



Preston
City Council

CABINET BUDGET PROPOSALS



2023/24 – 2026/27

Introduction

By Councillor Matthew Brown,
Leader, Preston City Council

We continue to build back stronger and more resilient after the Covid pandemic and support our residents, communities, and businesses through what is still an extremely difficult time for many due to the current cost of living crisis with significant social, economic and health impacts. COVID and cost of living increases have exposed the vulnerability that inequalities in terms of ethnicity, gender, income and disability have caused, and this is something the Council continues to address going forward.

Through our partnership working with external agencies such as Public Health and the NHS, we are in a stronger position than before, as relationships strengthen, and this is of great benefit to the Council and residents alike.

We continue to pursue our ambitious regeneration agenda for Preston by progressing our Towns Fund



projects. We also embark on delivering Preston's £5.2m funding allocation from the government's UK Shared Prosperity Fund which will help us to invest in our communities, address the climate emergency, strengthen local business, the economy and innovation ecosystem, and support our most vulnerable residents back into employment.

We remain committed to our ambitious Community Wealth Building Agenda to address local inequalities and put ownership in a wider number of hands. Our work to promote the 'Preston Model', is just one strand of our Fairness Agenda

Our ambition and unfailing dedication to Preston remains high. We continue to strive for a vibrant, successful future and are proud to serve this City and of the work we, alongside our partners, continue to achieve.

We continue to face unprecedented levels of financial and economic uncertainty as we continue our pandemic recovery and tackle the current cost of living crisis. Yet despite the difficult budget challenges we have had to face in recent years, I believe that we continue to deliver high-quality frontline services to Preston's residents.

Councillor Matthew Brown

Progress against our Priorities Your City

■ Preston City Investment Plan and Towns Fund:



■ Animate (Harris Quarter Cinema and Leisure Scheme):



■ Levelling Up Fund 'Active Preston: Transforming our Community Infrastructure':



There are a number of key issues that we have been addressing for the City, e.g., a need to diversify and strengthen the City Centre workforce, finding innovative solutions to redundant commercial and retail property and a need to grow the leisure, culture and tourism offer.

In March 2021 Preston was awarded £19.9m Towns Fund grant which was accepted by the Towns Fund Board and the Council acting as accountable body. The 6 supported projects are:

1. Harris Your Place (Re-Imagining the Harris)
2. Animate (Cinema and Leisure Scheme)
3. Preston Youth Zone
4. Illuminate & integrate (Public realm and lighting enhancement)
5. Renewal of Harris Quarter Assets (Amounderness House)
6. Educate Preston

In November 2022 Council gave final approval to the c£45m Animate Harris Quarter Cinema and Leisure scheme and construction of the scheme commenced on 9 January 2023.

The Council has signed up as the anchor tenants a cinema operator (the Arc) and bowling facility (Hollywood Bowl). The restaurant operators also signed up to the scheme are Zizzi, Las Iguanas and Cosmo. The remaining units are in advanced negotiations. This is a key City Centre scheme which will support regeneration and community wealth building with the asset in local public ownership.

The Council has recently been successful in a £20m Levelling Up Fund bid which includes the delivery of two projects supporting Preston's City Investment Plan (CIP) ambitions for a healthier, more inclusive, liveable and sustainably connected city. The package includes:

- Regeneration of Preston's major parks. A cross-city project focusing on Ashton, Moor, Waverley, and Grange Parks, providing higher quality and more accessible sporting, community, public realm, heritage and safety infrastructure improvements.
- New and enhanced active travel infrastructure, including a replacement River Ribble cycle and pedestrian bridge, route improvements across the city centre and a Mobility Hub at Preston Bus Station. The outcome will be an active travel network that better serves and connects communities, businesses, education, transport, and cultural/leisure assets, including its major parks.

Whilst we continue to make difficult decisions in response to the financial challenge we will press on with our priorities. Further details can be found on the website www.preston.gov.uk

www.preston.gov.uk

■ Reimagining the Harris – Harris Your Place:



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Work has continued at pace to renovate the Harris Museum and Gallery to ensure that all residents and visitors to our city can feel a part of this fantastic space for Art and Culture in the City. This work forms part our wider ambitions around the Harris Quarter to create a destination which sits at the heart of the City's leisure and culture offer.

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■ City Living Preston and Stoneygate:



The national award-winning strategy, City Living Preston, was originally launched in 2017 and has been instrumental in kick starting an impressive turnaround in city centre living as numerous residential schemes have come forward since that time. The principal area of focus for City Living Preston is the Stoneygate masterplan area where there is potential for over 1,600 new homes on a range of brownfield sites. The registered provider Onward Homes have significant regeneration plans for their estate and for delivering more affordable homes on additional land and the Council is continuing to support them. The Council is also exploring the potential for the first Council-owned homes in nearly 20 years.

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■ Culture & Leisure - Events Programme:



The Council has set out an ambitious new approach to events and a programme for the city for the next two years which will see a range of events take place for all interests. We will continue to make use of the fantastic events spaces we have in the city and to encourage and enable partners and communities to do the same.

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Progress against our Priorities

Fairness for You

- Embedding Fairness in the Council's strategic planning:



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The Council is committed to ensuring that its budget and strategic decision-making processes reflect the principles of fairness and ensure that the budget reflects the priorities set out in the Achieving Preston's Priorities. The principles in the Fairness Charter underpin all of the Council's activities.

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- Community Wealth Building – Leading Resilience and Recovery in Preston:



We continue to progress this agenda through innovative and progressive dialogue and action with anchor institutions and community partners.

Key work streams within this agenda include Social Value, Co-operatives, and the Real Living Wage.

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- Real Living Wage:



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The Council is a proud to be an accredited Living Wage Foundation Employer and actively encourages other employers to join us in paying the Real Living Wage. Together with partners, we are leading the Preston Real Wage initiative to promote and increase the number of Preston businesses and organisations paying their employees a fair wage.

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- Cost of Living Crisis:



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The Council has worked with providers across the voluntary and community sector to support our residents through the Cost-of-Living Crisis. We have rolled out support including Household Support Funding, energy support schemes, affordable warmth and supporting the warm hubs initiative. We will continue to work with our communities and partners to support the most vulnerable in our society.

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- Partnership working to end Rough Sleeping:



- Changing Futures Programme:



- Making Homes from Houses:



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The Council received confirmation of Years 5, 6 and 7 funding which will allow us to continue to build on the pathways away from rough sleeping linking into a recovery model and trauma informed care approach. The focus as we approach year 6 will be to build new partnerships to develop further accommodation options. This will look at developing a first steps project which service users can access nightly with support offered to address issues preventing access to more permanent accommodation.

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The Council is the lead partner delivering the Changing Futures Programme for Preston, South Ribble, Chorley and West Lancashire area. The award of funding is from DLUHC via Blackburn & Darwen Borough Council. The fund is for local organisations to work in partnership to better support those who experience, multiple disadvantages, including homelessness, substance misuse, mental health issues, domestic abuse, and contact with the criminal justice system. The programme went live 1 April 2022 with a Lived Experience Team managed by Red Rose Recovery. Since going live, the programme has had 187 referrals.

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Activity has started to resume post COVID and the successful partnership with Community Gateway Housing Association (CGA) continues. In total 34 properties have been acquired so far and are undergoing refurbishment; of these 27 are already reoccupied. A further 7 properties are under offer or going through conveyancing. Prior to Making Homes from Houses bringing these houses back into use, these properties had been empty for a total of 112 years, one property alone had been empty for 13 years.

To date, the Council have invested £820k of developer contributions into this project. Alongside the investment of £3.3 m from CGA and Homes England, this is a significant boost to the provision of affordable housing in Preston. The national Empty Homes Network have recognised the excellent and innovative work of the Council in delivering this project with three awards, including Partnership of the Year.

Looking ahead, phase 3 of the project was retendered and awarded to CGA in 2022. This phase will continue until the allocated sum of £800k is fully committed.

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Progress against our Priorities

Your Council

- Digital Agenda – Service Improvement Board:



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The Council is continuing with its Digital Agenda with implementation of projects overseen by the Service Improvement Board.

Good progress has been made on several digital transformation projects, for example the Preston 365 cloud project, development of a new intranet, and development of self service forms with automatic processing. The Council has a full schedule of digital transformation projects for 2023 including further development of the Council's websites.

Visit Preston, Invest Preston, and Preston Markets websites:

[Visit Preston Home - Visit Preston](#)

[Invest Preston - Invest Preston \(investprestoncity.com\)](https://investprestoncity.com)

www.prestonmarkets.co.uk

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- Responding to the Climate Emergency:



Preston City Council declared a climate emergency in 2019 setting a target for the Council to reach net zero emissions by 2030. The Council's Climate Action Plan will be published early 2023. The Council continues to work with anchor partners across a range of projects to address the climate agenda and is actively seeking external funding opportunities. The Council's investment plan for the UK Shared Prosperity Fund includes many local interventions to address the climate emergency including funding for a climate assembly, feasibility studies to extend sustainable travel options in the City, community tree planting, and energy efficiency measures for fuel for households, and support for businesses to reduce their carbon emissions.

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- A County Deal for a Greater Lancashire: Improvement Board



The Council has a bold ambition to deliver a better form of local government with improved powers from government and the better funding to deliver much more for our residents. To underpin and support these ambitions we are committed to working in partnership with authorities across Lancashire in order to achieve the necessary changes.

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The Council's Achieving Preston's Priorities document includes the Council's Medium Term Financial Strategy (MTFS) and sets out the Council's spending plans for both revenue and capital during 2023/24 to 2026/27. The budget proposals are set out within this document and can be found here:- [Achieving Preston's Priorities](#)



Capital Programme

The Council continues to progress major regeneration in the City Centre.

The Towns Fund schemes are in progress. Full details of these schemes can be found within the Achieving Preston's Priorities document. The full costs and Towns Fund grant are being reported within the latest Capital Programme.

A report for the recently announced Levelling Up Funding is being presented to Budget Council in February 2023. The Capital Programme will be updated following the decision.

The Council has reviewed and assessed the existing Capital Programme. A number of schemes are being rescheduled to delay the financing costs and prioritise the major Towns Fund and Levelling Up schemes.

The proposed revenue savings from delaying the borrowing on the capital schemes are £15k in 2023/24, £170k in 2024/25, £115k in 2025/26 and £25k in 2026/27.

Further details can be found in the Achieving Preston's Priorities document

Revenue Budget

The Cabinet propose to recommend a 2.99% increase in the Council Tax for 2023/24. The provisional Government Settlement announced the flexibility for district councils to increase the Council Tax up to the capping limit of 3%.

This will mean an increase in Council Tax of 19p per week for a Band D property which will help to safeguard services.

The Council is using revenue reserves (money saved) to bridge the gap between what we spend and what we receive. By the end of the forecast the difference between annual spend and income received (if savings achieved) will be £1.1m. Ultimately the Council must be able to balance the cost of providing services with its income.

Seeking your views

The Council would like to hear from you about the choices ahead. The proposals for spending are contained in Appendix 1.

The Cabinet made a formal decision on what to propose to Council at the meeting held on 1st February 2023.

The proposals confirmed by Cabinet will be presented to the Council at its meeting on 23rd February 2023 at 10am in the Town Hall.

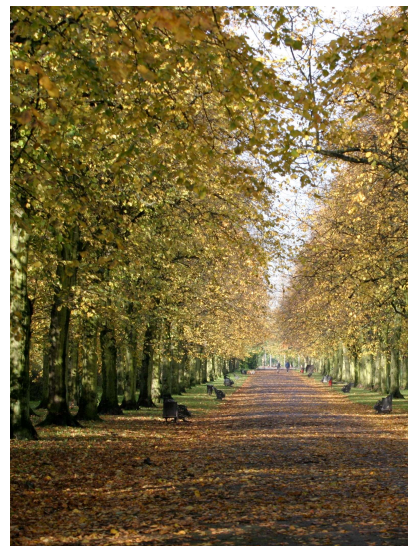
The Council meeting will receive a full document setting out the Council's priorities, performance and medium term financial strategy. Consultation responses received up to that day will also be included. This document is called Achieving Preston's Priorities and will be available on our website at [Consultations - Preston City Council](#).

Any responses to this consultation received by 22nd February 2023, will be presented to Members at the Budget Council meeting on 23rd February 2023. Responses received after this date will be provided to Members prior to the commencement of work on identifying savings for 2024/25.

All responses on the proposals should be emailed to consultation@preston.gov.uk

Alternatively they can be posted to the following address. Please mark 'Budget Consultation':

**The Town Hall
Lancaster Road
Preston City Council
PR1 2RL**



Appendix 1

Proposals for Consultation



Cabinet have formulated the budget proposals for 2023/24 and beyond. We would like your views on the following areas:

- **Increase in Council Tax for 2023/24**

The Cabinet propose to recommend a 2.99% increase in the Council Tax for 2023/24. This will mean an increase in Council Tax of 19p per week for a Band D property which will help to safeguard services.

- The additional spend and savings proposals are shown overleaf.

- The Cabinet propose to set aside in an earmarked reserve an annual % of Council Tax collected. This is towards the costs of the next Preston Guild in 2032.

The Council has identified a savings target of £600k in 2024/25 and the Budget Working Group will formulate a savings plan during 2023. The Council will continue to seek alternative efficiency savings and opportunities for income generation where possible.

The ultimate aim for the Council is to work towards bridging the gap (shortfall between how much the Council spends and how much the Council receives in funding) over the long term to ensure long-term sustainability for the Council and an ongoing balanced budget.



Additional Spend Proposal

Housing / Licensing Feasibility Study

- **One-off contribution of £40k in 2023/24 onwards**

The one-off contribution will fund a feasibility study to examine the issues arising from Houses in Multiple Occupation and other private sector rented accommodation in Preston and advise what options are available to help tackle those issues, including Additional or Selective Licensing. It will explore the resource implications of each option.

Climate Change feasibility Studies

- **One-off contribution of £50k in 2023/24**

The contribution will allow the Council to carry out feasibility studies on a number of climate change schemes which are planned for the Council's assets. Further details of the schemes will be set out in the of the Council's Climate Action Plan which will be published early in 2023.

Additional Savings Proposal

Vacancy Savings Challenge

- **£100k from 2023/24 onwards**

An increase in the vacancy savings target based on current and historic turnover and vacancy rates.

Planning Vacancy Savings

- **£25k in 2023/24 rising to £50k ongoing from 2024/25 onwards**

Deletion of a vacant post in the Planning Service Directorate.

Shared Service – Revenues & Benefits Restructure

- **£70k from 2023/24 onwards**

Ongoing savings from a restructure in the Revenues and Benefits Shared Service with Lancaster

Short-term reduction in non-staffing budgets

- **£100k in 2023/24 and £200k in 2024/25**

As a result of the recent successful Government grant bids a couple of the Council's non statutory services will be reprogrammed to concentrate delivery on the projects within the bids. This is temporary and does not impact on staffing budgets. The budgets will be reintroduced following completion of schemes and when capacity allows schemes to go ahead

Corporate Management Team Efficiency Challenge – Underspends and Efficiencies

- **£200k from 2023/24 onwards**

The Council has areas of budget underspend which will be reviewed during 2023 to identify if the budgets can be reduced. These are mainly as a result of the staff working digitally following the covid pandemic and less travel costs.

Rescheduling Capital Schemes – Short Term Borrowing Costs Saving

- **£15k in 2023/24, £170k in 2024/25, £115k in 2025/26 and £25k in 2025/26**

Reduction in Minimum Revenue Provision budget over the life of the forecast by delaying the implementation of capital schemes.