

The Transforming Cities Fund capital programme has a 2023/24 delivery programme of £15.152m and contains 3 projects to be worked on within the financial year.

The delivery programme for Transforming Cities Fund has been set in line with the budget amounts included as part of the grant agreement. Significant spend is expected as the 3 schemes approach critical delivery milestones. The largest scheme ongoing in 2023/24 continues to be Transforming Ringway with work due to commence on the Cottam Parkway Station project including design and land assembly.



Capital Strategy 2023-2042

1. Background, purpose & aims of the Capital Strategy

1.1 Purpose and aims of the Capital Strategy

The purpose of a capital strategy is to set the long term strategic framework within which the authority will use as the framework and context for capital and investment decisions. It is a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Treasury Management Code of Practice and the Prudential Code that authorities have in place a long term capital strategy, the definition of long term is generally accepted to be 15-20 years and as such the strategy cannot set a detailed programme of works to be delivered, or a level of investment to be guaranteed each year, but aims to set a context within which future programmes are developed.

The long term funding requirements of the existing asset base should be considered as a priority to maintain the existing asset base required by the services, to the standards set by the individual asset management strategies. This, whilst not being a developed delivery plan, forms an important part of the contextual assessment and provides a background within which individual funding decisions can be made

The council is keen to ensure that there is efficient and effective usage of its capital assets and the resources tied up in them. This 20 year capital strategy therefore sets out the corporate aims and principles that underpin the production of the capital programme to be approved each February. The strategy will be reviewed at this time each year to ensure that it reflects the changing regulatory environment and the needs and priorities of the council.

The Capital Strategy aims to support the delivery of the council's corporate priorities by investing in our capital asset base within the resources available and with due regard to risk management within our asset management.

Key priorities for application of capital expenditure are:

- Delivering the policy ambitions of the corporate priorities.
- Managing the risks within the existing asset base.
- Exercising financial prudence and maintaining debt levels that are sustainable within the council's revenue budget.
- Investing in schemes which will reduce the council's revenue costs.
- Being alert to opportunities to lever in additional resources including external funds to help deliver the Corporate Strategy priorities.

The Capital Strategy should be read in conjunction with the Treasury Management Strategy, Prudential Indicators, Minimum Revenue Provision and Capitalisation policies, as well as the Medium Term Financial Strategy and the annual budget report. The principles of the Capital Strategy are the basis for the development of the Asset Management Strategies.

The Asset Management Strategies will set out the standard to which each class or type of asset will be maintained to and will ensure there is consistency of approach between the types of assets used by different services.

The council has set out this strategy being fully aware that there will be competing pressures on the limited resources to fund the capital programme each year from the diverse range of services that the council provides, the large and diverse asset base that the council needs to maintain, as well as the finite amount of funding that is available. The current processes within the setting of the capital delivery programme are to limit the requirements in certain blocks to that of the funding available, this means fixing worse first in terms of condition of buildings.

Additional expenditure for urgent projects has been on a reactive basis which can lead to higher cost projects than could otherwise be the case or repeated visits to the same building over time which is not efficient. This approach does not address all the risks within the asset portfolio and is therefore not sustainable in the long term over which this strategy is to be applied. A move to a more proactive capital programme delivery, which focuses on managing risks within the asset base and control of demand for capital resources, is required. This will require leadership at all levels to ensure that the resources available are deployed in the most effective and efficient way and a process for the prioritisation of capital expenditure being included in the capital programme has been developed.

The property portfolio review being undertaken will also help to reduce the number of corporate property assets held to ensure that the demands on future capital funding will be sustainable. It is important to ensure that the development of the capital programme is carried out with due regard to risk management and prudent and sustainable resource management.

In relation to the available funding, being reflective of the current macro-economic position with respect to interest rates, and also being cognisant of the impact any additional borrowing has on the revenue budget, the capital financing costs within the revenue budget should remain at financially sustainable levels. The level of additional borrowing that can be supported within the revenue budget will be considered each year when setting the budget and capital programme with exceptions being considered for projects that will generate income towards, or repayment of, the financing costs over the short to medium term.

1.2 The key objective of Lancashire's Capital Strategy

The key objective of the Capital Strategy is to provide a framework within which the Capital Programme for delivery will be developed. The capital programme will:

- Ensure the council's existing asset base is available to support the delivery of services according to the corporate strategy and vision.
- Regularly review the asset base to ensure assets no longer supporting the corporate priorities are disposed of and the capital receipts used to support the investment in remaining asset base.
- Be affordable, financially prudent, and sustainable, and ensure that decisions are made with regard to the long running financial implications and potential risks to the authority.

- Ensure all new capital investment is deployed in such a way to ensure the asset base can be utilised in the most effective way.

The resources employed to fund the delivery of the Capital Strategy are allocated through the annual budget process that sets the three year rolling capital programme and will include the following:

- Capital Grants received, due regard will be made to the terms and conditions of the grant funding to apply the grants to the appropriate schemes.
- Capital Receipts.
- Borrowing, to a level which can be sustained through the revenue budget.
- Revenue contributions, where investment schemes can be demonstrated to provide a revenue savings in future years through a business case process or where capital investments reduce pressure on the revenue budget.

1.3 The county council corporate priorities.

The capital budgets within the capital programme will support the agreed corporate priorities:

- Delivering better services.
- Caring for the vulnerable.
- Protecting our environment.
- Supporting economic growth.

Each capital proposal will be required to clearly demonstrate the links to the priorities:

- Assets will be invested in to allow provision of first class schools, and good quality reliable roads and public transport, vulnerable people are protected and supported as well as connected to their community. Technology investments will allow digital access to services as well as efficient use of information by services. Investment will be made, subject to prioritisation, where it is necessary to provide the council's services to be delivered effectively or to deliver growth that would otherwise be undeliverable. The investment will also consider ways of supporting environmental improvement and decarbonisation.
- Capital investments will be made to develop infrastructure and transport links where the private sector alone cannot. By working with partner local authorities, Transport for Lancashire and Transport for the North, as well as the private sector, individual partners' transport and infrastructure priorities can be supported through the council's local highway authority process and grant funding potential by utilising partner funding where this is available as match funding. Any requirement for county council borrowing to match fund a scheme would be subject to the principles of the capital strategy as documented above including the prioritisation process, sustainability of revenue provision to support the investment and the ranking against other proposals.
- Capital investment proposals will be considered for prioritisation and ranking that support the development of economic growth where they link with the Lancashire Plan and Lancashire Industrial Strategy and the investment or supporting infrastructure cannot be brought forward by the private sector due to viability issues.

- Capital investments will be made, where financially prudent to do so, to preserve our cultural, leisure and heritage assets. Where it is not financially prudent to do so the council will work with partners to ensure the long term security of heritage, culture and leisure assets valued by our communities.
- Capital investments will be prioritised in our asset base including information technology assets that allow services to promote and enable communities to meet their own needs.

2. Approach to investment prioritisation

2.1 The capital programme

There will be a capital programme agreed every February set within the context of this capital strategy.

2.2 Identification and prioritisation of capital investment needs.

The formulation of the Capital Programme is driven by the budget and service planning process. The size of the Capital Programme is determined by the following:

- The need to incur capital expenditure to protect and preserve the existing asset base.
- To enhance the exiting asset base where this is required to preserve service delivery.
- The proposals for extending the asset base to provide services which deliver the corporate priorities.
- The resources available to fund the expenditure.
- The revenue implications flowing from the capital expenditure, both positive and negative.

As part of the budget setting process, services will be required to submit capital proposals which are considered by Members for investment decisions. This will be after a triage process at officer level led by Capital Board which will have ensured the proposal's strategic fit in line with the principles of the Capital Strategy and will have scored the projects for prioritisation in line with all competing proposals. The capital investment appraisal process will take into consideration:

- Corporate Priorities.
- Affordability and Resources.
- Risk Management.
- Value for Money, taking into account options appraisals and cost benefit analysis.
- Capability and capacity within the council to manage and deliver the project.

Capital investment proposals will be presented initially to capital board in a standard form that includes the following sections:

- Description of the proposal.
- The outputs and outcomes to be achieved.
- The projects fit with the council's corporate priorities.
- Key dates and milestones.
- Cost of the scheme and the funding source to be applied.
- Affordability in terms of the MRP policy.

- Revenue budget implications over the asset life.
- Evaluation comments and recommendations from Capital Board including prioritisation scoring.
- Risks associated with the proposal including the implications of not proceeding.

Proposals recommended for approval by capital board will be submitted to members for approval along with any recommended changes to the agreed to delivery plan required to accommodate the proposal.

2.3 Capital projects: evaluation and priority scoring

It is acknowledged that the council has limited resources to meet all the requests for capital investment and will need to prioritise requests and set benchmarks for investment decisions. Members ultimately determine the projects to be included within the capital programme but to assist this decision making process and ensure decisions are not taken in isolation and with full knowledge of the competing priorities the council will implement a priority scoring matrix to be overseen by Capital Board and used to determine which proposals are recommended for Cabinet approval and aid the comparison with other proposals. The criteria will be reviewed on an annual basis to ensure that it continues to provide an effective tool for evaluation and is set out in Annex 1.

2.4 Assessment of proposals and timetable

The council's policy is to agree the rolling 3 year capital programme on an annual basis at the February council budget setting meeting.

Capital proposals are to be submitted to the Capital Finance Team during the summer of each year to inform the budget setting process. The proposals will be assessed and evaluated, using the matrix as referred to in section 2.3 and included at Annex 1, by officers from Capital Finance and Asset Management and the appraisals considered by Capital Board to identify those proposals that will be recommended to form the basis of the capital delivery programme submitted to the Executive Management Team and members for consideration and approval.

2.5 Invest to save capital proposals

Service departments are to be encouraged to consider innovative ways that service provision can drive efficiency in both the revenue and capital budget provision and help drive cash savings and reduce long term funding commitments where possible. On occasion this may include the identification of assets which are no longer considered to be financially sustainable, or fit for purpose, in relation to the delivery of council services and priorities.

Invest to save bids will be considered for capital funding on the same basis as other proposals, subject to funding resources being available and as long as there is a business case demonstrating the savings and benefits which will be achieved as result of the intervention. Where the benefits of these schemes outweigh the costs including the revenue costs of repaying the borrowing, and taking the lifetime of the intervention into account, there is a greater likelihood of the projects being prioritised using the matrix in annex 1; where the costs outweigh the benefits over the lifetime of the intervention, services may be asked to contribute the funding from their revenue budgets to reduce dependency on the limited borrowing capacity available.

2.6 Charges to the capital programme

Service departments should follow the council's capitalisation policy and only charge allowable expenditure to projects in the capital programme. This will reduce the risk of regulatory infringements and also the burden on capital funding by borrowing, as well as increase the number of projects that can be funded with the limited resources available. This will ensure the most effective use of the resources as directed by this strategy.

2.7 Approvals outside of the normal budget setting process.

Any additional capital investment proposals received outside of the budget setting process in 2.4 above must in the first instance be submitted to Capital Board to be reviewed at the quarterly approvals meetings. The proposals should be submitted in the standard form and will be scored by Capital Finance and Asset Management, if supported by Capital Board they will then be recommended to Management Team and Members for approval.

2.8 Loans to external bodies or organisations

The council's capital programme can also provide the facility to loan monies to, or cash flow projects on behalf of, partner organisations where the activities to be funded align to one or more corporate objective or service priorities.

There are statutory regulations which govern the accounting treatment of loans, provided towards expenditure which, if incurred by the authority itself, would be classed as capital expenditure. Loans for this purpose must be State Aid compliant and will be subject to a financial appraisal and due diligence checks, and where possible the council will seek to minimise the risks assessed to the council. This may be in the form of a loan agreement or by security provided by a charge on partner assets.

The rate of interest charged on these facilities will be dependent on the nature and structure of the loan and its assessed risks but will only be provided on the basis that there is no net cost to the council over time.

3. Funding sources and investment decisions

The main sources of capital funding are summarised below:

3.1 Grant funding and external contributions

The Council will endeavour to maximise grant allocations and allocate them to most effectively address the corporate priorities identified and that are highest in the prioritisation scoring matrix, whilst ensuring all conditions of the grant are met. The majority of 'planned' capital expenditure for maintenance of highway infrastructure and school buildings are funded by the appropriate grants.

Contributions will be sought from developers towards the provision of public or private assets and facilities. This will include agreements with developers to mitigate the impact of their development on communities. This will include using Section 106 (Town and Country Planning Act 1990) agreements or community infrastructure levy towards

education infrastructure, as specifically highlighted in Department for Education guidance "securing developer contributions for education" issued in November 2019 and contributions towards Highways infrastructure requirements associated with developments under section 38 and 278 (Highways Act).

Contributions may also be sought from users of the council's asset base where a proposal for investment will generate benefits for that user, this could be a partner organisation, internal service department or school.

3.2 Capital receipts

A capital receipt is an amount of money exceeding £10,000 which is generated from the sale of an asset.

Capital receipts from asset disposals are a finite funding source and it is important to utilise them to the most effective long term advantage of the council be that funding new capital investment or offsetting debt or transitional costs.

The council's policy is to treat all capital receipts as a corporate resource, enabling investment to be directed towards those proposals scoring highest in the prioritisation matrix but where grant funding is not appropriate to be applied to.

The council has a substantial property estate, mainly held for operational service requirements, which includes administrative buildings and a range of other land and property assets. The estate is to be managed through the asset management strategy which identifies property requirements and where appropriate properties which are surplus to operational requirements which will be disposed of.

The council will continue to work with other organisations to utilise redundant assets and vacant land to bring them into a useful economic purpose and facilitate employment and job creation, subject to the proposals fitting the principles and criteria previously outlined in this strategy.

3.3 Borrowing

The council will seek to minimise the level of borrowing required to finance required capital expenditure by maximising grants and contributions received, minimise the costs charge to each project and ensuring any surplus assets are sold.

The Local Government Act 2003 enables local authorities to determine their programmes for capital investment and associated borrowing requirements provided they have regard to the Prudential Code for Capital Finance in Local authorities developed by CIPFA.

The key objectives of the Prudential Code are to ensure, within a clear framework that the capital investment plans of the authority are affordable, prudent and sustainable. To demonstrate that local authorities have fulfilled these obligations the Code sets out a series of indicators – known as prudential indicators – the Council must consider as part of its budget setting process and also give consideration to CIPFA financial resilience indicators.

3.4 Revenue funding

Capital expenditure may be funded from revenue, for example where a service requests a capital investment to improve its productivity or where funds can be contributed by a school towards improvement or expansion plans. Pressures on the council's revenue budget and council tax limits may restrict the extent to which revenue funding can be exercised as a source of capital funding.

4. Revenue implications and links to MTFS, Treasury Management Strategy, and prudential indicators.

The impact of the revenue implications has to be a significant factor in determining approval of projects. All capital investment decisions should consider the revenue implications both in terms of servicing the finance but also running and maintaining the new asset. Life cycle costing should be a key factor in the rolling capital strategy requirements and feed through into the rolling three year capital delivery programme. It may be more financially beneficial where service requirements change in the short to medium term to pursue a different model for asset holding which reduces the capital requirements for investment. An example of this could be leasing buildings for service delivery when the demand for the service in that area is shorter than the long term financial strategy or the leasing of vehicles.

The use and financing of capital resources has been fully taken into account in the production of the council's annual budget and medium term financial strategy, and are reflected in both the Treasury Management Strategy and Prudential indicators as detailed in appendices of the 2023-24 Budget report.

5. Performance monitoring of the capital programme.

The capital finance team, working with programme and project managers and heads of service for delivery, monitor the progress of the capital programme on a monthly basis and report to Cabinet on a quarterly basis. All delivery projects within the capital programme are managed through the corporate system (PPMS) and reports will be taken to capital board where there are issues that increase the risks in the capital programme.

All processes and procedures relating to the monitoring of the capital programme are set out in the councils Financial Regulations. The key controls are:

- All expenditure must be carried out in accordance with Financial Regulations and the capitalisation policy.
- The expenditure must comply with the statutory definition of 'capital purpose' as interpreted in guidance by the Section 151 officer.
- Where the budget setting process approves a programme budget, a further report on individual schemes to be taken from this budget needs to be approved by Capital Board unless delegated powers in the financial regulations apply.
- Budgets and responsibility for each project must be under the control of a nominated project manager.

The monitoring work above will ensure these controls are enforced.

6. Stewardship of assets.

The council's Asset Management Strategy sets out the standard and condition each of its assets should be maintained to and the arrangements for managing these effectively. The implications of that strategy are included in the long term capital strategy requirements and form an important context in which to make future asset management and capital investment decisions.

7. Overview of capital requirements for the existing asset base

The assessment of investment required over the term of the strategy is updated regularly. A detailed capital programme will be set each year to deliver the investments that score the highest in the prioritisation scoring and can be delivered within the funding available. Items which cannot be funded by the available resources will remain unfunded requirements in future strategy assessments and the risk associated with not delivering them will be highlighted in the capital risk register managed by Capital Board.

Annex 1

Capital projects: evaluation and priority scoring

The criteria referred to in section 2.3 of the Capital Strategy to be applied for 2023-2024 is set out below.

- The contribution the proposal will make to one or more of the corporate strategy priorities.
- The impact the proposal will have on the council's revenue budgets either as additional running costs or as a saving including allowing service to be delivered in a more effective way.
- The proposals contribution to maintain existing assets to the standard in the specific asset management strategy or to allow services to be delivered as per directorate strategies for non-property assets.
- The proposals ability to assist in attracting a wider investment such as external funds
- The proposals ability to meet statutory compliance and regulatory requirements including those relating to information assets.
- The proposal meets specific government initiatives.
- The proposal addresses non statutory Health and safety risks identified by survey data or mitigates issues included in the corporate capital risk register

Treasury Management Strategy 2023/24

Under the Local Government Act 2003, local authorities must have regard to statutory proper practices in their treasury management activities. In effect this means the council must adhere to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for capital finance in local authorities, CIPFA's 'Treasury Management in the Public Services: Code of Practice' (the CIPFA Code), and the then Ministry of Homes, Communities and Local Government guidance on local authority investments.

The CIPFA code requires the treasury management strategy to be produced and approved annually before the start of each financial year. In addition, the then Ministry of Homes, Communities and Local Government has issued updated statutory guidance on local government investments. This now covers a wider definition of investments and includes those that support local public services by lending to or buying shares in other organisations (service investments), and those made to earn investment income (known as commercial investments where this is the main purpose). Investments held for service purposes or for commercial profit are considered in the separate investment strategy.

In conjunction with the detailed treasury management practices approved by the Director of Finance, the strategy provides the policy framework for the engagement of the council with financial markets in order to fund its capital investment programme, to maintain the security of its cash balances and protect them from credit, liquidity, inflation and interest rate risk.

The strategy includes provisions for borrowing, treasury investments, financial derivatives and the indicators that will be used for monitoring purposes throughout the year. It is designed to achieve the following objectives:

- To ensure the security of the principal sums invested which represent the council's various reserves and balances.
- To ensure that the council has access to cash resources as and when required.
- To minimise the cost of the borrowing required to finance the council's capital investment programme, and to manage interest and inflation rate risks appropriately.
- To maximise investment returns commensurate with the council's policy of minimising risks to the security of capital and its liquidity position.

In setting the treasury management strategy, the following factors have a strong influence:

- the economic position
- the council's current investment and borrowing portfolio
- estimates of future borrowing and investment requirements

Economic position

Economic background:

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook are the major influences on the council's treasury management strategy for 2023/24.

The Bank of England (BoE) increased the Bank Rate by 0.75% to 3.0% in November 2022, the largest single rate increase since 1989 and the eighth successive rise since December 2021. This was followed by a further 0.5% increase in December to a Base Rate of 3.5%.

The UK economy grew by 0.2% between April and June 2022 but fell by 0.2% in the following three months with the BoE Monetary Policy Committee report of December expecting a further decline in quarter four of 2022.

The November BoE report forecast a prolonged but shallow recession in the UK with Consumer Price Index (CPI) inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected to remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

At its November meeting the Bank of England's central case was that CPI inflation was expected to peak at around 11% in the last quarter of 2022 and then fall sharply to below the 2% target, in two years' time. The CPI decreased from 11.1% in October to 10.7% in November but at the December meeting it was noted that while it appeared that CPI inflation was reaching a turning point, there was more evidence that price and wage pressures will persist for a longer period of time than anticipated and considerable uncertainties remain.

Arlingclose Forecast

The council's treasury management adviser Arlingclose forecasts that the Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite a looming recession. Arlingclose expects the Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher. The central case sees rates being cut in the first half of 2024.

Arlingclose expects gilt yields to remain broadly steady over the 3-year period to December 2025, although with continued volatility across shorter time periods. The risks for short, medium and longer-term yields are judged to be broadly balanced over

the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Current portfolio

The council's treasury portfolio as at 30 November 2022 was as follows.

	£m
Call accounts	67
Local authority deposits	10
Corporate Bonds	563
Government, local government and supra-national bonds	354
Total Investments	994
Short term loans	276
Shared investment scheme	118
Long term loans – local authorities	5
Long Term Bonds	600
Long term loans - PWLB	280
Total Borrowing	1,279
Net Borrowing	285

Estimates of future borrowing and investment requirements

In the medium term CIPFA's Prudential Code requires that the council's borrowing adjusted for transferred debt is for capital purposes only. The underlying need to borrow for capital purposes is measured by the capital financing requirement, while usable reserves and working capital are the underlying resources available for investment. The following table compares the estimated capital financing requirement to the borrowing at 30 November 2022. This gives an indication of the borrowing required and the resources available for investment.

The capital financing requirement forecast assumes a capital programme which includes borrowing of £98m in 2022/23, £64m in 2023/24, £61m in 2024/25 and then £50m in each of years 2025/26 to 2026/27. Clearly, this will be subject to change as the capital programme develops.

	31/03/2023	31/03/2024	31/03/2025	31/03/2026
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Capital financing requirement	1,206	1,232	1,253	1,261
Other long term liabilities	-126	-119	-110	-102
Borrowing capital financing requirement	1,080	1,113	1,143	1,159
External borrowing	-1,107	-885	-515	-505
Borrowing requirement for capital	-27	228	628	654

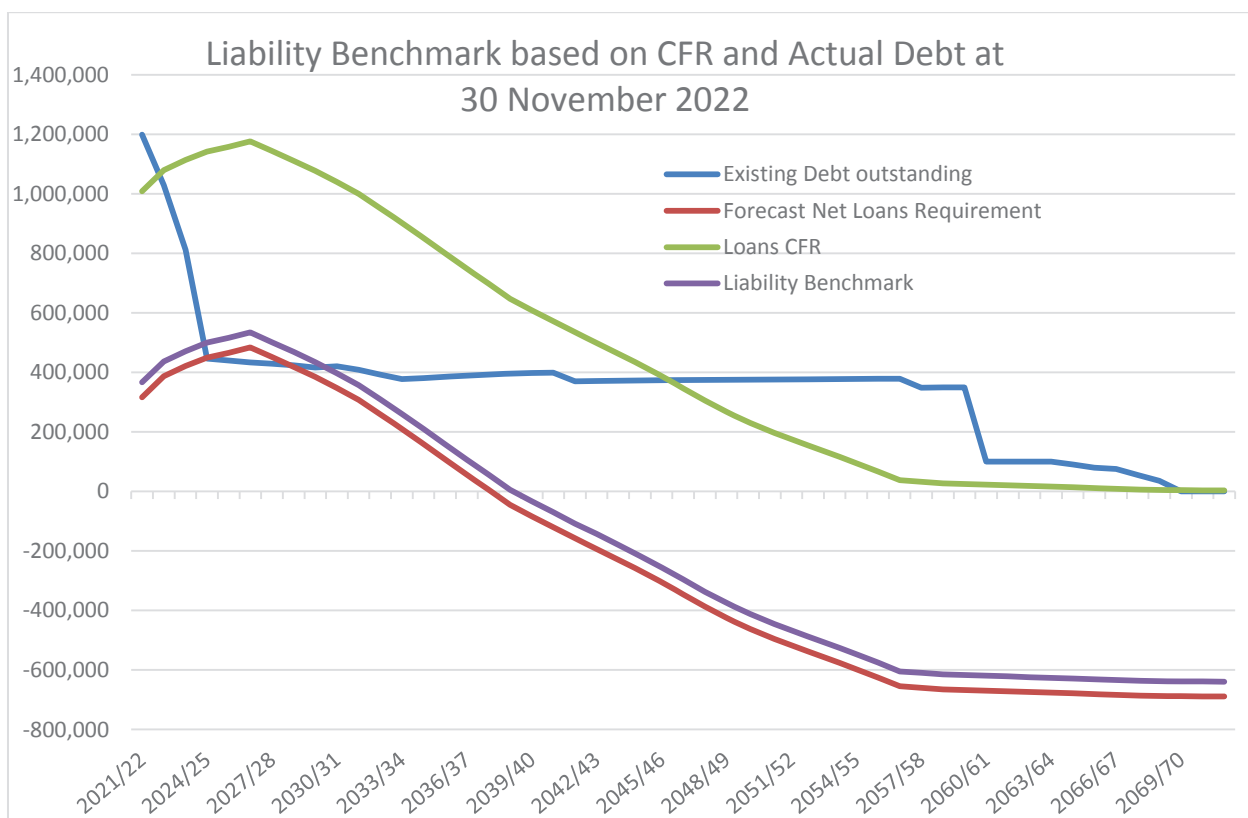
Other borrowing requirements*	77	73	69	64
Reserves and working capital	-550	-550	-550	-550
Borrowing/ - Investment need	-500	-249	147	168

* debt held on behalf other local authorities and premiums

The table shows that there is an identified need for borrowing from 2023/24 if all reserves are cash backed which is the general policy adopted by the county council. However, an alternative would be to use internal reserves which is demonstrated by the liability benchmark which is a proposed indicator in the Prudential Code.

Liability benchmark

To compare the council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest level of borrowing with cash and investment balances kept to a minimum level at each year-end to maintain sufficient liquidity. The liability benchmark is illustrated in the following graph:



The liability benchmark graph shows that although the existing debt falls below the Capital Financing Requirement (CFR) it would be above the liability benchmark until 2024/25. This suggests that there is actually no need to undertake borrowing in 2023/24 but instead investments could be reduced to meet the cash flow requirements. Even when the debt falls below the benchmark it is for a relatively short period (up to 10 years) and that in the longer-term current debt is already above the benchmark which implies that any new borrowing in line with the liability benchmark should be of a fairly short duration. No estimate of future capital programme borrowing beyond the next three years has been included in this analysis.

Borrowing Strategy

The council held borrowing of £1,279m at the end of November 2022. It has been noted that under the liability benchmark model there is likely no need to borrow in 2023/24 to meet the capital needs in the year. However, this is only one model for reviewing the borrowing and investment needs. Alternatively, the council can maintain a level of investments and look to borrow to cover its capital needs. With the impact of new capital schemes in the programme and the need to replace maturing debt there would therefore be an estimated borrowing requirement of approximately £302m in 2023/24.

The borrowing strategy is determined by the impact of the economic climate on the prevailing cost and availability of borrowing and the level at which it is considered appropriate to maintain investments. The council will continue to ensure the borrowing needs are met while balancing the aims to keep net costs as low as possible in the short term and providing certainty of cost over the long term.

With short-term interest rates currently lower than long-term rates, it has been more cost effective to borrow short-term. Given the economic outlook it is anticipated that short term borrowing will still form a significant part of the debt portfolio. However, there is significant economic uncertainty and rates have been at historically low levels. Therefore, in the last couple of years the council has moved to secure greater certainty of costs and reduce the re-financing risk in its debt portfolio by taking some long-term debt including the issuance of a 40-year bond. This has resulted in the long-term debt exceeding the estimated CFR. It is anticipated that there will be new borrowing to fund capital programmes beyond that currently approved which will increase the overall need and therefore the apparent borrowing above need is not considered to be an issue to address. However, it does mean that any longer-term debt taken is likely to be for maturity in 10-20 years.

There are a range of options available for borrowing in 2023/24:

- Variable rate borrowing is expected to be cheaper than fixed rate long-term borrowing and will be attractive during the financial year, particularly as variable rates are closely linked to Bank Rate.
- Under 10 years loan duration rates are expected to be lower than long term rates, so this opens up a range of choices that may allow the council to spread maturities.
- Issuance of a 'commercial paper (an unsecured, short-term debt instrument issued by a corporation) - euro medium term note. This is a flexible debt instrument that facilitates direct issuance into the public or private markets in a range of formats, with fixed or floating payments across a range of maturities from 1-50 years. The UK Municipal Bonds Agency euro medium term note documentation allows for "Non-Guaranteed" single council bond issuance under UK Municipal Bonds Agency documentation provided the council has its own long term credit rating. This would represent a cheaper route to market than a stand-alone bond issue and it is this method that the council has used to issue two bonds and if a third bond was considered beneficial then it is the likely route to be chosen by the council.

- The UK Municipal Bonds Agency is proposing a product which does not include a joint and several guarantee. Instead, a council's liability will be proportional to its share of the outstanding borrowing. Consideration as to whether or not this would be an appropriate form of borrowing will be given when the full details are available.
- There is a rapidly developing new market in debt finance for 'ESG bonds'. The term ESG stands for Environmental, Social and Governance and in bond markets the label is being used where the issuer has identified specific ESG or green criteria for the use of the bond proceeds. Local Government activities are naturally aligned with ESG criteria and as the concept and practice of socially responsible investing becomes more widespread there may be the opportunity for issuers to access lower interest rates as a result of increased demand. There are currently no available vehicles for the council to access ESG funding but market developments will be closely monitored for possible future access.
- The possibility of using Fixed/Floating rate swap will be examined to see if it is a beneficial method of borrowing.

Against this background, the Director of Finance will in conjunction with the council's advisers monitor the interest rate situation closely and will adopt a pragmatic approach to delivering the objectives of this strategy within changing economic circumstances. All decisions on whether to undertake new or replacement borrowing to support previous or future capital investment will be subject to evaluation against the following criteria:

- a) Overall need, namely whether a borrowing requirement to fund the capital programme or previous capital investment exist
- b) Timing, when such a borrowing requirement might exist given the overall strategy for financing capital investment, and previous capital spending performance
- c) Market conditions, to ensure borrowing that does need to be undertaken is achieved at minimum cost
- d) Scale, to ensure borrowing is undertaken on a scale commensurate with the agreed financing route
- e) To consider whether to use cash balances as a form of internal borrowing, but this will reduce the level of investments that can be made

All long-term decisions will be documented reflecting the assessment of these criteria.

Sources of borrowing

Traditionally the Public Works Loan Board (PWLB) has been the main source of long-term borrowing for local authorities. The interest rate charged on Public Works Loan Board loans is linked to the gilt yield. Currently the council can obtain a Public Works Loan Board loan at 0.8% higher than the gilts yield (this rate is referred to as the margin). Recently the council has used the issuance of bonds to meet its requirements at rates lower than those available from the PWLB.

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- UK Local Authorities

- Any institution approved for investments including high quality supranational banks such as the European Central Bank
- UK public and private sector pension funds
- Any other financial institution approved by the Prudential Regulation Authority, (this is part of the Bank of England and is responsible for the regulation and supervision of around 1,700 banks, building societies, credit unions, insurers and major investment firms)
- Municipal Bond Agency
- Capital market bond investors either over the counter or through electronic trading platforms

Borrowing instruments

The council may only borrow money by use of the following instruments:

- Bank overdrafts
- Fixed term loans
- Callable loans or revolving credit facilities where the council may repay at any time (with or without notice)
- Callable loans where the lender may repay at any time, but subject to a maximum of £150m in total
- Bonds, notes, bills, commercial paper and other marketable instruments
- Sale and repurchase (repo) agreements

Loans may be borrowed at either a fixed rate of interest, or at a variable rate linked to a market benchmark interest rate, such as the Sterling Overnight Index Average (often referred to as SONIA) which is administered by the Bank of England. The balance between fixed and variable rates will be subject to the limits on interest rate risk approved in this treasury management strategy.

Debt restructuring

The council will regularly monitor both its debt portfolio and market conditions to evaluate potential savings from debt restructuring.

Other borrowing

The council may borrow for short periods of time to cover unexpected cash flow shortages and to take deposits on the shared investment scheme. Also, to provide cash flow support for the Preston, South Ribble and Lancashire City Deal project. This is to cover the gap between the cost of construction of infrastructure and the payment of contributions from other organisations including the government and developers. This borrowing is temporary but will be reflected within the prudential limits.

Policy on Borrowing in Advance of Need

The council will not borrow more than or in advance of need with the objective of profiting from the investment of the additional sums borrowed. However, borrowing in advance of need is permitted to pre-fund future years' capital requirements, providing this does not exceed the authorised limit for borrowing. Therefore, the council may

look to borrow in advance if the need to finance the future capital investment will materialise in two years or less; and

- a) Where the most advantageous method of raising capital finance requires the council to raise funds in a quantity greater than would be required in any one year, or
- b) Where in the view of the section 151 officer, based on independent advice, the achievement of value for money would be prejudiced by delaying borrowing.

Having satisfied the criteria above, any proposal to borrow in advance of need would be reviewed against the following factors:

- a) Whether the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered and reflected in those plans and budgets, with the value for money of the proposal fully evaluated.
- b) The merits and demerits of alternative forms of funding.
- c) The alternative interest rate bases available, the most appropriate periods over which to fund and repayment profiles to use.

All decisions will be documented reflecting the assessment of these circumstances and criteria.

Treasury Management Investments Strategy

The council holds reserves and other cash items on its balance sheet which if not used to reduce borrowing requirements are invested. In investing these cash balances the council follows guidance issued by CIPFA and the government.

The guidance requires treasury management investments to prioritise security, liquidity and yield in that order of importance. The council will not make any investments with low credit quality bodies, nor any that are defined as capital expenditure by legislation, such as company shares.

The council has in recent years pursued a policy to hold investments a sum as close as possible to the cash value of its reserves and balances. This policy will continue but it will be regularly reviewed to ensure value for money is achieved especially in a low interest rate environment.

Business model for holding investments

Under the IFRS 9 (International Financial Reporting Standard), the accounting for certain investments depends on the council's "business model" for managing them. In general, the authority holds investments to either collect the contractual cash-flows or a mixture of holding for the contractual cash-flows and sale proceeds. Neither of these would result in changes in market value requiring to be charged against council tax at the year end. However, if investment assets are held for the purpose of trading any changes in the asset value is charged to the accounts. The business model for the main treasury management investments are as follows:

Local authority investments - these are principally investments for a fixed term which are held to maturity. In addition, the authority holds some long-term bonds issued by local authorities which are also held to maturity. In both cases interest is received on agreed dates and are held for the contractual cash-flows therefore they will be valued at amortised cost.

Gilts - the holding of gilts represent a key part of the strategy for holding investments to back up the reserves and balances while maintaining a low credit risk portfolio. They are also a liquid asset and periodic sales will be incurred in reaction to market movements to enhance the overall yield of the holdings but this is not the primary aim of the holding and therefore gilts will be held at fair value through 'other comprehensive income' which means that market value changes will not be charged against council tax.

Other bonds - the council also holds other high credit quality corporate bonds. These are held primarily for the purposes of liquidity providing a low credit risk holding. These are bought and sold in relation to cash needs and therefore the valuation will be such that the market value changes will not be charged against council tax.

Approved counterparties

The counterparty credit matrix is an important part of the council's treasury management strategy and has always been conservatively constructed to protect the council against credit risk whilst allowing for efficient and prudent investment activity.

However, the council does not rely solely on credit ratings in assessing counterparties. Other market information is also monitored such as information from the credit default swap market and any press releases in general. In this way ensuring the council transacts with only the highest quality counterparties.

The council requires very high credit ratings for an organisation to be considered a suitable counterparty for investment purposes however the policy reflects the downgrading of the UK sovereign rating from Aa2 to Aa3 in October 2020 (as measured by Moody's). The required credit ratings are as follows:

For short term lending of up to one year, the short-term ratings from the ratings agencies will be used and that a counterparty must have a minimum of the following:

Moody's	P1
S&P	A1
Fitch	F1

Short term ratings were specifically created by the agencies for money market investors as they reflect specifically the liquidity positions of the institutions concerned.

For medium term investments in the form of tradeable bonds or certificates of deposit (1 to 5 years, where immediate liquidation can be demonstrated), a blended average of the ratings will be taken (averaging across all available ratings), with a minimum of:

Long term	A2/A
Short term	P1/F1+/A1+

For longer term investments (five years and above) in the form of tradeable bonds where immediate liquidation can be demonstrated, a blended average of the ratings will be taken, with a minimum of:

Long term	A1/A+
Short term	P1/A1+/F1+

The detailed calculation methodology of the blended average will be agreed with the council's advisers and set out in the treasury management practices document.

If the counterparty of an existing investment falls outside the policy due to a change in credit rating, full consideration will be made, taking into account all relevant information, as to whether a premature settlement of the investment should be negotiated.

The minimum sovereign rating for investment as issued by Moody's is A1 which is one notch below the UK and the same as Lancashire County Council's rating. The UK's latest rating issued by Moody's is a long-term rating of Aa3 which is the fourth highest grade.

Although the rating still falls within the current strategy it is possible if there is an economic downturn that there will be further downgrades and the UK is currently on negative watch with all the main rating agencies for both short and long-term ratings. This could result in investments in UK government gilts, treasury bonds and bodies guaranteed by the UK government falling outside the treasury management strategy credit rating requirement. However, even if there is a further reduction in the UK credit rating, the UK government is still deemed a safe investment. The government has never defaulted on its payments and as an ultimate solution by printing money may prevent insolvency. Therefore, it is proposed that the minimum sovereign rating is not applied to the UK.

Long-term government and corporate bonds are subject to changes in market value. In the 2022/23 investment strategy the investment in UK government including gilts was unlimited whilst long term corporate and other government bonds had a limit of £600m. With the financial uncertainty facing local government and the possible impact this will have on reserves and cash flow to minimise the risk of having to sell such bonds at a loss it is proposed that the total holding of gilts and long term bonds (with more than 5 years to maturity) is limited to 50% of total value of the investments held, reducing to 35% if market circumstances allow over the next 3 years.

The council also holds corporate bonds which mature in 5 years or less. These are often floating rates notes where the interest payment is adjusted quarterly. Although the market value of these do fluctuate the prices are fairly stable.

The counterparty limit of the UK government will remain as unlimited as the county council has the ability to invest with the Debt Management Office for periods from overnight and up to 6 months.

The following table shows the approved investment counterparties and limits:

Instrument	Minimum Credit Rating (blended average)	Maximum individual Investment (£m)	Maximum total Investment (£m)	Maximum Period
UK Government Gilts, Treasury Bills, Debt Management Office & bodies guaranteed by UK Government	UK Government	unlimited	Unlimited subject to limit on Gilts	No limit
Sterling Supranational Bonds & Sterling Sovereign Bonds	AA-	150	300	No limit
Corporate Bonds (Short Term less than 1 year to maturity)	P1/A1/F1	50	200	1 year
Corporate Bonds (Medium term up to 5 years)	AA- P1/A1/F1	100	300	5 years
Corporate Bonds (Long term)	AA P1/A1+/F1+	50	200	No limit
Corporate Bonds - government owned/backed companies	A3	200	400	No limit
Government Bond Repurchase Agreements (Repo/ Reverse Repo)	UK Government	500	500	3 years
Repurchase Agreements (Repo/ Reverse Repo)	Other AA-	200	200	1 year
Bond Funds with weighted average maturity maximum 3 years	AA Rated weighted average maturity 3yrs	50	100	These investments do not have a defined maturity date
Bond Funds with weighted average maturity maximum 5 years	AAA Rated	50	100	These investments do not have a defined maturity date
Collateralised lending agreements backed by higher quality government or local government and supra national sterling securities	AA- with cash or AA- for any collateral	300	300	25 years
Call accounts and unsecured bank deposits up to 7 days with UK and Overseas Banks	P1/A1/F1 Long term A Government support	100	250	Overnight in line with clearing system guarantee (currently 4 years)
Unsecured deposits/CDs to Banks and Building Societies	AA	10	50	1 year
Equity, property, multi asset or credit Pooled Funds	Ratings are not produced for such Funds	50	100	These investments do not have a defined maturity date
Local authority fixed term deposits	Government	30	450	50 years
Local authority bonds	Government	50	300	60 years

Local Housing Associations	1st lien on sufficient collateral	100	300	50 years
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Note: if the credit rating of assets already held fall below the relevant limit action to address this will be taken at an appropriate time considering the financial impact of any decision to disinvest.

The UK is subject to credit rating reviews and is currently on negative outlook. If the UK's rating changes some of the ratings in the council's required credit matrix may need to be revisited.

Local Housing Associations have been added to the list of approved counterparties. This allows the council to invest in unsecured loans and bonds issued by or guaranteed by registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they have the likelihood of receiving government support if needed. The policy does limit these investment activities to instruments having first lien on the housing associations assets. A lien is the legal right of a creditor to seize property from a borrower that has failed to repay the creditor. The creditor may exercise the lien by selling the property if the loan is not paid back.

A category of bonds in companies which are owned by governments has been included in the approved counterparties. This will include the council's holdings of EDF bonds.

UK bank bail-in legislation provides that should a bank fail the authorities can impose losses on the bank's creditors which includes local authority deposits. Although the council's policy does allow unsecured bank deposits for up to one year, to reduce risk exposure to bank credit and 'bail-in legislation', deposits are used as call accounts and usually placed as overnight deals. However occasionally they may have to be placed for a few days at a time, therefore for clarification unsecured bank deposits up to one week have been included alongside call accounts in the policy matrix. The other unsecured deposits used relate to the operational bank accounts which are used for day to day and overnight business and by virtue of being operational rather than investment accounts, fall outside the stated investment limits in this policy.

Regarding investments with other local authorities, Arlingclose state that they are comfortable with clients making loans to UK local authorities for periods up to two years, subject to this meeting the approved strategy. For periods longer than two years they recommend that additional due diligence is undertaken prior to a loan being made. On this basis it is proposed that the nominal value of investments to local authorities are limited as follows:

	Maximum individual investment	Maximum total investment	Maximum period
	£m	£m	
Up to 2 years	30	450	2 years
Over 2-10 years	25	300	10 years

Over 10 years	25	100	50 years
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In addition to fixed term deposits, occasionally local authorities issue bonds. The investment policy allows the county council to purchase such bonds as an investment which are generally held to maturity. For the purpose of risk management the total of the bonds plus fixed term deposits with any one authority should not exceed £50m.

The council's day to day transactional bank, National Westminster, lies outside the investment credit matrix but overnight deposits may be placed with them. In practice the balances are considered on a daily basis. If there was a failure of National Westminster it is anticipated that they would be subject to bank bail-in rather than made insolvent. This increases the chance of the council maintaining operational continuity but any monies in the bank would be at risk of at least a partial loss.

Long term investments

The treasury management code requires where an authority invests, or plans to invest, for periods longer than one year then an upper limit for investments maturing in excess of one year is set. The authority does have fixed term deposits which are for longer than a year and the bonds usually purchased have a maturity date which is in excess of one year and these could be held to maturity.

Investments held in government and supranational securities are highly liquid. In addition, the council holds a secondary liquidity investment book of very high quality covered floating rate notes which are typically issued for a three to seven-year term. Because these instruments have their rates re-fixed, at current market rates every three months, their price shows a very low sensitivity to changes in market rates, so that although they are classified as long-term instruments, in practice they operate as fixed instruments with a maximum of three months to maturity and can be liquidated with one or two-days' notice. Therefore the 'long term investments' total contains instruments which operate with a short-term horizon and which are central to achieving the council's security and liquidity objectives.

As a result of the nature of the assets held it is considered appropriate to have a high limit which is related to the forecast of reserves and balances held (currently forecast to be £700m at 31 March 2023). However, it is anticipated that during the year cash-flow will be positive requiring a higher level of investments to be held. In particular if borrowing is taken before the debt it is replacing matures or the capital expenditure incurred, and this cash will be invested. Therefore, the proposed limit for 2023/24 is £1,000m.

In recent times, a wider range of investment instruments within the area of sterling deposits have been developed by financial institutions. All of these afford similar security of capital to basic sterling deposits but they also offer the possibility, although never of course the certainty, of increased returns. The Director of Finance will in liaison with the council's advisers consider the benefits and drawbacks of these instruments and whether any of them are appropriate for the council. Decisions on whether to utilise such instruments will be taken after an assessment of whether their use achieves the council's treasury management objectives.

Policy on the Use of Financial Derivatives

The council will only use financial derivatives (such as swaps, forwards, futures and options) on a standalone basis, where it can clearly be demonstrated that as part of the prudent management of the council's financial affairs the use of financial derivatives will have the effect of reducing the level of financial risks that the council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Many embedded derivatives are already used by local authorities across England and Wales including Lancashire, although unlike the government, commercial sector and other public service areas stand-alone derivatives have not generally been used.

A derivative is a financial instrument with three main features:

- The value changes in response to an underlying variable.
- The transaction requires no initial investment, or an initial net investment smaller than would be required for other types of contract with a similar expected response to market changes.
- The contract is settled at a predetermined future date.

The underlying variable represents an existing external risk for which the hedge is required. Examples are a specified interest rate, a commodity price, a credit rating, a foreign exchange rate or any other variable, however as the council's treasury activity is not directly exposed to all of these risks, for example foreign exchange or commodity prices, the council's use of derivatives would be restricted to the management and hedging of interest and inflation rate risk only.

The embedded and standalone derivatives which can be used by the council to manage interest rate risk are summarised as follows:

Class	Use	Standalone	Embedded
Forwards	To fix an interest or inflation rate for a single period in the future	Forward Rate Agreement, gilt lock, interest rate or gilt futures	Forward Deal
Swaps	To exchange interest or inflation rate exposures (e.g. fixed to floating)	Interest or inflation rate swap (IRS), basis swap.	Variable rate deposit, Floating rate note
Purchased Options	The right but no obligation to fix an interest or inflation rate in exchange for paying a premium	Caps, floors, collars, swaptions, puts, calls	Callable loan Collared deposit

The council will not sell interest rate or inflation rate options, (i.e. give another party the right to fix a rate) since these cannot reduce the council's risk. The only exception is where a sold option is combined with a purchased option of equal or higher premium to create a collar or other structured outcome where maximum is the total premium.

There are two methods of engaging in derivative contracts, exchange traded or settled derivatives and over the counter derivatives. The former are available in public markets and trade over a physical exchange with a clearing house acting as an intermediary and include futures and options. Over the counter contracts are privately negotiated and traded between two counterparties and can include swaps and forwards.

In a derivative contract both parties are often required to provide collateral (i.e. pools of valuable and liquid assets set aside specifically to back liabilities arising from the contract) to reduce credit risk. The method of assessing counterparty quality and suitability of collateral within the structure of the contracts is shown as follows:

Product	Counterparty Quality	Security	Method
Exchange traded or cleared product	Credit rating of exchange	Credit rating of clearing agent	Margin netting
Bilateral Forward rate agreements and swaps assuming netting	Credit rating of counterparty	Full 2-way collateral arrangements	Types of collateral agreed and any haircuts
Over The Counter options	Credit rating of counterparty	Agreed full 2-way collateral	Types of collateral and haircuts
Intra Local Authority swaps	Assumed Credit rating	2-way collateral (cash)	No haircut

The credit quality of the collateral acceptable to the county council will be determined by the credit rating of the counterparty or exchange, along with credit default swap prices which react much quicker than credit rating agencies and can be used as early indicators of credit or liquidity problems.

The following table defines the appropriate limits for collateral quality:

Counterparty type	Documentation	Collateral types	Credit Default Swap levels	Rating
Exchange	MIFCA	Cash margins	<75bp	AA
Bank	International Swaps and Derivatives Association/Credit Support Annex	Cash and Government bonds	<100bp	A3
Insurer and Pension Fund	International Swaps and Derivatives Association/ Credit Support Annex	Cash and Government bonds	<100 (Insurers)	A3 (Insurers)
Local Authority	Contract	Cash and Government bonds	England/Wales None	England and Wales None

The council will only use derivative contracts to hedge existing risks. This is reflected in the following limits. The 100% upper limit means that the council has the option to hedge all of, but not more than, its interest rate risk if felt appropriate.

Exposure Metric	Min Hedge	Max Hedge	Granularity	Tool
Interest rate	0%	100%	0-3 months 3-6 months, 6-12m months, 1 to 2 years, 2-5 years and 5 year blocks	Forward rate agreements, Futures, Options, Swaps Swaption
Inflation rate	0%	100%	1 to 2 years, 2-5 years and 5+ years blocks	Swap, Swaption, Option

The council is now able to transact in Exchange Traded Futures and Options and has opened a Derivative Clearing Account with Royal Bank of Canada. The specific instruments appropriate for the council's treasury management are 3-month SONIA Futures and options (SONIA is the replacement for Sterling Libor 3-month interest rate index). These instruments allow the mitigation of the effects of interest rate shocks out to 5 years maturity. Having analysed the risk profile of the council treasury management it was considered appropriate only to establish positions to mitigate "unusual risk" in any specific period rather than the more regular risks. Effectively the council will look, where appropriate, to "insure" against specific risk for a specific upfront premium.

Where appropriate and if advised necessary by the council's advisers, hedge accounting will be used to periodically test the effectiveness of the hedge. It is expected the hedge will work with between 80% and 125% effectiveness in accordance with accounting standards. If the effectiveness is measured as falling outside these parameters, the structure of the hedge will be changed in response.

The calculation method of interest rate risk to be hedged and hedge effectiveness will be set out in the treasury management practices document.

At all times the council will comply with CIPFA advice and guidance on the use of financial derivatives and have regard to CIPFA publications on risk management. However, the council may need to seek its own legal advice.

It is anticipated that there may be occasions when it is appropriate to undertake transactions which seek to reduce the council's specific exposure to interest rate risk. A standard market technique involves selling gilts to be paid for at an agreed date in the future rather than the normal next working day. It is proposed that the advance date is restricted to one month and the limit on the transaction(s) outstanding is £250m in total.

Impact on the council's revenue budget

With base rates at low levels, investment returns are likely to continue to be far lower than has previously been the case. However, in the knowledge that a portion of cash invested will not be required in the short term and to protect against continued low

investment rates, investments may be made for longer time periods, depending on cash flow considerations and the prevailing market conditions.

The performance target on investments is a return above the average rate for seven-day notice money.

The following table outlines the budget for the financing charges element of the council's revenue budget as reflected in the medium-term financial strategy. However, the budgets will continue to be revised in light of changes in the capital programme and interest rates.

	Revenue Budget 2022/23 £m	Revenue Budget 2023/24 £m	Revenue Budget 2024/25 £m	Revenue Budget 2025/26 £m
Minimum Revenue Provision	24	30	32	34
Interest paid	25	60	57	60
Interest and other income earned	-19	-49	-43	-44
Total	30	41	46	50

The revenue budget above reflects a position which takes account of the views of both internal and external advisers, particularly in relation to interest rate movements. The position will be closely monitored by the Director of Finance and any changes will be reflected in forecasts presented to Cabinet.

Treasury Management Indicators

In line with the relevant legislation the county council has adopted the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice (2021) as setting the framework of principles for its treasury management activities. In accordance with the requirements of these codes the council produces each year prudential indicators which provide a framework for the prudent management of its treasury management including limits with regard to certain types of activity such as borrowing. The indicators below are a consequence of the activities set out within the treasury management strategy.

Authorised and operational Limits for debt

The 'authorised limit' is a prudent estimate of external debt but allows sufficient headroom for unusual cash flow movements. Taking into account the capital plans and estimates of cash flow and its risks, the authorised limits for external debt are as follows:

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Borrowing	1,700	1,700	1,700	1,700
Other long term liabilities	400	400	400	400

TOTAL	2,100	2,100	2,100	2,100
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Changes to accounting standards in relation to recording leases are due to be implemented from 1 April 2024. As a result, more leases will be included on the council's balance sheet and therefore will be included against the 'other long term liabilities' indicators.

The 'operational limit' for external debt is based on the same estimates as the authorised limit. However, although it reflects a prudent estimate of debt, there is no provision for unusual cash flow movements. In effect, it represents the estimated maximum external debt arising as a consequence of the council's current plans. As required under the Code, this limit will be carefully monitored during the year. The proposed operational limits for external debt are:

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Borrowing	1,300	1,300	1,300	1,300
Other long-term liabilities	160	160	160	160
TOTAL	1,460	1,460	1,460	1,460

Gross debt and the capital financing requirement (CFR)

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the authority's total debt should be lower than its highest forecast capital financing requirement over the next three years. The county council's borrowing initially appears in excess of the capital financing requirement however, in making this comparison certain borrowing is included in the total borrowing but does not count against the capital financing requirement. These include the premiums paid and the transferred debt. The following table shows the current forecast but will be updated as the capital programme develops.

	31/3/2023	31/3/2024	31/3/2025	31/3/2026
	£m	£m	£m	£m
Borrowing capital financing requirement	1,080	1,114	1,143	1,159
Estimated total borrowing	1,157	1,187	1,211	1,223
Borrowing in excess of capital financing requirement	77	73	68	64
<u>Represented by:</u>				
Premiums	38	35	33	31
Borrowing relating to other authorities	39	38	35	33

The indicators and limits relating to specific treasury management activities are set out as follows.

Interest rate exposure

In order to control interest rate risk the council measures its exposure to interest rate movements. These indicators place limits on the overall amount of risk the council is exposed to. The one-year impact indicator calculates the theoretical impact on the revenue account of an immediate 1% rise in all interest rates over the course of one financial year. The indicator excludes the impact of any estimated fair value movements.

	Upper Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£50m

Maturity structure of debt

Limits on the maturity structure of debt help control refinancing risk.

	Upper Limit	Lower limit
Under 12 months	75%	0%
12 months and within 2 years	75%	0%
2 years and within 5 years	75%	0%
5 years and within 10 years	75%	0%
10 years and above	75%	25%

Investments over 1 year

Limit on the level of long-term investments helps to control liquidity, although the majority of these investments are currently held in securities which are readily saleable. The limit is largely determined by the forecast of reserves and balances held at the year-end, 31 March 2024. However, it is anticipated that there will be positive cash-flows in year which will require a higher level of investments to be held including bonds held specifically for liquidity purposes. Therefore, it is proposed that the limit for maturities in excess of one year is £1,200m for each of the years.

	Upper limit
Total invested over 1 year	£1,200m

Minimum average credit rating

To control credit risk the council requires a very high credit rating from its treasury counterparties.

	Benchmark
Average counterparty credit rating	A

Liquidity Risk Indicator

	Target
Total sum borrowed in past 3 months without prior notice	£50m

The council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice.

Investment Strategy 2023/24

The council can make or hold investments for the following purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
- support local public services by lending to or buying shares in other organisations (service investments), and
- earn investment income (commercial investments)

In making investments the council will take into consideration guidance issued by Chartered institute of Public Finance and Accountancy (CIPFA) and government departments. The Prudential Code issued by CIPFA states that local authorities should avoid exposing public funds to inappropriate or unquantified risk. The prime policy objective of their treasury management investment activities is the security of funds. Investments for 'commercial purposes', which are taken primarily for financial return, are likely to be higher risk, and local authorities must not borrow to invest primarily for financial return. Statutory Guidance on Local Government Investments (3rd Edition) (Statutory Investment Guidance) issued by the then Ministry for Housing, Communities and Local Government (MHCLG) also state local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The guidance makes it clear that it extends to borrowing taken on to finance the acquisition of non-financial as well as financial investments.

Treasury Management Investments

The authority holds reserves and in general the authority has positive cash flows with grants and other income often being received prior to the expenditure, such as payroll, being incurred. These along with the potential for borrowing being raised before the capital expenditure is incurred leads to positive cash balances which need investing. These investments are made in line with the guidance on treasury management issued by the Chartered institute of Public Finance and Accountancy.

The contribution that these investments make to the objectives of the council is to support effective treasury management activities.

Full details of the council's policies and its plan for 2023/24 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments

The council provides loans as part of its service delivery and not primarily to generate income. The authority has made loans to Lancashire County Development Ltd which is an owned company that promotes economic development within the county, an arrangement with Blackpool Council with respect to the waste service and schools. The council also has an employee loan scheme to promote alternatives to travelling by car.

The key risk when making service loans is that the borrower is unable to repay the loan. Currently, the exposure faced by the council is low and it is proposed that this

continues in 2023/24. The table below provides details of the loans outstanding at 31 March 2022 and proposed limits for 2023/24.

Category of borrower	Outstanding at 31 March 2022 £m	Proposed Limit 2023/24 £m
Subsidiaries	7.1	15.0
Other councils	26.9	40.0
Employees	0.1	1.0
Schools	0.2	5.0
Total	34.3	61.0

Service Investments: shares

The county council holds shares in the Municipal Bond Agency for specific service delivery objectives. It is not expected that any significant return will be made on these shares.

Commercial Activities

The relevant government guidance defines property to be an investment if it is held primarily or partially to generate a profit. Although the council promotes income generating activity it is generally within the context of providing a service efficiently and covering costs rather than profit seeking. Areas where it is considered the definition is met is in relation to smallholdings and Lancashire County Development Limited In 2021/22 the income generated from smallholdings was less than £0.1m while Lancashire County Developments Limited made a contribution to costs of around £2m.

Other investment proposals may arise during the year. The proposals could involve changes to current services or changing the use of existing assets. These will be examined by officers and approval sought from the appropriate council committee.

Total investment exposure	31/03/2022 Actual	31/03/2023 Forecast	31/03/2024 Forecast
	£m	£m	£m
Treasury management investments	883	830	800
Service investments: Loans	34	34	34
Total Investments	917	864	834

It is anticipated that borrowing will remain within the capital requirements and therefore none of these investments are funded from borrowing. The income derived from service and commercial activities is not material to the funding of the council's revenue budget.

Minimum Revenue Provision Statement 2023/24

1. Introduction

This annual statement required to be approved by the county council arises from statutory guidance initially issued by the then Department of Communities and Local Government in 2008. This has been updated with the latest guidance issued by the Ministry for Housing, Communities and Local Government in 2018.

Local authorities are required each year to make a charge to the revenue account in respect of provision to repay capital expenditure financed by borrowing or credit arrangements (mainly finance leases or Private Finance Initiative contracts). The charge to revenue is one that the authority considers to be prudent and is referred to as the Minimum Revenue Provision.

Guidance issued by the previous Ministry for Housing Communities and Local Government identifies four options which can be used for the purpose of calculating the Minimum Revenue Provision. However, the legal requirement is to set a prudent charge and therefore authorities are free to move away from the guidance if they feel it is appropriate.

2. The Four Options Explained

The first two options, the Regulatory and Capital Financing Requirement methods, can be applied to borrowing which is supported by government via Revenue Support Grants.

For capital expenditure financed by unsupported borrowing, as allowed under the Prudential Code, the guidelines identify the Asset Life method or the Depreciation method as possible alternatives.

Regulatory Method

Before the Prudential Code system of capital finance was introduced in 2004 the Minimum Revenue Provision was calculated at 4% of the credit ceiling. On the introduction of the Prudential Code this was changed to a charge of 4% of Capital Financing Requirement, which is derived from the Balance Sheet and broadly represents the outstanding debt used to finance the fixed assets. However, to avoid changes in the charge to revenue in 2004/05 an adjustment figure was calculated which would then remain constant over time. For technical accounting reasons this methodology would have led to an increase in the charge to revenue and would therefore have had an impact upon the county council's budget, so this method has not been used and is not recommended for future use.

Capital Financing Requirement (CFR) method

This option allows for the Minimum Revenue Provision to be calculated as 4% of the Capital Financing Requirement. This is derived from the Balance Sheet and represents the value of the fixed assets, for which financing provision has not already

been made. This method of calculation has been used at the county council since the introduction of the Minimum Revenue Provision in 2004.

Asset Life Method

Guidelines for this method allow for the charge to be calculated based on the estimated life of the asset. The actual calculation can be made in two ways, namely:

- a) A calculation to set an equal charge to revenue over the estimated life of the asset. This charge will not be varied by the state of the asset.
- b) An annuity method. This provides for greater charges in the later years of the assets life and should only be used if it can be demonstrated that benefits are likely to increase in the later years.

The latest guidance states that the asset lives to be used should not usually exceed 50 years. This maximum can be exceeded if the authority has received an opinion from an appropriately qualified valuer or the asset is leased or acquired under a Private Finance Initiative which is for a duration in excess of 50 years.

Depreciation method

This requires a charge to be made of depreciation in line with normal accounting purposes. This could include the impact of any revaluations and would be calculated until the debt has been repaid.

3. Leases* and Private Finance Initiative

(*Now includes all leases not just finance leases)

Assets held under a Private Finance Initiative contract and leases form part of the Balance Sheet. This has increased the capital financing requirement and, on a 4% basis, the potential charge to revenue. To prevent the increase the guidance permits a prudent charge to equate to the amount charged to revenue under the contract to repay the liability.

4. Application at Lancashire County Council

The relevant regulations require that the council make "prudent provision" for the repayment of debt, and departure from the options outlined is permissible if an alternative option is considered more appropriate.

Supported borrowing

From 2008/09 to 2014/15 the Capital Financing Requirement option has been applied to all supported borrowing incurred before 1 April 2007. This charge was based on 4% of the outstanding capital financing. However, the charge was based on a 4% reducing balance which never effectively repays the debt. It was also considered that the 4% charge over-estimated the level of support within the revenue support grant. From 2015/16 the charge was made with reference to the capital financing requirement based upon a 50-year life rather than a reducing balance. In 2017/18 it was considered that there had been an over-payment of Minimum Revenue Provision in earlier years

and therefore the Minimum Revenue Provision for years from 2017/18 would be reduced to £1 until the overpayment had been recovered. This will continue to be the case in 2023/24 and therefore the Minimum Revenue Provision charge for the supported debt will be £1. In summary the overpayment position is:

MRP Overpayments	£m
Actual balance 31/03/2022	85.1
Drawdown 2022/23	8.9
Expected balance 31/03/2023	76.2
Drawdown 2023/24	8.9
Expected balance 31/03/2024	67.3

Unsupported borrowing

The Minimum Revenue Provision for capital expenditure financed from unsupported borrowing has been calculated using the Asset Life Method on an annuity basis. It is proposed that this continues for calculating the Minimum Revenue Provision for 2023/24. This includes expenditure incurred in 2008/09 to 2014/15, when the Minimum Revenue Provision was initially calculated using the Asset Life method (Equal Charge approach).

Private Finance Initiative and any leases payments will be made in line with the amounts due to repay the liability under the contract.

Minimum Revenue Provision will not be made in relation to new assets until the financial year after which the project is deemed to be operational.

Overpayments

The guidance does allow for charges in excess of the minimum to be made. It is not proposed that any overpayments will be made in 2023/24.

5. Recommendations

In respect of the methodology for applying the Minimum Revenue Provision for the repayment of debt, it is recommended that the Full Council:

- a) Approves the Capital Financing Requirement method and the Asset Life method for expenditure as outlined in section four.
- b) Charges to revenue a sum equal to the repayment of any credit liability.
- c) Approve the policy of not starting to charge to revenue until the financial year after the capital project is operational.

Lancashire County Council Fees and Charges Schedule 2023/24

Highways Service Fees and Charges 2023/24 - Discretionary charges unless stated otherwise

Note: anything permitted under a statutory provision may be charged for but if not stated in the schedule is 'at cost' or 'at agreed fee'.

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
LOCAL AUTHORITIES (TRANSPORT CHARGES) REGULATIONS 1998: HIGHWAYS CHARGES.					
Skip permit	Consideration by a local highway authority of an application by any person for permission to deposit, or cause to be deposited, a skip on any highway pursuant to section 139(1) and (2) of the 1980 Act	We check that the proposed location is safe to place a skip on the public highway and that a permit is appropriate. If approved we issue a permit for a maximum duration of 28 days.	£33.00	£36.00	Per application (max 28 days)
Scaffolding, and other structures permits.	Consideration by a local highway authority of an application for a licence in writing to erect or retain on or over a highway any scaffolding or other structure, in connection with any building or demolition work or the alteration, repair, maintenance or cleaning of any building, which obstructs the highway pursuant to section 169(1) and (2) of the 1980 Act	We check that the proposed location is safe to erect scaffold/access tower or other temporary structure upon the public highway. If approved we issue a permit for a standard duration of 1 week.	£33.00	£36.00	Per application (standard duration 1 week)
Permit to make an excavation in the highway or deposit materials on the highway	Consent to make a temporary excavation in a street or to temporarily deposit building materials, rubbish or other things in a street that is a highway maintainable at the public expense, and the undertaking of site inspections to monitor compliance with such consent pursuant to section 171(1), (2), (4) and (5) of the 1980 Act	We check that the proposed location is safe and that a permit is appropriate. If approved we then create and issue a permit for a maximum duration 1 month			
		Temporary excavation	£239.00	£263.00	Per consent
		Building materials	£186.00	£204.00	Per consent. Minimum fee. Increases depending upon number of streets.
		Minimum fee. Increases depending upon number of streets			
Consent not to erect hoarding	Consideration by a relevant authority of an application for consent for the obligation to erect a hoarding or fence in accordance with section 172(1) of the 1980 Act to be dispensed with pursuant to subsection (2) of that section	Hoarding is a legal requirement for works on or adjoining the highway. In certain circumstances, this requirement may be waived. This fee is for verification that hoarding is not required for works on or adjoining the highway.	£32.00	£35.00	Per consent
Hoarding inspection	Anything done by a relevant authority in connection with site inspections to monitor compliance with duties imposed by section 172(3) and by section 173(1) of the 1980 Act on a person who has erected a hoarding or fence.	Where, hoarding is erected Lancashire County Council may impose requirements for the hoarding (for example, being securely fixed). This fee is for each inspections to ensure that conditions imposed by Lancashire County Council are complied with.	£35.00	£38.00	Per inspection
Construction of cellars under street	Consideration by a relevant authority of an application for consent under section 179(1) of the 1980 Act to construct works to which that section applies under any part of any street	Consideration for permission to construct a cellar or vault beneath the structural layers of the highway (adjoining and having access to an adjacent structure or premises). We will check and approve location of the proposed structure subject to adopted status of highway surface and details of subsoil ownership. We will approve construction of structure subject provision of full technical and structural design and proof of full consultation with utility providers. We will provide permission to excavate within the highway and will undertake appropriate inspection in relation to reinstatement of the highway structure.	At cost	At cost	Per application
Construction of opening into cellar	Consideration by a relevant authority of an application for consent to make an opening in the footway of a street as an entrance to a cellar or vault there under pursuant to section 180(1) of the 1980 Act	Permission to construct an opening (with suitable cover) within the structural layer of the highway giving access to an existing cellar or other underlying structure. We will undertake appropriate inspection in relation to reinstatement of the highway structure and will approve the make/type of cover used over the new opening.	At cost	At cost	Per application

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
Construction of lights into cellar	Consideration by a relevant authority of an application for consent to carry out any works in a street to provide means for the admission of light to premises situated under, or abutting on, the street pursuant to section 180(2) of the 1980 Act	Consideration for permission to construct within the structural layer of the highway an opening for the purpose of admitting light or air to premises adjoining or beneath the highway. We will provide permission to excavate within the highway, will undertake appropriate inspection in relation to reinstatement of the highway structure and will approve make/type of cover used over the new opening.	At cost	At cost	Per application
Vehicle crossings	Vehicular crossings of footways and verges [HA 1980 s184]	Fee for site assessment for approval of vehicular crossing. Crossing construction to be carried out by contractor on an LCC approved list directly quoted by them	Fee for vehicle crossing assessment £220 Fee for unapproved vehicle crossing £110 (£110 refund of original assessment fee) Fee for vehicle crossing delivered by LCC as part of a planned footway	Fee for vehicle crossing assessment £240 Fee for unapproved vehicle crossing £121 (£121 refund of original assessment fee) Fee for vehicle crossing delivered by LCC as part of a planned footway	Per application, or costs can be shared by adjacent applicants where the overall width of a joint crossing does not exceed 6m and the combined crossing will be constructed by one approved contractor in a single operation.
Clearance of accident debris	Anything done by a local highway authority in connection with the clearance of accident debris pursuant to sections 41 and 130 of the 1980 Act in respect of accidents occurring on or after 1 st April 1999	Clear and removal of debris from footway or carriageway following a road traffic incident or act of vandalism.	At cost	At cost	Per site
Permit / exclusion from an existing waiting (or similar) restriction	Consideration by a local traffic authority of an application pursuant to any provision contained in an order under section 1, 6, 9 or 14 of the 1984 Act for an exemption from any prohibition or restriction imposed by the order on the stopping, parking, waiting, loading or unloading of vehicles on a road	Permission for a vehicle to wait on a waiting restriction, or wait for longer than permitted where waiting time is limited. The vehicle must be essential for the works being undertaken where there is no alternative parking facility.	At cost	At cost	Per permit / exclusion

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
LOCAL AUTHORITIES (TRANSPORT CHARGES) REGULATIONS 1998: TRAFFIC REGULATION					
Request permanently to revoke parking place.	Anything done by a local traffic authority in consequence of a request to revoke or amend an order under section 6, 32(1)(b) or 45 of the 1984 Act so that a particular length of road may cease to be a place where vehicles may be parked in accordance with the order	Section 32: Revocation of free parking place on a road (disabled bays, taxi bays etc.).	No Charge	No Charge	
		Section 45: Revocation of paid parking place (such as pay and display bays).			
		Where captured by s.278 agreement	Included in S278 calculation	Included in S278 calculation	Included in s.278 calculation
		Consideration resulting in refusal	At Cost	At Cost	Per request
Request to permanently vary an order to create an exemption from a waiting (or similar) order	Anything done by a local traffic authority in connection with or in consequence of a request to vary an order under section 1, 6, 9 or 14 of the 1984 Act so as to create an exemption or exclusion from a prohibition or restriction imposed by the order on the stopping, parking, waiting, loading or unloading of vehicles on a road	Consideration to vary the articles of an order to provide a permanent exemption for a specific use. For example, allowing a certain class of vehicle to wait or load in an area where waiting is prohibited.	At Cost	At Cost	Per request
Temporary Traffic Regulation order or temporary road closures (including weight restriction orders)	Anything done by a local traffic authority in connection with or in consequence of the making of an order under section 14(1), or the giving of a notice under section 14(2), of the 1984 Act for the reason mentioned in section 14(1)(a)	Road closures, one way traffic or weight restrictions that are needed normally to assist works proposed or being undertaken on or near to the highway. Temporary weight restrictions are needed for bridges or other structures that are found to be weak.			
		S. 14(1) Temporary order	£614.00 plus advertising costs	£676.00 plus advertising costs	Per order
		S. 14(1) Extension of temporary order by a further order	£602.00 plus advertising costs	£662.00 plus advertising costs	Per extension
		S. 14(1) Extension of temporary order at the direction of the Secretary of State	£63.00	£69.00	Per extension
		S. 14(2) Notice (emergency only)	£614.00 plus advertising costs	£676.00 plus advertising costs	Per order
		Other consequences of s. 14(1) or s. 14(2)	At cost	At cost	
		Road closures for events.	Anything done by a local traffic authority in connection with or in	Road closures that are essential to allow sporting, social or	£614.00 plus advertising costs
Temporary suspension of the use of a parking place	Anything done by a local authority in connection with or in consequence of a request to the authority, the chief officer of police or any other person specified by or under an order made under section 49(4) of the 1984 Act to suspend the use of a parking place or any part of it.	Consideration for suspending a parking place (such as pay and display bay, resident permits bay or similar) so that vehicles can park there to undertake works or to ensure access by preventing other vehicles from parking there.			
		Resulting in suspension of a parking place	£25.00	£27.00	Per space
		Resulting in refusal	At cost	At Cost	Per space

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
Direction signs	Consideration by a local traffic authority of a request that under Section 65(1) of the 1984 Act, it cause or permit a traffic sign.	Direction signs to premises (excluding tourism signing).			
		• Consideration resulting in refusal on policy or traffic and safety grounds.	Nil	Nil	Per request
		• Consideration and provision of cost estimates (including applications that are subsequently not proceeded with).	£130.00	£143.00	Per request
		Temporary signs to housing sites. We assess the suitability and provide approval for directional signing to be placed on the highway network to aid drivers on a pre-arranged journey and avoid unnecessary congestion or vehicle movements on the highway network.			
		• Fixed fee	£187.00	£205.00	Per request
		• Per sign	£55.00	£60.00	Per sign
		• Subsequent request for signs at the same location	£60.00	£66.00	Per request
		Assess the need for tourism signing based upon Lancashire County Council Policy documents we assess requests to install directional signing to aid drivers on a pre-arranged journey.	£131.00	£144.00	Per request. Note – fee is for assessment only. Total cost of manufacture and erection of signing is also charged to applicant.
		Provision of H-Bar at private drive. We provide lining measures to highlight the presence of a provision of temporary bus stop.	£179.00	£197.00	Per request
		• Cover existing stop and placement of temporary stop for	£93.00	£102.00	Per stop
		• Removal of existing pole and flag to store for the duration	£176.00	£193.00	Per stop
		• Temporary relocation of the existing bus stop at new	£330.00	£363.00	Per stop
		Request to cause and permit any other traffic signs. We assess the implications of the request with reference to County Policy and National standards and carry out a site visit to consider the impact and most suitable location for the	£129.00	£142.00	Per request
Installation of a traffic sign by Lancashire County Council.	The placing by a local traffic authority of a traffic sign pursuant to section 65(1) of the 1984 Act in accordance with a request of the kind referred to in the preceding paragraph	Installation of a permanent traffic sign (above) by Lancashire County Council	Costs based upon size and number of signs	Costs based upon size and number of signs	Per sign

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
CHARGES UNDER HIGHWAYS ACT 1980					
Permits to place objects in a highway	S.115E, F and H Charges for permission to place objects and structures on certain parts of the highway.				
	• Advertising kiosks / rotundas / banners	Requests by third parties to permit advertising kiosks/rotundas /banners to be placed on the adopted highway for	£89.00	£97.00	Per request (annual fee)
	• Ramps	Requests by third parties to construct a ramp on the highway to allow wheelchair users to access their buildings. We first exhaust all possibilities for internal building alterations to take place to allow wheel chair access. We then assess the practicality of providing.	£399.00	£439.00	Per request (annual fee)
	• Others		At cost	At cost	Per request
Stopping up or diversion of the highway	S.116/117 stopping up or diversion of highway by application to court.	In certain circumstances areas of highway are considered no longer necessary for public use. An application is received, usually from an adjacent resident or business asking Lancashire County Council to apply to court to stop up the highway. The quoted charges are those which are payable in advance for a process terminated at the relevant stage, irrespective of the outcome. Complex procedures or multiple orders may attract a higher fee.			
		• After preliminary consultation and investigation by	£466.00	£513.00	
		• After formal consultations and legal work by Head of Legal Services before application to Magistrates Court.	£1,182.00	£1,301.00	
		• Following Magistrates Court decision	£2,414.00	£2,657.00	
			Plus court fees	Plus court fees	Plus court fees
Licence to plant in a highway	S.142 Granting of licence to plant and maintain, or to retain and maintain trees, shrubs, plants or grass in a part of the highway.	Permission to provide, plant and maintain grass, shrubs, trees, planting boxes or other plants within the highway. Granting of licence is subject to approval of type, size and growth rate of item to be planted and agreement of location. We will prepare and issue licence, including provision of location plan.	£59.00	£64.00	Per licence
	S.142 Annual charge for administering a licence for planting	Annual renewal of permission and issue of licence relating to planting within the public highway. Authorise renewed licence to be issued.	£34.00	£37.00	Per licence
License to construct buildings over the highway	S.177 Licence to construct over highway	Requests by third parties to construct over the public highway, such as projections, balconies or other structures. We will check the area to ensure it is adopted highway, will consider size and nature of item to be placed / constructed over highway and, assess any associated sight line or obstruction issues. We will prepare associated legal documentation and issue licence where considered appropriate.	At cost	At cost	Per licence

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
ENVIRONMENTAL INFORMATION REGULATIONS 2004					
Provision of Accident information	Provision of Accident information	Provision of traffic accident information held by Lancashire County Council			
		Personal requests	Free of charge	Free of charge	Per site
		For commercial organisations	£48.50	£53.00	Per site

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
HIGHWAY SEARCHES AND INFORMATION					
CON29 Official search	Response to a question by district council direct to county council (not inspecting in person) Charges for second or subsequent questions are waived.	"QUESTION" means the first of any of Questions 2, 3.1, 3.2, 3.3 3.4, 3.5, 3.6, 3.7, 3.11, 4, 5.1, 5.2, 7, 19, 22.1, or 22.2 from a Form CON29 (2007) or a question in similar terms where the information is required in respect of a specified area of land. The response shall include informatives. This involves reviewing geographical information to provide responses to CON29 form questions submitted by a district council.	£16.00	£17.00	Per search
CON29 Personal search	Response to a question by district council direct to county council (not inspecting in person) Charges for second or subsequent questions are waived.	"QUESTION" means the first of any of Questions 2, 3.1, 3.2, 3.3 3.4, 3.5, 3.6, 3.7, 3.11, 4, 5.1, 5.2, 7, 19, 22.1, or 22.2 from a Form CON29 (2007) or a question in similar terms where the information is required in respect of a specified area of land. The response shall include informatives. This involves reviewing geographical information to provide responses to CON29 form questions submitted by a district council.	£16.00	£17.00	Per search
Highway adoption status enquiry - written response	Response to enquiry in respect of highway adoption status with written description (without provision of plan). Providing greater detail than q2 on the CON 29 form	Providing written confirmation as to the extent of highway adoption in response to a request from any interested party.	£34.00	£37.00	Per request
Highway adoption status enquiry - plan	Response to enquiry in respect of highway adoption status with provision of plan. Providing greater detail than q2 on the CON 29 form	Providing written confirmation as to the extent of highway adoption in response to a request from any interested party.	£34.00	£37.00	Per request
Highway adoption status enquiry - written response and plan	Response to enquiry in respect of highway adoption status with provision of plan and written description. Providing greater detail than q2 on the con 29 form	As above, but with written description and plan.	£44.00	£48.00	Per request
	Provision of Environmental Information (applicant not in person) where information can be made available under the Regulations other than a response to "questions" or "enquiries" (as defined or referred to above)	Other Environmental Information	At reasonable cost	At reasonable cost	
	Provision of Environmental Information (Applicant accessing public registers or examining the information at a place made available for the examination)	Applicant would need to assess at his own risk the applicability of the information to a particular area of land.	No Charge	No Charge	

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
It is the view of the County Council that these Regulations have a very limited application. The estimates and amount of unit charge together with costs incurred in providing information under these Regulations are regarded to be NIL. Information provided in response to enquiries on form CON29 is considered to be environmental information provided under the Environmental Information Regulations. See below.					
LOCAL AUTHORITIES (ENGLAND)(CHARGES FOR PROPERTY SEARCHES) REGULATIONS 2008(Response to enquiries about a property)					
CHARGES UNDER HIGHWAYS ACT 1980 – SECTION 38					
S38 administration and supervision fee	S38 administration and supervision fee. (Percentage of estimated cost of roadworks, subject to minimum fee)	Requests from developers for the Highway Authority to adopt the roads within a development as highways maintainable at public expense on satisfactory completion and maintenance. Fees include for : - inspection and approval of key stages of completion of the road - support in overcoming unplanned site constraints - liaison with specialist street lighting and structural design teams and advice and support	7% £2,330 Minimum fee. Plus approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	7% £2,565 Minimum fee. Plus approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	Per agreement
Extension of s38 agreement	Supplementary charge for extension of s38 agreement	Extension of time to that specified in the original agreement. Fees include for: - inspection and approval of key stages of completion of the road - support in overcoming unplanned site constraints - liaison with specialist street lighting and structural design teams and advice and support - assessment and valuing of works completions and bond reductions - advice and support	2% of outstanding default costs for 1st extension of up to one year. 5% of outstanding default costs after the 1st extension + Approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	2% of outstanding default costs for 1st extension of up to one year. 5% of outstanding default costs after the 1st extension + Approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	Per agreement
Rate per linear metre for estimating s38 agreement roadworks costs.		Rate per linear metre for estimating s38 agreement roadworks costs.	£908 Per Linear metre	£1,000 Per Linear metre	Rates use to calculate the Highway Authority's Bond requirements for completing the roadworks specified in the agreement in the event of default by the applicant. This element includes for construction materials and staff time in measuring, calculating and constructing the road as follows: • total areas to be constructed, including verges and planting areas, footways, carriageways • individual items in the highway including street lighting, drainage, gullies and gully connections, signing and road markings and other street furniture Works costs depend on the current costs to LCC of using our in-house contractor to finish any incomplete works to an appropriate standard.
Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites		Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites.	2% Plus disbursements e.g. advertising costs Maximum fee £840.00	2% Plus disbursements e.g. advertising costs Maximum fee £924	Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites (percentage of estimated roadworks costs extra over the administration and inspection fee)
Provision of street lighting design to developer.		Provision of street lighting design service to developer.	At Cost	At Cost	Site with 5 columns or less. Per site service
			£98.00	£107.00	Each additional column

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
COMMUTED SUMS FOR FUTURE MAINTENANCE – SECTION 38 AGREEMENTS					
Soakaway	Maintenance of a soakaway	The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per item
Other sustainable drainage systems (including filter drains)	Maintenance of other sustainable drainage systems (including filter drains)	The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per site
Diverted culverted watercourses	Maintenance of a diverted culverted watercourses – road crossing or longitudinal up to 20m length	The commuted sum allows for future maintenance and repairs based upon County Surveyors Society guidance	Site specific calculation	Site specific calculation	
Culvert debris screen	Maintenance of a culvert debris screen	A debris screen (also called a 'trash screen') prevents debris such as branches, leaves and litter entering a culvert (drain pipe) and blocking it so as to reduce capacity for water to drain through it. Screens need to be cleared of debris on a routine basis and after every heavy rainfall event. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per item
Petrol and spillage interceptors	Maintenance of petrol and spillage interceptors	Interceptors prevent water contaminated by oil and/or other harmful substances from entering a watercourse or culvert and then damaging the natural environment. Interceptors need cleaning out on a regular basis to prevent a build-up of harmful substances. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per item
Highways structures	Maintenance of highways structures	Highway structures can include bridges, retaining walls and any other structure in, on, under or adjacent to the highway. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 120 years for the facility and renewal of the structure at the end of that period.	Site specific calculation	Site specific calculation	Per structure
Road lighting (non-standard but acceptable material specifications)	Maintenance of road lighting (non-standard but acceptable material specifications)	Decorative lighting columns and fixtures can add to the aesthetic appeal of a new road scheme. Non-standard installations can overcome difficult design constraints. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 30 years for the facility.	Site specific calculation	Site specific calculation	
Highway verge (excluding service strip)	Maintenance of a highway verge (excluding service strip)	Verges wider than a standard 2.0m strip can be provided to overcome design constraints or to aesthetically enhance a new road layout. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance (usually understood as grass mowing) and any repairs which become necessary over 60 years.	£30.00	£33.00	per square metre
Highway trees	Maintenance of highway trees	The commuted sum allows for future maintenance (including tending the growing tree to maturity, replacing a diseased or dying specimen) and any pruning, lopping etc. which might become necessary over 20 years.	Tree specific calculation	Tree specific calculation	

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
Traffic management measures including street furniture, bollards etc.	Maintenance of traffic management measures including street furniture, bollards etc.	Traffic management measures of this type would normally be discouraged and the developer asked to build safety features into the layout of the new road. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 30 years for the facility.	Site specific calculation	Site specific calculation	
Enhanced paving materials	Maintenance of enhanced paving materials	Decorative paving materials can add to the aesthetic appeal of a new road but are typically more expensive to repair or replace than standard materials used by the County Council. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 60 years for the facility.	Site specific calculation	Site specific calculation	
Other matters not specified in table but necessitated by site circumstances	Maintenance of other matters not specified in table but necessitated by site circumstances	Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for estimated future maintenance and repairs over the life of the asset.	Site specific calculation	Site specific calculation	

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
CHARGES FOR WORKS AUTHORISED BY HIGHWAYS ACT 1980 – SECTION 278					
Works on existing highway to facilitate implementation of development or agreed to be of benefit to the public	An agreement for the execution by the authority of any works incorporating particular modifications, additions or features, or at a particular time or in a particular manner, on terms that that person pays the whole or such part of the cost of the works as may be specified in or determined in accordance with the agreement. for the execution by the authority of any works incorporating particular modifications, additions or features, or at a particular time or in a particular manner, on terms that that	Schemes up to £10,000	Legal fee: £750.00 Admin fee: £750.00 Works: At cost	Legal fee: £825 Admin fee: £825 Works: At cost	
		Schemes £10,000 – £100,000	Legal fee: £1,250 Admin fee: £1,250 Works: At cost	Legal fee: £1,376 Admin fee: £1,376 Works: At cost	
		Schemes over £100,000	Legal fee: £1,750 Admin fee: £1,750 Works: At cost	Legal fee: £1,926 Admin fee: £1,926 Works: At cost	
Minor Works	Minor works to facilitate implementation of approved development not requiring an agreement to be drafted by the Lancashire County Council Legal team.		At cost	At cost	

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
CHARGES UNDER LOCAL AUTHORITIES (RECOVERY OF COSTS FOR PUBLIC PATH ORDERS) REGULATIONS 1993					
Creation, stopping up or diversion of footpath or bridleway	S.26/118/118A/118B/119/119A-E creation, stopping up or diversion of footpath or bridleway (and Town And Country Planning Act s257/261)	Changing the route or particulars (such as width) of a public right of way in the interests of the landowners or in the interests of the public (Highways Act 1980) or to allow development (Town and Country Planning Act 1990). Complex procedures or multiple orders may attract a higher fee.	£2,467.00	£2,716.00	

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
CHARGES FOR ON-STREET PARKING					
Charges for on-street parking in Preston and Lancaster		Policy is to maintain parity with District's car parking charges to help avoid congestion in the City centres	Preston: £1.40 for 1 hour Lancaster: £1.40 for 1 hour £2.30 for 2 hours	Preston: £1.40 for 1 hour Lancaster: £1.40 for 1 hour £2.30 for 2 hours	Meter per hour

Summary	Legal Description	Description	Charge 2022/23	Charge 2023/24	Charged By
Charges under the New Roads and Street Works Act					
Street Lighting Column Testing Fee - for columns over 7 years of age	Consideration by a relevant authority of an application to attach at item to a street lighting column in pursuant to section 50, schedule 3 of the New Roads and Street Works Act	All lighting columns over 7 years of age need to be tested so their condition can be assessed prior to the attachment of an approved item by a third party. This fee is applicable where the county council arranges this on behalf of the applicant. Where the applicant arranges their own GN22 approved column test and supplies the test result to the county council, then no charges are applicable. Where a column test indicates that a re-test is not required for 'x' years, no further testing fees will be charged during this period.	£55.00	£60.00	per column
Attachment of Third Party CCTV equipment (or similar) to Street Lighting Columns	Consideration by a relevant authority of an application to attach at item to a street lighting column in pursuant to section 50, schedule 3 of the New Roads and Street Works Act	Licence fee chargeable for carrying out all necessary tests / checks in order to issue a licence. Licence valid for up to 30 months.	£65.00	£71.00	per licence / column
Attachment of Third Party 5G equipment (or similar) to Street Lighting Columns	Consideration by a relevant authority of an application to attach at item to a street lighting column in pursuant to section 50, schedule 3 of the New Roads and Street Works Act	Licence fee chargeable for carrying out all necessary tests / checks in order to issue a licence. Licence valid initially for 12 months.	£150.00	£165.00	per licence / column
Section 50 licence	Considering, processing and inspection associated with granting a licence under section 50 of NRSWA	Processing the application	£112.00	£123.00	
		For each additional street	£42.00	£46.00	
		Ongoing administration costs	£176.00	£193.00	
		Inspection fees for works taking 10 days or less	£150.00	£165.00	
		Inspection fees for works taking 11 days or more	£300.00	£330.00	

Charges Under LLFA Planning Advice Service for Surface Water and Sustainable Drainage

Essentials Package

As standard, you will receive written advice from the Lead Local Flood Authority within 42 days (6 weeks) of payment received. Application fees for the Essentials Package are set out in the table below:

Residential (units)	Retail (GFA m2)	Development Type			22/23 Application Fee +VAT	23/24 Application Fee + VAT
		Employment (GFA m2)	Storage (GFA m2)			
10-50	up to 200	up to 2,000	up to 4,000		£300	£330
51-200	201-700	2,001-7,000	4,001-14,000		£500	£550
201-400	701-1,500	7,001-15,000	14,001-30,000		£800	£880
401-800	1,501-3,700	15,001-30,000	30,001-75,000		£1,300	£1,431
801-1,500	3,701-5,500	30,001-44,000	75,001-110,000		£1,900	£2,091
1,501+	5,501+	44,001+	110,001+		By Agreement	By Agreement

Premium Package

As standard, you will receive a 1 hour technical meeting and written advice from the Lead Local Flood Authority within 28 days (4 weeks) of payment received. Application fees for the Premium Package are set out in the table below:

Residential (units)	Retail (GFA m2)	Development Type			22/23 Application Fee +VAT	23/24 Application Fee + VAT
		Employment (GFA m2)	Storage (GFA m2)			
10-50	up to 200	up to 2,000	up to 4,000		£500	£550
51-200	201-700	2,001-7,000	4,001-14,000		£700	£770
201-400	701-1,500	7,001-15,000	14,001-30,000		£1,000	£1,101
401-800	1,501-3,700	15,001-30,000	30,001-75,000		£1,500	£1,651
801-1,500	3,701-5,500	30,001-44,000	75,001-110,000		£2,100	£2,312
1,501+	5,501+	44,001+	110,001+		By Agreement	By Agreement

Optional Extras: For an additional charge, you can add one or more of the following products to your package. These will be charged at the following rates + VAT:

Type	Description	22/23 Additional Charge	23/24 Additional Charge
Extra Hourly Rates	Flood risk officer hourly rate	£23	£25
	Senior Flood risk officer hourly rate	£26	£28
	Principal Flood risk officer hourly rate	£32	£35

Please note: The above is also to be applied to mixed use developments. If the development does not clearly fall within an above category the Applicant is requested to please contact the Lead Local Flood Authority for further advice.

Cultural Services Service Fees and Charges 2023/24

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Libraries Service					
Book Loan	Book Loan	Statutory Service	Nil	Nil	per item
Reservation Fee		Discretionary	75p per item some interlibrary loans are £16.35 per item	80p per item some interlibrary loans are £18.00 per item	per item
Fines for Late returns		Discretionary	20p per item per day up to a maximum of £7	25p per item per day up to a maximum of £7	per item
DVD Loans		Discretionary	Ordinary DVD £1 per week, U classification 50p per week	Ordinary DVD £1 per week, U classification 55p per week	per item
Music CD Loans		Discretionary	50p per week	55p per week	per item
Charges for craft activities		Discretionary	No charges	No charges	per item
Spoken word recordings loans		Discretionary	£1 per 3 week loan; fine of 20p per day up to a maximum of £7 per item for late returns	£1 per 3 week loan; fine of 20p per day up to a maximum of £8 per item for late returns	per item
Drama and Music Performance Sets	Drama	Discretionary	£10 per set for 6 months and £5 renewal	£11 per set for 6 months and £5 renewal	per item
Drama and Music Performance Sets - 6 months loan period	Music	Discretionary	Vocal scores £30 for 40 copies for 6 months and £1 per additional copy and £15 renewal. Shorter vocal scores £10 for up to 40 shorter vocal scores of same title and £5 renewal	Vocal scores £33 for 40 copies for 6 months and £1 per additional copy and £16 renewal. Shorter vocal scores £11 for up to 40 shorter vocal scores of same title and £5 renewal	per item
	Orchestral - Over 40 mins.	Discretionary	Charge by Performance length: Over 40 mins. £40 and £20 renewal.	Charge by Performance length: Over 40 mins. £44 and £22 renewal.	per item
	Orchestral - Between 20 and 40 mins.	Discretionary	Charge by Performance length: Between 20 and 40 mins. £30 and £15 renewal	Charge by Performance length: Between 20 and 40 mins. £33 and £16 renewal	per item
	Orchestral -Under 20 mins.	Discretionary	Charge by Performance length: Under 20 mins. £20 and £10 renewal	Charge by Performance length: Under 20 mins. £20 and £10 renewal	per item
Printing and Copying - Black and White	A4 per sheet	Discretionary	15p	20p	per item
	A3 per sheet	Discretionary	25p	30p	per item
Printing and Copying - Colour	A4 per sheet	Discretionary	50p	55p	per item
	A3 per sheet	Discretionary	75p	85p	per item
Printing and Copying - From Microfilm	Per sheet (various)	Discretionary	20p	25p	per item
Compensation for lost books		Discretionary	According to the value of book	According to the value of book	per item
Sales	Workbooks, posters, old stock etc.	Discretionary	£1.00 each (though a percentage of this is paid back to the company) may increase to £2 per item but this will be determined by the provider	£1.30 each (though a percentage of this is paid back to the company) may increase to £2 per item but this will be determined by the provider	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Museums Service					
Admission Charge (Clitheroe Castle Museum)		Discretionary	Adults £4.70, Concessions £3.60, Children 18 and under free, Carers free. Family Xplorer £20	Adults £4.70, Concessions £3.60, Children 18 and under free, Carers free. Family Xplorer £20	per item
Admission Charge (Gawthorpe Hall)		Discretionary	Adults £6, Concessions £4, Children under 16 free, National Trust members free, Carers free. Family Xplorer £20	Adults £6, Concessions £4, Children under 16 free, National Trust members free, Carers free. Family Xplorer £20	per item
Admission Charge (Judges' Lodgings)		Discretionary	Adults £3, Concessions £2, Children 16 and under free, Carers free. Family Xplorer £20	Adults £3, Concessions £2, Children 16 and under free, Carers free. Family Xplorer £20	per item
Admission Charge (Lancaster Castle)		Discretionary	Adults £8, Concessions £6.50, Families £20, Children free, Carers free	Adults £8, Concessions £6.50, Families £20, Children free, Carers free	per item
Admission Charge (Helmshore Mills Textile Museum)		Discretionary	Adults £4, Concessions £3, Children 16 and under free, Carers free. Family Xplorer £20 (proposed). Offer half price entry for two months in May and June 2022 for National Trust members at Helmshore and Queen Street Mills	Adults £4, Concessions £3, Children 16 and under free, Carers free. Family Xplorer £20 (proposed). Offer half price entry for two months in May and June 2022 for National Trust members at Helmshore and Queen Street Mills	per item
Admission Charge (Queen Street Textile Museum)		Discretionary	Adults £3, Concessions £2, Children 16 and under free, Carers free. Family Xplorer £20 (proposed). Offer half price entry for two months in May and June 2022 for National Trust members at Helmshore and Queen Street Mills	Adults £3, Concessions £2, Children 16 and under free, Carers free. Family Xplorer £20 (proposed). Offer half price entry for two months in May and June 2022 for National Trust members at Helmshore and Queen Street Mills	per item
Sale of café food and drink (Helmshore Mills and Queen Street Mill only)		Discretionary	Items individually priced £1.25 for bottle of water to £6.50	Items individually priced £1.25 for bottle of water to £6.50	per item
Sale of Goods including guidebooks and souvenirs (all sites)		Discretionary	Items individually priced range from 0.25p to £60. General model is General model is double plus VAT.	Items individually priced range from 0.25p to £60. General model is General model is double plus VAT.	per item
Other fees & charges for events and miscellaneous income (all sites)		Discretionary	Events and items individually priced range from 0.50p to £35	Events and items individually priced range from 0.50p to £35	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Archive Service					
Access to Archives in Person		Statutory	Nil	Nil	per item
Copying services ordered in person in SR	A4/A3 b&w copies of archives	Discretionary	£1 per sheet	£1 per sheet	per item
	OS sheets	Discretionary	£7.50 per sheet	£8.25 per sheet	per item
	Self-service printout of microform	Discretionary	80p per sheet	90p per sheet	per item
Copying services ordered remotely	probate records	Discretionary	£10 per record	£11 per record	per item
	QSP and ARR11	Discretionary	£7.50 per document	£8.30 per document	per item
	PLA11 and hospital reception orders	Discretionary	£12.50 per record	£13.80 per record	per item
	vehicle licensing	Discretionary	£20.00	£22.00	per item
	other copies	Discretionary	£7.50 for 1st page and £1 per page thereafter	£8 for 1st page and £1 per page thereafter	per item
Facility fee for Photography	audio recording	Discretionary	£25.00	£27.00	per item
1 voucher is valid for unlimited images in a single day	single image	Discretionary	£5.00	£5.00	per item
	1 voucher	Discretionary	£10.00	£11.00	per item
	5 vouchers	Discretionary	£40.00	£44.00	per item
	10 vouchers	Discretionary	£70.00	£77.00	per item
	20 vouchers	Discretionary	£120.00	£132.00	per item
Group Permit for Named Project Members	1 year	Discretionary	£150.00	£165.00	per item
Certified Copies					
Certification	of facsimile copy of documents by professional archivist	Discretionary	£20 per page/image	£22 per page/image	per item
	of customer transcription	Discretionary	£20 per 100 words	£22 per 100 words	per item
Church of England Baptism Certificate	Entry located by customer	Statutory	£16.00	£18.00	per item
(*fees set by the Church of England and reviewed annually)	Entry searched for by staff	Statutory	£32.00	£36.00	per item
Professional fees and charges	Research in closed records	Discretionary	£40.00+ VAT per hour	£44.00+ VAT per hour	per item
	Archive conservation work	Discretionary	£40.00+ VAT per hour	£44.00+ VAT per hour	per item
	Group visits (daytime)	Discretionary	£40.00+ VAT per hour	£44.00+ VAT per hour	per item
	Group visits (evening or weekend)	Discretionary	£60.00+ VAT per hour	£66.00+ VAT per hour	per item
	External talks	Discretionary	£60.00+ VAT per hour plus travel expenses	£66.00+ VAT per hour plus travel expenses	per item
	Training sessions	Discretionary	£200+ VAT per half day	£220+ VAT per half day	per item
	Professional consultation fee for heritage projects, conservation and management advice	Discretionary	£40+VAT per hour	£44+VAT per hour	per item
Other services	Inclusion on list of record agents	Discretionary	£55 per year	£60 per year	per item
	replacement of lost and stolen Archives Card	Discretionary	£5.00	£5.50	per item
Reproduction of Images for Publication	Use of a Lancashire image in printed material	Discretionary	See appended table for details	See appended table for details	per item
	Use of a Lancashire image in TV/film/DVD	Discretionary	See appended table for details	See appended table for details	per item
	Fees for filming on location	Discretionary	See appended table for details	See appended table for details	per item
	Displaying a Lancashire image	Discretionary	See appended table for details	See appended table for details	per item
	Use of a Lancashire image in the internet	Discretionary	See appended table for details	See appended table for details	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Conservation & Collections Team					per item
Deposition of Archaeological Archives		Discretionary	£360.00	£396.00	per item
Deposition of Archaeological material per box		Discretionary	£100.00	£110.00	per item
Specialist Professional Services		Discretionary	£30 - £45 per hour Dependant on Service Requested	£33 - £50 per hour Dependant on Service Requested	per item
Guided Tour of Lancs. Conservation Studio		Discretionary	Adult £8.50 Concessions £6.50	Adult £9.40 Concessions £7.20	per item
Training Delivery		Discretionary	£390 1/2 day - £675. Full day	£429 1/2 day - £743. Full day	per item
Specialist Room Hire (income goes to FM)		Discretionary	£175 full day	£193 full day	per item
Equipment hire Various		Discretionary	£22.50 - £180.00	£25.00 - £198.00	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
School Library Service					per item
Annual Subscriptions					
Primary and Special Schools	Premium Plus	Discretionary	£1,158 plus £3 per pupil	£1,275 plus £3 per pupil	per item
	Premium	Discretionary	£1,070 plus £3 per pupil	£1,178 plus £3 per pupil	per item
	Basic	Discretionary	£1,070.00	£1,178.00	per item
Nursery and Childrens' Centres	Premium	Discretionary	£1,070.00	£1,178.00	per item
	Basic	Discretionary	£749.00	£825.00	per item
Reading Clubs					per item
Fantastic Book Awards for KS2 pupils	Subscribing schools	Discretionary	£120.00	£132.00	per item
	Non-subscribing schools	Discretionary	£180.00	£198.00	per item
Brilliant Book award for KS1 pupils	Subscribing schools	Discretionary	£90.00	£99.00	per item
	Non-subscribing schools	Discretionary	£120.00	£132.00	per item
Additional Reading & Learning Resources					per item
Curriculum boxes	Subscribing schools	Discretionary	£50.00	£55.00	per item
Consultancy/library advice support One hour/half day/full day	Subscribing schools	Discretionary	From £150-£400	From £165-£440	per item
Pupil Workshop sessions One hour/half day/full day	Subscribing & non subscribing schools	Discretionary	From £150- £300	From £165- £330	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Heritage Learning					per item
Site Visit -Lancashire County Schools	Dependent on Heritage Learning Team Receiving Schools Funding	Discretionary	£2.50 per pupil	£2.80 per pupil	per item
Site Visit -Non Lancashire County Schools		Discretionary	£3.00 per pupil	£3.30 per pupil	per item
Outreach Visit- Lancashire County Schools		Discretionary	£95.00 half day session	£104 half day session	per item
Outreach visits- Non Lancashire County Schools		Discretionary	£150 Full day Visit	£165 Full day Visit	per item
Loans Service		Discretionary	Calculation based on geographical location	Calculation based on geographical location	per item
		Discretionary	£50 one loan	£55 one loan	per item
		Discretionary	£150 five loans	£165 five loans	per item
		Discretionary	£250 10 loans	£275 10 loans	per item
CPD Lancashire County Council Schools		Discretionary	£375 15 loans	£412 15 loans	per item
		Discretionary	Free	Free	per item
Non Lancashire County Council Schools	Discretionary	£151.00	£166.00	per item	

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Lancashire Music Service*					per item
* uplifts will be chargeable from 1 September 2023					
Instrumental & Vocal Tuition - All Key Stages					
Small Group - 34 Weeks +	1-3 hours	Discretionary	£33.60 per hour (per teacher, per visit)	£37.00 per hour (per teacher, per visit)	per item
	3 hours +	Discretionary	£31.50 per hour (per teacher, per visit)	£34.60 per hour (per teacher, per visit)	per item
Small Group -Less Than 34 Weeks	1-3 hours	Discretionary	£36.00 per hour (per teacher, per visit) Secondary School only	£39.60 per hour (per teacher, per visit) Secondary School only	per item
	3 hours +	Discretionary	£33.60 per hour (per teacher, per visit) Secondary School only	£37.00 per hour (per teacher, per visit) Secondary School only	per item
Parent Direct Payment(Including Online)	Group (max 4 students)	Discretionary	£7.50	£8.20	per item
	20 min individual	Discretionary	£12 (per student per lesson)	£13.00 (per student per lesson)	per item
	30 min individual	Discretionary	£14 (per student per lesson)	£15.00 (per student per lesson)	per item
Whole Class Instrumental Tuition	Per Yr (34 weeks)	Discretionary	£1,487.50	£1,637.00	per item
	Additional weeks	Discretionary	£43.75 - One Term option available	£48.00 - One Term option available	per item
Curriculum Delivery	All Key Stages	Discretionary	£51 per hour (minimum 2 hours)	£56 per hour (minimum 2 hours)	per item
		Discretionary			per item
		Discretionary			per item
Lancashire Rocks - Key Stage 3	Per Yr (34 weeks)	Discretionary	£1,190.00	£1,310.00	per item
	Additional weeks	Discretionary	£35.00	£38.00	per item
Singing - All Key Stages	6 Week Sing	Discretionary	£210.00	£231.00	per item
	One-off Workshop Up to 2 hours	Discretionary	£127.50	£140.00	per item
	Large Group (10+ students)	Discretionary	£35 per hour	£38 per hour	per item
Staff CPD and Support - All Key Stages	Training and Consultancy	Discretionary	£150.00 per session	£165 per session	per item
	SMEP Visits	Discretionary	Free	Free	per item
	GarageBand Project	Discretionary	£525 (One Term)	£578 (One Term)	per item
Charanga Licences - All Key Stages	Musical School & Music World	Discretionary	£195 per year (Free if purchasing LMS tuition)	£214 per year (Free if purchasing LMS tuition)	per item
	VIP Studio Sessions	Discretionary	£395 (average cost)	£434 (average cost)	per item
Charanga Recorder World Licence - All Key Stages	First Term (including 33 recorders)	Discretionary	£165.00	£181.00	per item
	Subsequent Terms	Discretionary	£65.00 (also first term without recorders)	£71 (also first term without recorders)	per item
Music centre Ensembles Silver Ensemble membership	termly	Discretionary	£25.00 per term	£27.50 per term	per item
County Ensembles Gold Ensemble membership	termly	Discretionary	£40.00 per term	£44.00 per term	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
re Outdoor Education Centres					
2023/23 Charges will apply to new customers from 1st April 2023					
Hothersall Lodge					
Residential :					
Residential Per Person Per Night	April	Discretionary	£81.50	£89.00	per item
Residential Per Person Per Night	May pre SAT's	Discretionary	£81.50	£89.00	per item
Residential Per Person Per Night	May post SAT's	Discretionary	£92.50	£101.00	per item
Residential Per Person Per Night	June	Discretionary	£96.00	£105.00	per item
Residential Per Person Per Night	July	Discretionary	£96.00	£105.00	per item
Residential Per Person Per Night	August	Discretionary	£75.00	£82.00	per item
Residential Per Person Per Night	September	Discretionary	£83.50	£91.00	per item
Residential Per Person Per Night	October	Discretionary	£83.50	£91.00	per item
Residential Per Person Per Night	November	Discretionary	£70.50	£77.00	per item
Residential Per Person Per Night	December	Discretionary	£62.00	£68.00	per item
Residential Per Person Per Night	January	Discretionary	£62.00	£68.00	per item
Residential Per Person Per Night	February	Discretionary	£67.50	£74.00	per item
Residential Per Person Per Night	March	Discretionary	£82.50	£90.00	per item
Day Visits:					
Day Visits - Per Group per day	9.00am-5.00pm	Discretionary	£350.00	£385.00	per item
Day Visits - Per Group per half day	Half day	Discretionary	£200.00	£220.00	per item
Extended Day Visit - Per Group per day	9.00am-8.00pm	Discretionary	£550.00	£605.00	per item
Extras					
Extra Instructor	Full Day	Discretionary	£200.00	£220.00	per item
Extra Instructor (only when group is already buying into activities)	Half Day	Discretionary	£100.00	£110.00	per item
Transport Costs		Discretionary	£2.00 per mile for the first 40 miles and £1 each mile after	£2.20 per mile for the first 40 miles and £1.10 each mile after	per item
Evening Tutor		Discretionary	£77.00	£85.00	per item
Other Packages					
Self-Catering		Discretionary	£25.50 (Children 3 yrs and under free of charge)	£28.00 (Children 3 yrs and under free of charge)	per item
Bed & Breakfast		Discretionary	£32.00	£35.00	per item
Full Board (Breakfast, packed lunch and evening meal)	Groups will need to pay for a minimum of 50% capacity of accommodation block they are based in.	Discretionary	£50.00	£55.00	per item
Camping		Discretionary	£8.00	£8.80	per item
Extra Meals					
	Breakfast	Discretionary	£6.50	£7.20	per item
	Packed Lunch	Discretionary	£6.00	£6.60	per item
	Conference Lunch	Discretionary	£10.50	£11.60	per item
	Evening or Cooked Meal	Discretionary	£12.00	£13.20	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Tower Wood					
Residential :					
Residential Per Person Per Night	April	Discretionary	£92.50	£101.00	per item
Residential Per Person Per Night	May	Discretionary	£92.50	£101.00	per item
Residential Per Person Per Night	June	Discretionary	£105.50	£116.00	per item
Residential Per Person Per Night	July	Discretionary	£105.50	£116.00	per item
Residential Per Person Per Night	August	Discretionary	£87.50	£96.00	per item
Residential Per Person Per Night	September	Discretionary	£87.50	£96.00	per item
Residential Per Person Per Night	October	Discretionary	£87.50	£96.00	per item
Residential Per Person Per Night	November	Discretionary	£87.50	£96.00	per item
Residential Per Person Per Night	December	Discretionary	£73.00	£80.00	per item
Residential Per Person Per Night	January	Discretionary	£73.00	£80.00	per item
Residential Per Person Per Night	February	Discretionary	£73.00	£80.00	per item
Residential Per Person Per Night	March	Discretionary	£95.50	£105.00	per item
Day Visits:					
Day Visits - Per Group per day	9.00am-5.00pm	Discretionary	£350.00	£385.00	per item
Day Visits - Per Group per half day	Half day	Discretionary	£200.00	£220.00	per item
Extended Day Visit - Per Group per day	9.00am-8.00pm	Discretionary	£550.00	£605.00	per item
Extras					
Extra Instructor (only when group is already buying into activities)	Full Day	Discretionary	£200.00	£220.00	per item
Evening Tutor		Discretionary	£77.00	£84.00	per item
Transport Costs		Discretionary	£2.00 per mile for the first 40 miles and £1 each mile after	£2.20 per mile for the first 40 miles and £1.10 each mile after	per item
					per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Other Packages					
Self-Catering	Groups will need to pay for a minimum of 50% capacity of accommodation block they are based in.	Discretionary	£25.50 (Children 3 yrs and under free of charge)	£28.00 (Children 3 yrs and under free of charge)	per item
Bed & Breakfast		Discretionary	£32.00	£35.00	per item
Full Board (Breakfast, packed lunch and evening meal)		Discretionary	£50.00	£55.00	per item
Extra Meals					
	Breakfast	Discretionary	£6.50	£7.20	per item
	Packed Lunch	Discretionary	£6.00	£6.60	per item
	Conference Lunch	Discretionary	£10.50	£11.60	per item
	Evening or Cooked Meal	Discretionary	£12 (minimum of 20 if purchased outside of packages)	£13 (minimum of 20 if purchased outside of packages)	per item
	Refreshments (tea, coffee & biscuits)	Discretionary	£2.50	£2.80	per item
Room Hire					
Bowness Suite - Large Room	Per day	Discretionary	£100.00	£110.00	per item
Bowness Suite - Large Room	Half day	Discretionary	£60.00	£66.00	per item
Bowness Suite - Small Room	Per day	Discretionary	£60.00	£66.00	per item
Bowness Suite - Small Room	Half day	Discretionary	£35.00	£38.00	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Borwick Hall					
Residential :					
Residential Per Person Per Night	April	Discretionary	£81.50	£89.00	per item
Residential Per Person Per Night	May pre SAT's	Discretionary	£81.50	£89.00	per item
Residential Per Person Per Night	May post SAT's	Discretionary	£92.50	£101.00	per item
Residential Per Person Per Night	June	Discretionary	£96.00	£105.00	per item
Residential Per Person Per Night	July	Discretionary	£96.00	£105.00	per item
Residential Per Person Per Night	August	Discretionary	£83.50	£91.00	per item
Residential Per Person Per Night	September	Discretionary	£83.50	£91.00	per item
Residential Per Person Per Night	October	Discretionary	£83.50	£91.00	per item
Residential Per Person Per Night	November	Discretionary	£70.50	£77.00	per item
Residential Per Person Per Night	December	Discretionary	£62.00	£68.00	per item
Residential Per Person Per Night	January	Discretionary	£62.00	£68.00	per item
Residential Per Person Per Night	February	Discretionary	£67.50	£74.00	per item
Residential Per Person Per Night	March	Discretionary	£82.50	£90.00	per item
Day Visits:					
Day Visits - Per Group per day	9.30am-4.30pm	Discretionary	£350.00	£385.00	per item
Day Visits - Per Group per half day	Half day	Discretionary	£200.00	£220.00	per item
Extended Day Visit - Per Group per day	930am-8.00pm	Discretionary	£550.00	£605.00	per item
					per item
Extras					per item
Extra Instructor (only when group is already buying into activities)	Full Day	Discretionary	£200.00	£220.00	per item
Extra Instructor	Half day	Discretionary	£100.00	£110.00	per item
Evening Tutor		Discretionary	£77.00	£84.00	per item
Transport Costs		Discretionary	£2.00 per mile for the first 40 miles and £1 each mile after	£2.20 per mile for the first 40 miles and £1.10 each mile after	per item

Summary	Description	Type (Discretionary/ Statutory)	2022/23 Charge	2023/24 Charge	Charged by
Other Packages					per item
Self-Catering	Groups will need to pay for a minimum of 50% capacity of accommodation block they are based in.	Discretionary	£25.50 (Children 3 yrs and under free of charge)	£28.00 (Children 3 yrs and under free of charge)	per item
Bed & Breakfast		Discretionary	£32.00	£35.00	per item
Full Board (Breakfast, packed lunch and evening meal)		Discretionary	£50.00	£55.00	per item
Camping		Discretionary	£8.00	£9.00	per item
Camping with Equipment	Will need to include additional clean up charge	Discretionary	£10 (30+ tents)	£11 (30+ tents)	per item
			£16.50 (under 30 tents)	£18.00 (under 30 tents)	
			£15.00 (piece of equipment for D of E)	£16.50 (piece of equipment for D of E)	
Extra Meals	Breakfast	Discretionary	£6.50	£7.20	per item
	Packed Lunch	Discretionary	£6.00	£6.60	per item
	Conference Lunch	Discretionary	£10.50	£11.60	per item
	Evening or Cooked Meal	Discretionary	£12.00	£13.20	per item
	Refreshments (tea, coffee & biscuits)	Discretionary	£2.50	£2.80	per item
	Bacon or Sausage bun and brew	Discretionary	£2.50	£2.80	
Duke of Edinburgh Awards Scheme	Bronze	Discretionary	£200.00	£220.00	per item
	Silver - Walking	Discretionary	£275.00	£302.00	per item
	Silver - Canoeing	Discretionary	£400.00	£440.00	per item
	Gold	Discretionary	£350.00	£385.00	per item
Room Hire					
Large Room	Per day	Discretionary	£100.00	£110.00	per item
Large Room	Half day	Discretionary	£60.00	£66.00	per item
Small Room	Per day	Discretionary	£60.00	£66.00	per item
Small Room	Half day	Discretionary	£35.00	£38.00	per item

Scientific Services - Discretionary charges unless stated otherwise

Product	Sub products	Analytical Determinants	2022/23 Charge	2023/24 Charge	Charged by
Food					
Additives					
	Colours	Qualitative Identity	£81.00	£89.00	per request
		Quantitative analysis (HPLC)	£124.00	£136.00	per request
	Preservatives	Qualitative Identity	£81.00	£89.00	per request
		Quantitative analysis (HPLC)	£108.00	£118.00	per request
	Artificial Sweeteners	Qualitative Identity	£81.00	£89.00	per request
		Quantitative analysis (HPLC)	£108.00	£118.00	per request
Cereals and Bakery Products					
	Cereals	Moisture, crude, fibre	£62.00	£68.00	per request
		Protein	£12.00	£13.00	per request
		Dietary fibre	£108.00	£118.00	per request
	Bread	Moisture, crude, fibre	£62.00	£68.00	per request
		Protein	£12.00	£13.00	per request
	Flour and Flour Products	Moisture, crude, fibre	£62.00	£68.00	per request
		Protein	£12.00	£13.00	per request
		Dietary fibre	£108.00	£118.00	per request
		Calcium, Iron	£64.00	£70.00	per request
Beverages					
	Cocoa and Cocoa Prod.	Fat and Milk Fat	£131.00	£144.00	per request
		Cocoa solids	£220.00	£242.00	per request
	Coffee and Tea	Moisture and Caffeine (Coffee)	£120.00	£132.00	per request
		Chicory/Fig extract (Coffee)	£55.00	£60.00	per request
		Ash AIA Extractives	£99.00	£109.00	per request
Cakes and Confectionery	Cakes and Confectionery	Fat and Butter Fat	£131.00	£144.00	per request
		Analytical Filth Test	£76.00	£83.00	per request
Milk and other Dairy Products					
	Liquid milk	Alcohol in Chocolate	£131.00	£144.00	per request
		Fat (Gerber), TS, FPD, Acidity	£59.00	£65.00	per request
		Fat (gravimetric), FPD, Acidity	£59.00	£65.00	per request
		Fat (gravimetric), TS, FPD, Acidity	£64.00	£70.00	per request
		Antibiotic residues	£48.00	£52.00	per request
		Detection of dairy sterilant/detergent	£48.00	£52.00	per request
	Cheese	Moisture, Fat	£48.00	£52.00	per request
		Detection of cow's milk in goat's cheese	£162.00	£178.00	per request
	Butter	Moisture, Fat, NFMS, salt	£57.00	£62.00	per request
	Other milk products	Moisture/TS fat in yogurt	£37.00	£40.00	per request
	Cream	Moisture, Fat	£37.00	£40.00	per request
Drinks					
	Wine	Total solids, fixed/volatile, acidities	£91.00	£100.00	per request
		Alcoholic strength	£70.00	£77.00	per request
		Sulphur Dioxide Preservative	£38.00	£41.00	per request
	Alcoholic Drinks	Alcoholic strength	£71.00	£78.00	per request
		Authenticity - Congeners	£118.00	£129.00	per request
	Fruit Juices	Refractometer solids, Fruit Juice Content	£91.00	£100.00	per request
	Soft Drinks	Refractometer solids, Fruit Juice Content	£91.00	£100.00	per request
		Sulphur Dioxide Preservative	£32.00	£35.00	per request
Eggs and Egg Products	Eggs and Egg Products	Fat, Egg Content	£205.00	£225.00	per request
Fish and Shellfish	Fish and Shellfish	Species via PCR	£178.00	£196.00	per request
		Extraneous Water-drip Technique	£59.00	£65.00	per request
		Cd, Pb, Cu, Zn, Hg	£75.00	£82.00	per request
		Fish Content (Stubbs and More)	£70.00	£77.00	per request
Nutritional Foodstuffs					
	Infant Food	Moisture, Fat, Protein, CHO, Energy	£64.00	£70.00	per request
		Nitrate/Nitrite Content	£64.00	£70.00	per request
		Metals Fe, Cu, Cd, Pb, Zn	£75.00	£82.00	per request

Product	Sub products	Analytical Determinants	2022/23 Charge	2023/24 Charge	Charged by	
Fruit and Vegetables						
Fruit	Fresh and Frozen	Diphenyl, o-Phenylphenol, thiabendazole	£118.00	£129.00	per request	
		Pesticide Residues Screen	£285.00	£313.00	per request	
	Processed Fruit Products	Fruit Content (NPK)	£80.00	£88.00	per request	
		SO2 in dried fruits	£37.00	£40.00	per request	
		Drained weight of Canned fruit	£37.00	£40.00	per request	
Vegetables	Fresh and Frozen	Pesticide Residues Screen	£290.00	£319.00	per request	
		Nitrate Content	£64.00	£70.00	per request	
	Canned and Processed	Salt and Drained Weight	£54.00	£59.00	per request	
		Tin and Iron Content	£59.00	£65.00	per request	
		Nutritional Assessment	£108.00	£118.00	per request	
		Protein Content	£11.00	£12.00	per request	
		Metals Fe, Cu, Cd, Pb, Zn	£75.00	£82.00	per request	
Ice Cream and Desserts						
Ice Cream		Fat and Milk Fat	£118.00	£129.00	per request	
		Fat, NFMS	£91.00	£100.00	per request	
Desserts		Fat, Protein, Sugars	£167.00	£183.00	per request	
Meat, Game and Poultry						
Meat	Fresh and Frozen	Moisture, Fat on minced meats	£37.00	£40.00	per request	
		Species identity rPCR	£162.00	£178.00	per request	
		HADH Activity	£102.00	£112.00	per request	
		Sulphur Dioxide Preservative	£37.00	£40.00	per request	
	Meat Products	Meat Content (Stubbs and More)	£70.00	£77.00	per request	
		Meat Content (Hydroxyproline)	£140.00	£154.00	per request	
		Nitrate and Nitrite in Cured Meats	£60.00	£66.00	per request	
		Salt and Phosphorus in Cured Meats	£97.00	£106.00	per request	
		Sulphur Dioxide Preservative	£37.00	£40.00	per request	
		Total Volatile Bases (N)	£48.00	£52.00	per request	
		Rancidity Assessment	£54.00	£59.00	per request	
		Meat Content (Stubbs and More)	£70.00	£77.00	per request	
			HADH Activity	£102.00	£112.00	per request
			Total Volatile Bases (N)	£48.00	£52.00	per request
	Rancidity Assessment	£59.00	£65.00	per request		
Game						
Poultry	Fresh and Frozen	HADH Activity	£102.00	£112.00	per request	
		Total Volatile Bases (N)	£48.00	£52.00	per request	
		Rancidity Assessment	£59.00	£65.00	per request	
	Poultry Meat Products	Meat Content (Stubbs and More)	£70.00	£77.00	per request	
	Monosodium Glutamate	£86.00	£94.00	per request		
Restaurant Take Away Meals	Cooked Meat Species rPCR	£162.00	£178.00	per request		
Other						
Other	Soups	Tomato Content	£81.00	£89.00	per request	
		Fat and Milk Fat proportions	£129.00	£142.00	per request	
	Condiments	Acidity, AOV, Iodine value	£118.00	£129.00	per request	
		Howard Mould Count	£81.00	£89.00	per request	
	Food Supplements	Vitamins (A, B1, B2, B6, C, E)	£416.00	£458.00	per request	
		Minerals	£48.00	£52.00	per request	
		Dietary fibre	£97.00	£106.00	per request	
		Protein	£11.00	£12.00	per request	
	Oils and Fats	Rancidity Assessment	£54.00	£59.00	per request	
		Fatty Acid Profile	£113.00	£124.00	per request	
		Vitamins (A, B1, B2, B6, C, E)	£416.00	£458.00	per request	
	Honey and Honey Products	Refractometer solids, Diastatic Activity	£135.00	£148.00	per request	
		Pollen Spectrum and HMF	£151.00	£166.00	per request	
		Sugars Profile by HPLC	£135.00	£148.00	per request	
	Preserves	Refractometer Solids and Fruit Content	£113.00	£124.00	per request	
		Sorbitol	£113.00	£124.00	per request	
	Allergens	peanut, almond, casein, egg, gluten (all other spruce on re	£81.00	£89.00	per request	
Sugar	Polarimetry and Sulphated Ash	£97.00	£106.00	per request		
Miscellaneous						
Miscellaneous	Food Bacteriology	TVC's at 22/30/37 deg C	£9.00	£9.00	per request	
		Total Coliforms and E. coli	£22.00	£24.00	per request	
		Yeasts and Moulds	£22.00	£24.00	per request	
		Listeria Monocytogenes	£27.00	£29.00	per request	
		Salmonella	£27.00	£29.00	per request	
		Methylene	£32.00	£35.00	per request	
		Phosphatase Test	£32.00	£35.00	per request	
	PCR (for Honey)	Determination of Plant Specific Origin	£151.00	£166.00	per request	
		Quantitative PCR	£151.00	£166.00	per request	

Product	Sub products	Analytical Determinants	2022/23 Charge	2023/24 Charge	Charged by
Imported Food and Feed (Manchester Airport)	EC669/2009	Aflatoxins	£75.00	£82.00	per request
		Cadmium and Lead	£59.00	£65.00	per request
		Ochratoxin A	£75.00	£82.00	per request
		Pesticide residues analysed with Multiresidue methods based on GC-MS and LC-MS	£290.00	£319.00	per request
		Pesticides: methomyl and oxamyl	£221.00	£243.00	per request
		Pesticides: Amitraz	£136.00	£149.00	per request
		Organo-phosphorus Pesticide Residues	£290.00	£319.00	per request
	2008/289/EC	Genetically Modified Organism (GMO) 'Bt63' in rice products from China	subcontracted analysis price on request	subcontracted analysis price on request	per request
	EC 1152/2009	Aflatoxin Contamination	£151.00	£166.00	per request
	EC 284/201	Polyamide and Melamine Plastic kitchenware from China	£518.00	£570.00	per request
	EC 284/2012	Feed and Food from Japan (Radiation)	£102.00	£112.00	per request
		Courier Cost	Included	Included	
	Any extra charges for weekend and public holiday work		Where samples are taken on a Friday, we operate on a Saturday and charge an extra 30%, if the sample needs to be collected on a Sunday, there will be an additional £100 courier charge	Where samples are taken on a Friday, we operate on a Saturday and charge an extra 30%, if the sample needs to be collected on a Sunday, there will be an additional £100 courier charge	per request
Agriculture					
	Sample Preparation	NOTE: All samples which are not prepared before testing will be subject to a preparation fee. All affected samples have been marked by an *.	£35.00	£38.00	per request
Feedingstuffs	Agriculture Act	Oil*	£54.00	£59.00	per request
		Protein*	£10.00	£11.00	per request
		Oil and Protein*	£64.00	£70.00	per request
		Moisture, Oil, Protein, Fibre, Ash*	£140.00	£154.00	per request
		Copper*	£54.00	£59.00	per request
		Magnesium*	£54.00	£59.00	per request
		Sugars*	£37.00	£40.00	per request
		Urea*	£81.00	£89.00	per request
		NCD and Energy*	£64.00	£70.00	per request
		Aflatoxins*	£151.00	£166.00	per request
		Calcium and Phosphorus*	£59.00	£65.00	per request
		Water soluble chloride*	£37.00	£40.00	per request
		Mould evaluation*	£16.00	£17.00	per request
		Vitamin A*	£129.00	£142.00	per request
		Vitamin E*	£129.00	£142.00	per request
		Speciation by rPCR	£162.00	£178.00	per request
		Metal contamination Cd, Cr, Cu, Pb, Ni, Zn*	£81.00	£89.00	per request
		FSA Suite 1 Vitamin A, Pb, As*	£189.00	£208.00	per request
		FSA Suite 2 Vitamin A and E, Pb, As, Cd, Hg, Aflatoxins*	£275.00	£302.00	per request
		FSA Suite 3 dioxins and dioxin-like PCBs*	£648.00	£713.00	per request
Bacteriological examination (Salmonella)*	£27.00	£29.00	per request		
Propionic acid*	£86.00	£94.00	per request		
Fertilisers		Total Nitrogen	£59.00	£65.00	per request
		Ammoniacal Nitrogen	£59.00	£65.00	per request
		Nitric Nitrogen	£59.00	£65.00	per request
		Total P2O5	£70.00	£77.00	per request
		P2O5 soluble in NAC/water	£70.00	£77.00	per request
		P2O5 soluble in water	£70.00	£77.00	per request
		Potassium oxide soluble in water	£64.00	£70.00	per request
		Magnesium	£54.00	£59.00	per request
		Other nutrients - each	£54.00	£59.00	per request

Product	Sub products	Analytical Determinants	2022/23 Charge	2023/24 Charge	Charged by
Environmental/Forensic					per request
Air sample analysis		20% v/v TEA in water method (THIS PRICE IS FOR THE NO2 TEST, FOR THE FULL NOX SUITE, SEE THE PRICE BELOW)			
	NOX Passive Diffusion Tubes (no2 only)		£4.50	£5.00	per request
	Dust in air		£14.50	£16.00	per request
	Full NOX Passive Diffusion Tubes	20% v/v TEA in water method	£19.00	£20.00	per request
	Chemical (dust)		£27.00	£29.00	per request
	Gravimetric (dust)		£13.00	£14.00	per request
	Microscopy (dust)		£16.00	£17.00	per request
	Asbestos	in ambient air and in dust	£26.00	£28.00	per request
	Heavy metals	including Benzene	£54.00	£59.00	per request
Soil and Vegetation	Chemical Contamination	*This will be based on an hourly rate	£54.00	£59.00	per request
	Microbial and Insect infestation	* This will be charged on a per hour basis	£54.00	£59.00	per request
Waters	Private Water Regs 2009: Check Monitoring	Ammonia, pH, Conductivity, Colour, Turbidity Iron, Manganese, Nitrate, Nitrite, Aluminium	£49.00 £48.00	£53.00 £52.00	per request per request
		Total Coliforms, E. coli, Colony Count at 22 and 37 deg C	£27.00	£29.00	per request
		Clostridium Perfringens	£21.00	£23.00	per request
	Private Water Regs 2009: Audit Monitoring	E. coli and Enterococci	£27.00	£29.00	per request
	Additional Parameters: Drinking Water				per request
	General Water Quality	Lead in water	£7.00	£7.70	per request
		pH, Conductivity, Ammonia, Nitrate, Nitrite, Sulphate, Chloride, Fe, Mn, Al, Pb, Cu, Zn, Cd, Ca, Na, Mg, Total Hardness, Alkalinity, Colour, Turbidity, TOC, Taste, Odour, Total Coliforms, E. coli.	£108.00	£118.00	per request
	Routine/Complaint analysis				
	Water Microbiology	Total Coliforms, E. coli	£22.00	£24.00	per request
		Total Coliforms, E. coli, TVC 48 hr at 37 deg C, TVC 72 hr at 22 deg C	£27.00	£29.00	per request
	Swimming Pool Water Micro				
	Individual Parameters	5-day BOD	£27.00	£29.00	per request
		Oxidisability	£19.00	£20.00	per request
		Total Solids	£32.00	£35.00	per request
		Suspended Solids	£19.00	£20.00	per request
		Dissolved Solids	£19.00	£20.00	per request
		Alkalinity	£11.00	£12.00	per request
		TOC	£15.00	£16.00	per request
		Ammonia (Distilled)	£11.00	£12.00	per request
		Ammonia (Colorimetric)	£22.00	£24.00	per request
		Detergents (Qual)	£11.00	£12.00	per request
		Dissolved Methane	£48.00	£52.00	per request
		Toxic Metals	£27.00	£29.00	per request
		Alkali Metals	£27.00	£29.00	per request
		Dionex	£19.00	£20.00	per request
		Turbidity	£7.00	£7.70	per request
		Colour	£7.00	£7.70	per request
		Free Chlorine	£16.00	£17.00	per request
		COD	£22.00	£24.00	per request
		pH	£6.00	£6.60	per request
		Conductivity	£6.00	£6.60	per request
Effluents		5-day BOD	£27.00	£29.00	per request
		COD	£22.00	£24.00	per request
		Suspended Solids	£19.00	£20.00	per request
		Ammonia	£11.00	£12.00	per request
		Oil and Grease	£11.00	£12.00	per request
		Chloride/Nitrate	£19.00	£20.00	per request
		Metals Pb, Cd, Cr, Cu, Ni, Zn, Fe, Mn	£78.00	£85.00	per request
		Tip Leachates (Includes As, Cd, Cr, Cu, Fe, Pb, Mn, Hg, Ni, Zn, Nitrate, Nitrite, Sulphate, pH, Free ammonia, COD, Chloride, Conductivity	£108.00	£118.00	per request
		Septic Tank Spillage Parameters	£22.00	£24.00	per request
		Nitrate/Chloride	£19.00	£20.00	per request

Product	Sub products	Analytical Determinants	2022/23 Charge	2023/24 Charge	Charged by
Consumer Protection (price on request for all subcontracted testing)	Pencils and Graphics	Paint film migration tests for metals Pb, Cd, Cr	£37.00	£40.00	per request
		Crayons migration tests	£37.00	£40.00	per request
	Glazed Ceramics	Leachable Pb and Cd	£48.00	£52.00	per request
		Vitreous Enamel-ware	Leachable Pb and Cd	£48.00	£52.00
	Cooking Utensils	Lead content	£48.00	£52.00	per request
		Cosmetics	Soluble metals Cd,Cr, Pb	£37.00	£40.00
			Sunscreens (SPF)	£810.00	£891.00
	Nickel Products	Ni release	£64.00	£70.00	per request
	Materials and Articles in Contact with Food	Plastics for single use - water based simulants	£115.00	£126.00	per request
		Plastics for single use - Olive oil	£425.00	£467.00	per request
		Plastics for repeat use - water based simulants	£155.00	£170.00	per request
		Plastics for repeat use - Olive oil	£481.00	£529.00	per request
	Toys (Safety) Regulations to BS EN71 (2005)	Full tests	£129.00	£142.00	per request
		Paint film migration tests for metals Pb, Cd, Cr	£37.00	£40.00	per request
		Flammability tests	£37.00	£40.00	per request
Trade Descriptions	Coal	Proximates	£129.00	£142.00	per request
		Calorific Value	£64.00	£70.00	per request
	Timber	Preservative Chemicals	£259.00	£285.00	per request
		Mould Identification	£64.00	£70.00	per request
	Petroleum	Water - KF	£81.00	£89.00	per request
		Cold Filter Plug Point of Diesel	£94.00	£103.00	per request
		Flash point	£75.00	£82.00	per request
		GC/MS for adulterants	£129.00	£142.00	per request
		Paraffin	£129.00	£142.00	per request
		Metallurgical Examinations	For metal type and quality	£81.00	£89.00
Low Level Gamma Radiation. NB. You may wish to provide this service under an annual charge basis below.					per request
Low Level Gamma Radiation Monitoring (food or environmental samples)			£94.00	£103.00	per request
Non-analytical Costs	Fee (£)	Unit			
Court Appearances	100	per hour	£108.00	£118.00	per request
Site Visits	85	per hour	£91.00	£100.00	per request
Asbestos					
Identification (Bulk Sample Analysis)	24 hour turnaround		£32.00	£35.00	per request
	48 hour turnaround		£27.00	£29.00	per request
	2-5 day turnaround		£22.00	£24.00	per request
Bulk Sample extraction (incl analysis & report)			£162 (+£11 for each additional sample)	£178 (+£12 for each additional sample)	per request
Management survey			Min Charge £324	Min Charge £356	per request
Refurbishment/demolition			Min charge £378	Min charge £416	per request
Risk Monitoring survey			£64 ph	£70 ph	per request
Reassurance Monitoring			£259 (based on 6 air tests)	£285 (based on 6 air tests)	per request
Clearance testing			£486(based on a full day)	£486(based on a full day)	per request
Personal Monitoring			£86.00	£95.00	per request
					per request
Lancashire Renewables	Odour Monitoring (both sites)		£634 p.m.+ hrly rate of call out officer	£698 p.m.+ hrly rate of call out officer	per request

Adult Social Care Fees and Charges

Service/ Charge	Description	Type of Fee & Charge (Statutory / Discretionary)	Charge for 2022/23	Charge for 2023/24	Charged by
Weekly Residential Care for Adults - Long and Short Stay (including External, all client groups)					
	Residents – all age groups – Short Stay and Long Stay (capital savings over £23,250)	Statutory	Full Cost	Full Cost	Charge based on financial assessment
	Residents Age 18 to 59 – Short Stay and Long Stay (capital savings under £23,250)	Statutory	subject to a financial assessment, charged a contribution towards the actual costs of care	subject to a financial assessment, charged a contribution towards the actual costs of care	Charge based on financial assessment
	Residents Age over 60 – Short Stay and Long Stay (capital savings under £23,250)	Statutory	subject to a financial assessment, charged a contribution towards the actual costs of care	subject to a financial assessment, charged a contribution towards the actual costs of care	Charge based on financial assessment
Care Act - New Charges in accordance with Act - charges per care package					
	Brokerage Fee (one off admin fee if LCC arranges care for self funders)	Discretionary	£295.00	£324.00	Charge based on financial assessment
	Deferred Payment Fee (one off admin fee if LCC agrees to secure charges against property)	Discretionary	£850.00	£935.00	Charge based on financial assessment
	Deferred charge interest rate (updated 6 monthly)	Discretionary	1.45%	3.18%	Charge based on financial assessment
	Appointeeship annual fee	Discretionary	£520.00	£572.00	Charge based on financial assessment
Day Care for Adults – Charges for Refreshments					
	Midday Meal	Discretionary	£2.70	£3.00	per item
	Slice of Cake or Similar	Discretionary	£0.60	£1.00	per item
	Sandwich (take home tea)	Discretionary	£1.90	£2.10	per item
Internal Day Care for Adults – Standard Daily Charge (Exclusive of Meals)					
	standard day	Discretionary	£41.00	£45.20	Charge based on financial assessment
	Standard day with transport	Discretionary	£44.90	£49.50	Charge based on financial assessment
	Standard day with Dementia care	Discretionary	£71.80	£79.20	Charge based on financial assessment
	Standard day with dementicare including transport	Discretionary	£75.60	£83.40	Charge based on financial assessment
Home Care – Hourly rate					
	Hourly rate all clients (external provision only)	Discretionary	£17.05	£20.00	Charge based on financial assessment
Meals Taken by Staff & Public - Normal Vat rules apply					
	Midday Meal	Discretionary	£2.70	£3.00	per item
	Slice of Cake or Similar	Discretionary	£0.60	£0.70	per item
	Sandwich	Discretionary	£1.90	£2.10	per item
Shared Lives - Management Fees to other Local authorities					
	Shared Lives	Discretionary	assessed charge	assessed charge	Charge based on financial assessment

Customer Access - Fees and Charges

Service/ Charge	Description	Type of Fee & Charge (Statutory / Discretionary)	Charge for 2022/23	Charge for 2023/24	Charged by
Blue badges – (New & Renewal)	Blue Badge	Statutory	£10.00	£10.00	invoice

Childrens Services - Fees and Charges					
Service/ Charge	Description	Type of Fee & Charge (Statutory / Discretionary)	Proposed charge for 2022/23	Proposed charge for 2023/24	Charged by
S20 Child Care costs	Based on financial assessment and actual costs	Discretionary	Based on financial assessment and actual costs	Based on financial assessment and actual costs	N/A

Facilities Management - Fees and Charges

Charging Scheme for Sessional Use Hire 2023/24

1. New facilities will be added to the table as and when appropriate.
2. Is only chargeable for Category B and C and the term "Facilitating Premises Use Outside of Operating Hours" refers where the County Council has to provide an employee to open and close the premises outside of normal operating hours.
3. The charge of £4.50 for Admin is for each individual sessional use/hire and is for arranging the letting. It is only applicable for Category B and C.

Type of Charge (See Note 1 below)	Category A - Free Of Charge Use	Category B - Normal Rate			Category C - Market Rate	Additional Charge for Facilitating Premises Use outside of Operating Hours on First hour only (See Note 2 below)	Additional Charge for Admin on First hour only (See Note 3 below)
		Rental & Running Costs (Gross Charge) per hour	Rent Subsidy (To be Deducted from Gross Charge) per hour	Normal Rate Less Rent Subsidy (Net Charge) Hourly Charge per hour			
Room up to 20m2	No Charge	£6.00	£3.00	£3.00	£6.00	£17.50	£4.50
Room 20-30m2	No Charge	£9.00	£4.50	£4.50	£9.00	£17.50	£4.50
Room 30-50m2	No Charge	£14.00	£7.00	£7.00	£14.00	£17.50	£4.50
Room 50 -100m2	No Charge	£17.00	£8.50	£8.50	£17.00	£17.50	£4.50
Room101m2 or more	No Charge	£23.00	£11.50	£11.50	£23.00	£17.50	£4.50
Sports Hall (adult group)	No Charge	£38.00	£0.00	£38.00	£38.00	£17.50	£4.50
Sports Hall (junior group)	No Charge	£30.00	£0.00	£30.00	£30.00	£17.50	£4.50
Kitchen and Coffee Bar	No Charge	£8.00	£4.00	£4.00	£8.00	£17.50	£4.50
Multi Use Games Area	No Charge	£24.00	£0.00	£24.00	£24.00	£17.50	£4.50
All Weather Pitch (adult group)	No Charge	£46.00	£0.00	£46.00	£46.00	£17.50	£4.50
All Weather Pitch (junior group)	No Charge	£37.00	£0.00	£37.00	£37.00	£17.50	£4.50
Playing Field	No Charge	£9.00	£6.50	£2.50	£9.00	£17.50	£4.50

The Exchange - Conferencing Suite

		22/23 Charge	Charge 2023/24
Room Booking			
Savoy Suite 1 & 2 Combined - Full Day	Discretionary	500.00	550.00
Savoy Suite 1 & 2 Combined - Half Day	Discretionary	300.00	330.00
Savoy Suite 1- Full Day	Discretionary	300.00	330.00
Savoy Suite 1 - Half Day	Discretionary	200.00	220.00
Savoy Suite 2- Full Day	Discretionary	300.00	330.00
Savoy Suite 2 - Half Day	Discretionary	200.00	220.00
Ribble Suite - Full Day	Discretionary	225.00	245.00
Ribble Suite - Half Day	Discretionary	175.00	190.00
Ribble Suite - Hourly Rate	Discretionary	50.00	55.00
Albion Suite - Full Day	Discretionary	225.00	245.00
Albion Suite - Half Day	Discretionary	175.00	190.00
Albion Suite - Hourly Rate	Discretionary	50.00	55.00
Jordan Suite - Full Day	Discretionary	225.00	245.00
Jordan Suite - Half Day	Discretionary	175.00	190.00
Jordan Suite - Hourly Rate	Discretionary	50.00	55.00
Arthur Suite - Full Day	Discretionary	225.00	245.00
Arthur Suite - Half Day	Discretionary	175.00	190.00
Arthur Suite - Hourly Rate	Discretionary	50.00	55.00
Exchange Room 2 - Full Day	Discretionary	100.00	110.00
Exchange Room 2 - Half Day	Discretionary	75.00	80.00
Exchange Room 2 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 3 - Full Day	Discretionary	100.00	110.00
Exchange Room 3 - Half Day	Discretionary	75.00	80.00
Exchange Room 3 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 4 - Full Day	Discretionary	100.00	110.00
Exchange Room 4 - Half Day	Discretionary	75.00	80.00
Exchange Room 4 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 5 - Full Day	Discretionary	100.00	110.00
Exchange Room 5 - Half Day	Discretionary	75.00	80.00
Exchange Room 5 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 6 - Full Day	Discretionary	100.00	110.00
Exchange Room 6 - Half Day	Discretionary	75.00	80.00
Exchange Room 6 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 7 - Full Day	Discretionary	100.00	110.00
Exchange Room 7 - Half Day	Discretionary	75.00	80.00
		22/23 Charge	Charge 2023/24

Room Booking			
Exchange Room 7 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 8 - Full Day	Discretionary	125.00	135.00
Exchange Room 8 - Half Day	Discretionary	90.00	95.00
Exchange Room 8 - Hourly Rate	Discretionary	25.00	25.00
Exchange Room 9 - Full Day	Discretionary	150.00	165.00
Exchange Room 9 - Half Day	Discretionary	100.00	110.00
Exchange Room 9 - Hourly Rate	Discretionary	35.00	35.00
Car Parking			
Arthur Street Car Park 0-2 hours	Discretionary	1.70	1.70
Arthur Street Car Park 2-4 hours	Discretionary	3.40	3.40
Arthur Street Car Park 4 hours +	Discretionary	4.20	4.20
Registrars Car Park 0-1 hour	Discretionary	1.00	1.00
Registrars Car Park 1-2 hours	Discretionary	1.70	1.70