



HYNDBURN

The place to be
an excellent council

Efficiency Support Grant Business Case

2013/14 - 2014/15



March 2013

Overview

Hyndburn Borough Council recognises and accepts that it is the responsibility of everyone involved in the public sector to contribute to reducing the budget deficit. Having been rated by the Audit Commission as an ‘Excellent’ Council under the former CPA/CAA inspection regime, the Council has clear evidence of a strong track record in managing its resources effectively, working with partners and delivering services to our council tax payers.

That was then, and this is now. As we look to the future we have a clear view of the task in front of us. Our key priorities over the next few years are to stimulate economic growth and the delivery of new and improved housing in the area. We know too, however, that while we are addressing these challenges the Council itself will need to undergo radical change in order to meet spending reduction targets and become more self-reliant and sustainable.

Although there is more to do, this transformation is already well underway. In the period 2009 to 2012, the total net expenditure of this Council reduced from £15.53m to £12.34m a reduction of 20.5%. In the same period the Council’s capital programme reduced from £12.06m to £6.42m – a reduction of 46.8%. *The central proposition of our business case is that we will continue to transform our approach to service delivery and ensure that we reduce our spending to a sustainable level* in line with our Medium Term Financial Strategy forecasts.

From the outset our approach to this has been practical and business like. The message that we have consistently conveyed to our staff and residents is that we need to play our part in reducing the deficit and that we will do so on a ‘no drama, no crisis’ basis. In the period 2010-2012 the workforce of the authority has been cut by 20.4% (the 42nd highest reduction in England and Wales out of 201 districts).¹ We also continue to operate a variety of measures to drive down non-productive costs. The overall level of council debt has been reduced from £51 million in 2002/3 to £11.5 million in 2011/12; Staff absence rates at the Council are amongst the lowest in the Country standing at 5.8 days per employee in 2011/12 down from 14.3 days per employee in 2002/3; and we have exercised tight financial management to drive down pension strain costs from an annual cost to the authority of £430K in 2004/5 to nil today.

The transformation in service delivery is also well underway. Later sections of this business case provide evidence of the wide range of bodies that we work with to secure service delivery. These arrangements include cost-saving partnerships with locally based charities to provide services that include home energy efficiency measures, aids and adaptations for elderly and disabled residents, environmental maintenance and food growing projects, bulky waste collections, and recycling used furniture and white goods.

¹ ONS Quarterly Public Sector Employment Survey. (Quarter 1 2010 to Quarter 3 2012)

We also have an exceptionally strong track record of innovative working with the private sector. In 1995 the Council set up what was, at the time, a unique Public-Private Regeneration Company (Globe Enterprises Limited) with a two-thirds majority private sector shareholding. That Company, together with a second regeneration company – Hyndburn & Barnfield Development Company – has enjoyed unprecedented success in delivering a number of strategically important regeneration projects in the Borough. These range from the refurbishment of a former 150,000 sq ft mill complex into a site that now hosts 1,000 jobs across 10 businesses; the construction of civic offices, a new town centre bowling alley and cinema facilities; and the regeneration of a former colliery and factory lodge site into a mixed use residential, office and leisure development. In 2004 Globe Enterprises was a winner in the British Chambers of Commerce Awards for Excellence. The Company has continued to go from strength to strength, and is currently completing its latest project – the construction and sale of new premises for the North West’s first Studio School which should be completed by March 2013.

As the later evidence will demonstrate, the Council has also proved over a number of years that it is willing to embrace new models of service delivery in other areas too. In 2002 the Council transferred the management of its three leisure centres to Hyndburn Leisure, an Independent Charitable Trust. In 2005, the Council transferred further facilities including the management of its arts and entertainment venues, artificial sports pitches, community halls, office cleansing, tourist information and sports development to the Leisure Trust. And in 2006 the Council transferred its housing stock to Hyndburn Homes, a registered social landlord that is now part of the Symphony Housing Group. The Council was also an ‘early adopter’ of the shared services model, and in 2004 established its first set of shared services with Blackburn with Darwen Council covering Economic Development, Business advice and Housing Strategy. In this same year we also established a Shared Consultation and Research Unit and a Joint Procurement Team with 5 neighbouring authorities. Our shared service landscape has since evolved in a variety of ways which are detailed later in this submission, not least of all through the creation of Regenerate Pennine Lancashire – a local authority controlled company that employs a team of staff to work on economic regeneration and business support on behalf of the Pennine Lancashire authorities.

In setting the context for our case there are two further points that we would wish to highlight. **The first is that Hyndburn Council is not, and has never been, a ‘high taxing’ authority.** Out of the 201 districts in England and Wales, the Authority ranks 118th in terms of the council tax charged per dwelling.² Nor is this a Council that has used its relatively high spending power to prop up an excessive bureaucracy - our full time equivalent staffing levels rank the Council at 124th out of the 201 districts.³ There is a strong cross-party consensus about the need to continue to avoid council tax increases and this year will mark the fourth successive year in which the

² DCLG - Local Government Finance Settlement data sheets 2013/14

³ Latest data available from the ONS Quarterly Public Sector Employment Survey (Q3,2012)

district Council Tax has been frozen. Our Medium Term Financial Strategy anticipates that the freeze in Council Tax will remain in place until at least 2016.

The second is that the activity that we are undertaking has already delivered considerable efficiencies, and we would hope and expect that these will be taken into account in any future assessment. We believe that the Audit Commission's Annual Governance Report provides the most robust source of comparative evidence for this and would draw attention to the following extract from the Auditor's findings in the most recently published Governance Report (2011/12) on 'Securing economy, efficiency and effectiveness':

“The Council’s leadership team is clear about the scale of the spending reductions required. It has reviewed its strategic priorities and the cost-effectiveness of its activities. The Council adopts a strategic approach to identifying cost reductions and challenging spending and investment decisions to ensure that they are sustainable in the longer term.

The Council has a track record of achieving significant efficiencies over the past few years. Since 2010/11 it has achieved savings of £3.6m. It has already made good progress in delivering £2.1m of savings during 2012/13.

The Council makes use of comparative and benchmarking information to increase self-awareness and to improve efficiency and productivity. It is working with partners, other service providers and external sources of support to improve its processes, costs and outcomes. Alternative and innovative approaches to delivering services are being considered to achieve efficiencies while keeping services to a level to meet local need. As part of this the Council continues to explore ways of working with partners to deliver efficiencies and improve service quality. Recent examples of partnership working include sharing a land charges officer and an out of hours service with Pendle Borough Council, a grounds maintenance arrangement with the Probation Service and working with Accrington & Rossendale College on (ICT) disaster recover arrangements.”

(Source – Audit Commission Annual governance report 2011/12)

The Efficiency Support Grant will enable us to continue with this direction of travel and ensure that we continue to drive down costs for the future.

Section 1 - Shared Chief Executive and shared Senior Management Team

Over recent years the Council has reduced its senior Management Team considerably. Up until 2006 the Team consisted of a Chief Executive and 5 Executive Directors. In the first phase of restructuring this was reduced by approximately a third, with the loss of two Executive Directors. In the second phase this was reduced further as the result of a renegotiation of the contracts of two directors who have been re-contracted on shorter working weeks – in one case three days and in another case four days. Essentially, this means that today the Council has two full time employees on its Corporate Management Team and two part time. This is a 43% reduction in the Team since 2006.

Beyond the Executive Team, we operate a lean and relatively flat structure consisting of a small number of senior managers who hold responsibility for specific groups of services.

Over the next two years the Council will commit to reviewing the possibility of a shared Chief Executive function and shared Senior Management Team in the terms set out in the DCLG letter of 19th December 2012 and the subsequent correspondence and guidance issued on 28th January 2013.

Whilst it is not possible to set out the detail of the costs and savings that might arise from this ahead of the negotiations that will need to take place both with affected staff and potential partners, we will aim to achieve a further 15% of savings in senior management costs over the next two years.

Section 2 - Shared Service Delivery

The Council has a number of arrangements in place for sharing services and/or outsourcing services to a third party. As the efficiency support grant process is clearly intended to assist authorities in moving in this direction, we feel it is essential that the assessment of the business case gives due regard to the progress made to date and that this sits alongside consideration of future plans. With this in mind, the table below outlines our base position in terms of the nature and extent of our current shared and outsourced services:

SHARED/OUTSOURCED SERVICE	DESCRIPTION
Hyndburn Leisure Trust	Management of the Council's 3 main leisure centres transferred to an independent charitable trust in 2002 along with associated staff. In 2005, further services and facilities transferred to the Trust including all arts and entertainment venues, artificial sports pitches, community halls, tourist information services, sports development and office cleansing.
Hyndburn Homes Ltd	In 2006 the Council transferred the management and ownership of its housing stock to the newly formed company which was a subsidiary at the time of the Contour Housing Group.
Barnfield Hyndburn Partnership	A Private sector majority owned company (70:30) with the Council which has focussed on residential development of a disused industrial site. The current gross asset value of this company is £2m
Barnfield Hyndburn Limited	A Private sector majority owned company (70:30) with the Council which has focussed on the provision of employment sites. The current gross asset value of this company is £4m.
Globe Enterprises Ltd	A Private Sector majority owned company involving two private sector partners, each with a one third share holding. The Company has been involved in various major projects in the Borough from the conversion of a large mill complex into offices for a number of major businesses (including BT) employing over 1000 people; through to the redevelopment of derelict Town Centre brownfield land for a Cinema and Bowling Alley; and most recently the regeneration of a former colliery site for a mixed use residential, leisure, education and office development.

<p>Hyndburn Used Furniture Store</p>	<p>Established in Hyndburn in 2004, the Hyndburn Used Furniture Store is an independent Charity that operates a free household waste collection service for furniture and electrical goods. This partnership saves the Council money and benefits residents on low incomes as the goods collected are repaired, used for parts and recycled to those in need.</p>
<p>Collaborative Research & Consultation Service</p>	<p>A shared consultation & research service which was set up in 2003 and which is jointly funded between the Borough Councils of Hyndburn, Burnley, Pendle, Rossendale and Ribble Valley together with Lancashire County Council and East Lancashire NHS. The team undertakes joint and individual commissions from the partner authorities (for example managing recent statutory consultation around the introduction of changes to the Council Tax Benefits system). This ensures expert capacity is available at a fraction of the cost to each partner.</p>
<p>Shared CCTV</p>	<p>A Shared Service with Blackburn with Darwen Borough Council and Lancashire Constabulary. The partners jointly fund a service that provides CCTV operational staff and hardware maintenance. The service runs from a single base, provided at the Greenbank Police HQ. Prior to this arrangement each Council provided its own operators and equipment, located in their own Boroughs. The joint service saves cost to each of the partners and means that the police response to developing incidents can be coordinated from the divisional HQ.</p>
<p>Land Charges</p>	<p>Hyndburn and Pendle Councils operate a shared service for this function</p>

<p>Hyndburn Enterprise Trust</p>	<p>HET is an independent not for profit agency contracted to provide advice, grants and business planning support to new business start ups. This, together with the formation of a shared regeneration partnership across Pennine Lancashire (see below) has meant that the Council has been able to transfer this activity and wind up its own economic development team. The Council has also outsourced the management of two enterprise havens in the Borough to this agency.</p>
<p>Regenerate Pennine Lancashire</p>	<p>Regenerate Pennine Lancashire is a local authority owned company that was established in 2009 to provide a shared economic development function for its 5 local authority members (Hyndburn, Burnley, Pendle, Blackburn with Darwen and Rossendale.)</p> <p>The Company works directly with local businesses to help them grow and has also been successful in supporting SME's and entrepreneurs wishing to set up new businesses. The Company has a private sector led Board which works alongside a Governing Body comprised of elected members from the member councils.</p>
<p>Pennine Lancashire Strategy Unit</p>	<p>Established in 2009, the Strategy Unit is based upon a formal partnership of 5 Pennine Lancashire authorities (as above). The Partnership provides shared services in relation to:</p> <ul style="list-style-type: none"> • Strategic Intelligence and Policy Research • Cross boundary policy issues (for example the Boroughs have recently adopted a joint protocol for illegal Gypsy & Traveller encampments) • Acting as a single point of contact for some outside bodies (e.g. from 2013 the Heritage Lottery Fund will deal with Pennine Lancashire as a single Development Priority Area)

	<p>The Unit is also a resource that is available to the member authorities to work on various strategic issues ranging from housing to employment & skills, digital infrastructure and transportation. The Unit has recently produced the Pennine Lancashire Investment Plan which identifies the key housing, economic development and infrastructure opportunities within Pennine Lancashire, and how these can support growth</p>
ICT Disaster Recovery	<p>In 2012 the Council entered a formal arrangement with Accrington & Rossendale College through which the two organisations provide mutual IT ‘back up’ and disaster recovery support. The arrangement means that both organisations can save money by not having to pay a third party for this service. The arrangement also brings additional resilience and flexibility to the ICT infrastructure of each organization.</p>
Pennine Lancashire Museum Consortium	<p>A collaboration of the 5 member authorities (as above) based around shared staffing, shared storage, rationalization of collections, volunteers, touring exhibitions, building maintenance and marketing</p>
Lancashire Waste Partnership	<p>A long standing Partnership between district, County and unitary authorities in Lancashire that provides strategic leadership on waste management across the County and has provided opportunities to jointly procure waste containers and vehicles.</p>
Community Payback	<p>The Council has worked over a number of years with the Lancashire Probation Trust to undertake agreed environmental maintenance projects in the Borough’s Parks and open spaces. Outsourcing projects to the Trust is a cost effective way of stretching resources to get work done that would otherwise not be possible</p>

Heritage Officer	The Council shares this service with Pendle Borough Council.
Grass Cutting	Since 2010 the Council has outsourced grass cutting for its highways verges and amenity areas. The contract is currently out to renewal, having been held by a local company, Parkview Nursery, for the past three years
Dog Warden Service	Dog Warden Services in the Borough have been outsourced since 2003. The contract is currently out to renewal having been held by K9 for the past three years
Stray Dog Services	Complementing the above, the Council has outsourced a range of related dog control/education services to a local charity – Hyndburn Stray Dogs In Need. The arrangement with this Charity was renewed for a further three years in December 2012.
Night Time Nuisance	Hyndburn operates a shared service (in conjunction with Blackburn, Burnley, Pendle and Rossendale Councils) offering a 24hr helpline for residents experiencing problems with night time nuisance. The service started as a two way shared service between Hyndburn and Blackburn in 2005 and has grown to incorporate the wider membership over subsequent years.
Out of Hours call handling	The Council has outsourced handling of other out of hours calls to a Registered Social Landlord, ‘Housing Pendle’ who record all calls and pass relevant emergencies to our standby and civil contingencies teams who then take up the response.

Next Steps

There is clear evidence that the Council has embraced new ways of working and that substantial progress has been made in developing cost effective approaches to service delivery that involve shared services, public-private partnerships and outsourcing to both the private sector and charities. As noted earlier we believe that the most robust source of comparative evidence of the efficiency savings achieved by the Council is the Audit Commission's Annual Governance Reports and we would refer you to these for your assessment.

Over the period of this plan we intend to take the further steps that will be necessary to ensure that the Authority is placed on a firm and sustainable financial footing and that we continue to offer services that are cost effective and address local needs. Our central proposition is that we will generate savings equivalent to 10% of our net revenue budget in 2013/14 and a further 10% in 2014/15 that will bring our budgets in line with our medium term financial strategy.

Our efficiency goals will be achieved in part through the accumulation of ongoing savings from the arrangements already set out, and in part from further steps that we will take with our remaining services. With regard to the latter we have 10 key goals that we will pursue:

1.) **Planning & Development Control** – This is a major area of service and one that has seen significant change over the past few years as a result of changes in the regulatory framework and the changing nature of housing and commercial development activity during the recession. Since 2010 the Council has down-sized its staffing in this area and reduced the annual service expenditure by 26% from £766,000 to £563,000.

As this is a regulatory service, the Council takes the view that the function lends itself best to a 'shared service' model of delivery in the future, rather than to outsourcing. With this in mind it will be the Council's aim to work with one or more neighbouring authorities to establish a shared Planning and Development Control service during the 2013/14 financial year. Whilst it is not possible to know the savings that will accrue in advance of the negotiations that need to take place, our aim will be to achieve *further* savings of at least 23% (c.£130,000) in 2013/14 which will be ongoing into 2014-15.

2.) **Building Control** – Linked to the above, this is another service that has witnessed significant change over recent years as a result of the changing nature and levels of construction related activity. Since 2010, the Council has reduced its expenditure in this area by 28% from £321,095 to £231,165.

As a regulatory service the Council again takes the view that the function best lends itself to a 'shared service' model of delivery in the future. We would, nevertheless, wish to see this pared back in recognition of the developed market that exists for private sector provision in this line of work. As this is a service that generates an income that is broadly

equivalent to its costs under the Building (Local Authority Charges) Regulations 2010 we do not anticipate that the move to a shared service will result in a direct cashable saving, but we would anticipate that it will provide greater resilience as we reduce our numbers and that it will contribute to savings more generally through the shared senior management that will also take place.

- 3.) **Emergency Planning** – this is a specialist function dealing with civil emergencies and contingency planning. In Hyndburn, the service is provided by one officer with the necessary expertise, who also advises on Corporate Health and Safety. The Council will look to develop a shared service model for this resource with a neighbouring Council during the next 12 months. Our target will be to reduce the cost of this function to the Council by 15-30%, subject to negotiation.
- 4.) **Community Safety** – We will work with the Lancashire Constabulary, Ribble Valley Borough Council and Blackburn with Darwen Borough Council to establish a strategic community safety partnership.
- 5.) **Emergency Call Centre** – We will work with Lancashire County Council to establish a 24x7 out of hours call centre, whilst providing first responses to low level LCC enquiries from our reception points.
- 6.) **Welfare Benefits and Council Tax** – This is an area of service which will undergo radical transformation over the next two years as a result of the national roll out of Universal Credit and the consequential phasing out of various specific benefits, allowances and tax credits. The nature of the service that is currently provided by the Council will be further changed by the abolition of the national Council Tax Benefit scheme from April 2013 and its replacement with the new locally determined scheme. The introduction of the Universal Credit will take place in phases over the four years from 2013 to 2017. As the migration to Universal Credit takes place, there will be a significant transfer of case load from the Council to the DWP. While this point has not been legally clarified, it is the DWP's view that TUPE will not apply in these circumstances. Notwithstanding this, it is the Council's view that the responsible approach to this over the period of this business case is to treat these changes as if they were an 'outsourcing' of the function, and use the time available to substantially down-size the staffing and resource dedicated to this function, whilst liaising closely with our contacts in the DWP to ensure that claimants are not adversely affected. With this in mind, our target over the period of the plan will be to reduce expenditure in this area by 12% in 2013-14 and 14% in 2014-15. There may be some variance in these figures depending on the pace of migration between the two systems over this period.

- 7.) **Pest Control** – This function provides domestic and commercial pest control services to residents and businesses in the Borough. We believe that this service lends itself well to the shared service model and we feel that we could realistically expect to negotiate contracts that will reduce our costs for these functions by 10% in 2013-14 and again in 2014-15.
- 8.) **Waste Management & Fleet Management** – This is a major area of service for the Council and one where the authority has achieved a number of national awards from DEFRA over recent years for its innovation and leadership in waste minimisation and fleet management. The waste management and recycling service enjoys high public satisfaction ratings (consistently in excess of 90%) and has a high public profile. As a recognized leader in this field, we are keen to explore the potential for shared service delivery for this service. We believe that if appropriate arrangements can be negotiated it should be possible to share senior management in this area and also take advantage of economies of scale and reduce the cost of the front line service together with ancillary costs around plant and equipment. Our goal will be to reduce senior management costs for this service by 30% through a shared service arrangement for waste management in 2013-14, and to reduce the cost of frontline services by 6.5% (saving approximately £100,000 pa) in the same period. Whilst we believe that further savings can be achieved through sharing facilities, specialist plant and equipment, and better procurement, it is not possible to quantify these until we know who the party (or parties) would be to the arrangement.
- 9.) **Parks and Open Spaces/ Horticultural supplies and services** – The Council aims to establish shared service and outsourcing arrangements that will reduce our expenditure on floral displays and bedding plants by 10% in each of the next two years.
- 10.) **Support Service Rationalisation** – Throughout the period of this plan we will monitor and keep under review the need for, and level of, the various back office services (including Legal Services, Accountancy and Audit services, Human Resources, Democratic and Administrative services) with a view to establishing new models of service delivery and reduced costs where this is possible. Our target will be to take whatever steps are necessary to reduce the staffing levels and costs of our support services by 20% over the next two years.

With each of these goals it would be our intention to negotiate the new arrangements as early as practicable in year 1, so that the savings that arise will be ongoing into the second year.

Section 3: Joint Procurement

The Council recognizes the benefits of joint procurement in terms of the cost reductions that can be gained by exercising the consolidated spending power of a consortium in price negotiations. The Council also accepts that a joint approach to procurement is often the best route to securing the capability and expertise to obtain best value for the public in respect of major contracts. For these reasons the Council has a number of joint procurement arrangements in place and does not directly employ a procurement team. Our current approach is set out below:

- **Fleet Management** – The Council’s fleet is largely comprised of operational vehicles that are needed for parks, refuse collection and recycling and street cleaning. For a number of years the Council has purchased these vehicles through the Yorkshire Purchasing Organisation. YPO is now itself part of the Pro5 purchasing consortium with a combined spending power of £2 billion per annum. The authority is currently tendering for six refuse vehicles through this consortium.
- **Temporary staffing** – While the Council has little need for agency staff, there are occasions when we make use of temporary employees to ensure that direct operations continue. Temporary/Agency staff are supplied through a contract procured by Lancashire County Council on behalf of all the Lancashire authorities through Matrix Recruitment ltd. The Council is currently reviewing its temporary workers’ contract and will be jointly procuring any replacement.
- **Leisure Centre Equipment** – The Council has retained ownership of the leisure facilities/assets that are run by the Leisure Trust in the Borough. When procuring new fitness equipment, the Council uses framework contracts from the Eastern Shires Purchasing Organisation (ESPO) to ensure best value. In 2012 the Council refitted the fitness suites in its 2 leisure centres, procuring £256k worth of equipment through the ESPO.
- **Stationery & Office Consumables** – Stationery and Office consumables are purchased under contracts that were jointly procured through the former Lancashire Procurement Hub (a part of the North West Improvement and Efficiency Partnership that operated until 2012.) These supplies operate on framework contracts that were secured on behalf of all Lancashire authorities, together with a number of framework contracts where the price was set by ‘reverse auctions’ for the suppliers.
- **ICT Hardware, Software & Telephony** – ICT hardware and provision of telephony has been procured through framework contracts negotiated through the Lancashire Hub (generating significant savings of up to 30% when compared to lone purchases.) Prices

for the supply of all perimeter software products and devices, firewalls, email filtering and virus monitoring products have also been procured through a Lancashire Hub tendering exercise. Prices for printer supplies, toner and paper products were set through a joint procurement exercise involving various Lancashire Councils, through an online ‘reverse auction’.

- **Energy Supplies** – The Council purchases its energy through Apollo Energy Ltd – an agent that is able to secure keen prices for energy due to its bulk purchasing.

The Council is also working with the other authorities in Lancashire on a Collective energy switching scheme for residents of the County (‘People Power’) that will again work through a bulk purchasing auction. This is a Community Energy Scheme that will involve all the district councils and the County Council.

It is evident that joint procurement features strongly in the way that the Council currently operates. Purchasing activity that takes place outside these frameworks, follows strict contract procedure rules that both ensure propriety and open market competition. Recently, for example, the Council organized a ‘Meet the Council’ event aimed at contractors who might be interested in tendering for building and maintenance work for the Council where the contract process was explained in some detail. The aim of this event was to increase transparency and ensure that contractors felt encouraged and able to compete for council contracts. Already one local SME that attended the event, and that had never worked for the Authority before, has won a competitive contract. We expect others to follow to the benefit of both our local taxpayers and the local economy.

Procurement is a key part of our strategy for ensuring that we remain sustainable in years to come and we will therefore commission an independent review of our procurement activity and options through the Local Government Association’s ‘Productivity Expert’ programme in 2013-14 and implement any agreed recommendations over the period of this business case.

Section 4 - Strategic Asset Management

The Authority takes a broad view of Strategic Asset Management that encompasses not only its estate and the other land and buildings in its ownership, but also sites in private ownership that are strategically important to our key priorities of securing the provision of new homes and developing jobs and economic growth.

We work very proactively with developers to encourage new housing supply. In January 2012 the Council adopted its Core Strategy, agreeing to make provision for up to 3200 new homes over the next 15 years. While depressed housing market conditions in the area have meant that many developers have chosen to hold back on building at the present time, the Council's approach is to continue to prioritise this issue so that the planning permissions are in place and ready to action when the market is able to take them up. Today, we have full planning permissions in place for a 5 year supply of housing (over 1100 homes) and we are actively working with developers to bring forward proposals for a number of other sites.

In terms of the major assets in the Council's ownership, there are three housing related sites which will be the focus for us in the next two years.

West Accrington – As a result of acquisitions through the former Housing Market Renewal Programme the Council owns some 30 acres of cleared brownfield land in West Accrington. The Council has entered a contract with Keepmoat Limited to build 450 new homes on this site, leveraging in approximately £55 million of private investment. To date 82 homes have been built (all of which have been sold) and 32 homes are currently under construction. The development will address identified housing needs in the area through a mixed provision of housing units and tenures.

Woodnook – Again, as a result of acquisitions through the former HMR programme, the Council owns some 200 traditional 'two up, two down' terraced houses in the Woodnook area of the Borough. The Council is seeking to develop this asset with a private company that has been formed by a developer (PlaceFirst) and a housing association (Twin Valley Homes). These partners have come together to form a new company 'Woodnook JVco.' The Council has agreed to transfer its stake in these properties in exchange for an agreed scheme of refurbishment that will see around £14m invested in the properties. As there is an oversupply of the 'two up, two down' property type in this area a number of the units will be remodeled into three and four bedroom properties and all the new units will be fully refurbished and fitted with energy efficient features before the empty homes are offered for rent. Work on this innovative scheme is already well underway and around a third of the properties will be brought back into use by summer 2014 and the remaining two thirds in the following year.

Clayton Triangle – The Council is currently working on a three way partnership with a private landowner and the The Canal & River Trust to bring forward a canal side development that should see the development of 130 new homes. Last year the parties concerned were able to secure full planning permission for the site, and we are currently in discussions about how to bring forward the development so that this asset is realized. The proposed scheme should generate a significant capital receipt for the authority, lever in £21 million private sector investment, and provide much needed housing that will contribute to the regeneration of the Canal corridor.

With regard to economic regeneration and job growth the Council works strategically with the neighbouring authorities in the sub-region, together with Lancashire County Council and the Local Enterprise Partnership. We have identified 3 key sites in the Borough, offering over 260 acres of land, which have now been included in the sub-regional Pennine Lancashire Investment Plan. Fully developed, these 3 sites have the capacity to accommodate around 9700 jobs. We recognize of course that this is not going to be achieved overnight, but we are in active discussion with the owners of all these sites and have viable planning schemes in place for two. There is also cross party discussion taking place amongst the MP's and authorities in East Lancashire about the possibility of a 'do it yourself' enterprise growth zone which would include these sites.

Employment sites held by the Council are proactively managed by the authority and we are always willing to discuss site disposal with leaseholders where this suits the needs of the business. As noted previously the Council was one of the first in the Country to establish a public/private regeneration company in the Borough when it set up Globe Enterprises PLC in 1995. This company is a private sector majority owned Company (one of three in the Borough) and has had considerable success in developing and managing office space (approximately 200,000 sq ft in total); building homes on derelict industrial sites in Accrington and Great Harwood; building a cinema and bowling alley; and this year completing the premises for the North West's first 'Studio School' based in Accrington.

Other land and buildings owned by the Council are managed through an asset management plan and the Council actively disposes of sites that are of no strategic value. The Council's Overview & Scrutiny Committee is currently undertaking a fundamental review of the asset management plan which is looking at all assets in the Council's ownership and determining with the relevant ward members which should be retained and which should be marketed for sale. The Council will complete this review in the first half of 2013-14 and proceed thereafter with the disposal of surplus assets. We will also aim in the first year of this plan to review the authority's office occupancy needs, with a view to substantially reducing the space occupied and the associated costs of this.

Finally, the Council will continue to make progress with a programme of asset transfer in respect of a number of significant public buildings. Although this process can be complex, since 2010 the Council has achieved the transfer of two such buildings. The first of these is the former Great Harwood Town Hall – which was transferred to Globe Enterprises Limited and has subsequently been refurbished into fully let units for start-up businesses. The second was the Transfer of Mercer House in Clayton-le-Moors to a community based charity, which now runs the building for a wide variety of community events in the town. Over the period of this plan we believe it will be possible to achieve the transfer of a further two significant public buildings to community interest companies/charities. In taking the Government’s lead on this we believe that this approach has benefits in reducing the maintenance requirement on the council taxpayer, while at the same time revitalizing these important buildings and enabling local people to take over their running.

Concluding comments:

The Council accepts that it is the responsibility of everyone involved in the public sector to play their part in reducing the budget deficit. At Hyndburn there is cross party support for our medium term financial strategy and the commitment in it to save £4.6m over the next three years (2013/14 to 2015/16). In the period of this Business Case the Council expects to achieve reduced costs equivalent to 10% of revenue spend in each of the next two years. The steps set out in this Plan will contribute to the required savings, but we will identify other steps too throughout the period.

Our strong track record of financial management over the past 10 years gives us great confidence that we can and will deliver the transformation of service that is needed to meet these targets. As this is a Council that is often closely contested in the local elections, the support of all three political groups that are represented on the Council for the commitments set out in this Plan is important to ensure that we are able to drive forward with its implementation irrespective of any potential change in political control. For this reason this document has been signed off by the Council's Chief Executive, Executive Director for Resources (s151 officer), Council Leader (Labour Party), Conservative Group Leader and Independents in Hyndburn Group Leader.

Councillor Miles Parkinson
Council Leader

Councillor Peter Britcliffe
Conservative Group Leader

Councillor Nick Collingridge
Leader, Independents in Hyndburn

David Welsby
Chief Executive

Joe McIntyre
Executive Director for Resources

Dated: